


REPUBLIC OF KENYA



Enhancing Accountability

 REPORT	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	13 JUN 2024
	WEDNESDAY
TABLED BY:	HON. OWEN BATA (OPPOSITION LEADER)
CLERK-AT THE TABLE:	J. LEMERELLE



THE AUDITOR-GENERAL

ON

KENYA UTALII COLLEGE

**FOR THE YEAR ENDED
30 JUNE, 2023**



Kenya Utalii College

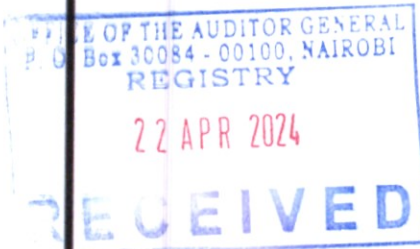
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ANNUAL REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2023

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

KENYA UTALII COLLEGE

Annual Report and Financial Statements for The Year Ended 30th June 2023

TABLE OF CONTENTS

1. Acronyms, Abbreviations and Glossary of Terms.....	ii
2. Key Entity Information and Management	iii
3. The College Council.....	v
4. Key Management Team.....	xiii
5. Chairman’s Statement.....	xvi
6. Report of the Chief Executive Officer.....	xvii
7. Statement of Performance against Predetermined Objective for FY 2022/2023.....	xviii
8. Corporate Governance Statement.....	xx
9. Management Discussion and Analysis.....	xxviii
10. Environmental and Sustainability Reporting.....	xxiv
Corporate Social Responsibility Community Engagements.....	xxv
11. Report of the College Council.....	xxvii
12. Statement of the College Council Responsibilities.....	xxviii
13. Report of the Auditor General on Kenya Utalii College for the year ended 30 th June 2023.....	xxix
14. Statement of Financial Performance for the year ended 30 th June 2023.....	1
15. Statement of Financial Position.....	2
16. Statement of Cash flows for the year ended 30 th June 2023.....	3
17. Statement of Changes in Net Assets for the year ended 30 th June 2023.....	4
18. Statement of Comparison of Budget and Actual Amounts for the year ended 30 th June 2023.....	5
19. Notes for the Financial Statements.....	15-36
20. Appendices.....	37

Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30th June 2023

1. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviation

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

B: Glossary of Terms

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

Comparative Year – Means the prior period.

Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30th June 2023

2. Key Entity Information and Management

(a) Background information

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

(b) Principal Activities

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

(c) Key Management

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

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

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

<u>No.</u>	<u>Designation</u>	<u>Name</u>
1.	Ag. Principal & Chief Executive Officer	Prof..Charles M.Musyoki PhD,OGW
2.	Ag. Director of Studies	Mr. Peter M.Muindi
3.	Finance Manager	Mr. Benard K.Chepkwony
4.	General Manager -Hotel	Mr. Anthony K. Mbehelo
5.	Ag. Human Resources & Admin. Manager	Ms. Tecla Kigen
6.	Ag. Director of Research and Corp. Planning	Dr. Florence W. Njau
7.	Ag. Head of Internal Audit	Ms. Jane Kawira

(e) Fiduciary Oversight Arrangements

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

Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30th June 2023

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

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

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

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

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

(f) Headquarters

P.O.Box 31052 - 00600
Thika Road, Ruaraka
Nairobi, KENYA

(g) Contacts

Telephone :(254) - 020-2458627, 0722205891, 0733410005
E-mail: info@utalii.ac.ke
Website: www.utalii.ac.ke

(h) Bankers

ABSA Bank Kenya Plc
Queensway House Branch
P.O Box 30011 - 00200
Nairobi.

Co-operative Bank of Kenya Limited
Stima Plaza Branch
P.O.Box 38764 - 00600
Nairobi.

(i) Independent Auditors

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

(j) Principal Legal Adviser


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

Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30th June 2023

3. The College Council

According to the Tourism Act 2011, the running of the College is vested in a Council appointed by the Cabinet Secretary. The following are the members of College Council.

COLLEGE COUNCIL -INDEPENDENT MEMBERS (FY 2022/2023)

 <p>Omusotsi D. Wamatsi Chairman Y.O.B: 1978</p>	<p>Qualifications & Experience</p> <ul style="list-style-type: none">▪ Bachelor of Science (Biochemistry) Kenyatta University▪ Esiko NGC JV Company Limited (Director/Managing Patner) 2010-present▪ Esiko Kenya Enterprises Limited (Managing Director/Chief Executive Officer) 2010-Present▪ Geo-Intel Company Limited (Managing Director) 2010-present▪ Wan & Barnhill Company Limited (Managing Director)▪ Brookside Dairies Limited (Attache) May, 2002 to August , 2002
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Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30th June 2023



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

Qualifications & Experience

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



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

Qualifications & Experience

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

Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30th June 2023



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

Qualifications & Experience

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



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

Qualifications & Experience

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

Kenya Utalii College,
Annual Report and Financial Statements For The Year
Ended 30th June 2023



Mr. John Odek Odek
Member
Y.O.B :1998

Qualifications & Experience

- Degree in Business Management
- Sign Language Interpreter
- Business Manager



Mr. Peter S. Ngori
Member
(Chairperson, Governance &
Compliance Committee)
Y.O.B:1954

Qualification & Experience

- Advanced Hotel Management Diploma (Hotel College Munich, Germany)
- Diploma in Hotel Management (Kenya Utalii College)
- Eka Hotel Nairobi-Operations director/Shareholder of the Management Company
- Abercrombie & Kent (2015 to date)-Executive Vice Chairman
- Technical Hospitality Consultant
- Abercrombie & Kent (2001 to 2015)- Managing Director.
- 1996-to 2000-Operations Director
- Windsor Golf & Country Club (1988 to 1995)- Operations Manager
- Jacaranda Nairobi (1986 to 1988)-General


Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30th June 2023

	<p>Manager.</p> <ul style="list-style-type: none"> ▪ Nyali Beach Hotel (1982 to 1986)-Deputy General Manager ▪ Outspan Hotel/ Treetops (1981-to 1982)- General Manager ▪ Maseru Hotel,Lesotho (1979 to 1981)- Assistant GM
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MEMBERS OF THE COUNCIL WHO ARE PUBLIC OFFICERS- FY 2022/2023

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

Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30th June 2023

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

Kenya Utalii College,
Annual Report and Financial Statements For The Year
Ended 30th June 2023



Prof. Charles M. Musyoki, PhD, OGW
Ag. Principal and CEO
Y.O.B: 1967

Qualifications & Experience

- Doctor of Philosophy Degree (Kyoto Japan)
- Masters of Philosophy Degree in Wildlife Management (Moi)
- Bachelor of Science (Hons) Wildlife
- Member-IUCN Antelope Specialist Group

Corporation Secretary

Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30th June 2023

Council Committees:

Finance and Human Resource Committee

The following members served in the Committee:

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

Council Audit Committee

The following members served in the Committee:

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

Technical and Strategy Committee

The following members served in the Committee:

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

Governance & Compliance Committee

The following Members served in the Committee

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

Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30th June 2023

4. Key Management Team



Prof. Charles M. Musyoki , PhD. OGW
Ag. Principal and CEO

- Doctor of Philosophy Degree (Kyoto Japan)
- Master of Philosophy Degree in Wildlife Management(Moi)
- Bachelor of Science(Hons) Wildlife
- Member-IUCN Antelope Specialist Group
- YOB:1967



Mr. Peter M. Muindi
Ag. Director of Studies



- MBA (Strategic Management)
- BSC (Hospitality Management)
- Diploma in Hotel Management
- YOB: 1966



Mr. Bernard K. Chepkwony

- MBA (Finance)
- BA(Economics)
- Certified Public Secretaries (K)
- Certified Public Accountant(K)
- YOB:1978

Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30th June 2023

<p>Finance Manager</p>	
 <p>Mr. Anthony K. Mbehelo General Manager – Hotel</p>	<ul style="list-style-type: none"> • MBA (Operation Management) • B. Com (Management Science) • Diploma in Hotel Management • YOB:1975
 <p>Ms. Tecla Kigen Ag. Human Resource and Administration Manager</p>	<ul style="list-style-type: none"> • MBA (Strategic Management) • B. Com (Human Resource Management) • Certified Human Resource Professional -CHRP(K) • Higher Diploma Human Resource Management • IMIS Diploma • YOB:1973

Kenya Utalii College,
 Annual Report and Financial Statements For The Year
 Ended 30th June 2023



Dr. Florence W. Njau
 Ag. Director of Research and Corporate
 Planning

- PhD (Hospitality Management)
- Masters in International Hospitality Management
- Bachelor Of Commerce (Marketing Option)
- Diploma in Hotel Management
- YOB 1964



Ms. Jane Kawira
 Ag. Head of Internal Audit

- MBA(Finance)
- Bachelor of Commerce
- Certified Public Accountant(K)
- YOB:1974

Corporation Secretary

Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30th June 2023

5. Chairman's Statement

Dear Shareholders,

I am pleased to present the annual accounts for the financial year 2022/2023 that ended 30th June 2023. These accounts have been prepared in accordance with International Public Sector Accounting Standards (IPSAS). The financial performance of the past year has faced challenges. Despite these challenges the Kenya Utalii College Council is proud of the achievements that the College has made. Among these is the placement of our alumni to opportunities for work in the UK and cruise ships among others.

As a Council, we are determined to improve the level of training in Hospitality and Tourism for the benefit of both local and international markets. The impact of this training is envisaged to lead to the development of a strong culture of service excellence by our graduates in the hospitality and tourism industry.

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

One of the key projects that the College has invested in, is the construction of the Individual Training Kitchen (ITK) for our students which will increase the capacity to provide training for two popular courses that have been severely affected by the limited capacity.

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

We look forward to a more positive 2023/2024


WAMATSI DAVID OMUSOTSI
CHAIRMAN, KENYA UTALII COLLEGE GOVERNING COUNCIL

Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30th June 2023

6. Report of the Principal & Chief Executive Officer

The financial year 2022/2023 was very successful. The College managed to push through all its programs despite the harsh economic situation and reduced funding from our partners.

The College successfully celebrated its 47th graduation with four hundred and eighty-four (484) graduands. We are proud of each one of them and we wish them every success as they embark on their journey as professionals in the hospitality and tourism industry. The graduates join the over 70,000 alumni of the Kenya Utalii College, which is a significant milestone in life.

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

We had great plans and aspirations for this esteemed institution at the beginning of year 2022. We have conducted refresher courses in the four regions, management development programs, and other tailor-made training programs, among many other activities.

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

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



Mr. Anthony K. Mbehelo

Ag. Principal & Chief Executive Officer

Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30th June 2023

7. Statement of Performance against Predetermined Objective for FY 2022/2023

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

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

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

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

KUC has three Strategic pillars and objectives within the current strategic plan for the financial year 2022/2023. These strategic pillars are as follows.

- Training
- Enterprise
- Partnership and Collaboration

Kenya Utalii College develops its work plans based on the above three pillars. KUC achieved its performance targets set out for the FY 2022/2023 Period for its three strategic pillars as indicated in the Diagram below

Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30th June 2023

Strategic Pillar	Objective	Key performance Indicators	Activities	Achievements
Training	<ul style="list-style-type: none"> Develop Human Capital and Operational Excellence 	<ul style="list-style-type: none"> No of Staff Trained 	<ul style="list-style-type: none"> Staff Development 	a) Individual Training <ul style="list-style-type: none"> 75 staff Trained b) Group Training <ol style="list-style-type: none"> Motivational Talk- 147 pax PPRA Training- 11pax Employee Wellness &HIV/AIDS-98 Pax National Cohesion- 6pax Pre-retirement Training-10Pax Risk Champions Training- 25 pax Defensive Training- 21 pax QMS Internal Auditors Documentation Workshop- 10pax
Partnership and Collaboration	<ul style="list-style-type: none"> Enhancing Research, Consultancy & Collaboration Portfolio 	<ul style="list-style-type: none"> No of Research, collaboration & Consultancies Done 	<ul style="list-style-type: none"> Research 	1.six (6) research papers 2. Trained 10 Pax from KNH on Mass Food Production. 3.Trained 45 Pax from Securex Agencies (k) Ltd
Enterprise	<ul style="list-style-type: none"> Ensure Financial Sustainability 	<ul style="list-style-type: none"> Grants 	<ul style="list-style-type: none"> Grants 	<ul style="list-style-type: none"> GOK provided ksh. 101,124,498 as Recurrents A.I.A Collected in the year is ks 365,359,728

Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30th June 2023

8. Corporate Governance Statement

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

a) Board Attendance

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

- Almanac for the College Council

COUNCIL AND COUNCIL COMMITTEE MEETINGS FY 2022/2023

FULL COUNCIL		
	Details if Meeting	Date
1.	130 th Council Meeting	Monday, 22 nd May,2023
2.	Ad-hoc Council Committee Meeting	Tuesday, 6 th June,2023
3.	Special Council Meeting	Tuesday, 13 th June,2023
4.	Ad-hoc Council Committee Meeting	Friday, 30 th June,2023
5.	131 st Council Meeting	Friday, 30 th June,2023

FINANCE & HUMAN RESOURCE COMMITTEE		
	Details of Meeting	Date
1.	83 rd F&HR Committee Meeting	Monday, 5 th June,2023
2.	Special F&HR Committee Meeting	Thursday, 15 th June, 2023

Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30th June 2023

TECHNICAL & STRATEGY COMMITTEE		
	Details of Meeting	Date
	-	-
COUNCIL AUDIT MEETING		
	Details of Meeting	Date
1.	41 st CAC Meeting	Thursday, 8 th June,2023
2.	41 st CAC Meeting	Tuesday,20 th June,2023

- The College Council was not fully constituted. The seven (7) independent members were appointed as indicated below: -
 - 2 in July,2022
 - 1 in August, 2022
 - 1(Chairman) in November,2022
 - 2 in May, 2023
 - 1 in June, 2023

b) Conflict of Interest

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

c) Statement of Compliance

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

d) Council Oversight

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

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

Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30th June 2023

e) Council Remuneration

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

f) Corporation Secretary

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

g) Separation of Roles

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

COLLEGE VISION

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

MISSION STATEMENT

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

Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30th June 2023

9. Management Discussion and Analysis

a) The College Operational & Financial Performance

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

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

b) College Compliance with Statutory Requirements

The College has complied with all statutory obligations including PAYE, NHIF, NSSF, and HELB, except for VAT which is outstanding in the financial year 2022/2023.

c) Key Projects and Investment Decision the College is implementing

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

Phase One

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

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

Phase Two

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

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

Proposed Project Outputs

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

Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30th June 2023

ii) Increase in revenue of internally generated revenue

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

10. Environmental and Sustainability Reporting

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

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

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

i) Sustainability Strategy and Profile

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

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

ii) Environmental Performance

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

Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30th June 2023

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

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

iii) Corporate Social Responsibility/ Community Engagements

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

NO	ACTIVITY	DATE	AMOUNT (KES)
1.	The College participated in a fundraising dinner at St. Benedict Parish opposite KCA University in aid for the construction of the church & school.	Friday, 9 th September, 2022	75,000
2.	UCESCO (United Culture Empowerment & Social Community Organization) Africa visited Tree Side Special School in Kasarani Nairobi.	Saturday, 8 th October, 2022	36,000
3.	The College hosted 180 pupils, 5 teachers, 5 mentors 3 members of BOM from Gatumaini Primary School, Thika.	Friday, 28 th October, 2022	86,005
4.	Kenya Utalii College participated in the Standard Chartered Nairobi Marathon 2022 at the Uhuru Gardens Nairobi.	Sunday, 30 th October, 2022	60,000
5.	Kenya Utalii College handed over Bread, Cakes and Water to Drive- in primary public school, (246) candidates who were preparing for the National K.P.S.E.A/K.C.P.E examinations.	Monday, 28 th November, 2022	43,860
6.	The College participated in the East Africa Wildlife Society (EAWLS) Forest	Saturday 25 th November, 2022	64,000

Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30th June 2023

	Challenge.		
7.	The College supported the 2 nd Edition of the Magical Kenya Tembo Naming Festival (MKTNF) 2023 at the National Amboseli National Park by adopting a baby elephant named UKARIMU.	Friday 3 rd March, 2023	750,000
8.	As part of Corporate Social Responsibility (CSR) the College donated wood/ logs to neighbor St. Benedict Catholic Church which runs a school to be used as firewood for cooking purposes.	27 th April, 2023	50,000
9.	Kenya Utalii College held its 47 th Graduation on Thursday, 22 nd June, 2023. The Guest of Honour was the CS Ministry of Tourism, Wildlife & Heritage. The ceremony started by planting trees. Six hundred (600) tree were planted.	22 nd June, 2023	75,000
TOTAL			<u>1,239,865</u>

Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30th June 2023

11. Report of the College Council

The College Council submit their report together with the financial statements for the year ended June 30, 2023 which show the state of Kenya Utalii College affairs.

Principal Activities

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

Results.

The results of the entity for the year ended June 30, 2023 are set out on page 1-5.

Council

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

Surplus remission

Kenya Utalii College did not make any Surplus during the financial year 2022/2023 and hence no remittance to the Consolidated Fund.

Auditors

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

Office of the Auditor General shall carry out Audit of Kenya Utalii College Financial Statements for the year ended 30th June 2023.

By Order of the Board

Richard Kileleshwa
.....
Corporation Secretary *RK*
Nairobi
Date..... *11/4/2024*

Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30th June 2023

12) Statement of the College Council Responsibilities

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

The Council is responsible for the preparation and presentation of the Kenya Utalii College's financial statements which give a true and fair view of the state of affairs of the College for and as at the end of the financial year ended on June 30, 2023. This responsibility includes:

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

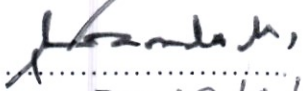
The Council accepts responsibility for the Kenya Utalii College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Council is of the opinion that the College financial statements give a true and fair view of the state of College's transactions during the financial year ended June 30, 2023, and of the College's financial position as at that date. The Council further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.

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

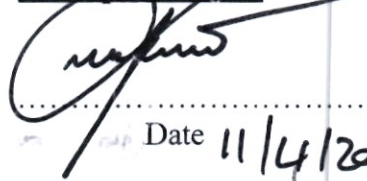
Approval of the financial statements

The College's financial statements were approved by the College Council on ^{25th 19/2023} and signed on its behalf by:

Chairman-KUC Council


.....
Date 15/4/2024

Principal & CEO


.....
Date 11/4/2024

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON KENYA UTALII COLLEGE FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Kenya Utalii College set out on pages 1 to 32, which comprise of the statement of financial position as at 30 June, 2023,

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

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of the Kenya Utalii College as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Tourism Act, 2011 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Inaccuracies on Current Provisions

The statement of financial position reflects provisions of Kshs.177,543,665 for the year under review and Note 18 to the financial statements reflects opening balance of provisions of Kshs.163,438,437. However, the prior year audited financial statements reflects a closing balance of Kshs.182,932,650 resulting in unexplained variance of Kshs.19,494,213. Further, Note 18 reflects additional provisions of trade receivables and specific accounts raised for the year under review of Kshs.14,105,228 instead of Kshs.801,013.

In addition, the provisions relate to receivables which ought to be accounted as impairment allowance of receivables with an effect of reducing the reported balance of receivables and shown as a sub-note of reconciliation for disclosure in the financial statements.

In the circumstances, the accuracy and completeness of provisions balance of Kshs.177,543,665 could not be confirmed.

2. Inaccuracies in Statement of Changes in Net Assets

The statement of changes in net assets reflects accumulated surplus of Kshs.1,699,358,806 for the year under review. However, re-casting reflects a negative balance of Kshs.2,193,827,658 resulting in an unexplained variance of Kshs.3,893,176,464.

In the circumstances, the accuracy and completeness of accumulated surplus of Kshs.1,699,358,806 could not be confirmed.

3. Understatement of Income from Commercial Transactions

Note 4 to the financial statements reflects income from commercial transactions of Kshs.48,970,920 which includes accrued interest of the call account amount of Kshs.5,212,056. However, review of correspondence KUC/6/14(151) dated 22 November, 2017, revealed the call account at Cooperative bank earned interest at the

rate of 8% per annum which translates to a daily rate of 0.0219% and computation of the interest earned during the year was Kshs.8,017,255 leading to understatement of the reported balance by Kshs.2,805,200.

In the circumstances, the accuracy and completeness of income from commercial transactions of Kshs.509,931,198 could not be confirmed.

4. Revenue from Exchange Transactions

The statement of financial performance reflects revenue from exchange transactions amount of Kshs.173,186,049 relating to revenue from commercial activities, fees from students and deficit balance of from Utalii hotel. However, review of sub ledgers' supporting schedules revealed debit entry balances amounting to Kshs.33,431,615 posted to the ledgers without corresponding contra entries/journal entries.

In the circumstances, the accuracy and completeness of revenue from exchange transaction of Kshs.173,186,049 could not be confirmed.

5. Inaccuracies in General Expenses

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects general expenses of Kshs.288,702,992. However, review of sampled journal vouchers amounting to Kshs.32,915,048 were expense amounts accrued on the strength of issuance of local purchase/service orders/commitment for procurement of goods/services whose delivery had not been done, performed or invoiced as at 30 June, 2023.

In the circumstances, the accuracy and completeness of general expenses expenditure of Kshs.32,915,048 could not be confirmed.

6. Fully Depreciated Assets

The statement of financial position reflects property, plant and equipment balance of Kshs.6,338,041,037 and as disclosed in Note 28 to the financial statements. However, motor vehicles and computer hardware were fully depreciated and still in use during the year under review. This was contrary to International Public Sector Accounting Standard No.17 which requires that revaluations be done with sufficient regularity such that the carrying amount of assets does not differ materially from that which would be determined using fair value at the reporting date.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.6,338,041,037 could not be confirmed.

7. Unsupported Trade and Other Payables

The statement of financial position reflects trade and other payables balance of Kshs.1,023,169,375 as disclosed in Note 17 to the financial statements. Included in the balance is outstanding accrued interest for GOK of Kshs.556,430,637 owned to the National Treasury for the outstanding principal of Kshs.122,000,000 according to Treasury correspondences. There was no plan in place by the College to settle the outstanding principal and interest.

In addition, the accrued interest of Kshs.4,442,113,092 as per prior year audited financial statements has been restated to Kshs.556,430,637 as at 30 June 2023 resulting to adjustments by Kshs.3,885,682,455 which ought to have an effect of increasing accumulated surplus, however the same has not been adjusted or explained in the financial statements.

In the circumstances, the accuracy and completeness of trade and other payables balance of Kshs.1,023,169,375 could not be confirmed.

8. Staff Loans Fund

Note 21 to the financial statements reflects staff loans fund balance of Kshs.23,369,700. Review of the transactions for the year revealed the following unsatisfactory issues;

- (i) Included in the staff loan balance is an amount of Kshs.340,438 for interest earned during the year. Review of loan repayment schedule revealed repayment of monthly interest and recognition of interest earned was made at fixed monthly rate over the repayment period instead of being based on the reducing balance method as required by loan policy scheme. As a result, the interest reported for the year may be understated while repayment of interest at a fixed amount implies less availability of loanable funds to staff.
- (ii) An amount of Kshs.87,821 relating to withholding taxes for College operations was paid out of staff fund bank account in the month of January, 2023. No evidence of refund was provided for audit.
- (iii) Included in Kshs.23,369,700 is an amount receivable from the College of Kshs.2,019,620 relating to car and house loan deductions for the period up to 30 June, 2023. However, no explanation has been provided by the Management for the delay to remit Kshs.2,019,620 to the staff car loan account.

In the circumstances, the accuracy and completeness of staff loans fund balance of Kshs.23,369,700 could not be confirmed.

9. Long Outstanding Deposits

Note 14 to the financial statement reflects receivables from exchange transactions of Kshs.135,108,955 which includes deposits of Kshs.4,067,569. However, the balance has been outstanding for several previous years and the College has not made claims for the deposits to date or provided evidence of efforts for follow up for the long outstanding deposits held by service providers.

In the circumstances, it has not been possible to confirm the recoverability of the deposits balance of Kshs.4,067,569 as at 30 June, 2023.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Utalii College Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe

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

Emphasis of Matter

Material Uncertainty Related to Going Concern

The statement of financial performance reflects that the College recorded a deficit before tax of Kshs.133,426,835 (2022: Kshs.91,941,633). Further, the statement of financial position reflects current liabilities balance of Kshs.1,210,190,910 which exceeds the current assets balance of Kshs.595,547,720 resulting to a negative working capital of Kshs.614,643,190. The financial position casts significant doubt on the College's ability to continue as a going concern as the entity may not be able to meet its short-term obligations as and when they arise.

In the circumstances, the financial statements were prepared on the assumption that the Hotel and the College will continue to receive financial support from the Government and its creditors.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Slow Implementation of Parliamentary Investment Committee (PIC) Recommendations

According to the Second Report of the PIC on Governance and Education on the examination of the Financial Statements of State Corporation (Training Colleges/Institutions) for the financial years 2018/2019, 2019/2020, 2020/2021-June, 2023, the Parliamentary Investment Committee made various recommendations. However, as at the time of audit in February 2024, the College had not implemented the recommendations as required.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Remit VAT Withholding Taxes

The statement of financial position and as disclosed at Note 17 to the financial statements reflects trade and other payables balance of Kshs.1,023,169,375. Included in the balance is unremitted VAT withholding taxes totalling to Kshs.17,434,692 due to Kenya Revenue Authority (KRA). This was contrary to Section 42A(4C)(b) and (4D) of the Tax Procedures Act, 2015.

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

2. Construction of Gym and Utalii Village Renovations

Review of court case civil suit No. E449 of 2019 between a local contractor and the College revealed that Management engaged the services of a legal representative to represent the College where orders of consent by both parties were agreed that the defendant to pay the plaintiff a sum of Kshs.23,000,000 being final settlement of the suit. The suit was for works undertaken on construction Gym and Utalii village renovation. The consent was done without prior concurrence/involvement and or approval of the Attorney General. This was contrary to Section 5(1) and 17 of the Attorney General's Act No.49 of the 2012 that requires engagement of consultant of Office of the Attorney General.

In addition, no evidence was provided that the process of identifying the advocate was as per the Public Procurement and Asset Disposal Act, 2015.

In the circumstances, Management was in breach of law.

3. Delayed Implementation of Contract for Supply, Delivery, Installation, Testing and Commissioning of Kitchen Extract and Fire Suppression Systems Installation Works

The College advertised tender no. KUC/62/2019-2020 relating to supply, delivery, installation, testing and commissioning of kitchen extract and fire suppression system. The contract was awarded to a local contractor at contract sum of Kshs.48,889,344 on 6 January, 2020.

The project completion period was six (6) months according to signed contract agreement with commencement date of 6 December 2021 and completion date of 6 June, 2022. Later the completion date was revised to 6 October 2022 and a further contract extension period of the project was approved of 19 March 2024.

Physical inspection carried out on 6 February, 2024 revealed that the project was still ongoing. In addition, site inspection minutes were not provided for audit.

A payment of Kshs.14,360,400 was made to contractor as per certificate no.1 dated 26 October, 2022 and no other works have been certified as at the date of inspection February, 2024 signifying slow implementation of works.

In the circumstances, the value for money for Kshs.14,360,400 Could not be confirmed.

4. Cash Purchases using Temporary Imprest

Note 11 to the financial statements reflects an amount of Kshs.288,702,992 for general expenses. Included in the amount are sampled imprest surrender vouchers amounting to Kshs.3,135,350 incurred on procurement of service over and above the threshold matrix for low value procurements as required by Regulation 92 (a) of the Public Procurement and Asset Disposal Regulations 2020 as detailed below;

- (i) The 47th Graduation ceremony for Kenya Utalii College was scheduled on the 22 June, 2023 for a total of 500 Diploma and Certificate who had successfully completed various courses offered by the Institution. The Accounting Officer vide Internal Memo Ref KUC/3/13 approved a total budget of Kshs.3,425,800. Included therein is an amount of Kshs.360,000 for purchase of 3 No. cartridges (CE 2050A, CE2051A, CE2052A, CE253A) that were procured using imprest advanced circumventing procurement regulations.
- (ii) The Accounting Officer vide Internal Memo Ref KUC/2/19 approved a total budget of Kshs.380,000 for Corporate image colours attires for the Kenya Utalii College Staff Choir. Imprest was advanced vide Imprest Warrant No IMP-09366 for purchase of Staff Choir Uniforms amounting to Kshs.200,000. In addition, there were no goods receipt note and issue notes for distribution to choir members.
- (iii) The Accounting Officer vide Internal Memo Ref KUC/39 approved a total budget of Kshs.2,587,742 for Gastronomy Tourism Food Festival 2023. Imprest was advanced vide Imprest Warrant No IMP-09644 for the food festival. Included in the surrender voucher No IMPSUR1995 is an amount of Kshs.150,000 paid in cash an entertainment provider for entertainment services during the festivals. In addition, there were no detailed analysis for the total approved budget of Kshs.2,587,742.
- (iv) The Accounting Officer vide Internal Memo Ref KUC1/24 approved a total budget of Kshs.1,169,200 for Sports Day. Imprest was advanced vide Imprest Warrant No IMP-09100 for purchase of gift vouchers amounting to Kshs.447,700. It's unclear why procurement method as envisaged in the procurement Act was not used despite the activity being in the college annual calendar.
- (v) The Accounting Officer vide Internal Memo Ref KUC2 /3 approved a total budget of Kshs.684,700 for leadership training retreat at Milele Beach Hotel. Imprest was advanced vide Imprest Warrant No IMP-09628 for full board accommodation of the students amounting to Kshs.225,000. It is unclear why procurement methods envisaged in the Act was not used despite the activity being in each academic school year calendar. Further, an amount of Kshs.30,000 was paid out for team building activities that was not within the approved budget for the retreat.
- (vi) The Accounting Officer vide Internal Memo Ref KUC2 /10 approved a total budget of Kshs.397,848 for Kenya Colleges Drama Festivals (Nairobi Regions). Included in the surrender voucher No IMPSUR1983 is an amount of Kshs.143,000 paid in cash to an individual for scripting and directing services during the drama festivals.

(vii) The Accounting Officer vide Internal Memo Ref KUC2 /10 approved a total budget of Kshs.397,848 for Kenya colleges drama festivals (Nairobi Regions) between 9 to 12 June, 2022. Included in the surrender voucher No IMPSUR1502 is an amount of Kshs.90,000 paid in cash for purchase of scripts and directing services during the drama festivals. It is unclear why the College did not hire these services by engaging the service provider directly and drafting a temporary contract with terms of reference.

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

5. Incomplete Fixed Assets Register

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

Further, the College acquired additional assets during the year under review of Kshs.48,604,943, however, the additional assets had not been updated in the register.

In the circumstances, Management was in breach of the regulations and may not be able to effectively monitor and safe guard its assets.

6. Management of Scholarship Grants

Note 3 to the financial statements reflects recurrent grants from the Government amount of Kshs.101,270,000 disbursed to cater for recurrent expenditure of Kshs.76,270,000 and Scholarships Kshs.25,000,000.

However, out of Kshs.25,000,000 received for scholarships, only Kshs.10,289,935 was disbursed to students despite the College reporting student's accounts receivables balance of Kshs.62,528,916 as reflected at Note 13 to the financial statements.

In the circumstances, the value for money on scholarship grant amount of Kshs.14,710,065 could not be confirmed.

7. Unauthorized over Expenditure

The consolidated statement of comparison of budget and actual amounts indicates the College spent Kshs.874,556,120 against an approved budget of Kshs.837,270,000 resulting to over expenditure of Kshs.37,286,120 or 4.4 % of the budget.

No approval of the over expenditure was provided for review. This is contrary to Regulation 44(2) of Public Finance Management (National Government) Regulations, 2015 which states that National Government entities shall execute their approved budgets based in the annual appropriations, and the approved annual cash flow plan with exception of unforeseen and unavoidable spending dealt with through the Contingencies Fund, or supplementary estimates.

In the circumstances, the College was in breach of the regulation.

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

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

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

Basis for Conclusion

1. Staff on Acting Positions for More than Six Months

Review of the College payroll, revealed an amount of Ksh.4,141,961 paid as acting allowances during the year. However, Kshs.4,013,180 out of the amount, was paid to staff members who had been paid acting for periods exceeding six months. This was contrary to Section 34(3) of the Public Service Commission Act, 2017 which states that an officer may be appointed in an acting capacity for a period of at least thirty days but not exceeding a period of six months. Further, no evidence of approvals of extension from the Council or the accounting officer. This was contrary to Section 4.4.5 of KUC Human Resource Manual and Policy 2018.

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

2. Long Outstanding Receivables

The statement of financial position reflects receivables from exchange transactions balance of Kshs.316,623,033 and as disclosed in Note 13 to the financial statements which includes College accounts receivables of Kshs.38,104,622, project debtors of Kshs.45,566,676, Hotel account receivables of Kshs.169,410,154, Student account receivables of Kshs.62,528,916 and Hotel staff debtors of Kshs.1,012,666.

However, the following unsatisfactory matters were revealed;

- (i) Included in College accounts receivable of Kshs.38,104,622 is Kshs.22,742,414 that have remained outstanding for a period of more than one-year contrary to the standard credit policy. Further, included in the balance are Kshs.6,375,458 and Kshs.2,795,028 relating to former staff who have since exited the College and insolvent staff/deceased staff respectively having no evidence of recovery.

- (ii) Included in hotel accounts receivables of Kshs.169,410,154 is an amount of Kshs.158,273,264 that has remained outstanding for a period of more than 120 days.
- (iii) Further, included in the balance is an amount of Kshs.9,163,012 relating to old uncollectable debtors which had no analysis or details transactions.
- (iv) Student accounts receivables of Kshs.62,528,916 includes an amount of Kshs.52,159,563 that have remained outstanding for a period of more than 120 days.
- (v) Hotel staff debtors of Kshs.1,012,666 includes an amount of Kshs.259,950 that have remained outstanding since the year 2019. The amounts relate to a customer who issued a bouncing cheque. It's unclear how the Hotel accepted a cheque from an individual contrary to the standard policy of accepting cheques from only Institutions and not individuals and preference of cash to issuance of cheque. Further, there is no evidence of efforts from the Hotel to pursue the debtor.
- (vi) The College has no approved documented credit policy.

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

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit so as to obtain assurance as to whether effective processes and systems of internal controls, 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 the College Council

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are

in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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 Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

19 April, 2024

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2023

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2023

	Note	2022/2023	2021/2022
		Kshs	Kshs
Revenue from non-exchange transactions			
Incomes from non commercial transactions	3	466,349,262	458,703,759
		466,349,262	458,703,759
Revenue from exchange transactions			
Revenue From Commercial Activities	4	48,970,920	48,130,726
Utalii Hotel Net Profit(Loss)	4a	(39,924,880)	(43,563,434)
Revenue From Commercial Activities	4a	44,153,920	49,308,331
Fees From Students	5	119,986,089	104,731,571
		173,186,049	158,607,194
Total revenue		639,535,312	617,310,953
Expenses			
Employee costs	6	383,738,016	377,413,208
College Council Expenses	7	8,481,434	10,065,763
Depreciation and amortization expense	8	45,007,898	42,532,622
Repairs and maintenance	9	19,922,865	15,945,858
Contracted services	10	27,108,942	23,632,403
General expenses	11	288,702,992	239,662,732
Total expenses		772,962,147	709,252,586
Deficit before tax		(133,426,835)	(91,941,633)
Taxation (Note Kenya Utalii College is a training Institution hence exempted from Corporate tax)			
Deficit before tax		(133,426,835)	(91,941,633)

The notes on page 6 - 33 form an integral part of the financial statements

Approval of the financial statements

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

Muechoko K. Anthony
 Name: *Muechoko K. Anthony*
 Principal & CEO

David W. Chepkwony
 Name: *David W. Chepkwony*
 Head of Finance

Wamati Dmucisi Dmucisi
 Name: *Wamati Dmucisi Dmucisi*
 Chairman of the Council

ICPAK M/No: *7192*
 Date: *11/4/2024*

ICPAK M/No: *7192*
 Date: *9/4/2024*

Date: *15/4/2024*

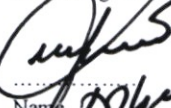
Kenya Utalii College,
Annual Report and Financial Statements For The Year Ended 30th June 2023
STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2023

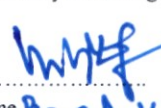
	Note	2022/2023 Kshs	2021/2022 Kshs
Assets			
Current assets			
Cash and cash equivalents	12	128,660,176	163,021,750
Receivables from exchange transactions	13	316,623,033	934,675,424
Receivables from non-exchange transac	14	135,108,955	140,514,786
		580,392,164	1,238,211,960
Inventories	15	15,155,556	14,700,587
		595,547,720	1,252,912,547
Non-current assets			
Staff Loans Fund	21	23,369,700	23,046,062
Property, plant and equipment	28	6,338,041,037	6,324,241,503
Intangible Assets	26	-	2,743,483
		6,361,410,736	6,350,031,048
Total assets		6,956,958,457	7,602,943,597
Liabilities			
Current liabilities			
Refundable deposits from customers	16	9,477,871	3,008,840
Trade and other payables from exchange	17	1,023,169,375	5,425,228,567
Provisions	18	177,543,665	182,932,650
		1,210,190,910	5,611,170,057
Non-current liabilities			
Borrowings (GOK Loan)	19	122,000,000	122,000,000
Staff Loans Fund	21	23,369,700	23,046,062
Total Non -Current Liabilities		145,369,700	145,046,062
Total Liabilities		1,355,560,611	5,756,216,119
Net Assets			
Capital Reserve - Refurbishment of Uta	22	147,664,508	152,743,770
Revaluation Reserve	27	3,629,374,532	3,709,035,609
Accumulated Fund	24	1,699,358,806	(2,140,051,900)
Capital Grants	25	125,000,000	125,000,000
Total Net Assets		5,601,397,846	1,846,727,478
Total Net Assets and Liabilities		6,956,958,457	7,602,943,598


The notes on page 6 - 33 form an integral part of the financial statements

Approval of the financial statements

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


 Name **Anthony K.**
 Principal & CEO
 Date **11/4/2024**


 Name **Bonnie K. Chelangat**
 Head of Finance
 ICPAK M/No **7192**
 Date **9/4/2024**


 Name **WAMATI OMBATI**
 Chairman of the Council
 Date **15/4/2024**

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2023

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 2023

Attributable to the owners of the controlling entity

Reserves	Staff Loan Fund Kshs	Accumulated Surplus Kshs	Capital Reserve Kshs	Capital Grants Kshs.	Revaluation Reserve Kshs	TOTAL Kshs
As at 1st July 2021	22,628,774	(2,126,439,552)	157,823,032	125,000,000	3,787,364,894	1,966,377,148
Hotel Revenues Account						
Funds received during the year	417,288					417,288
Amortization on Revaluation Reserve charge for the year		78,329,285			(78,329,285)	
Capital Grants						
Grants Amortized			(5,079,262)			(5,079,262)
Deficit for the year		(91,941,633)				(91,941,633)
Balance as at 30 June 2022	23,046,062	(2,140,051,900)	152,743,770	125,000,000	3,709,035,609	1,869,773,541
As at 1st July 2022	23,046,062	(2,140,051,900)	152,743,770	125,000,000	3,709,035,609	1,869,773,541
Funds received during the year	323,638					323,638
Amortization on Revaluation Reserve charge for the year		79,661,077			(79,661,077)	
Capital Grants						
Grants Amortized			(5,079,262)			(5,079,262)
Deficit for the year		(133,426,835)				(133,426,835)
Balance as at 30 June 2023	23,369,700	1,699,358,806	147,664,508	125,000,000	3,629,374,532	1,731,591,082

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

STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2023

	Note	2022/2023	2021/2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Grants from Government of Kenya -Recurrent		101,270,000	101,124,497
Revenue from Tourism Fund		360,000,000	352,500,000
Rent Income Staff Housing Units		29,585,782	-
Finance income(Gain on Foreign Exchange)		3,479,136	-
Call Account -Accrued Interest		5,212,056	-
Other Income Receipts		10,693,946	-
Fees from Students		119,986,089	104,731,571
Revenue from Commercial Activities		44,153,920	49,308,331
Utalii Hotel Net Profit		(39,924,880)	(43,563,434)
Total Receipts		634,456,050	564,100,965
Payments			
Employee Cost		383,738,016	377,413,208
Board Expenses		8,481,434	10,065,763
Repairs and Maintenance		19,922,865	15,945,858
Contracted Services		27,108,942	23,632,403
Use Of Goods and Services		288,702,992	239,662,732
Total Payments		727,954,249	666,719,964
		(93,498,199)	(102,618,999)
Deficit for the year before tax		-	(91,941,633)
Adjusted for:		-	-
Depreciation		-	42,532,622
Amortized Reserves		-	(5,079,262)
Contribution to provisions		(5,388,985)	(8,268,662)
Working capital adjustments:		-	-
Increase/Decrease in inventory		(454,969)	1,101,084
Increase/Decrease in receivables		623,458,222	108,406,604
Increase/Decrease in payables		(509,872,708)	(18,164,398)
Net cash flows from operating activities	20	14,243,361	28,586,354
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(48,604,943)	(20,475,762)
Net cash flows used in investing activities	25	(48,604,943)	(20,475,762)
Cash flows from financing activities			
Repayment of borrowings		-	(125,028)
Net cash flows used in financing activities		-	(125,028)
Net increase/(decrease) in cash and cash equivalents		(34,361,582)	7,985,563
Cash and cash equivalents at 1 July 2022	12	163,021,750	155,036,190
Cash and cash equivalents at 30 June 2023	12	128,660,176	163,021,750

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

Annual Report and Financial Statements for The year Ended 30th June 2023
 Consolidated statement of comparison of budget and actual amounts for the year ended 30th June 2023

	Original budget '2022/2023 Kshs	Adjustments Kshs	Final budget '2022/2023 Kshs	Actual on comparable '2022/2023 Kshs	Performance '2022/2023 Kshs	'Utilisation	Reasons for Variances
Revenue							
Revenue from Tourism Fund	360,000,000	-	360,000,000	360,000,000	-	100	
Rent-income from Staff Housing	28,414,800	-	28,414,800	29,585,782	1,170,982	104	* All the staff Houses were fully Occupied
Grants from Government of Kenya	101,270,000	-	101,270,000	101,270,000	0	100	
Sale of Obsolete & Discarded Equipment	2,000,000	-	2,000,000	20,598,477	18,598,477	1,030	* Due to Increase in revenue from foreign Exchange. Accrued interest & other income Receipts
Fees From Local Students	51,333,025	-	51,333,025	106,386,249	55,053,224	207	* Increase in Enrollment Of students
Examination Fees	3,305,000	-	3,305,000	4,948,864	1,643,864	150	* Increase in Enrollment Of students
Fees From Foreign Students	7,920,000	-	7,920,000	8,650,976	730,976	109	* Increase in Enrollment Of students
Gross Revenue from commercial activities	88,384,990	-	88,384,990	68,301,126	(20,083,864)	77	
Gross Revenue from hotel	194,642,185	-	194,642,185	142,181,770	(52,460,415)	73	
Total Income	837,270,000	-	837,270,000	841,923,244	4,653,244	101	
Expenses							
Employee costs	493,151,000	-	493,151,000	477,492,805	15,658,195	97	
Remuneration of College Council	14,000,000	-	14,000,000	8,481,434	5,518,566	61	
Contracted services	37,310,000	-	37,310,000	30,989,134	6,320,866	83	
Repairs and maintenance	16,388,000	-	16,388,000	23,081,844	(6,693,844)	141	* It includes Repairs from the Hotel
Staff Medical Scheme	27,488,000	-	27,488,000	18,001,333	9,486,667	65	
Insurance General	14,350,000	-	14,350,000	18,801,095	(4,451,095)	131	* Budget was Rationi;ized, and College Had Committed.
Research Expenses	1,000,000	-	1,000,000	7,951,834	(6,951,834)	795	* Budget was Rationi;ized, and College Had Committed.
Travelling & Accomodation-Local & Foreign	3,770,000	-	3,770,000	8,220,324	(4,450,324)	218	* Budget was Rationi;ized, and College Had Committed.
Water & Sewarage	23,031,000	-	23,031,000	17,760,904	5,270,096	77	
Heat, Light & power	43,736,000	-	43,736,000	47,397,409	(3,661,409)	108	
Office Stationery ,Printing	4,553,000	-	4,553,000	2,335,102	2,217,898	51	
Telephone, Mobile and Internet Services	5,018,000	-	5,018,000	2,262,562	2,755,438	45	
Advertisement, Promotion and Publicity	1,249,000	-	1,249,000	16,562,428	(15,313,428)	1,326	* Budget was Rationi;ized, and College Had Committed.
Staff Uniforms	4,850,000	-	4,850,000	1,532,602	3,317,398	32	
ISO Certification	1,500,000	-	1,500,000	1,260,096	239,904	84	
Licenses and permits	10,301,000	-	10,301,000	5,267,099	5,033,901	51	
Software Licenses, Renewals and Connectivity	27,213,000	-	27,213,000	16,290,931	10,922,069	60	
Seminars, Confrence , Workshops	1,585,000	-	1,585,000	8,241,231	(6,656,231)	520	* Budget was Rationi;ized, and College Had Committed.
Audit Fees	464,000	-	464,000	464,000	-	100	
Library Books	1,500,000	-	1,500,000	5,512,427	(4,012,427)	367	* Budget was Rationi;ized, and College Had Committed.
Student Welfare, Development	2,627,000	-	2,627,000	3,036,371	(409,371)	116	
Cleaning Materials and Detergents	5,782,000	-	5,782,000	3,491,290	2,290,710	60	
Staff Welfare	1,651,000	-	1,651,000	5,686,608	(4,035,608)	344	* Budget was Rationi;ized, and College Had Committed.
Students Training Expenses	94,753,000	-	94,753,000	144,435,257	(49,682,257)	152	* Budget was Rationi;ized, and College Had Committed.
Total Expenditure	837,270,000	-	837,270,000	874,556,120	(37,286,120)		
Surplus for the period	-	-	-	(32,632,875)	41,939,364		
Finance Charges-Interest on Loans	387,432,000	-	387,432,000	-	387,432,000		
Capital Expenditure	14,740,000	-	14,740,000	48,604,943			330
Less Hotel Expenses				(93,754,789)			
				(3,158,979)			
				(3,880,192)			
Balance as per Comprehensive Income	-	-	-	(133,426,835)			

I. NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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

2. Summary of significant accounting policies

a) Revenue recognition IPSAS 23

i) Revenue from non-exchange transactions

a) Related party transactions

i. Revenue from Tourism Fund

This is the revenue collected by Tourism Fund from hotels and restaurants to cater for both training and marketing needs in the hotel and tourism sector. It is shared between Kenya Utalii College, Kenya Tourism Board and Tourism Fund in accordance with approved budgets. The College Received Ksh. 360,000,000.

ii. Grants from Government of Kenya

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

iii. Rent Income from Housing Units

This is the income arising from rent charged to members of staff occupying the College's housing units. The college managed to generate ksh. 29,585,782 in the Year

ii) Revenue from exchange transactions –IPSAS 9

Rendering of Services-Fees revenue.

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

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

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

Revenue from Commercial Activities

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

Sale of Goods and Services -Utalii Hotel

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

b) Budget Information IPSAS 24

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

Kenya Utalii College,

Notes to the Financial Statements for the year ended 30th June 2023

The original budget for FY 2022-2023 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

c) Property, plant and equipment IPSAS 17

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

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

The annual depreciation rates in use are:-

	Acres	Rate	Estimated Useful Life
Freehold Land		Nil	
Leasehold Land			
Main College	24.76		51 Years
Library Complex	7.004		67 Years
Utalii Sports Club	9.85		66 Years
Utalii Village	22.768		53 Years
Ronald Ngala Utalii College	60		74 Years
Buildings		2.5%	40 Years
Plant and Machinery		10%	10 Years
Furniture, Technical & Teaching Equipment		20%	5 Years
Motor Vehicles		25%	4 Years
Computers		30%	3 ¹ / ₃ Years
Intangible Assets		20%	5 Years

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

d) Inventories IPSAS 12

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

Kenya Utalii College,

Notes to the Financial Statements for the year ended 30th June 2023

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

e) Provisions –IPSAS 19

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

f) A specific provision amounting to **Kshs 163,701,274** has been recognized. In addition a 5% general provision for doubtful debts has been created in the financial statement.

	PROVISION FOR BAD AND DOUBFUL DEBTS		
DETAILS	ACCOUNTS RECEIVABLE	SPECIFIC ACCOUNTS	TOTAL
SPECIFIC	54,737,163	108,701,274	163,438,437
5% 2022-2023 PROVISION	13,065,688	1,039,540	14,105,228
5% 2021-2022 PROVISION	11,995,384	1,309,831	13,305,215

g) Nature and Purpose of Reserves

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

Revaluation Reserve

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

Capital Reserve – Refurbishment of Utalii Hotel and Individual Kitchen

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

The balance has been arrived at as follows:

	2022/2023	2021/2022
	Kshs.	Kshs.
Balance at beginning of year	152,743,770	157,823,032
Less: Amortization	5,079,262	5,079,262
	-----	-----
Balance at end of year	147,664,508	152,743,770
	=====	=====

h) Employee benefits IPSAS 25**Retirement Benefit Obligations**

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

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

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

i) Cash and cash equivalents

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

i) Taxation

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

j) Contingent Liabilities and Assets

Contingent Asset

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

Contingent Liability

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

k) Capital Commitments

There were no capital commitments During the Year.

l) Financial Instruments-IPSAS 29

Financial Assets

Staff Loans Scheme Fund and Receivables

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

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

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

Kenya Utalii College,

Notes to the Financial Statements for the year ended 30th June 2023

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

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

Financial Liabilities

Staff Loans Scheme Fund and GOK Loan

Financial liabilities are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. The liabilities include GOK loan and the staff loan scheme fund

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

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

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

m) Subsequent Events IPSAS 14

There have were no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2023

n) Significant Judgements and Sources of Estimation Uncertainty

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

Kenya Utalii College,

Notes to the Financial Statements for the year ended 30th June 2023

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

The annual depreciation rates in use are:-

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

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

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

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

A specific provision amounting to Kshs 163,438,437 has been recognized. In addition a 5% general provision for doubtful debts has been created in the financial statement.

	PROVISION FOR BAD AND DOUBFUL DEBTS		
DETAILS	ACCOUNTS RECEIVABLE	SPECIFIC ACCOUNTS	TOTAL
SPECIFIC	54,737,163	108,701,274	163,438,437
5% 2022-2023 PROVISION	13,065,688	1,039,540	14,105,228
5% 2021-2022 PROVISION	11,995,384	1,309,831	13,305,215

Kenya Utalii College,

Notes to the Financial Statements for the year ended 30th June 2023

o) Related Parties IPSAS 20

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

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

College Management;

<u>No.</u>	<u>Designation</u>	<u>Name</u>
1.	Ag.Principal & Chief Executive Officer	Prof. Charles Musyoki,PhD.OGW
2.	Ag. Director of Studies	Mr. Peter M. Muindi
3.	Finance Manager	Mr. Bernard K. Chepkwony
4.	General Manager Utalii Hotel	Mr.Anthony K.Mbehelo
5.	Ag.Human Resource& Administration Manager	Ms. Tecla Kigen
6.	Ag.Director of Research and Corporate Planning	Dr. Florence W. Njau
7.	Ag.Head of Internal Audit	Ms. Jane Kawira

College Council;

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

Kenya Utalii College,

Notes to the Financial Statements for the year ended 30th June 2023

The following transactions were carried out with related parties;

	2022/2023	2021/2022
i) College Council remuneration		
Allowances paid to Council	8,469,434.35	10,065,763
ii) Grants from related parties		
Grants from Government of Kenya (GOK)	101,270,000	101,124,498
Grants from Tourism Fund (TF)	360,000,000	352,500,000

p) Comparative Figures

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

q) Intangible Assets IPSAS 31

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

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

r) Changes in accounting policies and estimates-IPSAS 3

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

s) Ultimate and Holding Entity

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

t) Currency

The Financial Statements are presented in Kenya Shillings (Kshs)

u) Events after the reporting period

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

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2023

Notes to the Financial Statements for the year ended 30th June 2023

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

	2022/2023 Kshs	2021/2022 Kshs
Grants from Government of Kenya -Recurrent	101,270,000	101,124,497
Revenue from Tourism Fund	360,000,000	352,500,000
Other Income Receipts		
Capital Grants from Government of Kenya - amortization	5,079,262	5,079,262
Call Account-Accrued Interest		
Total	466,349,262	458,703,759

4) Revenue from Commercial (Exchange Activities)

Rent Income from Staff housing	29,585,782	30,958,765
Other Income Receipts	10,693,946	10,015,664
Gain On Foreign Exchange	3,479,136	-
Call Account-accrued Interest	5,212,056	7,156,297
	48,970,920	48,130,726

Other Incomes

This comprises of:

	2022/2023 Kshs	2021/2022 Kshs
Sale of Discarded items	79,077	52,397
Identity cards & Lost items	313,267	274,358
Sale of Meal vouchers	879,015	550,935
Food Fair	2,232,600	-
Other Miscellaneous Income	26,965	132,407
Decrease in Provision for Bad Debts	5,388,985	8,268,662
Graduation fee	1,774,037	736,905
Total	10,693,946	10,015,664

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

Name of the Entity Sending the Grant	Amount recognized to Statement of Financial Performance	
	2022/2023 Kshs	2021/2022 Kshs
Ministry of Tourism	101,270,000	101,124,497
Tourism Fund	360,000,000	352,500,000

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2023

Notes to the Financial Statements for the year ended 30th June 2023

4a. Revenue from Commercial (Exchange) Activities

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

	2022/2023	2021/2022
	Kshs	Kshs
Self Sponsored Courses	9,937,015	15,773,809
Pioneer Courses	35,365,384	20,438,933
MDP & Refresher Courses	1,703,000	922,640
Bakery Sales	38,355	109,068
Laundry Services	6,553,629	5,290,522
Sports Club Bar Sales	679,951	250
Cyber café services - M-pesa		
Jifunze Bar Sales	120,958	63,185
Hire of facilities - Grounds and Hostels	10,063,900	14,911,650
Bookshop Sales & Photocopying	391,858	363,659
Barber Shop Rent	-	15,000
Degree Programmes	2,527,800	6,364,020
Consultancy	919,276	3,758,767
Project Revenue- Bomas		-
Sub-Total	68,301,126	68,011,503
Less: Direct Expenses	24,147,205	18,703,171
Total	44,153,920	49,308,331

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2023

Notes to the Financial Statements for the year ended 30th June 2023

Kenya Utalii College,

Notes to the Financial Statement for the year ended 30th June 2023

**UTALII HOTEL TRADING, ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2023**

	2022/2023 Kshs	2021/2022 Kshs
Revenue from exchange transactions		
Hotel Room sales	27,408,601	24,970,693
Hotel Food Sales	80,821,875	52,971,309
Hotel Beverage Sales	20,549,355	11,644,609
Other Income Receipts	9,173,817	7,229,403
GYM	4,228,122	1,426,905
House rent		
Deferred Revenue /Income		
Deferred Revenue /income Recognised		
Total revenue	142,181,770	98,242,919
Less: Cost of Sales	55,789,472	32,911,415
Gross Profit	86,392,298	65,331,504
Expenses		
Employee costs	93,754,789	79,453,584
Repairs and maintenance	3,158,979	3,870,471
Contracted services	3,880,192	3,227,100
General expenses	24,805,598	21,814,132
Finance costs	717,620	529,651
Total expenses	126,317,178	108,894,938
Surplus / Deficit before tax	(39,924,880)	(43,563,434)
Surplus / Deficit for the period	(39,924,880)	(43,563,434)
Number of staff		
Permanent	45	57
Contract	46	19
Casual	75	-
Intern	1	-

5. Fees From Students

	2022/2023 Kshs	2021/2022 Kshs
Actual		
Fees From Local Students	106,386,249	92,284,724
Fees From Foreign Students	8,650,976	8,987,578
Application Fees	2,486,864	1,262,269
Examination & First Aid Fee	2,462,000	2,197,000
Total	119,986,089	104,731,571
Grand Revenue Total	590,564,392	569,180,227

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2023

Notes to the Financial Statements for the year ended 30th June 2023

6. Employee costs

	2022/2023	2021/2022
	Kshs	Kshs
Employee related costs		
Salaries - Expatriate Staff	4,733,587	4,163,218
Salaries - Permanent Academic Staff	135,494,894	130,767,156
Salaries - Part-time Academic	2,083,551	794,187
Salaries - Administrative Staff	241,425,984	241,688,647
Total	383,738,016	377,413,208
Number of staff		
Permanent	204	212
Contract	123	114
Interns	7	10

7. College Council Expenses

	2022/2023	2021/2022
	Kshs	Kshs
Sitting Allowance	2,040,000	4,120,000
Travelling And Subsistence	3,661,590	2,857,400
Honararia	586,667	941,333
Mileage Allowance	350,894	853,242
Other Allowance	1,842,283	1,293,787
Total	8,481,434	10,065,763

8. Depreciation and amortization expense

	2022/2023	2021/2022
	Kshs	Kshs
Property, plant and equipment	42,264,415	42,532,622
Total	42,264,415	42,532,622

9. Repairs and Maintenance

	2022/2023	2021/2022
	Kshs	Kshs
Maintenance and Repair of Buildings	4,577,059	3,715,532
Maintenance and Repair of Equipment	5,512,336	2,618,529
Maintenance and Repair of Vehicles	9,833,470	9,611,797
Total	19,922,865	15,945,858

10. Contracted Services

	2022/2023	2021/2022
	Kshs	Kshs
Contracted Services	27,108,942	23,632,403
	27,108,942	23,632,403

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2023

Notes to the Financial Statements for the year ended 30th June 2023

11. General Expenses

The following are included in General expenses:

	2022/2023	2021/2022
	Kshs	Kshs
Medical Expenses	18,001,333	22,450,985
Staff Development	8,241,231	4,046,926
Staff and Students' Recreation Activities	3,036,371	286,926
Staff Welfare	5,686,608	4,678,094
Travelling and Subsistence Expenses	8,220,324	10,407,362
Industrial Training Expenses	5,414,256	1,930,517
Special Courses	5,837,063	2,216,230
Class Text Books, Library Books, & Periodicals	5,512,427	-
External Examination Expenses	861,968	1,507,810
Research Expenses	7,951,834	5,971,563
Bursaries Expenses	21,734,951	24,956,988
Professional Clothes and Uniforms	1,532,602	1,883,251
Food and Beverage	59,617,547	68,508,742
Printing and Stationery	2,335,102	3,023,856
Cleaning Materials	3,491,290	2,822,825
Entertainment and Public Relations	16,562,428	4,269,956
Renewal and Replacement	16,290,931	5,499,292
Heat, Light and power	47,397,409	29,737,759
Water, Sewerage and Land Rates	17,760,904	16,678,448
Postage and Telephone	2,262,562	2,318,417
Licences and Professional Services	5,267,099	2,425,893
Quality Assurance	1,260,096	2,069,575
Alumni, Placement & Collaboration	3,641,245	2,807,470
Finance Costs	1,520,316	1,862,226
Insurances	18,801,095	16,837,621
Audit fee	464,000	464,000
Total	288,702,992	239,662,732

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2023

Notes to the Financial Statements for the year ended 30th June 2023

Provision For Bad and Doubful Debts for the year Ended 30th June 2023

	2022/2023	2021/2022
	Kshs	Kshs
Increase(Decrease in Provision for bad and doubtful debts)	(5,388,985)	(8,268,662)
Total	(5,388,985)	(8,268,662)

Finance costs for the year ended 30th June 2023

	2022/2023	2021/2022
	Kshs	Kshs
Bank Charges	1,520,316	4,031,132
(Loss)Gain on Foreign Exchange	(3,479,136)	(2,168,906)
Interest on Loan from G.O.K	-	-
Total	(1,958,820)	1,862,226
Grand Expenses Total	770,218,664	709,252,586

12. Cash and cash equivalents

	2022/2023	2021/2022
	Kshs	Kshs
Cash in Hand -College	-	-
Cash in Hand -Hotel	128,385	8,872
Cash at Bank -College		
Co-Operative -Nairobi	911,381	2,716,850
Co-Operative -Mombasa	7,463	11,751
Co-Operative -Kisumu	18,837	23,157
Co-Operative -Development Account	116,883,697	115,120,903
ABSA - Shillings	604,261	15,366,421
ABSA - Foreign	385,963	23,524,100
Cash at Bank -Hotel		
Co- Operative - Shillings	143,700	108,778
Co- Operative - Foreign	594,469	267,047
Floats -College	5,582,600	4,188,000
Floats & M-Pesa	3,399,420	1,685,873
	128,660,176	163,021,750

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2023

Notes to the Financial Statements for the year ended 30th June 2023

12(a). Cash and cash equivalents

a) Current account

ABSA-Shillings	0945027746	604,261	15,366,421
ABSA-Foreign	022700324	385,963	23,524,100
Co-operative Bank of Kenya	01129070937100	911,381	2,716,850
Co-operative Bank of Kenya	01129070937101	7,463	11,751
Co-operative Bank of Kenya	01129070937102	18,837	23,157
Co-operative Bank of Kenya- Hotel	01136070937100	143,700	108,778
Co-operative Bank of Kenya- Hotel	02120070070937100	594,469	267,047
		2,666,074	42,018,102

c) On- Call Deposits

Co-operative Bank of Kenya	01150070937102	116,883,697	115,120,903
		116,883,697	115,120,903

d) Others

Cash In Hand-College		-	-
Cash In Hand-Hotel		128,385	8,872
Floats-College		5,582,600	4,188,000
Floats-Hotel		3,399,420	1,685,873
		9,110,405	5,882,745
Grand Total		128,660,176	163,021,750

13. Receivables from exchange transactions/Trade and other receivables

	2022/2023	2021/2022
	Kshs	Kshs
Current receivables		
College Accounts Receivable College	38,104,622	41,653,186
Utalii Hotel-Hotel	-	112,655,341
Project Debtors	45,566,676	45,542,676
Hotel Accounts Receivable	169,410,154	149,988,599
Students' Accounts Receivable	62,528,916	56,994,221
Hotel Staff Debtor	1,012,666	1,038,260
Utalii Hotel Debtor	-	526,803,142
Total current receivables	316,623,033	934,675,424
Non-current receivables		
Total non-current receivables		
Total receivables	316,623,033	934,675,424

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2023

Notes to the Financial Statements for the year ended 30th June 2023

Ageing analysis:(Trade and Other Payables)	2022/2023	% of the Total	2021/2022	% of the Total
	kshs		Kshs	kshs
Under one Year	1,012,666	0	1,038,260	0
1-2 Years	62,528,916	20	56,994,221	6
2-3 Years	169,410,154	54	149,988,599	16
Over 3 Years	83,671,297	26	726,654,345	78
Total	316,623,033		934,675,424	

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

Current receivables	2022/2023	2021/2022
	Kshs	Kshs
Staff Advances Account College	1,048,555	1,665,446
Staff Advances Account Hotel	682,697	655,373
Imprests Account College	7,103,281	3,210,829
Medical Advances Account College	590,910	1,137,419
Medical Advances Account Hotel		
Imprest Account Hotel	36,600	20,500
Curtain & Furniture Advances College	4,254,060	11,820,564
Curtain & Furniture Advances Hotel	1,280,506	1,961,943
Hospitalization Deposit	984,834	404,000
AHTSA	872,683	872,639
Warwick International	3,116,184	3,116,184
Kenya Revenue Authority	96,422,078	96,422,078
Prepayments College and COD	3,739,304	7,135,532
Income From Gok	8,439,166	-
Accrued Interest income	-	5,269,223
Prepayments Hotel and COD	2,470,528	2,755,488
Deposits	4,067,569	4,067,569
Total current receivables	135,108,955	140,514,786

14a) Aging analysis for Receivables from Exchange	2022/2023	% of the Total	2021/2022	% of the Total
Description	Kshs		Kshs	
Under one Year	25,095,875	19	22,253,808.94	16
1-2 Years	5,534,566	4	13,782,507	10
2-3 Years	4,067,569	3	4,067,569	3
Over 3 Years	100,410,945	74	100,410,901	71
	135,108,955		140,514,786	

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2023

Notes to the Financial Statements for the year ended 30th June 2023

Description	2022-2023	2021-2022
	Kshs	kshs
At the Beginning of the Year	140,514,786	289,605,090
Additional Provisions	3,892,452	10,377,109
Recovered During the Year	(9,298,283)	(159,467,413)
Written Off During the Year	-	-
At the end of the Year	135,108,955	140,514,786

15. Inventories

	2022/2023	2021/2022
	Kshs	Kshs
Food Stores -College	2,877,567	2,804,609
Food Stores -Hotel	1,366,584	1,897,978
Beverage Stores- College	1,659,922	643,304
Beverage Stores -Hotel	1,472,698	913,864
General and Maintenance - College	5,725,180	5,383,321
General and Maintenance -Hotel	1,077,009	1,283,305
Containers Stores- College	313,677	429,527
Containers Stores- Hotel	257,473	244,452
Zawadi Shop	67,534	69,282
Drugs Stores -College	337,912	1,030,945
Total inventories at the lower of cost and net realizable value	15,155,556	14,700,587

16. Refundable Deposits from Customers

	2022/2023	2021/2022
	Kshs	Kshs
Hotel Deposits Account	9,477,870.94	3,008,840
Total	9,477,871	3,008,840

Ageing Analysis: Refundable Deposits	2022/2023		2021-2022	
	Kshs	% of the Total	Kshs	% of the Total
Under one Year	7,381,990	78	912,959	30
1-2 years	16,445	0	16,445	1
2-3 years	235,620	2	235,620	8
Over 3 years	1,843,816	19	1,843,816	61
Total	9,477,871		3,008,840	

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2023

Notes to the Financial Statements for the year ended 30th June 2023

17. Trade and other payables from exchange transactions

	2022/2023	2021/2022
	Kshs	Kshs
Accrued Expenses College	99,869,170	67,051,662
Accrued Expenses Hotel	14,642,668	3,075,163
Utalii hotel-Hotel	-	526,803,142
Suppliers' Accounts College	161,945,832	124,755,539
Utalii hotel-College	-	112,655,341
Suppliers' Accounts Hotel	55,372,422	41,127,078
NHIF	596,300	739,750
P. A. Y. E	9,699,758	8,033,987
N.S.S.F	1,127,330	193,550
Staff Shortages	137,172	-
Kenyuco Sacco	413,756	251,053
Kenyuco Housing Sacco	313,804	228,833
Pension Deductions	2,206,881	4,249,215
Higher Education Loans Board	4,488	4,488
Education Levy	1,876,082	1,876,082
Select Management Services Ltd	39,968	44,648
Faulu Kenya Ltd	466,050	647,367
Other Staff Co-operative Societies	6,175,520	1,705,969
Barclays Bank Staff Loans Deductions	305,127	120,871
KCB Staff Loan deductions	-	32,700
Standard Chartered Bank Loan Deduction	145,866	189,858
Staff Loans Scheme Deduction Account	2,019,619	3,440,357
Staff Service Charge Account College	786,498	786,498
Staff Service Charge Account Hotel	3,008,315	976,938
Students Control Account	-	-
Salaries Control Account College	2,139,006	784,935
Payroll deduction Hotel	4,221,528	8,048,560
Utalii hotel	913,865	647,050
External exams (IATA) Contra	319,558	559,384
Insurance Claims and Others	3,560,121	1,968,124
Staff Welfare Fund Account(SWACO)	1,949,111	2,317,711

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2023

Notes to the Financial Statements for the year ended 30th June 2023

Pension Scheme Refunds Account	1,957,585	1,957,585
Deceased Special Fund Account	19,826,518	12,426,134
Prepaid Fees Account	13,404,746	10,166,532
University of Surrrey	351,931	351,931
Total Taxes	17,434,692	23,190,996
Training Levy college	377,338	377,338
Catering Levy College	1,021,286	1,021,286
Catering Levy Hotel	10,223,190	7,545,830
Students' Caution Money	8,554,642	8,032,042
Students' Council Account KUCSA	93,905	231,777
Bursaries Ac		-
Degree program identity card and Food Handlers	777,904	774,404
Students class funds & clubs	230,419	205,069
Watalamu Renovation Hotel-hotel	6,325,382	6,325,382
Watalamu Renovation Hotel-college	(6,325,382)	(6,325,382)
Deferred Revenue/ Income-Hotel		
Deferred Revenue/ Income-College	18,228,766	3,518,701
Accrued Interest for GOK	556,430,637	4,442,113,092
Total trade and other payables	1,023,169,375	5,425,228,567

Ageing Analysis: (Trade and other Payables)	2022-2023	% of the Total	2021-2022	% of the Total
	kshs		Kshs	
Under one Year	212,407,301	0	798,136,286	15
1-2 years	217,318,254	21	165,882,617	3
2-3 years	18,777,832	2	15,577,872	0
Over 3 years	574,659,403	56	4,445,631,792	82
	1,023,162,791		5,425,228,567	

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2023

Notes to the Financial Statements for the year ended 30th June 2023

18 Current Provisions

Year 2022	Trade receivables	Specific Accounts	Total
	Kshs.	Kshs	Kshs.
Balance at the beginning of the year	55,309,271	114,318,164	169,627,435
Additional provisions raised	11,995,384	1,309,831	13,305,215
Balance as at 30 June 2022	67,304,655	115,627,995	182,932,650

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

19. Borrowings

Domestic Borrowings

	2022/2023 Kshs	2021/2022 Kshs
Balance at the Beginning of the year	122,000,000	122,000,000
Domestic Borrowing During The year	-	-
Repayment During the Year	-	-
Total non-current borrowings	122,000,000	122,000,000

N/B Change of figure is as a result of reconciliation between Kenya Utalii College and National Treasury

20. Cash generated from operations

	2022/2023 Kshs	2021/2022 Kshs
Cash Flow from Operating Activities		
Receipts		
Grants from Government of Kenya -Recurrent	101,270,000	101,124,497
Revenue from Tourism Fund	360,000,000	352,500,000
Rent Income Staff Housing Units	29,585,782	-
Finance income(Gain on Foreign Exchange)	3,479,136	-

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2023

Notes to the Financial Statements for the year ended 30th June 2023

Call Account -Accrued Interest	5,212,056	-
Other Income Receipts	10,693,946	-
Fees from Students	119,986,089	
Revenue from Commercial Activities	44,153,920	
Utalii Hotel Net Profit	(39,924,880)	
Total Receipts	634,456,050	453,624,497
Payments		
Employee Costs	383,738,016	377,413,208
Board Expenses	8,481,434	10,065,763
Repairs and Expenses	19,922,865	15,945,858
Contracted Services	27,108,942	23,632,403
Use Of Goods and Services	288,702,992	239,662,732
Total Payments	727,954,249	666,719,964
Net cash flows from operating activities	(93,498,199)	(213,095,467)
Deficit for the year before tax	-	(91,941,633)
Adjusted for:		
Depreciation	-	42,532,622
Amortized Reserves	-	(5,079,262)
Contribution to provisions	(5,388,985)	(8,268,662)
Working capital adjustments:		
Increase/Decrease in inventory	(454,969)	1,101,084
Increase/Decrease in receivables	623,458,222	108,406,604
Increase/Decrease in payables	(509,872,708)	(18,164,398)
Net cash flows from operating activities	14,243,361	28,586,354

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2023

Notes to the Financial Statements for the year ended 30th June 2023

21. INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2023

	2022/2023 Kshs	2021/2022 Kshs
INCOME		
Interest earned from staff loans	340,438	431,088
Bank interest earned		
	340,438	431,088
LESS: EXPENDITURE		
Bank charges	16,800	13,800
Surplus	323,638	417,288

	2022/2023 Kshs	2021/2022 Kshs
Staff Loans Scheme Fund	23,046,062	22,628,774
Surplus	323,638	417,288
Amount received from Kenya Utalii College		
	23,369,700	23,046,062

REPRESENTED BY:

Loan Scheme Principal Advances	13,061,958	9,823,226
Bank Account balance	8,288,122	9,782,479
Amount Receivable from Kenya Utalii College	2,019,620	3,440,357
	23,369,700	23,046,062

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

Workings.	2022/2023 Kshs	2021/2022 Kshs
Interest. Car loan	241,696	245,064
House loan	98,742	186,024
	340,438	431,088
Less Bank Charges	16,800	13,800
	323,638	417,288

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2023

Notes to the Financial Statements for the year ended 30th June 2023

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

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

The balance has been arrived at as follows:

	'2022/2023 Kshs	2021/2022 Kshs
Balance at beginning of year	152,743,770.00	157,823,032
Add: Development Grants		
Less: Amortization	5,079,262.00	5,079,262
Balance at end of year	147,664,508	152,743,770

23. Revaluation Reserve

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

24. Accumulated Fund as at 30th June 2023

ACCUMULATED FUND AS AT 30TH JUNE 2023

	'2022/2023 Kshs	2021/2022 Kshs
Balance Brought Forward	(2,140,051,900)	(2,126,439,552)
Amortization of Revaluation Reserves	79,661,077	78,329,285
Total	(2,060,390,823)	(2,048,110,267)
Deficit for the Year	(133,426,835)	(91,941,633)
Balance carried Forward	1,699,358,806	(2,140,051,900)

25. Capital Grants

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

	'2022/2023 Kshs	2021/2022 Kshs
Balance Brought Forward	125,000,000	125,000,000
Capital Grants received during the year	-	-
Total	125,000,000	125,000,000

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2023

Notes to the Financial Statements for the year ended 30th June 2023

26. Intangible Assets

Cost/Valuation	9,769,737
Depreciation/Armotization	7,026,254
Charge for the year	-
Net Book Values as at 30th June 2022	2,743,483

Cost /Valuation	9,769,737
Depreciation/Armotization as at 1st July 2022	7,026,254
Charge for the year	2,743,483
Net Book Values as at 30th June 2023	-

27. Depreciation and armotization Expense

Description	2022-2023 kshs	2021-2023 kshs
Property plant and Equipment	42,264,415	42,532,622
Intangible Assets	2,743,483	-
Total Depreciation and armotization	45,007,898	42,532,622

28a. Property ,Plant and Equipment at Cost

Description	Cost Kshs	Accumulated Depreciation Kshs	NBV kshs
Land	4,900,000,000	-	4,900,000,000
Buildings	1,613,955,272	353,209,270	1,260,746,002
Plant & Machinery	30,815,991	23,370,103	7,445,888
Motor Vehicles	79,665,790	79,665,790	(0)
Computer and Related Equipmer	47,735,355	47,735,355	(0)
Office Equipment, Furniture & Fit	117,228,595	112,249,094	4,979,501
	6,789,401,003	616,229,613	6,173,171,390

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

Description	Cost or Valuation Kshs	Normal Annual Depreciation Charge Kshs
Motor Vehicles	79,665,790	19,916,447
Computer and Related Equipmer	47,735,355	1,432,061
Total	127,401,145	21,348,508

Annual Report and Financial Statements For The Year Ended 30th June 2023

Notes to the Financial Statements for the year ended 30th June 2023

REVALUATION RESERVE AS AT 30TH JUNE 2023							
Note. 27							
ITEM	LAND	BUILDINGS	PLANT AND MACHINERY	FURNITURE TECHNICAL AND EQUIPMENT	MOTOR VEHICLES	COMPUTERS HARDWARE	TOTAL
	KSHS	KSHS	Kshs	KSHS	KSHS		KSHS
COST / VALUATION							
Revaluation Account College as at 1st July 2020	4,216,634,500	184,271,396	(37,862,769)	(18,133,580)	(11,748,001)	(33,548,722)	4,299,612,824
Revaluation Account Hotel as at 1st July 2020			(1,968,352)	23,394,320	(285,300)	-	21,140,668
At 30th June 2020	4,216,634,500	184,271,396	(39,831,121)	5,260,740	(12,033,301)	(33,548,722)	4,320,753,492
DEPRECIATION/ARMOTIZATION							
Balance as at 1st July 2020	482,425,647	32,247,495	-	18,715,456	-	-	533,388,598
Charge for the Year to Revaluation Reserve Account	73,722,500	4,606,785	-	-	-	-	78,329,285
Accumulated Depreciation as at 30th June 2022	556,148,147	36,854,280	-	18,715,456	-	-	611,717,883
Net Book Value as at 30.6.2022 (Revalued figure)	3,660,486,353	147,417,116	(39,831,121)	(13,454,716)	(12,033,301)	(33,548,722)	3,709,035,609
COST / VALUATION							
Revaluation Account College as at 1st July 2022	4,216,634,500	184,271,396	(37,862,769)	(18,133,580)	(11,748,001)	(33,548,722)	4,299,612,824
Revaluation Account Hotel as at 1st July 2022			(1,968,352)	23,394,320	(285,300)	-	21,140,668
At 30th June 2023	4,216,634,500	184,271,396	(39,831,121)	5,260,740	(12,033,301)	(33,548,722)	4,320,753,492
DEPRECIATION/ARMOTIZATION							
Balance as at 1st July 2022	556,148,147	36,854,280	-	18,715,456	-	-	611,717,883
Charge for the Year to Revaluation Reserve Account	75,054,292	4,606,785	-	-	-	-	79,661,077
Accumulated Depreciation as at 30th June 2023	631,202,440	41,461,065	-	18,715,456	-	-	691,378,960
Net Book Value as at 30.6.2023 (Revaluation A/c)	3,585,432,060	142,810,331	(39,831,121)	(13,454,716)	(12,033,301)	(33,548,722)	3,629,374,532
Net Book Value as at 30.6.2022 (Revaluation A/c)	3,660,486,353	147,417,116	(39,831,121)	(13,454,716)	(12,033,301)	(33,548,722)	3,709,035,609

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2023

Notes to the Financial Statements for the year ended 30th June 2023

28. Property, plant and equipment

	LAND	BUILDINGS	W.LP WORK IN PROGRESS	PLANT AND MACHINERY	FURNITURE TECHNICAL AND EQUIPMENT	MOTOR VEHICLES	COMPUTERS HARDWARE	INTANGIBLE ASSETS	TOTAL
	KSHS	KSHS	KSHS	KSHS	KSHS		KSHS	KSHS	KSHS
COST / VALUATION									
Balance as at 1st July 2021 -College	4,900,000,000	1,564,629,890	119,124,285	28,768,919	78,084,945	69,740,790	37,751,386	-	6,798,100,216
Balance as at 1st July 2021-Hotel	-	26,325,382	-	2,047,072	38,808,305	9,925,000	9,983,969	-	87,089,728
Revaluation College	-	-	-	-	-	-	-	-	-
Revaluation Hotel	-	-	-	-	-	-	-	-	-
Additions College	-	-	20,475,763	-	-	-	-	-	20,475,762
Additions Hotel	-	-	-	-	-	-	-	-	-
Transfers/adjustments- COLLEGE	-	-	-	-	-	-	-	-	-
Transfers/adjustments- HOTEL	-	-	-	-	-	-	-	-	-
Less Disposal	-	-	-	-	-	-	-	-	-
At 30 June 2022	4,900,000,000	1,590,955,272	139,600,048	30,815,991	116,893,250	79,665,790	47,735,355	-	6,905,665,706
DEPRECIATION / ARMOTIZATION									
Balance as at 1st July 2022	-	274,977,776	-	17,206,905	112,182,025	83,789,447	50,735,432	-	538,891,585
Charge for the Year	-	39,115,747	-	3,081,599	-	-	335,276	-	42,532,622
Disposal	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Accumulated Depreciation At 30 June 2022	-	314,093,523	-	20,288,504	112,182,025	83,789,447	51,070,708	-	581,424,207
Net book values as at 30.6.2022	4,900,000,000	1,276,861,749	139,600,048	10,527,487	4,711,225	(4,123,657)	(3,335,353)	-	6,324,241,503
Net book values as at 30.6.2021	4,900,000,000	1,315,977,496	119,124,284	13,609,086	4,711,225	(4,123,657)	(3,000,076)	-	6,346,298,357
COST / VALUATION									
Balance as at 1st July 2022 -College	4,900,000,000	1,564,629,890	139,600,048	28,768,919	78,084,945	69,740,790	37,751,386	-	6,818,575,978
Balance as at 1st July 2022-Hotel	-	26,325,382	-	2,047,072	38,808,305	9,925,000	9,983,969	-	87,089,728
Revaluation College	-	-	-	-	-	-	-	-	-
Revaluation Hotel	-	-	-	-	-	-	-	-	-
Additions College	-	23,000,000	16,005,609	0	(0)	(0)	0	-	39,005,609
Additions Hotel	-	-	9,263,989	-	335,345	-	-	-	9,599,334
Lees: Disposal	-	-	-	-	-	-	-	-	-
At 30 June 2023	4,900,000,000	1,613,955,272	164,869,646	30,815,991	117,228,595	79,665,790	47,735,355	-	6,954,270,649
DEPRECIATION / ARMOTIZATION									
Balance as at 1st July 2022	-	314,093,523	-	20,288,504	112,182,025	79,665,790	47,735,355	-	573,965,197
Charge for the Year	-	39,115,747	-	3,081,599	67,069	-	-	-	42,264,415
Accumulated Depreciation At 30 June 2023	-	353,209,270	-	23,370,103	112,249,094	79,665,790	47,735,355	-	616,229,613
Net book values as at 30.6.2023	4,900,000,000	1,260,746,002	164,869,646	7,445,888	4,979,501	(0)	(0)	-	6,338,041,037
Net book values as at 30.6.2022	4,900,000,000	1,276,861,749	139,600,048	10,527,487	4,711,225	(4,123,657)	(3,335,353)	-	6,324,241,498

Revaluation Reserve

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

NOTE: W.LP (Work in progress)

is in relation to equipments and other items that will be delivered in the financial year 2023/2024

Other Notes

Financial Risk Management

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

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

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

- **Foreign Currency risk**

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

- **Market risk**

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

- **Liquidity risk management**

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

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS FY 2022/2023

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

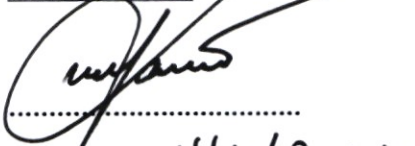
Appendix i

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

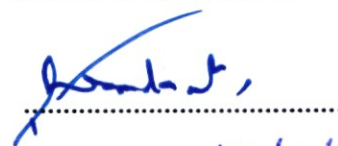
Kenya Utalii College,

5.	Irregular payment of Long Service Awards	The management has stopped payment of Long Service award going forward	Management	In progress	The Management Has Stopped payment of Long Service award
6.	Staff Acting for More Than Six Months	Request awaiting Board Approval to fill the Vacancies.	Management	In progress	Has been Implemented
7.	Non Functioning Library Management and Security System	The Management has contacted the supplier to sort out the Issue with the System	Management	In progress	In 6 Months

Principa & CEO


 Date 11/4/2024

Chairman- KUC Council


 Date 15/4/2024

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2023

Appendix IV: Transfers from Other Government Entities

Name of MDA/Donor Transferring the Funds	Date received as per bank statement	Nature: Recurrent/Development	Total Amount-kshs	Statement of Financial performan	Where Recorded/Recognized			Others- Must be Specific	Total Transfers During Year
					Capital Fund	Defered Income	Receivable		
Tourism Fund	30-7-2022	Recurrent	30,000,000	Yes	-	-	-	-	30,000,000
Tourism Fund	23-8-2022	Recurrent	50,000,000	Yes	-	-	-	-	50,000,000
Tourism Fund	21-9-2022	Recurrent	30,000,000	Yes	-	-	-	-	30,000,000
Tourism Fund	24-10-2022	Recurrent	40,000,000	Yes	-	-	-	-	40,000,000
Tourism Fund	21-11-2022	Recurrent	50,000,000	Yes	-	-	-	-	50,000,000
Tourism Fund	21-12-2022	Recurrent	30,000,000	Yes	-	-	-	-	30,000,000
Tourism Fund	19-01-2023	Recurrent	40,000,000	Yes	-	-	-	-	40,000,000
Tourism Fund	22-02-2023	Recurrent	30,000,000	Yes	-	-	-	-	30,000,000
Tourism Fund	28-03-2023	Recurrent	30,000,000	Yes	-	-	-	-	30,000,000
Tourism Fund	25-04-2023	Recurrent	30,000,000	Yes	-	-	-	-	30,000,000
			360,000,000						360,000,000

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2023

Appendix -Inter-Entity Confirmation Letter

Confirmation of amounts received by Kenya Utalii college as at 30th June 2023								
Amount Disbursed by Government of Kenya (Kshs) as at 30th June 2023								
Reference Num	Date Disbursed	Recurrent (A)	Development(B)	Inter-Ministerial	Total (D)=(A+B+C)	Received by (Kenya utalii College) as at 30th June 2023	Differences (kshs)(F)=(D-)	
RPT-C14082	2/11/2022	8,439,167	-	-	8,439,167	-	8,439,167	
RPT-C14083	2/11/2022	8,439,167	-	-	8,439,167	-	8,439,167	
RPT-C14557	21/11/2022	8,439,167	-	-	8,439,167	8,439,167	0	
RPT-C14853	8/12/2022	8,439,167	-	-	8,439,167	33,756,666	(25,317,499)	
RPT-C15114	23/12/2022	8,439,167	-	-	8,439,167	-	8,439,167	
RPT-C15601	25/1/2023	8,439,167	-	-	8,439,167	8,293,664	145,503	
RPT-C15774	3/2/2023	8,439,167	-	-	8,439,167	-	8,439,167	
RPT-C16454	7/3/2023	8,439,167	-	-	8,439,167	16,878,333	(8,439,166)	
RPT-C17087	11/7/2023	8,439,167	-	-	8,439,167	8,439,167	0	
RPT-C18009	12/5/2023	8,439,166	-	-	8,439,166	8,439,167	(1)	
JV-292	30/6/2023	8,439,166	-	-	8,439,166	8,439,167	(1)	
JV-301	30/6/2023	8,439,166	-	-	8,439,166	8,439,167	(1)	
	TOTAL	101,270,000	-	-	101,270,000	101,124,497	145,504	

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

Head of Accountants department of beneficiary Entity:

Name: Bernard K. Chepkuony Sign: [Signature] Date: 9/14/2024

