

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 19 JUN 2024

DAY

WEDNESDAY

REPORT

TABLED
BY:

THE HDN. NAOMI WAGDO
MP-DEPUTY KAS. WHIP

CLERK-AT
THE-TABLE:

RSTHER NGINTO

PARLIAMENT
OF KENYA
LIBRARY

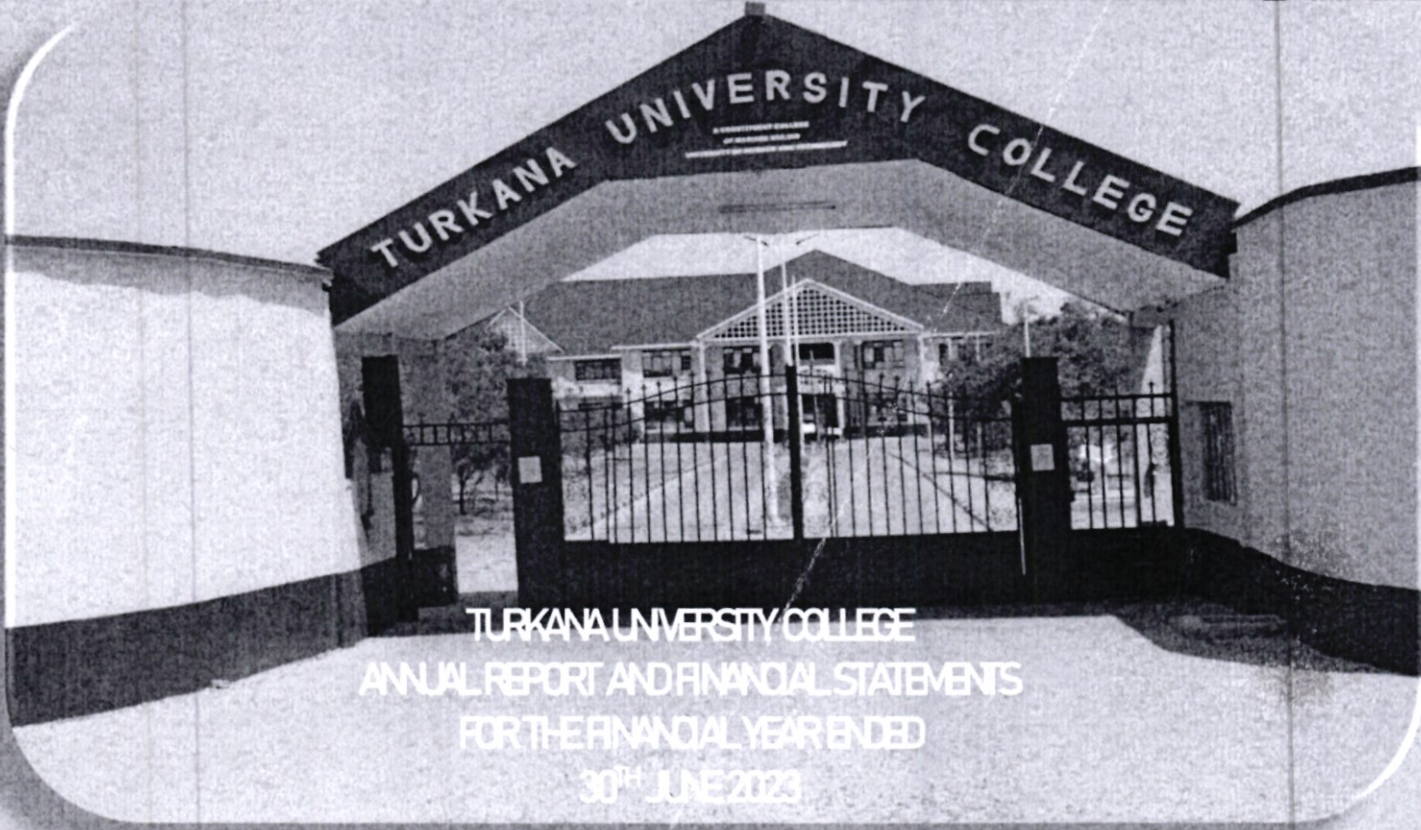
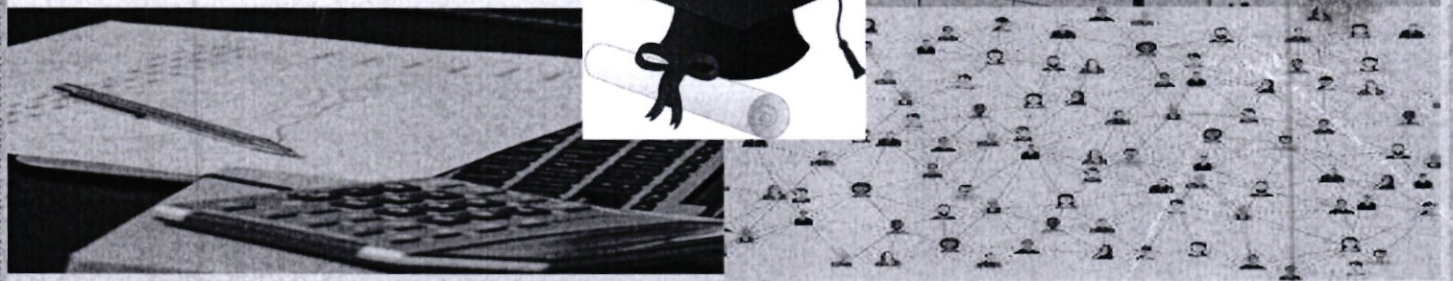
OF

THE AUDITOR-GENERAL

ON

TURKANA UNIVERSITY COLLEGE

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



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

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Annual Reports and Financial Statements For the year ended June 30, 2023

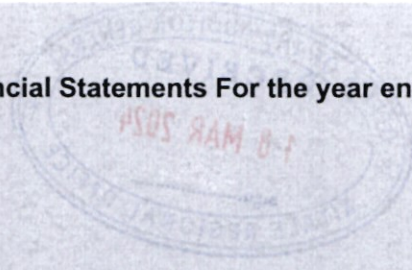




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1. Abbreviations, Acronyms and Glossary of Terms

A: Abbreviations and Acronyms

AFP	Administration Finance and Planning
ARECS	Academic, Research, Extension, Collaborations and Sealing Committee
ARMCC	Audit Risk Management and Compliance Committee of Council
ASA	Academic Student Affairs
CBK	Central Bank of Kenya
CDF	Constituency Development Fund
CEO	Chief Executive Officer
CHAKITU	Chama cha Kiswahili Turkana
DG	Director General
ERP	Enterprise Resource Planning
HRACC	Human Resource and Appointments Committee of Council
HRMPEB	Human Resource Management Professionals Examinations Board
ICPAK	Institute of Certified Public Accountants of Kenya
ICT	Information Communication Technology
IPSAS	International Public Sector Accounting Standards
KASNEB	Kenya Accountants and Secretaries Examination Board
KLISC	Kenya Library and Information Services Consortium
KOHA	
KUCCPS	Kenya Universities and Colleges Central Placement Services
LCD	Liquid Crystal Display
MD	Managing Director
MOU	Memorandum of Understanding
NT	National Treasury
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
ODEL	Open, Distance and e-Learning
OSHA	Occupational Safety and Health Act of 2007
PFDGPC	Planning, Finance, Development and General Purposes Committee

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PFM	Public Finance Management
PPE	Property, Plant & Equipment
PPRA	Public Procurement Regulatory Authority
PSASB	Public Sector Accounting Standards Board
PSC	Public Service Commission
PSSP	Privately Sponsored Students Programme
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporation
SESS	School of Education and Social Sciences
SOBE	School of Business and Economics
SOST	School of Science and Technology
TUC	Turkana University College
VC	Vice Chancellor
WB	World Bank

B: Glossary of terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resource of the organisation

Comparative Year- This means the prior period.



2. Key Entity Information and Management

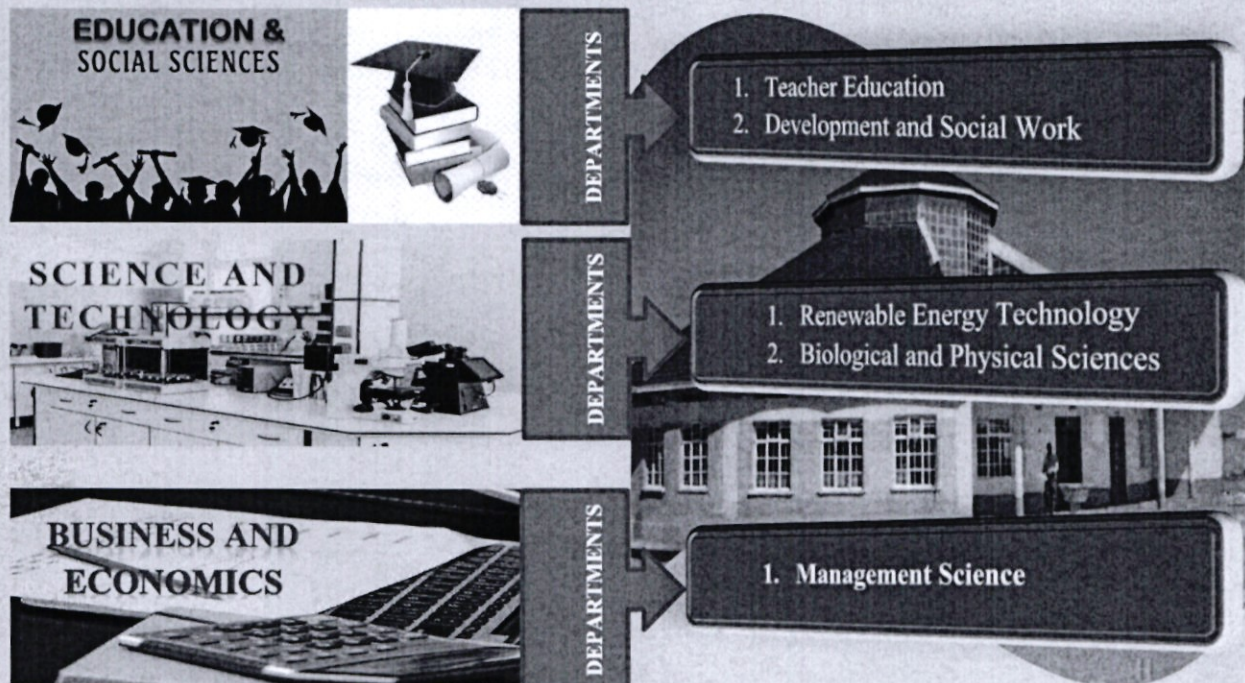
(a) Background information

The Turkana University College (TUC) was established through Legal Notice No. 8 of 2017. It was gazetted and inaugurated on 27th January, 2017 as a constituent college of Masinde Muliro University of Science and Technology (MMUST). Masinde Muliro University of Science and Technology Council guided the process including development of a proposal for establishment of a University College in North Western Kenya, acquisition of the infrastructure and inauguration of TUC Council.

TUC is the successor of Mount Kenya University (MKU) Lodwar Campus, which had occupied the site since 2015 after moving from Lodwar town where it had been offering University education since 2011. MKU is a chartered private institution. The transition from a private institution to a public one was facilitated by the Kenyan Government with MMUST as the University.

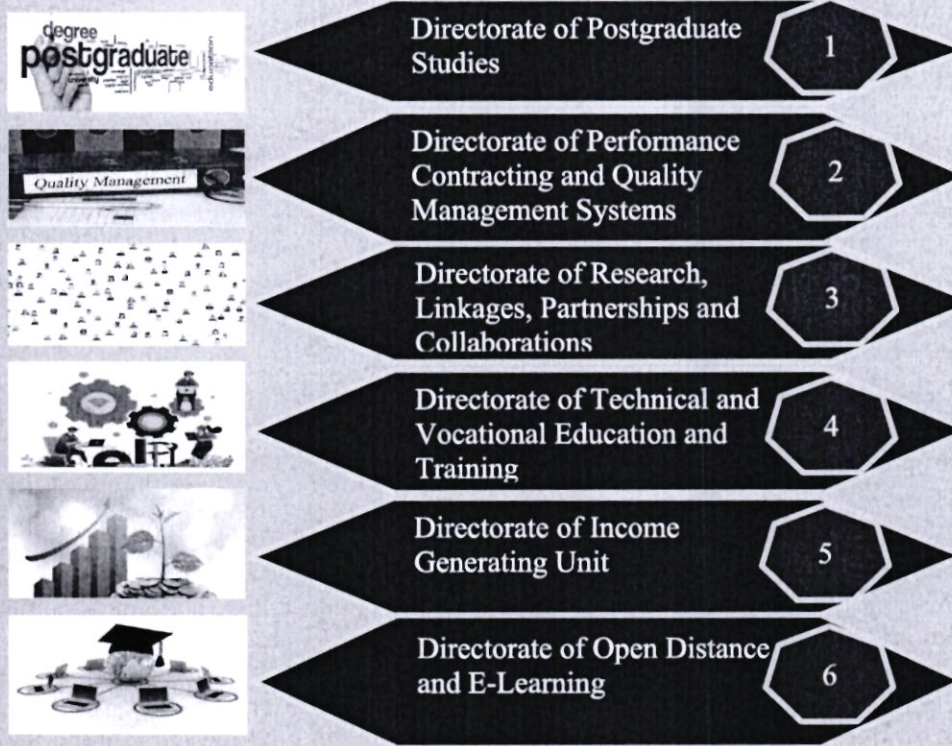
The University College currently has three Schools, five academic departments, and six directorates as indicated below:

The Schools are;





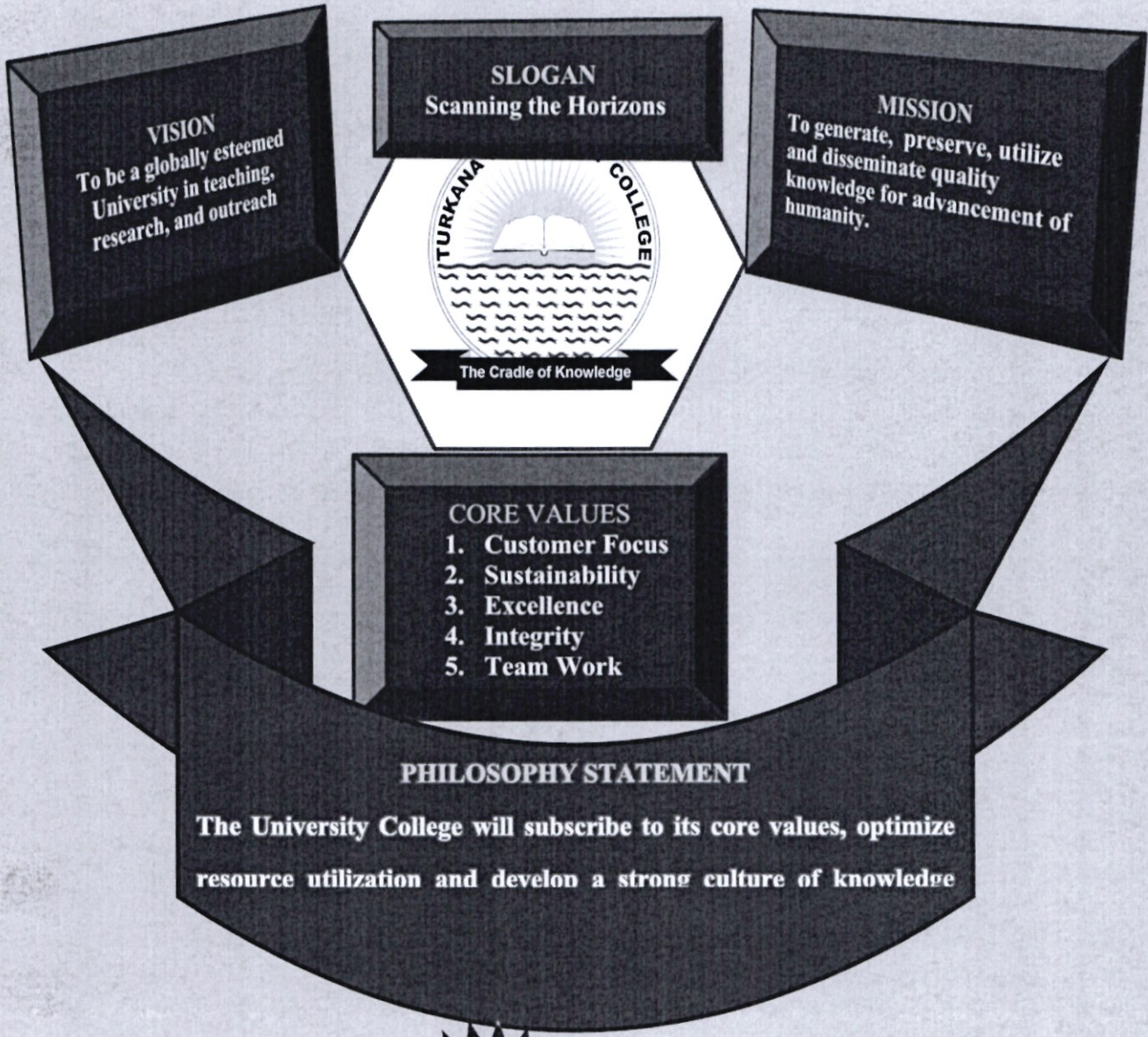
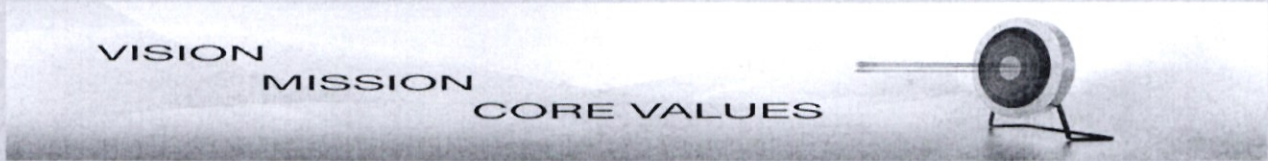
The Directorates are:



(b) Principal Activities

The principal activities of the University College are derived from the core functions as stipulated in the Universities Act 2012 and the University College Statutes. The mandate of TUC is to provide quality education and training, research, outreach and innovation to meet the needs of the Dynamic society.





Scanning the Horizons



MOTTO
"The Cradle of Knowledge"

Annual Reports and Financial Statements For the year ended June 30, 2023





(c) Key Management

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

The University College Council

TUC Council was appointed on 23rd May, 2023 by CS-Education. The Council Members will serve on a three (3) year term effective from 23rd May, 2023 to 22nd May 2026.

The Principal (CEO and Accounting Officer)

TUC is currently headed by a Principal and two deputies.

The University College Management Board

The University College Academic Board is headed by the Principal and comprises Heads of Divisions and Administrative Departments

The University College Academic Board

The University College Academic Board is headed by the Principal and comprises Heads of Divisions, Directorates, Schools, Academic Departments and Sections

The Deans Committee

The Dean's committee is headed by the Deputy Principal, Academic and Student Affairs and comprises Deans, Librarian, and Registrar Academic Affairs.

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility are shown in the table below:

Table 1: Key Management Personnel

No.	Designation	Name
1.	Principal (CEO)	Prof. George Chemining'wa
2.	Deputy Principal (AFP)	Prof. George Muthaa
3.	Deputy Principal (ASA)	Prof. Dr. Fredrick Kassilly
4.	Registrar, Administration	Dr. Henry Ongori
5.	Registrar, Academic Affairs	Mr. Paul Odongo
6.	Procurement Officer	Mr. Paul Ekiru

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No.	Designation	Name
7	Finance officer	CPA Dr. Jared Okello
8	Legal Officer	
9	Clinical Officer	Mr. Peter Nakusi
10	Librarian	Ms. Sherry Odari
11	Human Resource Officer	
12	Dean of Students	Rev. Jackson Iruko
13	ICT Officer	Mr. Morris Ngugi



Key Entity Information and Management (continued)

(e) Fiduciary Oversight Arrangements

The fiduciary oversight arrangements are guided by the TUC Council Committees whose composition and mandates are indicated below.

1. Human Resources and Appointments Committee (HRAC)

Members

1. Dr. Nelisa Kagendo Mbaka - Chairperson
2. Mr. Shadrack Kemoi Lomoywara
3. Dr. Dominic Kimutai Biwott
4. Ms. Josephine Nasambu Walela
5. Prof. George N. Chemining'wa - Ex-officio



Dr. Nelisa Kagendo

2. Audit, Risk Management and Compliance Committee(ARMCC)

**Members**

1. Ms. Carolyne Ekuwom -Chairperson
2. Mr. Jared Oyier
3. CPA. Dr. Solomon Ngahu
4. Mr. Gerald Mwangi



Ms Carolyne Ekuwom
Chairperson

(i)

3. Planning, Finance, Development and General Purposes Committee (PFDGPC)**Members**

1. Dr. Dominic Kimutai Biwott - Chairman
2. Mr. Shadrack Kemoi Lomoywara
3. CPA. Dr. Solomon Ngahu
4. Ms. Josephine Nasambu Walela
5. Prof. George N. Chemining'wa - Ex-officio

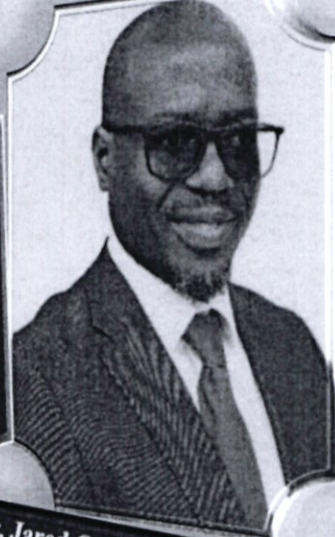


Dr. Dominic Biwott
Chairperson

4. Academics, Research, extension, Collaboration and Sealing committee (ARECS)

**Members**

1. Mr. Jared Oyier - Chairman
2. Dr. Nelisa Kagendo Mbaka
3. Ms. Carolyne Asuguru Ekuwom
4. Ms. Josephine Nasambu Walela
5. Prof. George N. Chemining'wa - Ex-officio



Mr. Jared Oyier
Chairperson

(f) Independent Auditor

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

(g) Principal Legal Advisor

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

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- (f) **Headquarters**
Turkana University College
Off Lodwar- Kapenguria Highway,
P.O Box 69 -30500
LODWAR,
KENYA
- (g) **Contacts**
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Tel.0792800500
Website:
www.tuc.ac.ke
- (h) **Bankers**
Kenya Commercial Bank Group Limited, Lodwar Branch.
P.O Box 150-30500 LODWAR
- (i) **Independent Auditors**
Auditor General
Office of the Auditor General Anniversary Towers,
University Way
P.O. Box
30084 GPO
00100 Nairobi,
Kenya
- (j) **Principal Legal Adviser**
The Attorney General State Law Office
Harambee Avenue
P.O. Box 40112 City Square
00200 Nairobi, Kenya



3. The Council

THE UNIVERSITY COLLEGE COUNCIL



DR. Dominic Kimutai Biwott



Dr. Salim Peter Ndemo,



Dr. Nelisa Kagendo Mbaka



Mr. Jared Oyier



Ms. Carolyne Asuguru Ekuwom



Mr. Shadrack Kemoi Lomoywara



Ms. Josephine NasambuWalela



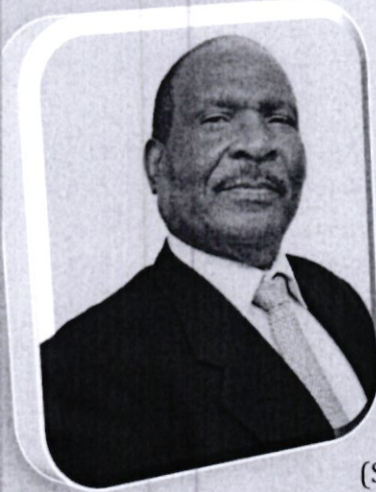
Prof. George Ndiema Chemining'wa



C.P.A. Dr. Solomon Ngahu



1. THE COUNCIL



Chairman

D.O.B.: March 1, 1952

DR. SALIM PETER NDEMO, PHD, MIOD(K), SS, MBS

Dr. Ndemo is the Chairperson of Turkana University College Council. He has made significant contribution during his service in the provincial administration, public service Commission, Transport, Telecommunications, Information, Shipping, Maritime and Security sectors in a period spanning over 45 years. His due diligence and patriotism have earned him national decorations and awards including the Presidential Stick (Paramilitary), Silver Star of Kenya (SS), Long Service Medal and Order of Moran of the Burning Spear, MBS.

Dr. Ndemo has had an illustrious career in public service. He joined the civil service as a District Officer in 1977 after which he rose in ranks to District Commissioner, Senior Deputy Commissioner, Deputy Provincial Commissioner and Acting Provincial Commissioner. In 1999, he served as the Senior Deputy Secretary in the Ministry of Transport, Telecommunications and Information and he was later appointed the first Director of Shipping and Maritime Affairs. He has served a Director in the Boards of Management of Kenya Ports Authority, Kenya Railways, Communication Authority of Kenya, Telekom, National Shipping Line and Postal Corporation of Kenya. In 2003, he joined the Public Service Commission of Kenya as a Commissioner and served in the position for six years. During the same period, he served as an advisor to the Government of Southern Sudan on Governance. He has also served as a member of the National Taskforce on Community Policing and the National Committee on the Implementation of Citizen Participation in Security. Dr. Ndemo served as the Chairman of the Postal Corporation of Kenya Pension Scheme from 2013 to 2018.

Dr. Ndemo is an alumnus of the University of Nairobi where he earned a Bachelor of Arts degree in 1977. He holds Masters and Doctoral degrees in Management from the Universities of Walden and Washington, respectively. He has attended short courses on public policy and management locally and globally. He is a member of the Centre for Corporate Governance Alumni and a member of the Institute of Directors of Kenya, MIOD(K).

Dr. Ndemo is an author of a book titled "The Epitome of State Power": The Provincial Administration in Kenya. He is currently finalizing two books on Security and Cultural Aspects of the Abagusii community, respectively.



Member



D.O.B: January 16, 1982

HON. DR. DOMINIC KIMUTAI BIWOTT, PHD

Hon. Dr. Biwott is an independent member of the Council and the Chairperson of the Planning, Finance, Development and General Purposes Committee of Council. He is a strategic management and agribusiness professional, with over 10 years of experience in providing strategic direction and leading successful management teams in government, private sector and agribusiness sectors. He currently works at the British High Commission's Foreign, Commonwealth and Development office (FCDO) as the Regional Advisor for Kenya's North Rift Region. He also serves on the Board of Trustees for the Water Sector Trust Fund a position to which he was appointed in February 2019.

Hon. Dr. Biwott has had the honour of serving as the Deputy Governor of Nandi County (2013-2017) and the Acting Chief Executive Officer of the North Rift Economic Bloc (November 2018 to June 2022). Further, he has worked at Canken International Limited as the Export/Business Development Manager (January 2011 - March 2013), Production Manager (June 2008 - December 2010 and Agronomist (March 2008 - June 2008).

Hon. Dr. Biwott holds Bachelor of Science in Horticulture (Egerton University), Master of Business Administration in Strategic Management (Catholic University of Eastern Africa) and Doctor of Philosophy (Moi University). He has a certificate in the Strategic Leadership Development Program (SLDP) offered by the Kenya School of Government and has attended many courses in leadership, business and public policy both in Kenya and abroad.



Member

D.O.B.: December 29, 1979

DR. NELISA KAGENDO MBAKA, PHD

Dr. Mbaka is an independent member of the Council and the Chairperson of the Human Resource and Appointments Committee of Council. She is an educationist, with over 19 years' experience teaching at various secondary schools in Kenya. Also, she is a peer counsellor of many years.

Dr. Mbaka has served as the Head of Department for Boarding and Peer Counseling at Loreto High School (2008-2023), Deputy Principal Wankan Academy (2007) and Science teacher at St. Angela's Girls, Nguthiiru Secondary



School. She is a Co-founder of Aspire to Inspire and AFRICANITE women mentorship programme.

Dr. Mbaka holds a PhD in Educational Research and Evaluation from Catholic University of Eastern Africa, Master of Education, Educational Research, Measurement and Evaluation option (University of Nairobi), Bachelor of Education Science (Kampala International University) and Diploma in Education Science (Kenya Science Teachers College). In addition, she has earned certificates in leadership and management and counseling and psychology.



Member

D.O.B.: May 5, 1978

MR. SHADRACK KEMOL LOMOYWARA

Mr. Lomoywara is an independent member of the Council and serves on the Committees of Council dealing with finance and human resources. He is a management professional, with 17 years' work experience in Universities, students' admission, administration, supervision of offenders, strategic planning, research and consultancy. He currently serves as the Managing Partner at Ductile Consultancy.

Mr. Lomoywara served as Managing Director of Keensell Ventures Limited from 2020 to 2022. He has worked as a Senior Research Officer, Academic Advisor and Administrative Assistant at the United States International University. Further, he served as a Probation Officer in the Ministry of Home Affairs from 2010 to 2012.

Mr. Lomoywara holds a Bachelor of Psychology and Management and Master of Business Administration (Human Resource Management) both from the United States International University. He also has Certificates in Juvenile Justice Reforms and Consumer Service. Currently, Mr. Lomoywara is pursuing PhD studies in Human Resource Management at Jomo Kenyatta University of Science and Technology.



Member



D.O.B.: 01-01-1978

MR. JARED OYIER

Mr. Oyier is an independent member of the Council and Chairperson of the Academic, Research, Extension, Collaborations and Sealing Committee of Council. He is a Technology Executive with over 15 years' experience in facilitating corporate growth through technology-business alignment. He is also an expert in policy, governance and risk Management. He is currently serving as the Group Head of Motor Import Finance at Platcorp Holding Limited, Nairobi, Kenya, a position he has held since 2021.

Mr. Oyier has served in the positions of Chief Information Technology and Head of Information Security (2016-2021) at Metropol Corporation Limited, IT Security Supervisor at Interswitch Limited (2015-2016), ICT Manager at Centum Investment Co. Ltd (2010 to 2012) and Network Engineer and Support Analyst at Postal Corporation of Kenya (2006-2010). He has carried out consultancies in network security, systems process assurance, governance, quality assurance, and risk management.

Mr. Oyier is an alumnus of Maseno University and Strathmore Business School where he obtained a Bachelor of Science, Computer Science & Engineering, and Master of Business Management, respectively. He holds a Diploma in Management of Information Systems (Strathmore University) and professional certifications in business innovation, risk and information systems, information security, Cisco Network and Information systems audits.



Member

D.O.B.: December 7, 1982

MS. CAROLYNE ASUGURU EKWOM

Ms. Ekuwom is an independent member of the Council and the Chairperson of the Audit, Risk Management and Compliance Committee of the Council. She has 10 years' working experience as Planning and Strategy Officer at the Geothermal Development Company (2009-2019). Further, she is a member of Turkana Professionals Association and the International Federation of Women Lawyers.

Ms. Ekuwom has a wealth of experience in management and community development. She has served as Managing Director and Commercial Manager at the Lodwar Water and Sanitation Company in addition to having previously served as the



Development Facilitator and Community Motivator at the World Vision Kenya and as Program Assistant at the Lodwar Catholic Diocese.

Ms. Ekuwom is an alumna of Maseno University and the University of Nairobi where she obtained Bachelor of Education in Arts (2006) and Master of Arts in Project Planning and Management (2013) degrees, respectively.



Member

Ms. Josephine Nasambu Walela

DOB: February 18, 1965

Ms. Josephine Nasambu Walela holds a Bachelor of Education Degree. Ms. Walela is Rep. PS State department of Higher Education and Research. She was appointed to T.U.C. Council on September 10, 2022 and reappointed on May 23 2023.



Member

CPA. Dr. Solomon Ngahu

D.O.B.: 01-01-1977

CPA. Dr Solomon Ngahu, Rep. Rep. PS, National Treasury & Planning

P.H.D. Business Administration (JKUAT)

M.B.A. – Finance. (JKUAT); M.Sc. Public Finance (Uni. Of London), B.Com. First Class Hons. (JKUAT); ESAMI FA

ESAMI: Preparation and Interpretation of Financial Statements; In charge of Receivers of Revenue Administration Services. He is also member of Public Policy Committee for ICPAK & Members Service Committee for ICIFA among other Boards & National Taskforces. He is the Head of Financial Reporting Unit and a member of ICPAK



Professional Courses and Affiliations: 1) Certified Credit Management Professional (C.P.A.) K, 2) Certified Investment & Security Analyst (CISA) K 3) Certified Public Secretary (C.P.S.) K, ICIFA



Ex-officio Member

D.O.B: November 10, 1967

PROF. GEORGE NDIEMA CHEMINING'WA, PHD

Prof. Chemining'wa is an ex-officio member and Secretary to the Council. He is currently serving as the Principal/CEO of Turkana University College a position he has held since 2020. He is a full Professor of Agronomy awarded by the University of Nairobi, with 30 years' experience in academics, research and outreach. He has published 117 articles in refereed international journals, supervised over 70 MSc and 16 PhD students to completion and collaborated in over 25 externally funded research and development projects. He is a member of many professional organizations including the Forum for Agricultural Advisory Services-Kenya in whose Board he serves.

Before joining Turkana University College, Prof. Chemining'wa had served at the University of Nairobi as Section Head, Chairman of Department and Dean of Faculty in addition to many other administrative assignments and responsibilities. He also had an opportunity to serve in the then West Pokot district as an Agricultural Officer for close to three years prior to joining the University of Nairobi in 1995.

Prof. Chemining'wa holds Bachelor of Science in Agriculture (First Class Honours) and Master of Science in Agronomy both from the University of Nairobi. He has a PhD in Plant Science from the University of Manitoba and Diploma in Rural Innovations Processes from ICRA, the Netherlands. He has attended many leadership and governance courses locally and abroad including Strategic Leadership Development Program (SLDP) offered by the Kenya School of Government.



The New Chairman receives handing over report from the outgoing chairman

Scanning the Horizons



4. KEY MANAGEMENT TEAM



Prof. George N. Chemining'wa

Principal

PhD (University of Manitoba), M.Sc. (UoN), B.Sc. (UoN),
Postgraduate Diploma (ICRA)

Responsible for the direction, organization, administration, and
academic programme of the University College.



FA Prof. George M. Muthaa,

Deputy Principal, Administration, Finance and Planning

B.Ed. M.Ed. MBA (KU), Ph.D. (EU). Graduate Diploma in Leadership
Development, I.C.T. and Knowledge Society- Dublin City University

Head of the Administration, Finance and Planning Division and
responsible for all Human Resources, Administrative matters,
Planning, Performance contracting and infrastructural development
and Financial Matters.



Prof. Frederick Kassili

BSc, MSc (UoN), MSc(MUA), Dr.Rer.Na t(BOKU-Wien), Biodiv(UNU)

Deputy Principal, Academics and Student Affairs

Head of the Academic Division and responsible for all academic
matters of the University College



Dr Henry Ongori

Registrar (Administration)

PhD-Mgt. (North-West University, S.A.), MBA-Mgt (Shivaji University, India), B.Com Mgt (Shivaji University, India)

Responsible for supervising and managing all administrative and operational functions of the Office of the Registrar (Administration).



Mr Paul Odongo

Registrar (Academic Affairs)

M.Sc. - Communication Studies (Moi University), BA-Philosophy (Pontifical Urbaniana University- Rome).

The Registrar of Academic Affairs is responsible for supervising and managing all administrative and operational functions of the Office of the Registrar (Academic Affairs).



FA CPA CPM Dr Jared Okello

Finance Officer

PhD – University of KwaZulu-Natal, Post Doctoral – StellenBosch University (USB), M.B.A. – Accounting and Finance (UEAB), B.B.M. – Accounting and Finance (Moi)

Responsible for the financial matters of the University College under the direction of D. (AFP).



Mr. Paul Ekiru

Procurement Officer

MBA-Purchasing & Supplies Management (MKU), B.Sc.-Purchasing & Supplies Management (JKUAT), Procurement Officer

Responsible for all procurement in the University College



Ms. Sherry Andisi -

Librarian

M.Sc. -Library & Information Science (K.U.), B.Sc. -Library & Information Science (Makerere University)

In charge of the University College library services.



Rev. Jackson Iruko

Dean of Students

- B.Ed. -Arts (Egerton University)
- Under the direction of Deputy Principal, Academic and Student affairs, the Dean of Students is in charge of Students welfare.



Morris Ngugi

I.C.T. Officer

- B.Sc.-I.T. (JKUAT)
- In charge of the Provision of I.C.T. services



Mr. Peter Ekamais

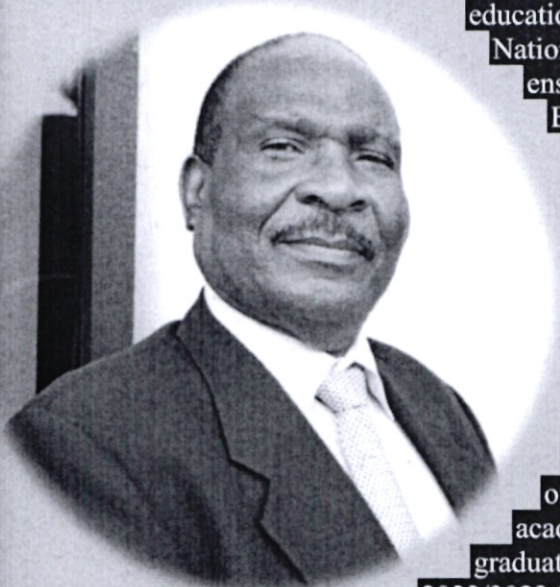
Nursing Officer

- B.Sc. in Environmental Health. Diploma in Kenya registered Community Health Nursing.
- Responsible for all health services in the University College



4. Chairman's Statement

It is with great pleasure that I present the Turkana University College's Annual Report and Financial Statements for the year ended June 30, 2023. The University has shown significant growth in its mission of teaching, research, and outreach. The institution contributed to the achievement of Vision 2030, the Big Four, and the Bottom-Up Economic Transformation Agenda (BETA) by providing quality education, research, and outreach. Despite the economic constraints, the National Treasury transferred up to 82% of allocated funds to TUC, ensuring business continuity and covering essential expenses. The Board experienced excellent absorption rates but was unable to realize 31.2% due to reduced student allocations by the Kenya Universities and Colleges Central Placement Service (KUCCPS).



TUC prioritizes customer satisfaction and teamwork, improving systems and procedures, maintaining industrial harmony with staff unions, and ensuring sustainability through ISO certification. The management, guided by the Council, will continue to support capacity development and team building for quality service delivery.

Turkana University College, as a leading institution of higher learning, focuses on teaching and learning through the development of quality academic programs. The college has developed 15 new academic programs to support economic transformation and equip graduates with knowledge, skills, and attitudes for the labour market. In the 2022/2023 financial year, the college enhanced its library collection and installed air conditioners to ensure conducive environment for studies. The university has funded research, technology, and innovation activities to contribute to the university's Vision and Mission, the SDGs, Kenya Vision 2030, the Big Four, and the Bottom-Up Economic Transformation Agenda. The college has also participated in community service activities, such as peer counselling, and offers adult education classes on campus.

The university's ICT infrastructure has been enhanced, and the college has organised training workshops for staff on ERP modules. The university partnered with the Kenya National Highways Authority, which led to the improvement of the internal roads, recreational facilities and drilling of a borehole that is significant in the continued provision of clean water to the University and the neighbouring communities.

The realization of the University College mandate and strategic plan depend on its ability to mobilise resources. Funding comes from government grants and Appropriation in Aid (A- in-A). TUC has developed a resource mobilization strategy besides engaging the government for enhanced capitation. TUC has continued to strengthen its internal financial management systems for prudent spending in pursuing its vision and mission.

I wish to finally thank the Government of Kenya, Council members, Management, staff, students, and other stakeholders for their continued support over the year in striving to make TUC an esteemed University for the advancement of humanity.

DR. SALIM P. NDEMO, PhD, MIOd (K), SS, MBS
CHAIRMAN, TURKANA UNIVERSITY COLLEGE COUNCIL



5. Report of the Chief Executive Officer

It's with great pleasure that I present the Annual Report and Financial Statements for Turkana University College (TUC) performance for the year ended June 30, 2023. Since its establishment, TUC has continued to execute its mandate of teaching, research and outreach for the advancement of humanity. The performance of the institution showed marked growth in the year 2022/2023 as compared to 2021/2022.

This growth is a reflection of the deliberate effort by the Council and Management to streamline and professionalize the operations in the institution. The institution continued to contribute to the achievement of the Vision 2030, the Big Four and the Bottom-Up Economic Transformation Agenda (BETA) set by the Government of Kenya through provision of quality education, research, and outreach.

Suitable initiatives have been institutionalised to ensure quality service to the current generation without compromising the benefits of future generations, in compliance with the Sustainable Development Goals (SDGs). These initiatives include the planting of over 3,000 tree seedlings, the exploration of solar energy as a source of power and Board diversity in terms of skills, age and gender, Board compliance in terms of meetings and boardroom dynamics; including the administration of the oath of commitment and secrecy to Board members. The University is making strategic efforts to achieve the SDGs in all its operations by providing quality education, research and outreach. A summary of the institutional performance is provided below.



Financial Results

Despite the challenges of global economic constraints, with regards to revenue collection by the Government, the

National Treasury was able transfer up to 82% of the allocated and approved funds for the year amounting to Kshs 244.279 million to TUC by June 30th 2023. This ensured business continuity and TUC was able to cover essential expenses related to staff payments and enabling facilitations. The Board experienced excellent absorption rates at 100% since no funds remained unabsorbed at the close of the FY. However, the Board was able to realise 68.8% revenue from exchange transactions since it raised 77.787 million compared to a budgeted amount of 113.143 million owing to the reduction in allocated students by Kenya Universities and Colleges Central placement Service (KUCCPS) and the economic constraints. Some of the activities were therefore scaled down to match the financial resource base.

Customer Focus and Teamwork

One of the strategic values for TUC is promoting customer satisfaction levels by providing products and services that meet and exceed expectations. The University College recognizes the needs of both the internal and external customers. The objective is to deliver best services and quality products to the stakeholders. To achieve this objective, TUC has continued to improve its systems and procedures to enhance service delivery. TUC has sustained industrial harmony with the staff unions and operationalized a staff welfare association. To ensure

sustainability in its operations, TUC has continued the process of ISO certification by documentation of its Standard Operating Procedures.

In an effort to promote efficiency and effectiveness in its operations the Board has

supported capacity development and team building among staff for quality service delivery. The management under the guidance of Council will sustain a shared vision for the benefit of the institution and all its current and potential stakeholders.

Teaching and Learning

As an institution of higher learning, TUC has identified clear pathways in Teaching and Learning. It has endeavoured to achieve quality teaching and learning by developing quality academic programmes in the light of the dynamic and changing national and global trends in higher education.

The University College has developed 15 new academic programmes that will support economic transformation of the immediate community and the nation at large by equipping its graduates with knowledge, skills and attitudes for the dynamic labour market. In the 2022/2023 financial year, the University College enhanced its library by installing air conditioners.

Research, Innovation and Outreach

Research, Science, Technology, and Innovation play a significant role in the social and economic development of every country. Turkana University College in the year 2022/2023 has funded various activities in science, technology, and innovation as a contribution towards the realisation of the University's Vision and Mission, SDGs, Kenya Vision 2030 and the Big Four, the Bottom-Up

Economic Transformation Agenda. The research activities include the third International Multidisciplinary Conference, funding of internal research grants, bidding for external grants and participation in research and conferences by staff. The University College has actively participated in Community Service, which include the promotion of peer counselling activities in secondary schools, adult education programme and provision of water to the immediate community. These initiatives are in line with TUC strategic plan and desire to fulfil the SDG goal number 11 that envisions making human settlement inclusive, safe, resilient and sustainable.

Information, Communication and Technology

Information, Communication and Technology (ICT) is no longer just a support function, but has a fundamental role to play in improving efficiency, reducing costs across the organisation, and underpinning the organisational change processes. In its effort to

leverage ICT, Turkana University College has enhanced Internet connectivity by increasing the hot-spots and enhancing connectivity. The University College has continued to operationalize the Enterprise Resource Planning (ERP) system. To support the

realization of the benefits from ICT, the University College has organised training workshops for staff on ERP modules during the reporting period. This is in line with SDG number 9 that seeks to build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

Student Welfare Services

The Turkana University College Statutes highlight the important roles and responsibilities of the University College in shaping the social welfare of students. The University College has invested in improving the

The ability of the University to achieve its mandate depends on the ability to live by its slogan, "scanning the horizons". This means that the organisation should be sensitive to the environment and respond appropriately.

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student welfare as a critical component in enhancing excellent learning.

During the year under review the University College partnered with the Kenya National Highways Authority to improve the internal road network with security solar lighting system, the recreational facilities and drilling of a borehole. This is in recognition of SDG number 17 that seeks to leverage on partnership. The University College facilitated the students to participate in co-curriculum activities.

Resource Mobilization and Management

The University College's ability to effectively implement its strategic plan and deliver on its mandate will depend on its ability to mobilize resources.

The main sources of funding for the institution are the Government grants and the Appropriation-in-Aid (A-in-A). TUC will continually engage the government for enhanced capitation. In addition, it will increase and strengthen its academic and research programmes for enhanced exchange revenue.

During the period under review, TUC developed a resource mobilisation strategy. It is in the process of identifying plausible partners to generate the necessary revenue for its critical development programmes.

The management has continued to promote prudent spending and optimise resource utilisation to achieve maximum returns on investments.

Institutional Transformation

The ability of the University to achieve its mandate depends on the ability to live by its slogan, "Scanning the Horizons". This means that the organisation should be sensitive to the environment and respond appropriately.

During the year under review, the University College has continued to implement its roadmap to attainment of Charter. Further, the University College has worked closely in collaboration with

its strategic partners. All the initiatives are geared towards realising its vision to becoming a globally esteemed institution of higher learning for teaching, research, and outreach.

I wish to thank the TUC Board for the fiduciary role and provision of organisational direction. I also appreciate the Senior Management team and members of staff for their commitment towards achievement of set targets despite limitations in resources. I also thank our stakeholders for their support to strengthened collaboration in the areas of our shared interests. In the statements that follow, I'm pleased to present the statement of performance against predetermined objectives which outlines the performance of the Board against its key pillars in the 5-year Strategic Plan. I also present management discussion and analysis that indicate how funds received were allocated and utilised.

**PROF. GEORGE N. CHEMINING'WA, PHD
PRINCIPAL
TURKANA UNIVERSITY COLLEGE**

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5. STATEMENT OF TUC's PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2022/2023

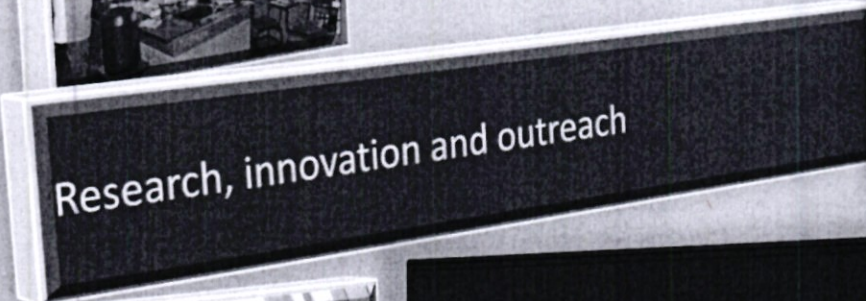
Section 82 subsection 2(f) of the Public Finance Management Act 2012 requires the Accounting Officer to include in the financial statement, a statement of the Board's performance against the predetermined objectives. TUC's predetermined objectives are set out in a 5-year TUC's strategic plan. The Board draws its annual work plans from the strategic plan, and it is from these work plans that the annual activities are drawn and carried out.

TUC has six (6) strategic issues and objectives within its 2021-2025 strategic plan. These strategic issues are as listed below.

STRATEGIC ISSUES



University teaching and learning



Research, innovation and outreach



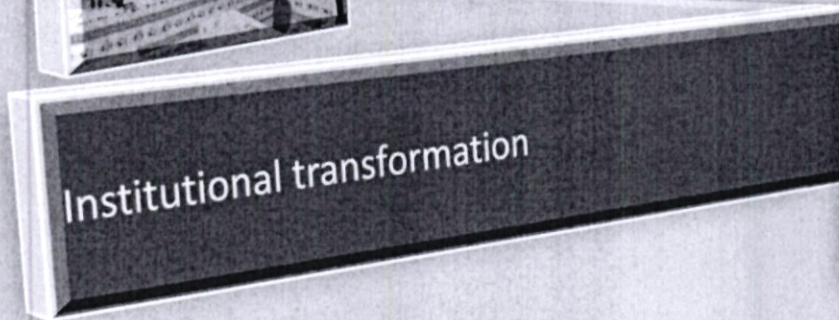
Information, communication and technology



Student service



Resource mobilisation and management



Institutional transformation



Results against Key Performance Indicators

TUC develops its annual work plans based on the above six strategic issues. Assessment of the Board's performance against its work plan is done on a quarterly basis. TUC achieved its performance targets set in the 2022/2023 period for its six strategic issues, as indicated below:

Strategic Issue 1: Teaching and Learning

Output

- i. Increase in students' population from 1143 in 2021/2022 to 1449 in 2022/2023.
- ii. Graduated the first five (5) Masters students
- iii. Obtained approval to offer 15 additional academic programmes from MMUST Senate.
These included:
 - Bachelor of Commerce
 - Bachelor of Arts (Criminology and Criminal Justice)
 - Bachelor of Science in Computer Science
 - Bachelor of Science in Mathematics and Statistics with Information Technology
 - Bachelor of Science in Fisheries and Aquaculture Technology
 - Bachelor of Journalism and Mass Communication
 - Bachelor of Education Technology (Computer Studies)
 - Bachelor of Science in Environmental Management and Conservation
 - Bachelor of Disaster Management and Sustainable Development
 - Bachelor of Science (Hospitality and Institutional Management)
 - Master of Education in Curriculum and Instruction Technology
 - Master of Science in Environmental Science
 - Doctor of Philosophy in Business Administration
 - Doctor of Philosophy in Educational Planning and Management
 - Doctor of Philosophy (Environmental Science)
- iv. Memorandum of Understanding (MOU) with KASNEB to offer KASNEB examinable courses
- v. Accreditation by Human Resource Management Professionals Examinations Board (HRMPEB) to offer certification courses in human resource management
- vi. Improved library facilities including e-library facility, subscription to KOHA and KLISC (Kenya Library & Information Services Consortium)
- vii. Increased procurement of laboratory requirements for practical classes
- viii. Additional six LCDs projectors
- ix. Facilitation of Academic trips

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- x. Students clubs participation in professional activities (e.g. Chama Cha Kiswahili Cha Chuo Cha Turkana (CHAKITU) members attended a conference at Jaramogi Oginga Odinga University of Science and Technology (JOOUST), in Bondo.
- xi. Enhanced processing of students record by training staff in Enterprise Resource Planning (ERP) programme operations.
- xii. Operationalized by equipping the micro-teaching laboratory
- xiii. Operationalized the ODeL directorate to enable virtual classes
- xiv. Organised three (3) training sessions on pedagogy for lecturers
- xv. Three academic staff members promoted to lecturer position after attaining Doctorate qualifications
- xvi. Organised a training workshop on performance improvement for supervisors of Master degree students
- xvii. Organised and held academic defences for the postgraduate students regularly

Strategic Issue 2: Research, Innovation and Outreach

Output

- i. A good number of TUC academic staff successfully applied for internal research grant and are engaged in research (Kshs. 6 million)
- ii. All the Tutorial Fellows (20) are currently conducting (PhD) Thesis research work
- iii. Continued collaborative research with external partners for research (TUC staff involved)
- iv. TUC students won competitive grant efficiency for access design challenge with Energy Saving Trust UK worth \$ 4,916.
- v. Staff under the guidance of an academic staff published over fifteen (15) articles in peer reviewed journals
- vi. TUC has submitted five (5) proposals for funding
- vii. Organised the third multi disciplinary conference
- viii. Peer counselling and career guidance in 60 secondary schools
- ix. Planted over 3000 trees in the University College and on the shores of Lake Turkana

Strategic Issue 3: Information, Communication and Technology

Output

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- i. Organized three ERP training for staff to build capacity in the implementation of the system on University College operations
- ii. Extended WI-FI coverage at the University College and added one (1) access point hotspot.
- iii. Added seven (7) CCTV cameras to cover strategic areas to enhance security
- iv. Procured eight (8) desktops, seven (7) LCDs and one (1) laptop to enhance teaching and learning
- v. Over 250 posts published on the University College website
- vi. Securing 100% of ICT facilities coupled with 100% WI-FI coverage
- vii. Procured two (2) heavy duty printing machines to centralise the printing in the institution
- viii. Webometric ranking of the University College improved from 35 to 24 in the year under reporting
- ix. Website Management Committee appointed and operationalized.
- x. Operationalized the Micro-teaching Laboratory

Strategic Issue 4: Student Welfare Services

Output

- i. Operationalized work-study programme for needy students
- ii. Recommended needy students to Constituency Bursary offices for support
- iii. Conducted free fair Turkana University College Students Organization (TUCSO) elections
- iv. Provided induction and training for elected student leaders
- v. Facilitation of student clubs and societies.
- vi. Provision of facilities for games and sports activities (e.g football, netball and basketball)
- vii. Trained twenty eight (28) peer counsellors
- viii. Renovated the sports fields
- ix. Construction of the Health Unit at 98% level of completion.
- x. Drawings of the students' catering unit completed
- xi. Facilitation of student engagement in annual music and drama festivals

Strategic Issue 5: Resource Mobilization and Management

Output

- i. Prepared annual budgets per the Public Finance and Management Act and enabling guidelines
- ii. Trained staff on Public Procurement and Disposal Act
- iii. Regular internal audits conducted per the annual internal audit plans
- iv. Operationalized the Income Generating Unit as a directorate
- v. Launched the Chancellors' Endowment Fund

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- vi. Submission of quarterly financial reports
- vii. 100% compliance in undertaking performance appraisal for staff
- viii. Organised two (2) team building activities for staff

Strategic Issue 6: Institutional Transformation

Output

- i. Installed a solar back-up system (3KV) as the main supply for network infrastructure and server room
- ii. Renovation and equipping of the staff parlour
- iii. Development of a three (3) kilometre road network in the university
- iv. Installation of the street light system
- v. Drilling and equipping of a new borehole to enhance water supply in the institution
- vi. Improved ranking in Performance Contract evaluations
- vii. Improved ranking on the Webometric evaluation
- viii. 100% compliance on remittance of statutory deductions
- ix. Training of the University College Council and Management on corporate governance
- x. Development of the Standard Operating Procedures for ISO certification
- ~~xi. Construction of the health unit (98% completion)~~
- xii. Training of staff on pedagogy and ERP
- xiii. Developed plans, necessary designs for establishment of the students' mess

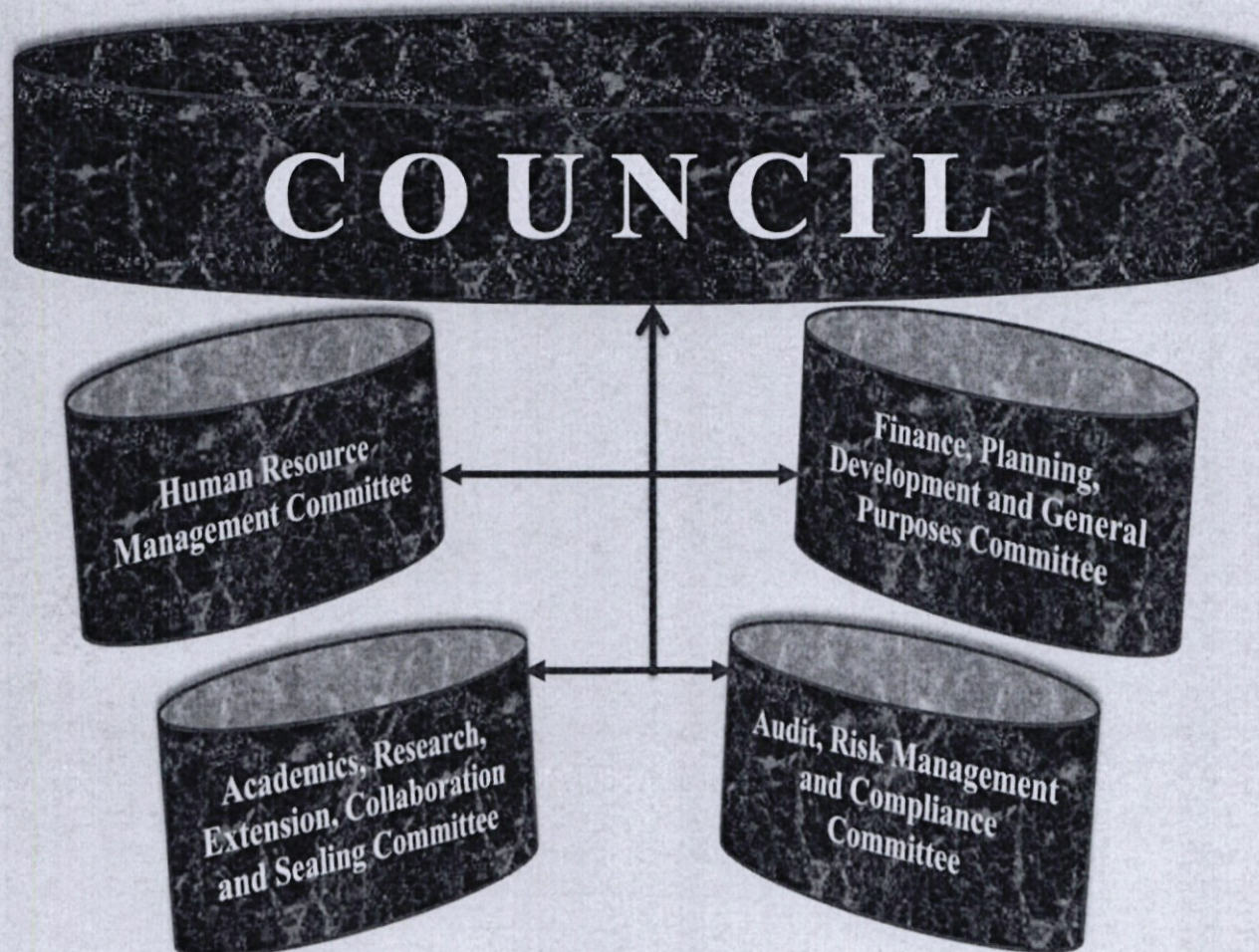
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6. Corporate Governance Statement

Turkana University College is governed by the University College Council. The Universities Act 2012, stipulates the role, basis and conduct of business of the University Council. Members of the University Council were appointed by the Cabinet Secretary Ministry of Education, for a period of three years with effect from 23rd May, 2023 vide Gazette Vol. CXXV—No. 119 of 23rd May, 2023. The membership of the Council comprises the following nine members.

- | | |
|----------------------------------|---|
| i. Dr. Salim P. Ndemo | - Chairperson of Council |
| ii. Dr. Dominic K. Biwott | - Member |
| iii. Dr. Nelisa K. Mbaka | - Member |
| iv. Ms. Carolyne A. Ekuwom | - Member |
| v. Mr. Jared Oyier | - Member |
| vi. Mr. Shadrack K. Lomoywara | -Member |
| vii. Ms. Josephine N. Walela | - Rep, PS, State Department for Higher Education and Research |
| viii. CPA. Dr. Solomon Ngahu | - Rep, PS, National Treasury |
| ix. Prof. George N. Chemining'wa | - Ex-officio member/Secretary |

The Council executes its duties through four Committees of Council.



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Number of Council meetings held and Attendance by Members

During the FY 2022/2023 Council and its Committees held meetings as summarized in table 2.

Table 2: Council meetings and attendance by members

Name of Committee	Members	Meetings held	No. of meetings Attended
Full Council	Dr. Solomon Muchina Munyua	5	5
	Mr. Oliver Erupe Lowoton	5	5
	Ms. Mercy Wanjiku Kareithi	5	5
	Mr. Felix Odimmasi	5	5
	Eng Justus Gitobu Wambutura	5	5
	Ms. Josephine Nasambu Walela	5	4
	CPA Dr. Solomon Ngahu	5	4
Human Resource and Appointments Committee	Ms. Mercy Wanjiku Kareithi- Chairperson	4	4
	Eng. Justus Wambutura	4	4
	James Kiburi	4	1
Academic, Research, Extension, Collaboration and Sealing Committee	Mr. Felix Odimmasi- Chairperson	4	4
	Mr. Oliver Lowoton	4	4
	Ms. Josephine Walela	4	2
	Ms. Mercy Kareithi	4	4
	James Kiburi	4	1
Planning, Finance, Development and General Purposes Committee	Eng. Justus G. Wambutura – Chairperson	4	4
	Ms. Josephine Walela	4	3
	Mr. Felix Odimmasi	4	4
	Dr. CPA Solomon Ngahu	4	4
Audit, Risk Management & Compliance Committee	Oliver Erupe Lowoton- Chairperson	4	4
	Mr. Felix Odimmasi	4	4
	Dr. CPA Solomon Ngahu	4	4

Committees Terms of References

Committees Terms of References

Human Resources and Appointments Committee (HRCC)

Terms of Reference

- (a) Recommend to the Council employment, appointment and promotion of all staff in grades XIV and above;
- (b) Consider and recommend to the Council approval of terms and conditions of service; criteria

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for recruitment, appointment and promotion for all staff;

- (c) Oversee development and implementation of human resource management policies in the University College;
- (d) Receive and consider reports on staff welfare;
- (e) Receive, consider and recommend to the Council proposals on staff establishment and Schemes of Service of the University College;
- (f) Adjudicate on staff disciplinary appeals;
- (g) Oversee implementation of policies on gender mainstreaming, equal opportunities for persons with disabilities, minorities and other marginalized groups and submit reports on the same to the Council;
- (h) Monitor implementation and effectiveness of the University College Staff Training and Appraisal Policy;
- (i) Oversee industrial relations;
- (j) Handle disciplinary matters for staff from grade XIV and above. Membership for respective staff Disciplinary Committees shall be as provided for in the Human Resource Manual;
- (k) Recommend to the Council improvements in the job grading classifications as it may consider appropriate;
- (l) Advise the Council on matters related to the Pension Scheme; and
- (m) Undertake any other responsibility that may be assigned by the Council from time to time

Audit, Risk Management and Compliance Committee (ARMCC)

Terms of Reference

- (a) Receive, review and recommend internal control mechanisms towards improving efficiency, effectiveness, transparency and accountability;
- (b) Receive and discuss internal and external audit reports and make recommendations to Council;
- (c) Review and regularly report to Council on the effectiveness and efficiency of the internal audit function;
- (d) Review management procedures and make proposals to Council for mainstreaming of risk management, controls and governance;
- (e) Review and submit proposals to Council on improvement of efficiency and effectiveness of management systems, including and not limited to high-risk areas such as public finance, human resource, academic programs, and general internal controls;
- (f) Review and submit a report to Council on compliance with policies, laws, regulations, procedures, plans, and ethics;
- (g) Initiating special audit/investigation on any allegations, concerns and complaints regarding corruption, lack of accountability and transparency;
- (h) Receive, consider and submit to Council progress reports from the Chief Internal Auditor including:
 - (i) Work performed compared with work planned;
 - (ii) Key issues emerging from internal audit work done;

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- (iii) Status of management response to audit findings and recommendations
- (iv) Changes to the annual work plan.
- (v) Undertake any other responsibility assigned by the Council from time to time.

Planning, Finance, Development and General Purposes Committee (PFDGPC)

Terms of Reference

- (a) Receive, consider and recommend for Council approval, annual estimates of revenue and expenditure;
- (b) Oversee compliance of budgetary allocation as approved within its annual budgets;
- (c) Generate and receive proposals for subscription, donations and bequest for onward transmission to Council for consideration;
- (d) Oversee proper recording of accounts of the income, expenditure and assets of the University College and submission of financial reports as by law required;
- (e) Oversee proper vesting of all immovable property, shares, funds and securities in the name of the University College;
- (f) Receive and consider for onward transmission to Council proposal for investing University College funds subject to legal requirements;
- (g) Receive for consideration and onward transmission to Council reports on management and administration of University College:
 - (i) Land and buildings;
 - (ii) Machinery and equipment;
 - (iii) Funds; and
 - (iv) Vehicles.
- (h) Receive and consider proposals for University College fees and any other charges and recommend to the council for consideration and approval;
- (i) Receive recommendations for onward transmission to Council on scholarships, bursaries and other awards;
- (j) Receive proposals on opportunities for investments, for processing and onward transmission to council for consideration and approval;
- (k) Receive reports on performance of University College investments and submit proposals for Council consideration;
- (l) Oversee the development, review and implementation of the University College Strategic Plan in conformity with the medium term fiscal frame work and policy objectives;
- (m) Receive, consider and submit for Council approval the annual Procurement Plan of the University College;
- (n) Recommend for Council approval the sale, purchase, exchange, lease, or take on of movable and immovable property of the University College;
- (o) Subject to the laid down government procedures, to recommend for Council approval:
 - (i) The borrowing of money on behalf of the University College; and

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- (ii) Mortgaging or charging all or any part of movable and immovable property of the University College.
- (p) Receive for consideration and recommendation to Council opening, and/or closing of bank account(s) for the funds of the University College;
- (q) Receive, consider and make recommendations to Council on reports of implementation of the University College Master Plan;
- (r) Receive, consider and submit for Council approval proposals on new projects;
- (s) Review the performance of all ongoing projects and submit reports to Council on a quarterly basis;
- (t) Receive, consider and make recommendation to Council on reports of implementation of the University College Performance Contract and Consolidated Annual Work Plan;
- (u) Recommend to the Council on acquisition of new fixed assets including land;
- (v) Explore ways of raising funds for the University College, both internally and externally;
- (w) Develop appropriate and conducive policies to guide and promote resource mobilization and income generation activities; and
- (x) Undertake any other responsibility assigned by the Council from time to time

Academics, Research, extension, Collaboration and Sealing committee(ARECS)

Terms of Reference

- (a) To receive, consider, note and forward to full Council proposals/ reports on establishment, abolition and/or harmonization of schools, units, departments and canters, as the University College Academic Board may from time to time determine;
- (b) To develop, establish and review structures and mechanisms for ensuring the implementation of academic and research policies, the maintenance of standards and enhancement of good practice;
- (c) To provide oversight in the implementation of academic and research policies, the maintenance of standards and enhancement of good practice.
- (d) To deal with matters related to the Statutes, in particular, to examine the format and the content of the University Statutes and make recommendations to the Council for appropriate legislation as provided for in the Legal Notice.
- (e) To receive from the University College Academic Board, consider, note and forward to full Council the cancellation or withdrawal of degrees, diplomas or certificates;
- (f) To advise Council on the recommendation of the University College Academic Board on the status of research, innovation, extension programmes and collaborations; adequacy of teaching and learning resources in the University College;
- (g) To receive from the University College Academic Board, consider, note and forward to full Council reports on students' admissions, teaching, curriculum development/review, students' welfare, and status of academic quality assurance.
- (h) To receive, consider and recommend through Council to the Planning, Finance, Resource Mobilization and Development Committee the types and amount of fees to be paid by students;
- (i) To receive and recommend to the Council the use of the University Seal on University documents; and

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(j) To deal with any other matter that may be referred to it by the Council.

Summary of the Council meetings is as shown below:

Member	Date appointed	Position	COMMITTEES FY 2022/2023																							
			HRACC				PFDGPC				ARECS				ARMCC				FULL COUNCIL							
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	SP	Q4			
Dr. Solomon J. M. Muchina	30 th April, 2020	Chairman																				✓	✓	✓	✓	✓
Mr. Oliver E. Lowoton	30 th April, 2020	Member												✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Mercy W. Kareithi	30 th April, 2020	Member	✓	✓	✓	✓								✓	✓	✓	✓					✓	✓	✓	✓	✓
Eng. Justus Wambutura	30 th April, 2020	Member	✓	✓	✓	✓	✓	✓	✓	✓												✓	✓	✓	✓	✓
Mr. Felix Odimasi	30 th April, 2020	Member					✓	✓	✓	✓	✓	✓	✓									✓	✓	✓	✓	✓
Ms. Josephine Walela	30 th April, 2020	PS Representative, State department of University Education		✓	✓	✓		✓	✓	✓				✓	✓							✓		✓	✓	✓
Mr. James Kiburi		PS Representative, State department of University Education	✓										✓													
CPA Dr. Solomon Ngahu	30 th April, 2020	CS, Representative, Treasury						✓	✓	✓	✓						✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Gerald Mwangi	30 th April, 2020	Representative, PG State Corporation	x	x	x	x							x	x	x	x					✓	✓	✓	✓	✓	✓
Dr Salim P Ndemo	23rd May, 2023	Chairman																								✓
Dr. Nelisa Kagendo Mbaka	23rd May, 2023	Member																								✓
Mr. Shadrack Kemoi Lomoywara	23rd May, 2023	Member																								✓
Dr. Dominic Kimutai Biwott	23rd May, 2023	Member																								✓
Ms. Josephine Nasambu Walela	23rd May, 2023	PS Representative, State department of University Education																								✓
CPA Dr. Solomon Ngahu	23rd May, 2023	CS, Representative, Treasury																								✓
Ms. Carolyne Asuguru Ekuwom	23rd May, 2023	Member																								✓
2. Mr. Jared Oyier	23rd May, 2023	Member																								✓

Performance against set meetings in the almanac is shown in the table below

Member	Position	Council Committees / Attendance											
		HRMC		FPDSGPC		AREC&SCDC		ARM&CC		Full Council			
		Almanac	Actual	Almanac	Actual	Almanac	Actual	Almanac	Actual	Almanac	Actual		
Dr Solomon J. M. Muchina	Chairman											5	5
Mr. Oliver E. Lowoton	Member					✓4	✓4	✓4	✓4			5	5
Ms. Mercy W. Kareithi	Member	✓5	✓5			✓4	✓4					5	5
Eng. Justus Wambutura	Member	✓5	✓5	✓5	✓6							5	5
Mr. Felix Odimasi	Member			✓5	✓6	✓4	✓4					5	5
Mr. Archer Arina	PS Representative, State department of University Education	✓5	✓3	✓5	✓5	✓4	✓3	✓4	✓3			5	3
Mr. James Kiburi	PS Representative, State department of University Education	✓5	✓2	✓5	✓1	✓4	✓1	✓4	✓1			5	1
CPA Dr. Solomon Ngahu	CS, Representative, Treasury			✓5	✓6			✓4	✓4			5	5
Mr. Gerald Mwangi	Representative, PG State Corporation	✓5	✓5			✓4	✓4	✓4	✓4			1	1

Appointment, Removal from Office, and Succession Plan

Council members were appointed by the Cabinet Secretary Ministry of Education vide a Gazette notice. 3646 of 30th, April 2020 for a term period of three years. The independent members and Chairman vacated the office on 29th April, 2023. The members representing the Principal Secretaries for Higher Education and Research and The National Treasury were retained to ensure continuity. A new council was appointed on 23rd May, 2023 vide Gazette Notice Vol. CXXV—No. 119 of 23rd May, 2023, with the requisite diversity thresholds on gender, ethnicity, age and skills mix.

Induction and Capacity Building for Council Members

Induction of Council members and other relevant training are conducted to equip them with knowledge required to effectively discharge their responsibilities. During the year under review Council members attended relevant trainings to help improve their competencies as below:

- i. Council and Management Performance Review Retreat was held at the Kenya School of Government on 28th - 31st March 2023
- ii. Training on Integrity Enhancement in Procurement on 5th - 7th December, 2022 at the Morendat Training and Conference Centre, Naivasha by EACC
- iii. Board Development Workshop-Institute of Certified Secretaries, Naivasha on 26th - 28th October 2022.
- iv. Board Evaluation was conducted on 6th - 7th December, 2022, this informed strategy decision on Board operation.

Roles and Functions of the University College Council

The University College Council is responsible and accountable to the Government of Kenya through the State Department of Higher Education and Research for ensuring that the University complies with the Universities Act 2012 and the University Statutes (2017), adheres to the highest standards of corporate governance as prescribed in the State Corporations Act and the Code of Governance for State Corporations (Mwongozo).

Remuneration of University Council

Council members are remunerated as per the guidelines set out by the State Corporations Advisory Committee circulars and National Treasury directives in respect to sitting allowance, transport, and accommodation costs. The costs have been included in the financial reports.

Existence of Board Charter

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The Council has a board charter which defines the roles, functions, and responsibilities of the Board in the governance of the institution. The Council has Committees whose roles are clearly defined. Full Council meetings are scheduled quarterly to receive and deliberate on Council Committee reports. Special meetings are scheduled on a need basis.

Conflict of Interest

The Council has complied with Mwongozo provisions paragraph 1.3 that expects each Council member to act honestly at all times and not to place themselves in a situation where their personal interest conflict with those of the organization. In addition, in compliance with paragraph 1.16, Council members disclose all real or perceived conflict of interest recorded in a register maintained and updated accordingly.

Ethics and Conduct

The Board, University College Management and Staff are expected to conduct themselves ethically, honestly and with integrity in all their dealings as per the University College Code of Ethics and Conduct. The management continued to adhere to the sworn oath of secrecy and confidentiality during the Financial year.

7. Management Discussion and Analysis

The University continues to deliver on its key mandate of the provision of quality education, training, and research. During the year under review, it reported a deficit of Kshs. 49,033,702.

Turkana University College remains focused on achieving its strategic goals and managing the challenges of constrained accommodation and teaching facilities by pursuing modes of teaching and learning used on both traditional and new ICT-based approaches. The University strives to support innovative teaching, learning, research, and community service.

SECTION A

The Turkana University College Operation Review

Teaching, research, and community service have remained a core function of Turkana University College till June 30, 2023. The Academics and Student Affairs Division of Turkana University College primarily drive this. The Division has ensured that quality teaching, learning, research and innovation are undertaken in pursuit of the TUC mission and vision.

The Division of Academics and Student Affairs is divided into two sub-divisions:

- (i) Academics
- (ii) Students Affairs

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ACADEMICS

Under academics' section, we have Schools, Teaching Departments and relevant Directorates headed by Deans, Chairs of Departments and Directors respectively. There are three Schools in the Division:

- (i) School of Education and Social Sciences (SESS)
- (ii) School of Science and Technology (SOST)
- (iii) School of Business and Economics (SOBE)

The Directorates which support the Academics and Student Affairs Division in ensuring effective delivery of its mandate include:

- (i) Directorate of Post Graduate Studies
- (ii) Directorate of Open, Distance and e-learning
- (iii) Directorate of Technical, and Vocational Education and Training
- (iv) Directorate of Research, Partnerships and Collaborations
- (v) Directorate of Performance Contracting and Quality Management Systems
- (vi) Directorate of Income Generating Unit

The University College is offering programme from Certificate to Master degree levels. TUC has four (4) Senate approved Master degree Programme, seven (7) Bachelor degree Programme, five (5) Diploma courses and four (4) Certificate courses. TUC endeavours to develop new programs in an effort to establish its Academic niche.

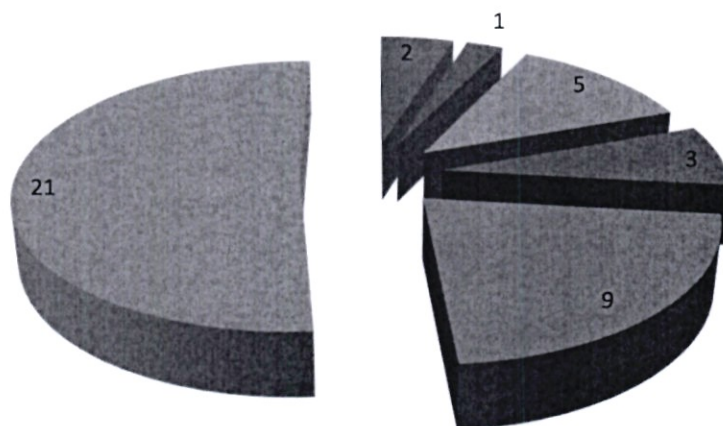
Academic Staff

The University College has the following Academic Staff: -

1.	Professor	2
2.	Associate Professor	1
3.	Adjunct Professor	5
4.	Senior Lecturer	3
5.	Lecturer	9
6.	Tutorial Fellow	<u>21</u>
Total number of Academic Staff		<u>41</u>

Academic Staff

■ Professors ■ Associate Professor ■ Adjunct Professors ■ Senior Lectures ■ Lectures ■ Tutorial Fellows



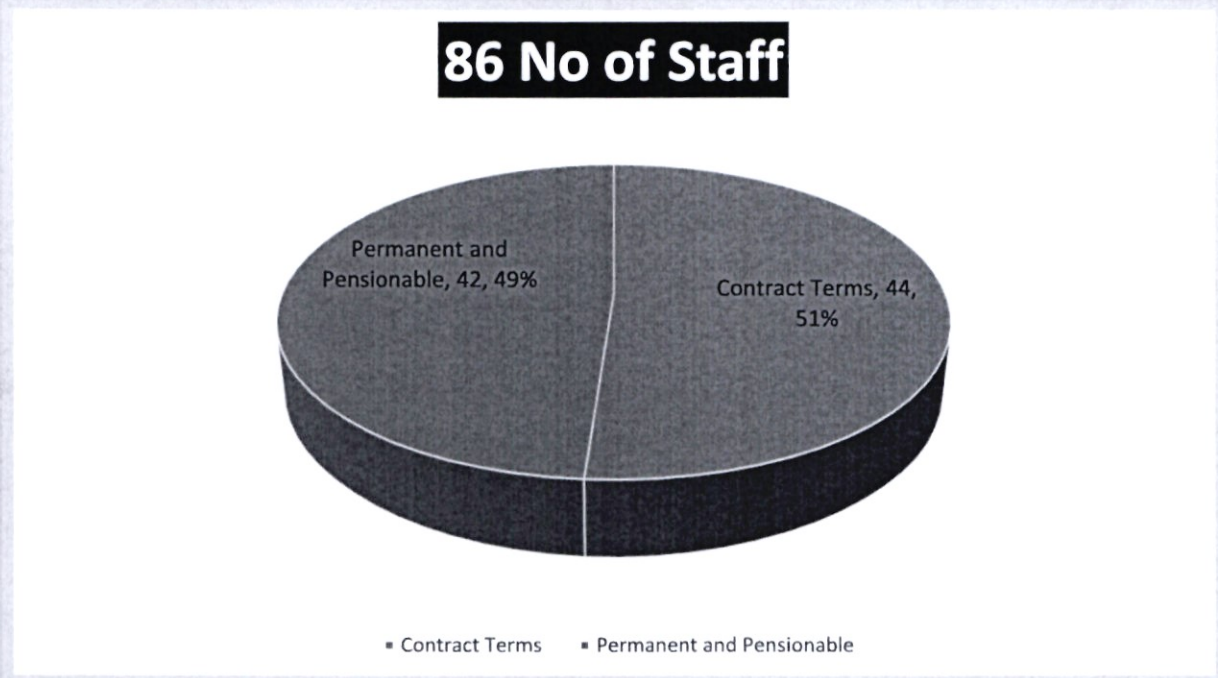
TUC has engaged part time lecturers 58 (fifty eight) to assist in the teaching research and outreach services.

Though the University College is understaffed, fulltime to part-time lecturers' ratio is standing at a 1:2 as recommended by the Commission for University Education (CUE). The University College is committed to recruiting additional academic staff to comply with the CUE requirements.

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Composition of the total staff no

The following members of staff serve TUC:



Student Population

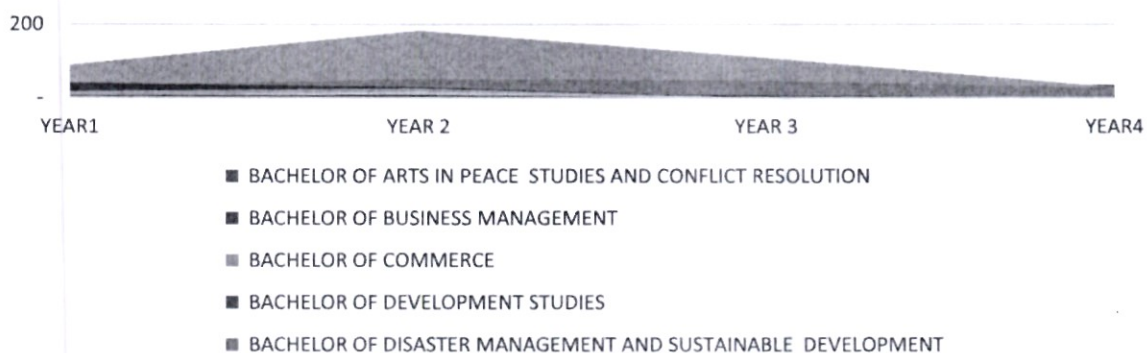
TUC. has 1,203 students.

The University College currently has students enrolled in Masters, Bachelor's, Diploma and Certificate programme as indicated below:

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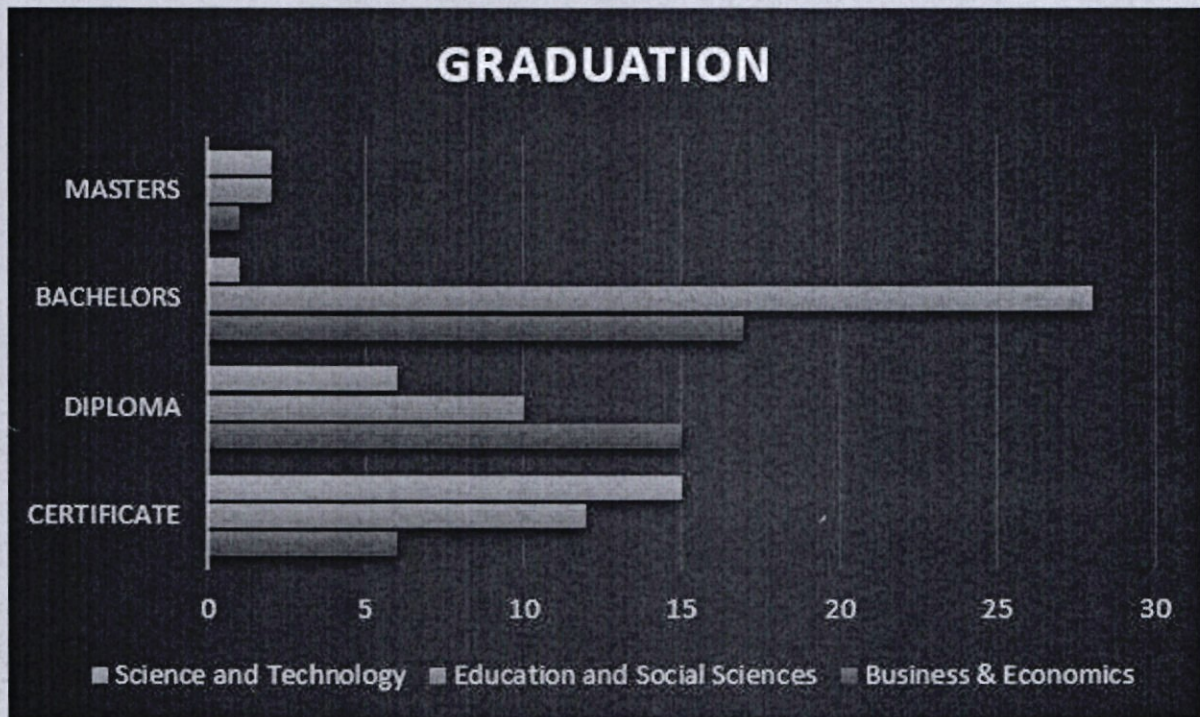
PROGRAMME	YEAR1	YEAR 2	YEAR 3	YEAR4	ST
BACHELOR OF ARTS IN PEACE STUDIES AND CONFLICT RESOLUTION	2	5	-	-	7
BACHELOR OF BUSINESS MANAGEMENT	-	32	29	36	97
BACHELOR OF COMMERCE	30	-	-	-	30
BACHELOR OF DEVELOPMENT STUDIES	14	14	-	1	29
BACHELOR OF DISASTER MANAGEMENT AND SUSTAINABLE DEVELOPMENT	4	-	-	-	4
BACHELOR OF EDUCATION ARTS	88	182	108	29	407
BACHELOR OF EDUCATION IN EARLY CHILDHOOD EDUCATION	4	14	-	-	18
BACHELOR OF EDUCATION SCIENCE	10	33	-	-	43
BACHELOR OF SCIENCE IN AGRICULTURAL EDUCATION AND EXTENSION	6	14	-	-	20
BACHELOR OF SCIENCE IN COMMUNITY HEALTH AND DEVELOPMENT	7	18	8	4	37
BACHELOR OF SCIENCE IN ENVIRONMENTAL SCIENCE	6	1	2	-	9
BACHELOR OF SCIENCE IN RENEWABLE ENERGY AND TECHNOLOGY	3	-	13	12	28
BACHELOR OF SOCIAL WORK AND ADMINISTRATION	30	51	46	27	154
CERTIFICATE IN BUSINESS MANAGEMENT	5	-	-	-	5
CERTIFICATE IN COMMUNITY HEALTH	10	-	-	-	10
CERTIFICATE IN HEALTH RECORDS WITH IT	4	-	-	-	4
CERTIFICATE IN SOCIAL WORK AND COMMUNITY DEVELOPMENT	18	-	-	-	18
DIPLOMA IN BUSINESS MANAGEMENT	22	18	-	-	40
DIPLOMA IN COMMUNITY HEALTH	40	30	-	-	70
DIPLOMA IN ENVIRONMENTAL HEALTH	1	-	-	-	1
DIPLOMA IN ENVIRONMENTAL SCIENCE	2	-	-	-	2
DIPLOMA IN GENERAL AGRICULTURE	5	10	7	-	22
DIPLOMA IN HEALTH RECORDS WITH IT	3	-	-	-	3
DIPLOMA IN INFORMATION TECHNOLOGY	6	4	-	-	10
DIPLOMA IN SOCIAL WORK AND COMMUNITY DEVELOPMENT	17	25	-	-	42
DIPLOMA IN WATER TECHNOLOGY	2	7	-	-	9
MASTER OF SOCIAL WORK AND ADMINISTRATION	5	-	-	-	5
MASTER OF BUSINESS ADMINISTRATION	4	25	-	-	29
MASTER OF DEVELOPMENT STUDIES	-	8	-	-	8
MASTER OF PUBLIC ADMINISTRATION AND MANAGEMENT	5	16	-	-	21
MASTER OF SCIENCE IN ENVIRONMENTAL SCIENCE	2	-	-	-	2
MASTER OF SCIENCE IN HUMAN EVOLUTIONARY BIOLOGY	-	5	-	-	5
MASTER OF SCIENCE IN PUBLIC HEALTH	6	8	-	-	14
TOTAL	361	520	213	109	1,203

Student Population



STUDENT GRADUATION

At the 18th graduation ceremony of Masinde Muliro University of Science and Technology (MMUST), held at its main Campus in Kakamega on December 9, 2022, notable achievements were made by Turkana University College (TUC). The institution proudly presented a total of 115 graduands, comprising 59 males and 56 females, at its main campus in Kakamega. However, what set this occasion apart was the fact that TUC made history by presenting Masters Degree graduands for the very first time. This was a remarkable milestone for the academic institution. Among the graduates two each earned a Master of Science degree in Human Evolutionary Biology and Master of Arts degree in Development Studies, and one earned a Master of Arts degree in Public Administration. The event was a true testament to the dedication and hard work of the students, faculty, and staff of Turkana University College.



(graduation photos if any)

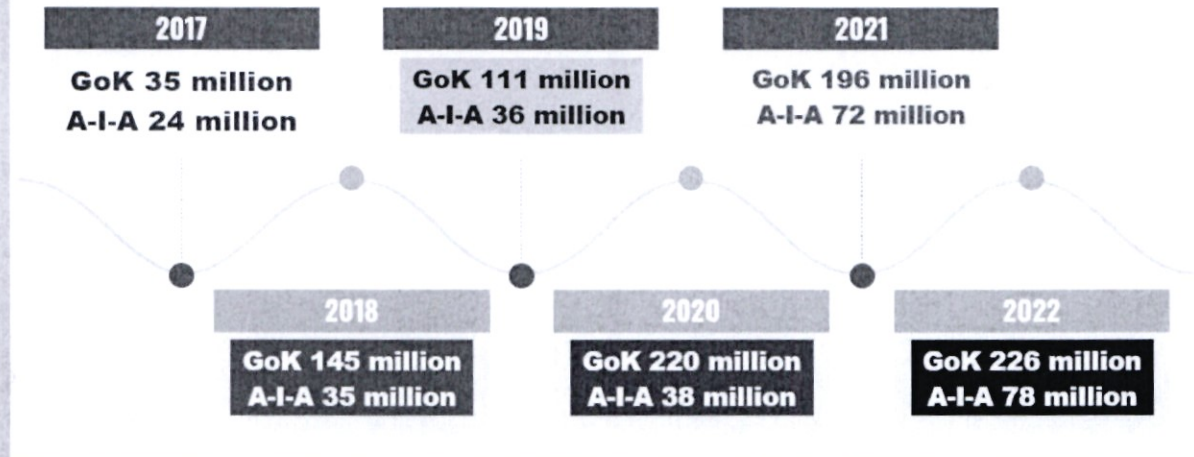
FINANCIAL PERFORMANCE REVIEW

The institution relies heavily on the Government recurrent funds that have remained static and the little revenue from exchange transactions. There has been growth in the income from exchange transactions as comparatively shown below:



The University has received significant support from the government. It's also gratifying to know that the institution has seen increased income from exchange transactions. This positive development is undoubtedly beneficial to both the University and its students. We expect this trend to continue into the future.

INCOME ANALYSIS



The university expenditures have been evenly incurred across the quarter, with the highest being personnel expenses. The other expenditures had normal changes while personnel increased comparatively due to a court sanctioned payment of the Deputy Principal Academic and Students Affairs that had not been factored in the Budget.

Expenditure Analysis



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Financial Health

Liquidity is a key factor in assessing TUC basic financial health. Liquidity is the amount of cash and easily-convertible-to-cash assets that Turkana University College owns to manage its short-term debt obligations. TUC's current asset (CA) to current liability (CL) ratio is 5:1 which is healthy as compared to 2:1 benchmark.

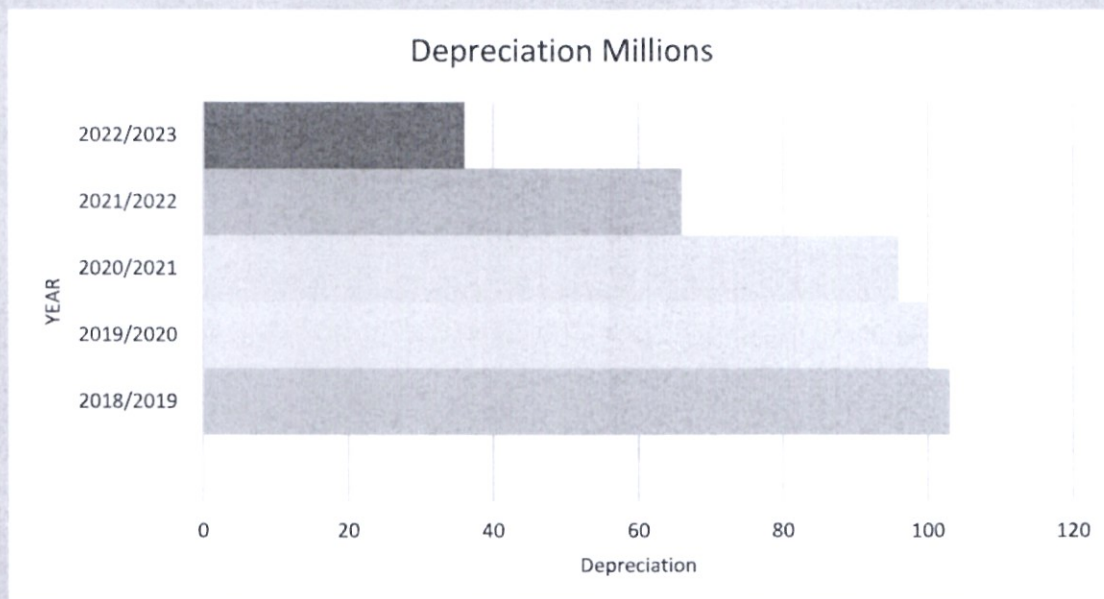
	2022/2023	2021/2022
CA: CL	3:1	5:1
Working Capital	Shs 76.4 million	Shs 140 million

Our working capital is approximately Kenya Shillings Seventy-Six Million. An entity with very high net working capital generally has the financial resources to meet all its short-term financial obligations. Broadly speaking, the higher an entity's working capital is, the more efficient its functions. High working capital signals that an institution harbours the potential for strong growth, which is what TUC is holding in store towards the achievement of the charter. This is also a result of high receivables from the students.

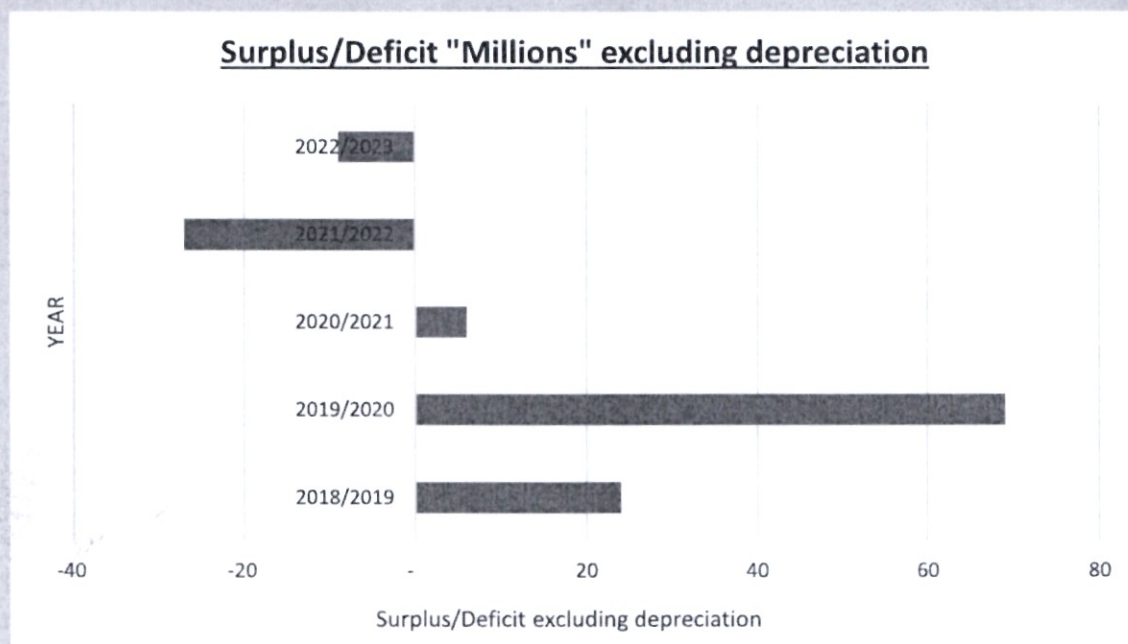
Financial Sustainability

The university has been operation near optimality with the annual approved budget. However, the depreciation and amortization of goodwill have over the years resulted in deficits. In the FY 2021/2022 the goodwill was fully amortized and this has resulted in increased performance which is expected to stabilize in the subsequent years as shown below:

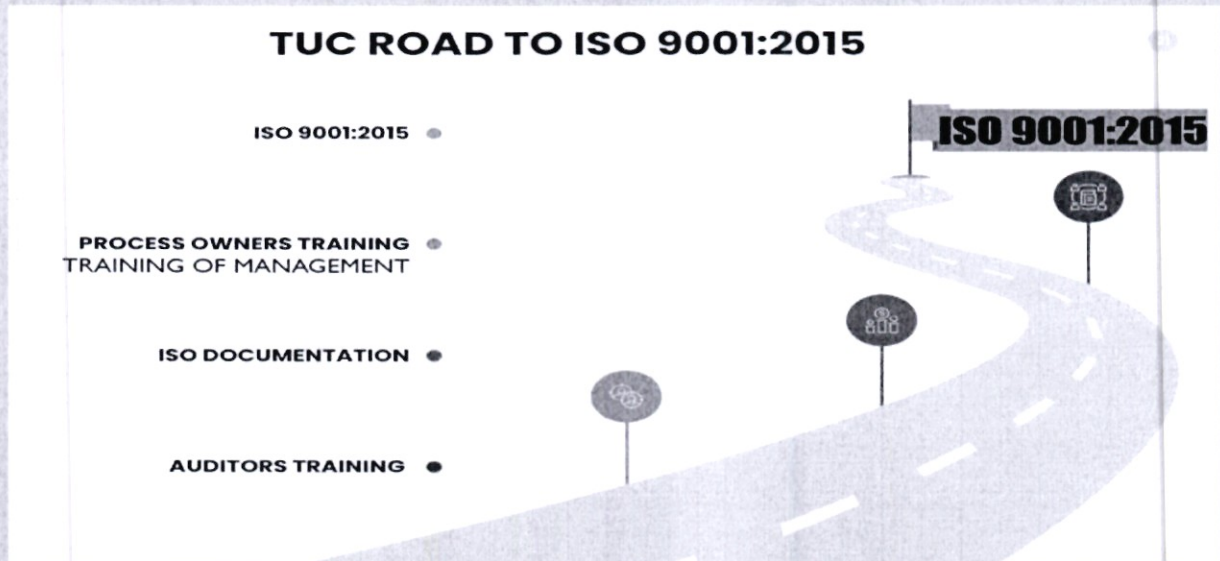
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The financial years 2018/2019, 2019/2020 and 2020/2021 had actual surpluses excluding depreciation and amortization while the FY 2021/2022 and 2022/2023 had deficits. The deficits are reducing as shown in the figure below:



ISO 9001:2015 Implementation Training



Our organization is currently in the process of implementing ISO 9001:2015, and I am pleased to report that our management team has demonstrated full engagement in this effort. We have taken the necessary steps to ensure that our process owners are well-prepared and equipped to fulfil their respective roles. Going forward, we have planned a series of training sessions focused on documenting our institutional processes and onboarding internal ISO auditors. Our steadfast commitment to upholding the highest standards of quality and safety in all of our operations remains resolute.



Figure 1 ISO Training of process owners

SECTION B

Compliance with Statutory Requirements

The University College complies with statutory requirements as follows:

1. PAYE

Income Tax Act, 1973, Laws of Kenya, allows employers to deduct and remit monthly income tax for all employees to the paymaster general on or before the 9th day of the following month. The University College has complied with the deadline for remission.

2. NSSF

The NSSF Act, 2013, Laws of Kenya, requires employers to deduct and remit NSSF deductions every month on or before the 9th of the following month. The University College has been remitting the deductions to NSSF on time.

3. NITA

The National Industrial Training Authority (NITA) is a state corporation established under the Industrial Training (Amendment) Act of 2011. Its mandate is to promote the highest standards in the quality and efficiency of Industrial Training in Kenya and ensure an adequate supply of properly trained manpower at all levels in the industry. Employers are required to pay NITA levy annually usually at a monthly rate of KShs 50 per employee including a casual employee as per Section 5 (Cap. 237) of the Industrial Training Act. The University College has been remitting the levy to NITA on time.

4. NHIF

NHIF Act, 1998, Laws of Kenya, requires the employer to deduct the NHIF dues and remit the same on or before the 9th of the following month. The University has complied with the NHIF Act.

5. GRATUITY LIABILITY

Gratuity to date amounts to Kshs. 23 million.

6. HELB

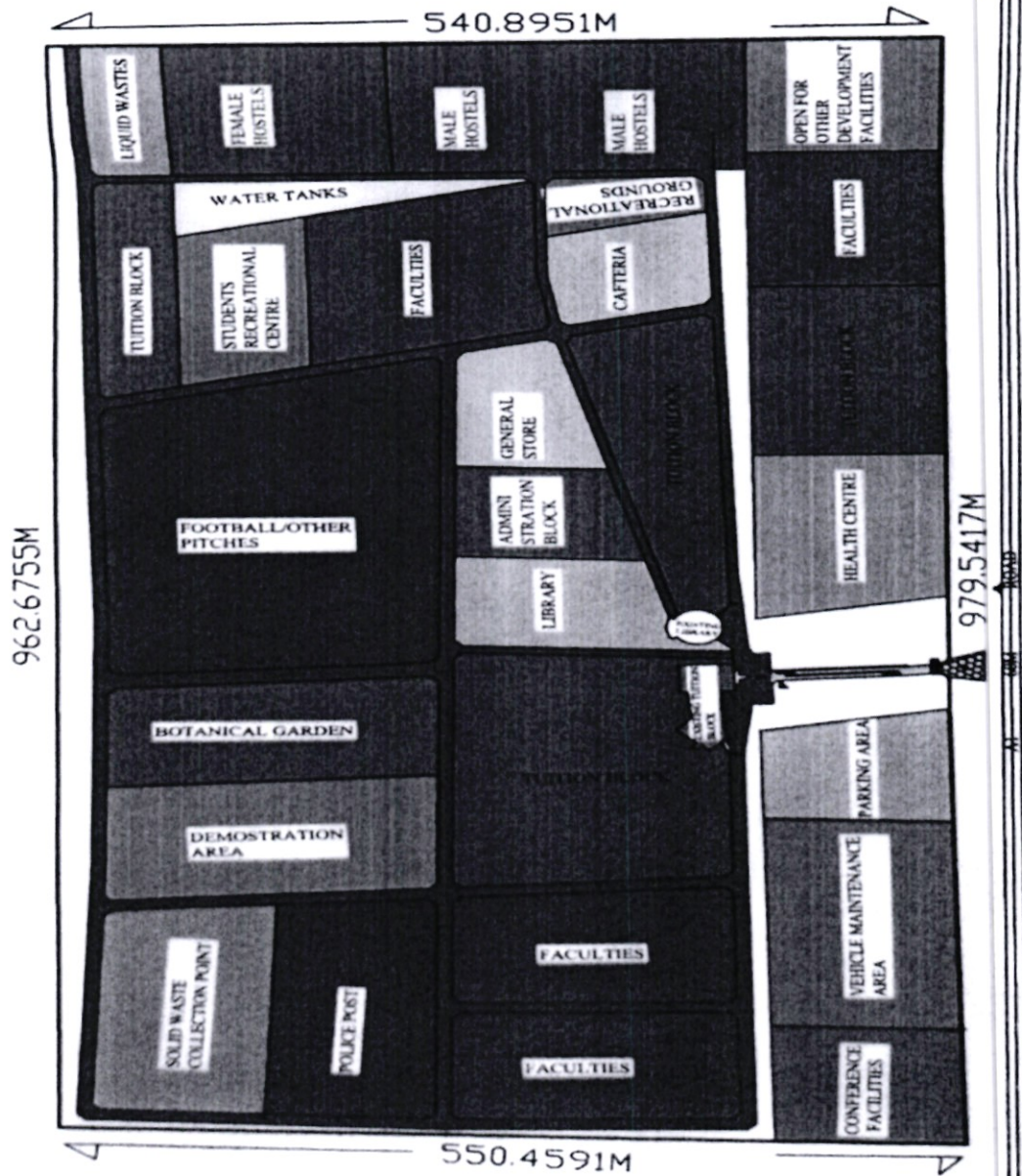
HELB Act, 1995, Laws of Kenya, requires employers to deduct from the wages or remuneration of the loanee(s) the amount of any loan as instructed by the Board and submit within 15 days after the end of each month. The University College implements HELB loans as required and submits the same within the stipulated 15 days after the end of each month.

SECTION C

Key projects and investment decisions the Turkana University College is planning/implementing

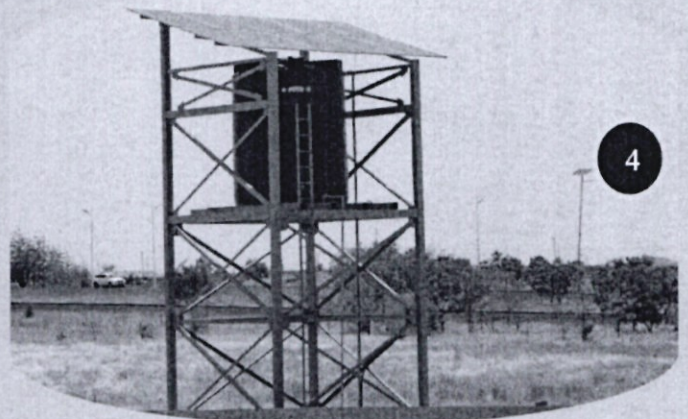
UNIVERSITY MASTER PLAN

PROPOSED TURKANA UNIVERSITY COLLEGE SITE PLAN



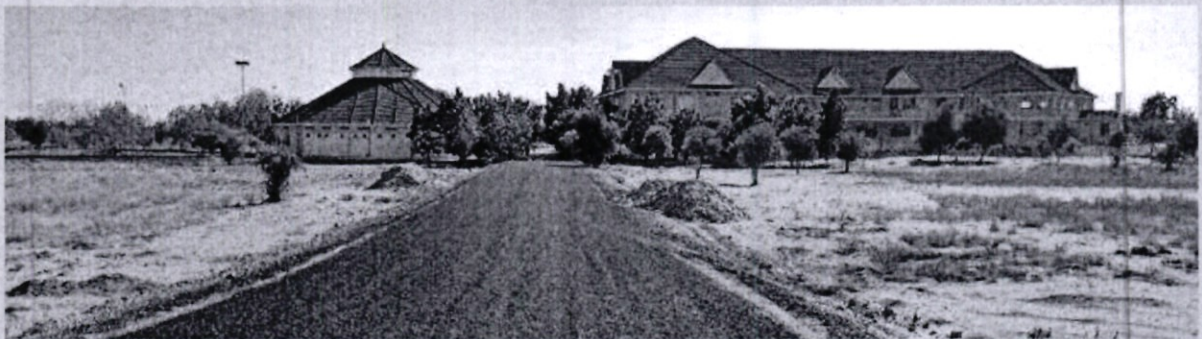
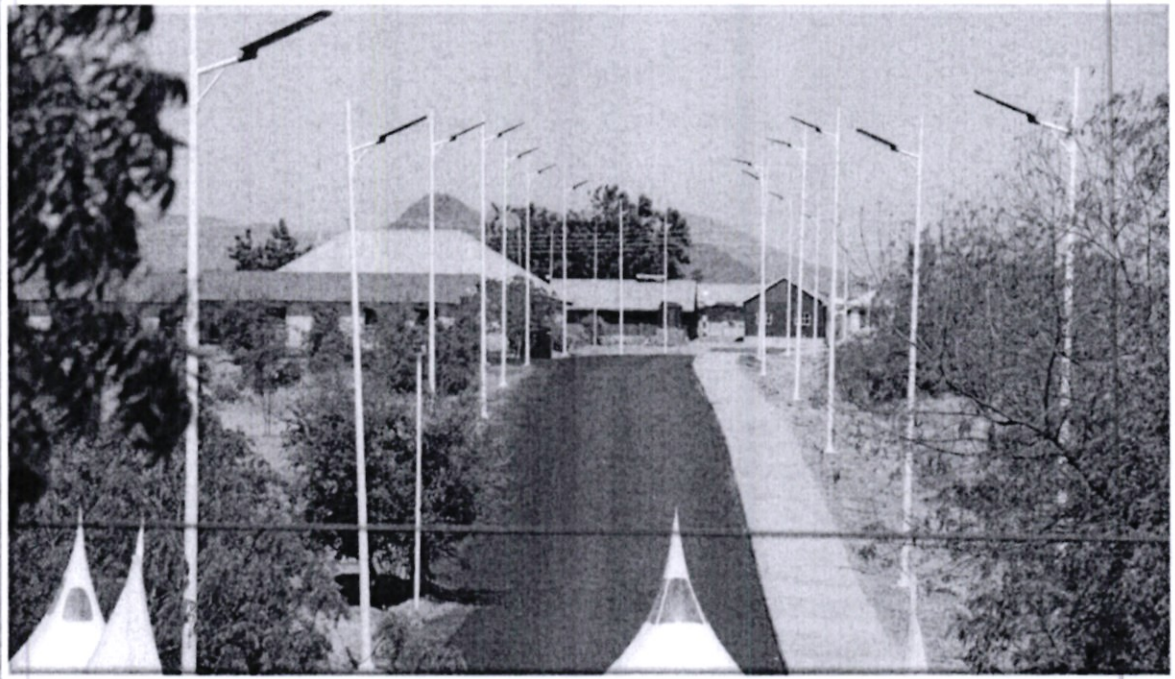
ONGOING PROJECTS

TUC Clinic and borehole



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Internal roads, Walk paths and street lighting being developed



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Turkana University College ongoing project of 2No. Students' Hostel.



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Pictorials



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SECTION D

Major Risks Facing TUC

The University College's principal financial assets are trade receivables and cash and short-term deposits which arise directly from its operations. The institution has financial liabilities comprising trade and other payables. TUC is exposed to the following risks:

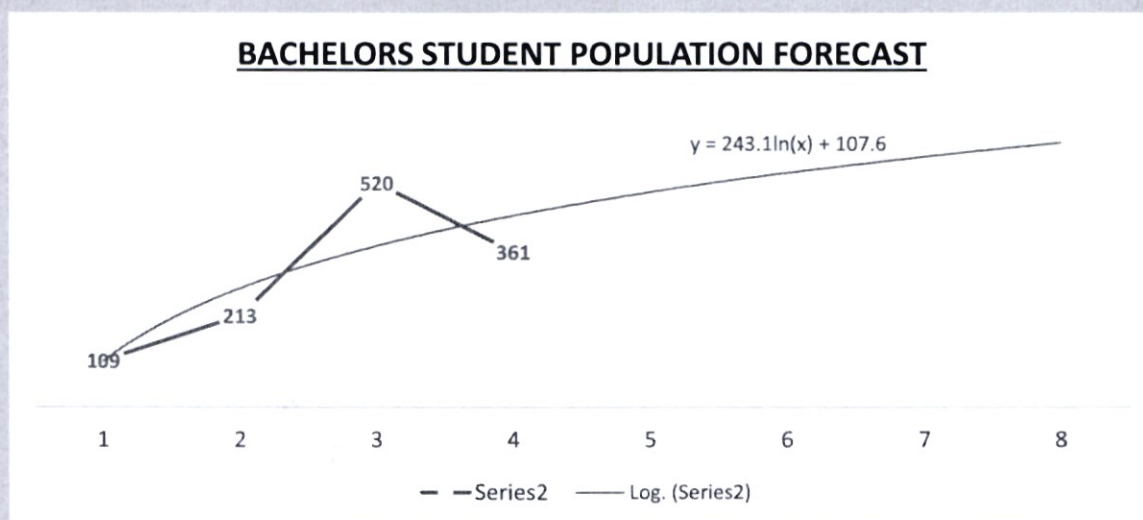
- i) Market risks
- ii) Liquidity risk
- iii) Credit risks

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

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

- i) **Market risk:** - the University College is likely to experience low student enrolment due to competition and the fact that TUC is located in severe hardship areas of Turkana, all of which may result in the reduction of revenue. A forecast into admissions holding all the factors constant yields into a slow growth with a constant one hundred students per year for the bachelor's program.



The major funding for the Privately Sponsored Students Programme (PSSP) has been from the Constituency Development Fund (CDF) if the government changes its mode of operations, it might affect the flow of revenue from the PSSP students.

- ii) **Liquidity risk:** TUC is at risk of facing Liquidity challenges in meeting its financial obligations as and when they fall due. This can be caused by the reduced funding levels from exchange and non-exchange transactions. The institution has outstanding debts from students that management is managing.
- iii) **Credit risk:** TUC faces Credit risk arising from its customers who majorly provides the income from exchange transactions.

SECTION E

Material Arrears in Statutory/Financial Obligations

Currently the University College has no material arrears in pending bills, tax default, outstanding staff, and pension obligations on the pension scheme as it meets all its statutory obligations as they fall due.

There is no major financial impropriety reported by Internal Audit/Audit, Risk Management & Compliance Committee of the College Council, and external auditors.

8. Environmental and Sustainability Reporting

Turkana University College exists to transform lives. The University endeavours to be a globally esteemed University in teaching, research, and outreach focusing on delivering the best services to our internal and external stakeholders.

i) Sustainability strategy and profile

The University College Management has continued to put efforts on sustainability measures through creating relationships and collaborations with customers, stakeholders and community, quality teaching, development of quality academic programmes and recruitment of competent staff. The management has also focused on marketing of TUC programmes in Turkana County and its environs in order to attract more self-sponsored students. The University utilises resources without wastage and misappropriation by ensuring maximum value for the current and future generation.

The University College has adopted the current trend of competency-based curriculum (CBC), with the first cohort anticipated in the universities by 2029, in an effort to stay relevant in the area of academics in Kenya and abroad. All of the university's current lecturers have had CBC training, and more are expected to be hired in the future. Additionally, the university will work to update all of its programs to comply with the CBC.

Compliance with PPRA on allocation of a percentage to local suppliers

ii) Environmental performance

The University College operates its waste management processes through the department of sanitation. Disposal of medical wastes from the University Clinic is conducted by the Ministry of Public Health and Sanitation in collaboration with Lodwar County Referral Hospital. TUC has partnered with Kenya Forest Research Institute (KEFRI) to plant trees at the University regularly. In the FY 2022/23, TUC planted 1,200 trees and provided nurturing services for their growth. However, the growth and sustainability of the trees is adversely affected by the harsh climatic conditions of the area and invasion by livestock from the community. TUC partnership with KEFRI has ensured continued conservation of indigenous trees in pursuit of the SDG number 15 on sustainable eco-systems management. The University has adopted the national Government policy of planting trees during all major events.

Employee welfare

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In an effort to promote staff welfare TUC is guided by the Universities Act, rules and regulation, Employment Act 2007, Human Resource policies and Procedures manual for the Public Service, TUC Statutes, TUC Human Resource and Procedures manual and TUC Scheme of Service in the recruitment, hiring, appraisal and disengagement procedures. The male to female gender ratio of the University college employees is 13:7 which satisfies the constitutional threshold.

TUC made some significant progress during the period under review and organized several capacity building activities aimed at enhancing the skills and knowledge of our staff. These activities included training on pedagogy, workplace safety, ERP, ODEL, ICT, secretarial services and Competency Based Curriculum (CBC). The institution also provided financial management training, conducted benchmarking exercises, granted leaves to staff, and carried out performance appraisals for all staff. TUC successfully implemented the Occupational Safety Policy.

iii) Market place practices- :

Responsible competition practice.

The University has maintained high ethical standards in all aspects of competition. Turkana University College is a Corruption free area and a committee responsible with dealing with corruption cases is in place. The entity also adheres to the provision of PPDA and its regulations and ensures that all purchases are distributed equitably among all the groups; PLWD, AGPO, Women and Youths.

Respect for competitors

Turkana University College respects the rights and reputations of competitors. The university focuses mainly on its strength without undermining other players in the same field.

Fair Evaluation of competitors

In any competitive processes, such as procurement or hiring, the University College ensures that fair and objective evaluation based on merit and relevant criteria done through committees set by University management

Engagement with Stakeholders

Responsible competition involves engaging with different stakeholders. In bid to achieve this, TUC has always engaged its stakeholders that include the students, staff, faculty, local community (The Council held a consultative meeting with caucus of Turkana County MPs), the suppliers, to understand their needs and expectations. The feedbacks from the engagements are used to improve the TUC

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competitive strategies. The University College Management and Staff have participated in a variety of stakeholder engagements, the most recent being a workshop by the Kenya Universities and Colleges Placement Service (KUCCPS hosted by the Turkana University College (TUC) where they held a two day Open forum on 29th-30th May 2023. The event was attended by the CEO KUCCPS Dr. Mercy Wahome and her team, students and teachers from Secondary schools in Turkana County and prospective candidates for placement in the 2023/2024 cycle participated. Kenya. The principal and some staff members were key resource persons during the event.

Compliance with laws and regulations

Turkana University College complies with all the applicable laws and regulations related to competition. It desists anti-competitive behaviours such as price fixing or colluding with competitors.

b). Responsible Supply chain and supplier relations

Turkana University College has maintained an Open and Honest relationship with its Suppliers. All contracts and agreements are transparent and clearly outlines the terms and conditions, payment schedules and expectations of both parties. TUC payments are always done within the set timelines.

c). Responsible marketing and advertisement

All marketing and advertisement at Turkana University College are guided by high ethical standards of discipline and Principles:

- i. TUC has ensured that all its marketing materials; advertisements and communications are transparent and honest, providing accurate and reliable information to our target audience.
- ii. Choosing vendor and partners based on their commitment to ethical practices and sustainability.
- iii. Regularly monitoring marketing activities and campaigns to ensure compliance with ethical standards and promptly addressing any deviations.
- iv. Conducting training sessions for marketing staff to raise awareness of ethical issues and ensure a shared understanding of the institution's ethical marketing principles.

d) Product stewardship

TUC in its efforts to safeguard consumer rights and interest does the following:

- i) Ensures that the programmes offered at the University meets the standard set by the government (CUE and TVETA) and other regulatory bodies
- ii) Engaging the stakeholders regularly and educating them on our product and services.

TUC made some significant progress during the period under review and organized several capacity building activities aimed at enhancing the skills and knowledge of our staff. These activities included

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pedagogy, workplace safety, ERP, ODEL, ICT, secretarial training for various committees, and Competency Based Curriculum (CBC) training for all academic staff. The institution also provided financial management training, conducted benchmarking exercises, granted leaves to staff, and carried out performance appraisals for all staff. TUC successfully implemented the Occupational Safety Policy.

v) *Corporate Social Responsibility / Community Engagements*

Turkana University College has consistently carried out Corporate Social Responsibilities and community engagements. Some of the activities carried out during the year under review includes:

i. Adult Literacy Programme,- To enhance literacy levels in the neighborhoods TUC has identified adult literacy programme to be a major CSR activity. The University College in collaboration with the Department of Adult and Continuing Education, Turkana County has successfully launched adult education classes. The enrolment for this class currently stands at 20. **Attach photo**

ii. World Wet day celebrations- Turkana University College joined other stakeholders; The County Government officials, National Government Representatives, Water Resources Authority, the Kenya Maritime Authority (KMA), World Vision and Wetlands International. The celebrations culminated in planting trees at Kalokol, on shores of Lake Turkana.

iii. Continuous Provision of water to the neighbouring community for their animals and domestic use.

iv. Mentorship Programmes organised by TUC for SDA community, where SDA students in schools and colleges were mentored by TUC staff and invited facilitators

v. Training of Peer counsellors in nearby secondary schools by TUC organised and facilitated by the senior student counsellor.

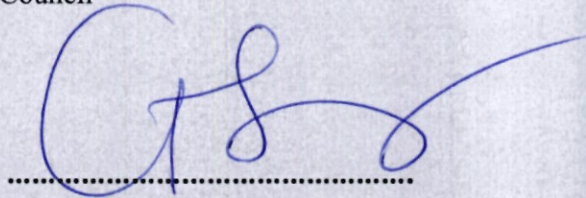
vi. The department of Biological and physical Sciences organized training on dry land agriculture at Nanyee Irrigation Scheme located in Turkwell Ward in Loima Subcounty, Turkana County.

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iv) Auditors

The Auditor-General is responsible for the statutory audit of TUC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year/period ended June 30, 2023.

By Order of the Council



Prof. George N. Chemining'wa

Chief Executive Officer/Secretary to Council

10. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, - (Universities Act) require the Directors to prepare financial statements in respect of TUC, which give a true and fair view of the state of affairs of the institution at the end of the financial year/period and the operating results for that year/period. The Directors are also required to ensure that TUC keeps proper accounting records which disclose with reasonable accuracy its financial position. The Directors are also responsible for safeguarding the assets of TUC.

The Directors are responsible for preparing and presenting the TUC's financial statements, which give a true and fair view of the state of affairs of the institution at the end of the financial year (period) 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 TUC; (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 TUC; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

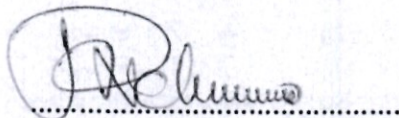
The Directors accept responsibility for TUC's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Universities Act. The Directors are of the opinion that TUC's financial statements give a true and fair view of the state of TUC's transactions during the financial year ended June 30, 2023, and of TUC's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for TUC, which have been relied upon in the preparation of the institution's financial statements as well as the adequacy of the systems of internal financial control.

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

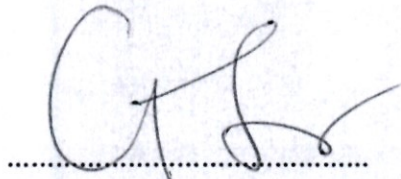
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Approval of the financial statements

TUC's financial statements were approved by the Board on July 12, 2023 and signed on its behalf by:



Dr. Salim P. Ndemo
Chairperson of the Council



Prof. G.N Chemining'wa
Accounting Officer

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON TURKANA UNIVERSITY 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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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, risk management environment and 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 overall 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

Opinion

I have audited the accompanying financial statements of Turkana University College set out on pages 1 to 50, which comprise of the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and

other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Turkana University 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 comply with the Public Finance Management Act, 2012 and the Universities Act, 2012.

Basis for Opinion

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

Emphasis of Matter

1. Land Ownership

Reflected in the statement of financial position is property, plant and equipment of Kshs.739,113,793, which as disclosed in Note 22 to the financial statements includes land balance of Kshs.80,000,000 whose title deed was in the name of Mount Kenya University. Though Management provided a signed transfer form indicating transfer of the land from Masinde Muliro University of Science and Technology (MMUST), there was no evidence of title issued in favour of MMUST for transfer to Turkana University College. There was also no evidence of the progress of land registration in favour of the University with the Registrar of Lands.

2. Uncertainty on Sustainability of Services

As reported previously, the University continued with poor financial performance during the year under review, recording a deficit of Kshs.49,033,702 (2021/2022 - deficit Kshs.93,550,233) which increased the accumulated deficit from Kshs.431,369,575 in 2021/2022 to Kshs.480,403,277 as at 30 June, 2023. Management has not disclosed the measures it has taken or intends to take to reverse the trend. The continued deficits may result to the University's inability to continue to sustain its services

My opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, 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

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final budgeted expenditure budget of Kshs.451,211,376 and actual on comparable basis of Kshs.313,088,195 resulting to an under-expenditure of Kshs.138,123,181 or 30% of the budget.

The under-expenditure implies that planned programs and activities of the University College may not have been implemented and services provided/received as envisaged.

2. Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2022. Management has not provided reasons for the delay in resolving the prior year audit issues contrary to Section 68(2)(l) of the Public Finance Management Act, 2012 which requires that in carrying out a responsibility imposed by Sub-Section (1), an Accounting Officer shall, in respect of the entity concerned, try to resolve any issues resulting from an audit that remain outstanding.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Appointment on Acting Capacity

The University had five (5) employees in the positions listed below who had been acting for periods longer than 3 years.

SNo.	Acting Position	Acting From	Current Substantive Position	Current Grade
1	Registrar, Administration	2019	Senior Lecturer, School of Business and Economics	13
2	Registrar, Academic and Students Affairs	2018	Tutorial Fellow, School of Education and Social Sciences	11
3	Finance Officer	2020	Lecturer, School of Business and Economics	12
4	Dean of Students	2020	Senior Administrative Assistant	9
5	Transport Officer	2020	Senior Lecturer, School of Business and Economics	13

Further, twenty-three (23) employees had been drawing responsibility/special duty allowance ranging between Kshs.15,000 and Kshs.40,000, totalling to Kshs.570,000 in the month resulting into a total of Kshs.6,840,000 paid during the year. However, review of the appointment letters for the staff revealed that the employees have been getting the allowance beyond 6 months contrary to sections C.15(1) and (4) of the Public Service Commission Human Resource Policies and Procedures Manual, 2016 that prohibits payment of Special Duty Allowance beyond six (6) months.

In addition, the University did not provided evidence to show that recommendations for filling the vacancies in the posts in an acting capacity were submitted to the Public Service Commission with a draft indent, a seniority list of officers and an account of their performance as required by Section B.(4) of the Public Service Commission Human Resource Policies and Procedures Manual, 2016.

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

2. Ungazetted Statutes of Turkana University College, 2019

The Statutes of Turkana University College, 2019 were not gazette contrary to Section 23.(4) of the Turkana University College Order, 2017 which provides that Statutes or regulations made by the Council under this Order shall be published in the Gazette but Sections 27, 31(e) and 34 of the interpretation and General Provisions Act shall not apply to the statutes or to the regulations.

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

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) 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

Conclusion

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

Basis for Conclusion

1. Under-Staffing

Analysis of the authorized establishment for the year ended 30 June, 2023 indicated that the University had an under-establishment of three hundred and thirty-two (332) staff an

equivalent of 78% of the authorized establishment. The academic function was under-staffed by 58 staff being 64% of the approved establishment level while the administrative function was under-staffed by 271 staff an equivalent of 83% of the approved establishment and the top management was understaffed by 3 employees an equivalent of 38% of the approved establishment level.

Further, the University's key departmental functions were lacking substantive appointed office holders. There were only two (2) Deputy Principals serving against the three approved for by the University scheme of service and the organogram while the two (2) Registrars authorized in the establishment have not been appointed substantively, instead the posts were being held in acting capacity since the year 2018.

In addition, the authorized establishment provides for appointment of a substantive Finance Officer under Grade 15. However, the post was being held in acting capacity by an officer in Grade 12 since the year 2020. There was also no Legal Officer, Corporate Secretary and Procurement Officer I as per the establishment and scheme of service.

In the circumstances, the University may not be effectively discharging its mandate of providing quality education and training, research, outreach and innovation to meet the needs of the dynamic society.

2. Weak Internal Audit Function

The Turkana University College in the financial year ended 30 June, 2023 had a total number of ninety-four (94) staff comprising of twelve (12) academic staff, seventy-nine (79) administrative staff and three (3) top level management. However, the University had no substantive internal auditor to carry out audit as mandated but instead had an internal auditor who was seconded by The National Treasury on part time basis as per the secondment letter dated 16 November, 2022. This was contrary to the authorized staff establishment which provides for seven (7) posts in the internal audit department comprising of senior internal auditor, the internal auditor, four assistant internal auditors and the internal audit clerk.

In the circumstances, there was no assurance over the University's internal controls, risk management and overall governance.

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

Responsibilities of Management and the University Council

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal 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 governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness

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


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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

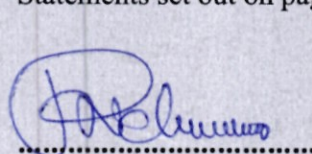
30 April, 2024

TURKANA UNIVERSITY COLLEGE
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for the year ended June 30, 2023.

12. Statement of Financial Performance for the year ended 30 June 2023

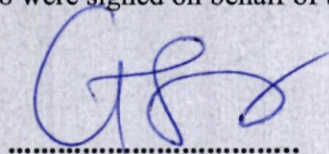
	Notes	2022/2023 Kshs	2021/2022 Kshs
Revenue from non-exchange transactions	Notes		
Transfers from the Ministry of Education	6	226,778,983	196,487,393
		226,778,983	196,487,393
Revenue from exchange transactions			0
Rendering Of Services	7	75,207,821	69,657,720
Rental Revenue From Facilities & Equipment	8	677,293	177,672
Other Income	9	1,184,619	2,193,219
Total Revenue		303,848,716	268,516,004
Expenses			
Use Of Goods & Services	10	53,192,048	59,839,842
Council Expenses	11	16,049,663	16,210,069
Repairs & Maintenance	12	6,507,679	3,509,366
Contracted Services	13	26,068,887	13,933,220
Employee Cost	14	211,461,981	202,230,998
Provision For Doubtful Debts	15	4,033,542	310,539
Depreciation Expenses	16	35,568,618	66,032,203
Total expenses		352,882,418	362,066,237
Surplus/Deficit		(49,033,702)	(93,550,233)

The notes set out on pages 6 to 48 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 8 were signed on behalf of the Council by:



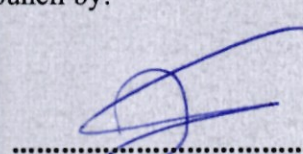
Dr. Salim P. Ndemo
Chairman of the Council

Date 12-07-2023



Prof. G.N Chemining'wa
Accounting Officer

Date 12-07-2023



FA, CPA Dr J. Okello
Head of Finance
ICPAK M/No:4971

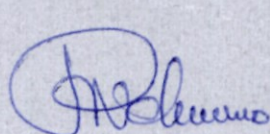
Date 12-07-2023

TURKANA UNIVERSITY COLLEGE
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15 Statement of Financial Position as at 30 June 2023

ASSETS	Notes	2022/2023	2021/2022
		Kshs	Kshs
Current Assets			
Prepaid Expense	17	5,844,074	9,078,041
Cash And Cash Equivalents	18	124,171,319	125,847,311
Inventory & Stores	19	2,810,263	2,957,782
Receivables From Non-Exchange Transactions	20	10,101,454	0
Receivables From Exchange Transactions	21	35,148,403	23,255,093
		178,075,513	161,138,227
Non-current Assets			
Property, Plant & Equipment	22	739,113,793	758,493,206
Intangible Assets	23	1,287,000	-
		740,400,793	758,493,206
TOTAL ASSETS		918,476,306	919,631,433
CAPITAL AND LIABILITIES			
Current Liabilities			
Trade And Other Payables	24	40,981,647	31,990,960
Refundable Deposit And Prepayments From Customers	25	16,225,254	4,938,819
Total Current Liabilities		57,206,901	36,929,779
Net Assets			
Accumulated Surplus (deficit)		(480,403,277)	(431,369,575)
Reserves		1,341,672,682	1,314,071,229
Total Net Assets		918,476,306	919,631,433

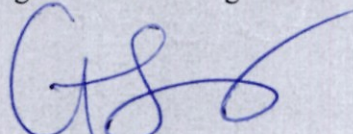
The financial statements set out on pages 1 to 9 were signed on behalf of the Council by:



Dr. Salim P. Ndemo

Chairman of the Council

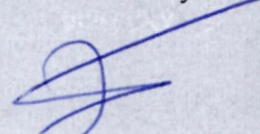
Date 12-07-2023



Prof. G.N Chemining'wa

Accounting Officer

Date 12-07-2023



FA, CPA Dr J. Okello

Head of Finance

ICPAK M/No:4971

Date 12-07-2023

TURKANA UNIVERSITY COLLEGE
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16. Statement of Changes in Net Assets for the year ended 30 June 2023

TURKANA UNIVERSITY COLLEGE			
STATEMENT OF CHANGES IN EQUITY			
	Accumulated surplus	Capital Grants	Total
At July 1, 2021	(318,882,308)	1,314,071,229	995,188,921
Total comprehensive income	(93,550,233)		(93,550,233)
Prior year adjustments	(18,937,034)		(18,937,034)
Capital/Development grants received during the year			
Transfer of depreciation/amortization from capital fund to retained earnings			-
At June 30, 2022	(431,369,575)	1,314,071,229	882,944,803
At July 1, 2022	(431,369,575)	1,314,071,229	882,944,803
Total comprehensive income	(49,033,702)		(49,033,702)
Prior year adjustments			-
Capital/Development grants received during the year		27,601,454	27,601,454
Transfer of depreciation/amortization from capital fund to retained earnings			
At June 30, 2023	(480,403,277)	1,341,672,683	861,269,406

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17. Statement of Cash Flows for the year ended 30 June 2023

	Notes	2022/2023	2021/2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other government entities		226,778,983	196,687,393
Rendering of services		65,271,308	50,275,079
Rental revenue from facilities and equipment		677,293	177,672
Other income		1,184,619	2,193,219
Total receipts		293,912,203	249,333,363
Payments			
Use of goods and services		51,975,798	59,839,842
Board Expenses		16,049,663	16,210,069
Repairs and maintenance		6,313,679	3,509,366
Contracted services		26,068,887	13,933,220
Employee costs		195,203,963	180,298,344
Total payments		295,611,990	273,790,841
Net cash flows from/(used in) operating activities		(1,699,787)	(24,457,478)
Cash flows from investing activities			
Purchase of PPE and Intangible assets		(17,476,205)	(17,087,630)
Net cash flows from/(used in) investing activities		(17,476,205)	(17,087,630)
Cash flows from financing activities			
Proceeds from government grants		17,500,000	-
Net cash flows from financing Activities		17,500,000	-
Net increase/(decrease) in cash & Cash equivalents		(1,675,992)	(41,545,108)
Cash and cash equivalents at 1 July	18	125,847,311	167,392,419
Cash and cash equivalents at 30 June	18	124,171,319	125,847,311

TURKANA UNIVERSITY COLLEGE
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18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2023

	Original annual Budget	Adjustments	Final Annual Budget	Actual Cumulative to date	% of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	%
Revenue					
Gok Development	70,000,000	42,398,546	27,601,454	17,500,000	63
GoK Recurrent	226,778,983	-	226,778,983	226,778,983	100
Other receivables and balance b/f	196,830,939	-	196,830,939	191,118,619	97
Total income	493,609,922	42,398,546	451,211,376	435,397,602	
Expenses					
Capital expenses	117,700,000	42,398,546	75,301,454	17,476,205	23
Use of Goods	101,652,002	-	101,652,002	51,975,798	51
Council	16,500,000	-	16,500,000	16,049,663	97
Repairs and maintenance	12,544,000	-	12,544,000	6,313,679	50
Contracted Services	27,000,000	-	27,000,000	26,068,887	97
Compensation to Employees	218,213,920	-	218,213,920	195,203,963	89
Depreciation	0	-	0	0	-
Total expenditure	493,609,922	-	451,211,376	313,088,195	
Surplus for the period	-	-	-	122,309,407	

Budget notes

IPSAS 24 Budget Reconciliation	
Surplus as per Budget vs Actual	122,309,407
Less Development Funds and Cash Balances B/F	131,548,886
	(9,239,479)
Add Development Expenses	8,236,726
Add Accrued Expenses	17,668,268
Add Provision for Doubtful Debts	4,033,702
Add Depreciation	35,568,618
Surplus as the statement of comprehensive income	(49,033,702)

19. Notes to the Financial Statements

1. General Information

TUC is established by and derives its authority and accountability from the Universities Act, 2012. It is wholly owned by the Government of Kenya and domiciled in Kenya. TUC's principal activity is teaching, research, innovation and outreach.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *TUC's* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of TUC and rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the Universities Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Turkana University College
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Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29 by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in the scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p>TUC has reviewed this standard and provided for provision for doubtful debts based on the aged debts assigning different rates on each category.</p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p>

Turkana University College
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Standard	Effective date and impact:
	<p>This Standard aims to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. <p>TUC has not had engagements on social benefits within the financial year.</p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued. <p>TUC financial statements have not been impacted with the new changes from IPSAS 41</p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008).

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Standard	Effective date and impact:
	<ul style="list-style-type: none"> ● <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. ● IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023. TUC financial statements are not affected by the new improvements since we have not traded in financial instruments within the financial year

Notes to the Financial Statements (Continued)

- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>TUC has not engaged in any lease within the financial year under review</p>
IPSAS 44: Non-Current Assets Held for Sale and	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p>

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Standard	Effective date and impact:
Discontinued Operations	<p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>TUC did not engage in transactions that could have led to assets being held for sale</p>

Notes to the financial statements (continued)

iii. Early adoption of standards

TUC did not early – adopt any new or amended standards in the financial year.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

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

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the *Entity* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

Notes to the financial statements (continued)

ii) Revenue from exchange transactions

Rendering of services

The Entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Summary of Significant Accounting Policies (Continued)

Sale of goods

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

Interest income

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

Dividends

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

Rental income

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

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Notes to the Financial Statements (Continued)

b) Budget information

The original budget for the Current FY was approved by the National Assembly on xxx. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations of xxx on the 20xx budget following the governing body's approval.

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

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the TUC operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable *Entity* and the same taxation authority.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Sales tax

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

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately based on the model adopted)* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

e) Property, plant and equipment

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

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the *Entity*. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The *Entity* also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the *Entity* will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Intangible assets

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

h) Research and development costs

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

b) Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

j) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

k) Provisions

Provisions are recognized when the TUC has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the TUC expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

l) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

m) Contingent liabilities

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

n) Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

The *Entity* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

q) Foreign currency transactions

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

r) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

s) Related parties

TUC regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over TUC, or vice versa. Members of key management are regarded as related parties and comprise the Council, the Principal and Deputy Principals.

t) Service concession arrangements

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

u) Cash and cash equivalents

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

v) Comparative figures

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

w) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

- a) The condition of the asset based on the assessment of experts employed by the Entity.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

(include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

Notes to the Financial Statements (Continued)

6. Transfers from Other Government entities

Description	2022/2023	2021/2022
	KShs	KShs
Unconditional Grants		
Operational Grant	226,778,983	196,487,393
Unconditional development grants	27,601,454	-
Other Grants	-	-
Total Unconditional Grants	254,380,437	196,487,393
Conditional Grants amortised/ transferred to revenue		
Housing Development Grant	-	-
Infrastructure Grant	-	-
Library Grant	-	-
Facilities Development Grant	-	-
Other Organizational Grants (specify)	-	-
Total Government Grants And Subsidies	254,380,437	196,487,393

The operational grants are given to TUC to meet their daily operational expenses and majorly to pay the personnel emoluments expenses. The development grants are meant for the construction of the infrastructural developments.

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

Name of The Entity Sending The Grant	Amount recognized to Statement of Financial performance. *	Amount deferred under deferred income.	Amount recognised in capital fund.	Total transfers 2022/2023	2021/2022
	KShs	KShs	KShs	KShs	KShs
Ministry/State Department	226,778,983	-	27,601,454	254,380,437	196,487,393
Total	226,778,983	-	27,601,454	254,380,437	196,487,393

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Notes to the Financial Statements (Continued)

7. Rendering Of Services

Description	2022/2023	2021/2022
	KShs	KShs
Tuition Fees	49,838,671	46,074,500
Student Organization Fee	407,200	351,600
Examination Fee	4,078,200	3,666,600
Medical Fee	1,737,000	1,573,500
Activity Fee	1,018,000	879,000
Amenity Fee	1,018,000	879,000
Registration Fee	247,500	307,500
ICT Levy	5,300,000	4,644,000
Library Fee	3,180,000	2,796,000
Field Attachment	1,466,000	935,000
Project Supervision	322,000	312,000
Field Trips	352,000	292,000
Practicals/workshop	495,000	335,000
Students Identity Card	9,250	10,500
Written Examination Fee	147,000	178,500
Computer for development	210,000	255,000
Thesis Examination	1,195,000	1,425,000
Application Fee	508,000	307,020
KUCCPS Processing Fees	177,000	429,500
Supervision Fee	1,660,000	1,992,000
Graduation Fees	1,132,000	1,014,500
Hostel Fees	704,000	800,000
Research Income/ Management fees	-	200,000
Gown penalties	6,000	0
TOTAL Rendering of Services	75,207,821	69,657,720

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8. Rental Revenue from Facilities and Equipment

Description	2022/2023	2021/2022
	Kshs	Kshs
Rental Income	25,000	45,000
Hire of Venues, Equipment and Transport	592,293	-
Hire of Hall	60,000	132,672
TOTAL Rental Revenue from Facilities & Equipment	677,293	177,672

This revenue relates to tack shop operated by the student organization and hire of the university hall by other institutions.

9. Other Income

Description	2022/2023	2021/2022
	Kshs	Kshs
Other Incomes	4,580	-
Cafeteria Sales	1,110,514	1,780,699
Application fees for Tender	5,000	1,000
Workshop & Conferences	-	375,315
Conference Fee	23,000	0
Insurance processing fee	41,525	36,205
TOTAL Other Income	1,184,619	2,193,219

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Notes to the Financial Statements (Continued)

10. Use of Goods and Services

	2022/2023	2021/2022
Use Of Goods & Services	Kshs	Kshs
Audit fees Expenses	250,000	200,000
Examination Materials/Expenses	1,133,040	945,200
External Examiners Expenses	888,500	933,900
External Travel & Accommodation	336,000	323,900
Internet Charges	2,053,788	1,869,806
Library Expenses	558,000	433,000
New programmes/Curriculum	988,475	1,735,640
Office expenses/Other meetings	1,927,392	684,631
Postal and Telegrams	13,950	10,450
Publishing & Printing	7,000	0
Purchase of Stationery	2,024,606	2,572,760
Purchase of Uniforms & Protective Clothing	650,000	0
Research Programmes	3,667,644	897,718
Seminars & Conferences	1,982,388	2,795,350
Senate/Deans expenses	214,630	878,180
SGC Elections & Training	518,400	802,625
Shows & exhibition expenses	271,240	76,250
Teaching Materials/ Expenses	126,500	788,275
Telephone expense	4,000	24,871
Internship	350,800	0
Travelling & Accommodation	8,884,954	8,387,973
University College Mgmt Board	88,800	197,695
Attachment Expenses	1,064,250	453,650
Recruitment Expense	96,150	111,000
Staff Retreat/Dev't of Policies Expense	773,100	1,361,179
Laboratory Reagents & Chemicals	186,200	0
Academic/Field Trips	121,700	39,220
Thesis/Supervision Expenses	128,800	0
Graduation Expenses	534,264	1,135,300
Bank Charges	227,770	242,277
Consultancy Services/ Strategic plan expenses	-	959,840
Subscription to Professional bodies	128,000	71,400
Covid-19 Related Expenses	-	62,399
Performance Contracting	101,820	297,420
Advert & Publicity/Marketing	1,567,873	3,238,210
Affiliation fees	49,400	244,400
Careers week	-	421,110
Cleaning & Sanitation Services	136,930	208,185
Coaching and Mentorship	-	175,050
Disability Mainstreaming	-	79,200

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Electricity	1,584,387	1,603,674
Hire of Transport Plant & Machinery	63,000	233,500
Sports Equipment & Sporting Activities	281,182	612,250
HIV & AIDS Awareness	30,000	72,500
Insurance	471,204	348,452
Legal expenses	966,100	2,442,000
TUCSO	640,500	474,782
Security Services	1,556,400	1,724,600
Staff Development/Training/Scholarship	3,084,082	3,707,588
Student Administrative expenses	488,000	1,551,870
Tender Expenses	-	177,500
Fuel and Lubricants	911,606	577,416
University College choir/drama	2,239,900	1,189,500
Corporate Social Responsibility	87,000	55,000
Water Expenses	181,050	354,040
Medical Expenses	152,861	625,157
KUCCPS Processing Expense	160,500	811,500
CUE Processing Fees	252,000	488,000
Gender Mainstreaming	-	93,200
ISO Certification	2,213,282	541,870
Student Catering Services	5,382,730	6,643,055
Solaro Research Fund Expenses	-	172,074
IGU General Expenses	389,900	1,682,250
TOTAL Use Of Goods & Services	53,192,048	59,839,842

11. Council Expenses

Description	2022/2023	2021/2022
	Kshs	Kshs
Chairman/Directors' Honoraria	960,000	960,000
Sitting Allowances	3,512,160	3,788,527
*Medical Insurance	2,450,053	1,298,887
Induction and Training	848,410	1,238,760
Travel and Accommodation	8,195,040	8,839,895
Other Allowances	84,000	84,000
Total	16,049,663	16,210,069

*Medical Insurance was originally charged under operations expenses in the FY 2021/22

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12. Repair and Maintenance Expenses

Description	2022/2023	2021/2022
	Kshs	Kshs
Maintenance of Building & stations	3,243,804	766,930
Maintenance of Computers	799,620	123,060
Maintenance of Plant & Equipment	204,083	116,780
Maint. of Water supplies & sewerage	387,495	448,290
Maintenance of Catering & Hostels	286,190	72,170
Maintenance of Playgrounds	-	174,000
Maintenance of Motor Vehicles	857,147	1,030,175
Maintenance of Networks	729,340	561,951
General Expenses	-	216,010
TOTAL Repairs & Maintenance	6,507,679	3,509,366

13. Contracted Services

Description	2022/2023	2021/2022
	Kshs	Kshs
Part time Lecturers expenses	26,068,887	13,933,220
TOTAL Other Expenses	26,068,887	13,933,220

14. Employee Costs

Description	2022/2023	2021/2022
	Kshs	Kshs
Casual Workers	-	548,687
Medical Scheme	10,548,161	8,602,761
Gratuity Expenses	16,258,018	21,932,654
Employer Pension Contribution	-	8,650,477
Salaries and Wages	184,655,802	162,496,419
TOTAL Employee Cost	211,461,981	202,230,998

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Notes to the Financial Statements (Continued)

15. Provision for Doubtful debts

Description	2022/2023	2021/2022
	Kshs	Kshs
Outstanding debts 0 - 1 year	29,403,404	24,388,158
Outstanding debts 1 - 2 years	8,832,577	1,721,000
Outstanding debts 2 - 3 years	3,508,247	-
Outstanding debts above 3 years	0	-
	41,744,228	26,109,158
Total Provision for Doubtful debts	6,902,608	2,869,066

Provisions shall be made for bad and doubtful debts at the following rates:

Period Outstanding	Percentage Provision
180 -360 days	10
1- 2 years	25
2- 3 years	50
Above 3 years	100

16. Depreciation and Amortization Expense

Description	2022/2023	2021/2022
	Kshs	Kshs
Property, plant and equipment	33,778,523	37,980,276
Intangible assets	1,790,095	28,051,927
Total depreciation and amortization	35,568,618	66,032,203

The financial performance of TUC exhibited a significant deviation, which was primarily due to the goodwill impairment that was fully amortized by the end of the fiscal year 2021/2022.

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Notes to the Financial Statements (Continued)

17. Prepaid Expense

Description	2022/2023	2021/2022
	Kshs	Kshs
Prepaid Sundry Expense	1,660	1,660
Imprest Account	791,970	973,430
Prepaid Insurance	5,050,444	8,102,951
Total Cash And Cash Equivalents	5,844,074	9,078,041

18. Cash and Cash Equivalents

Description	2022/2023	2021/2022
	Kshs	Kshs
Current Accounts	124,167,271	125,844,314
Others- Petty Cash	4,048	2,997
Total Cash And Cash Equivalents	124,171,319	125,847,311

Detailed Analysis of the Cash and Cash Equivalents

		2022/2023	2021/2022
	Account Number	Kshs	Kshs
Cash and cash Equivalents			
a) Current Accounts – KCB			
Fees Collection Account	1204387079	1,983,836	4,451,384
I G U Account	1218868899	3,694,438	792,741
Payments Account	1206564520	4,232,923	1,600,356
Capital Dev Account	1222084198	69,858,516	98,549,474
Deposits Account	1205643117	44,397,559	20,450,359
b) Petty Cash		4,048	2,997
TOTAL Cash and cash Equivalents		124,171,319	125,847,311

The cash and cash equivalents have the following restricted cash that are not available for use by the institution but are held in the bank:

Description	2022/2023	2021/2022
	Kshs	Kshs
Trade and other payables	40,981,647	31,990,960
Refundable deposits	16,225,254	4,938,819
Development Funds	69,858,516	98,549,474
Total trade and other payables	127,065,417	135,479,253

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Notes to the Financial Statements (Continued)

19. Inventory

Description	2022/2023	2021/2022
	Kshs	Kshs
Consumable stores	2,810,263	2,957,782
Less: allowance for impairment	(-)	(-)
Total inventories at the lower of cost and net realizable value	2,810,263	2,957,782

Inventories relate to consumables in the store that are used for teaching and other stationery.

20. Receivables from Non-Exchange Transactions

Description	2022/2023	2021/2022
	Kshs	Kshs
GoK Development	10,101,454	-
Total	10,101,454	-

21. Receivables from Exchange Transactions

(a) Receivables from Exchange Transactions (Current)

Description	2022/2023	2021/2022
	Kshs	Kshs
Receivables		
Student Debtors	41,725,306	26,109,158
General Debtors	18,922	15,000
Salary Advance	306,783	0
Less Provisions for Doubtful Debts	(6,902,608)	(2,869,066)
Total Current Receivables	35,148,403	23,255,092

(b) Ageing analysis for Receivables from exchange transactions

Description	2022/2023		2021/2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	29,403,404	70%	9,190,740	35%
Between 1- 2 years	8,832,577	21%	8,402,963	32%

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Between 2-3 years	3,508,247	9%	8,665,555	33%
Over 3 years	0	0%	0	0%
Total (a+b)	41,744,228	100%	26,259,258	100%

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Notes to the Financial Statements (Continued)

(d) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance/ provision	2022/2023	2021/2022
	Kshs	Kshs
At the beginning of the year	2,869,066	2,869,066
Additional provisions during the year	4,033,542	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	6,902,608	2,869,066

Provisions are made for bad and doubtful debts at the following rates:

Period Outstanding	Percentage Provision
180 -360 days	10
1- 2 years	25
2- 3 years	50
Above 3 years	100

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Notes to the Financial Statements (Continued)

22. Property, Plant and Equipment

	PROPERTY, PLANT & EQUIPMENT IN (KSHS)											
	0%	2.5%	25.0%	10.0%	33.3%	12.5%	20.0%	25.0%	0.0%		20.0%	
	Land.	Buildings.	Motor vehicles	Software	Computer & Accessories	Furniture & Fittings	Plant & Equipment	Library books	Capital Work in Progress	Sub-total	Good will	Total
Cost as at 30th June 2022	80,000,000	655,152,924	22,924,922	6,910,000	30,876,955	77,763,668	36,443,418	27,468,293	69,757,856	1,007,298,036	266,699,271	1,273,997,307
Dep. As at 30th June 2021	-	73,602,084	13,674,504	2,764,000	24,084,009	41,047,688	29,601,286	24,668,983	-	209,442,554	240,029,344	449,471,898
Disposal										-		-
Adjustment										-		-
Charge/Impairment for the year 2021/2022		16,378,823	3,661,231	1,382,000	3,299,258	9,720,459	4,054,932	865,574	-	39,362,276	26,669,927	66,032,203
Acc Dep. As at 30th June 2022	-	89,980,907	17,335,735	4,146,000	27,383,267	50,768,147	33,656,218	25,534,557	-	248,804,830	266,699,271	515,504,101
NBV 30th June 2022	80,000,000	565,172,018	5,589,188	2,764,000	3,493,688	26,995,521	2,787,200	1,933,736	69,757,856	758,493,206	-	758,493,206
Cost as at 1st July 2022	80,000,000	655,152,924	22,924,922	6,910,000	30,876,955	77,763,668	36,443,418	27,468,293	69,757,856	1,007,298,036	266,699,271	1,273,997,307
Additions	-	-	-	2,040,475	2,721,300	2,747,390			9,967,040	17,476,205	-	17,476,205
Disposal										-		-
Adjustment	-	-	-							-		-
Cost as at 30th June 2023	80,000,000	655,152,924	22,924,922	8,950,475	33,598,255	80,511,058	36,443,418	27,468,293	79,724,896	1,024,774,241	266,699,271	1,291,473,512
Dep. As at 30th June 2022	-	89,980,907	17,335,735	4,146,000	27,383,267	50,768,147	33,656,218	25,534,557	-	248,804,830	266,699,271	515,504,101
Disposal												
Adjustment												
Charge/Impairment for the year 2022/2023	-	16,378,823	1,863,063	1,790,095	4,002,786	10,063,882	821,180	648,789	-	35,568,618	-	35,568,618
Acc Dep. As at 30th June 2023	-	106,359,730	19,198,797	5,936,095	31,386,053	60,832,029	34,477,398	26,183,346	-	284,373,448	266,699,271	551,072,719
NBV 30th June 2023	80,000,000	548,793,194	3,726,125	3,014,380	2,212,202	19,679,029	1,966,020	1,284,947	79,724,896	740,400,793		740,400,793

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Notes to the Financial Statements (Continued)

Valuation

All the assets have been carried out at cost and will be valued at the end of the FY 2023/2024. The valued figures will be adopted by the Council and subsequently in the financial statements.

22 (b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	80,000,000	-	80,000,000
Buildings	655,152,924	106,359,730	548,793,194
Plant And Machinery	36,443,418	34,477,398	1,966,020
Motor Vehicles, Including Motorcycles	22,924,922	19,198,797	3,726,125
Computers And Related Equipment	33,598,255	31,386,053	2,212,202
Office Equipment, Furniture, And Fittings	80,511,058	60,832,029	19,679,029
Library Books	27,468,293	26,183,346	1,284,947
Software	8,950,475	5,936,095	3,014,380
Work In Progress	79,724,896	0	79,724,896
Total	1,024,774,241	284,373,448	740,400,793

Property plant and Equipment includes the following assets that are fully depreciated:

Description	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	32,928,368	6,467,504
Motor Vehicles including Motorcycles	15,472,672	3,868,168
Computers and Related Equipment	29,712,209	9,903,079
Library Book	24,873,138	8,291,046
Total	102,986,387	28,529,797

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Notes to the Financial Statements (Continued)

23. Intangible Assets

Description	2022/2023	2021/2022
	Kshs	Kshs
Cost		
At beginning of the year	-	266,699,271
Additions	8,950,475	-
At end of the year	8,950,475	266,699,271
Additions—internal development	-	-
At end of the year	8,950,475	266,699,271
Amortization and impairment		
At beginning of the year	8,950,475	240,029,344
Amortization	4,146,000	26,669,927
At end of the year	3,014,380	266,699,271
Impairment loss	-	-
At end of the year	3,014,380	266,699,271
NBV	3,014,380	-

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Notes to the Financial Statements (Continued)

24. Trade and Other Payables

Description	2022/2023		2021/2022	
	Kshs		Kshs	
Trade Creditors	4,877,707		4,250,411	
With Holding Tax Payables	75,488		3,718	
Retention Work in progress	7,654,559		6,826,468	
Gratuity Liability	25,315,836		19,262,556	
Accruals payable	1,160,250		0	
Audit Fee Payable	1,450,000		1,200,000	
Employee Benefit Obligation	447,807		447,807	
Total trade and other payables	40,981,647		31,990,960	
Ageing analysis: (Trade and other payables)	2022/2023	% of the Total	2021/2022	% of the Total
Under one year	6,037,957	100%	4,250,411	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	6,037,957		4,250,411	

25. Refundable Deposits and Prepayments from Customers

Description	2022/2023		2021/2022	
	Kshs		Kshs	
Caution Money	2,075,000		1,609,000	
Prepaid Fees	9,376,000		1,839,719	
Research Grants	652,182		0	
HELB	4,000		0	
CDF Bursary	2,125,100		0	
Direct Credits	102,872		0	
Refunds Payables	1,290,100		1,290,100	
Chancellors Fund	600,000		200,000	
Total deposits	16,225,254		4,938,819	
Ageing analysis: (Refundable deposits)	2022/2023	% of the Total	2021/2022	% of the Total
Under one year	10,736,856	69%	2,155,935	45%
1-2 years	3,438,398	19%	482,884	<1%
2-3 years	950,000	<1%	1,100,000	22%
Over 3 years	1,100,000	<1%	1,200,000	24%
Total	16,225,254		4,938,819	

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Notes to the Financial Statements (Continued)

26. Current Provisions

Description	Doubtful Debts provision	Total
	Kshs	Kshs
Balance b/f	2,869,066	2,869,066
Additional provisions	4,033,442	4,033,442
Provision utilised	(-)	(-)
Change due to discount and time value for money	(-)	(-)
Transfers from non-current provisions	-	-
Total provisions year end	6,902,608	6,902,608

27. Employee Benefit Obligations

The Entity contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. 1,080 per employee per month. Other than NSSF the Entity also has a defined contribution scheme operated by MMUST SRBS Old Mutual Pension Fund. Employees contribute 10% while employers contribute 20% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

28. Service Concession Arrangements

Description	2022/2023	2021/2022
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	(-)	(-)
Net carrying amount	=	=
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	(-)	(-)
Service concession liability at end of the year	=	=

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Notes to the Financial Statements (Continued)

29. Social Benefit Liabilities

Description	2022/2023	2021/2022
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Disability social benefits	-	-
Total	-	-
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

Notes to the Financial Statements (Continued)

30. Financial Risk Management

The TUC's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The TUC's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. TUC does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The TUC's financial risk management objectives and policies are detailed below:

i) Credit risk

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from the students. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the 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. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2023				
Trade payables	-	4,877,706	-	4,877,706
Caution Money	-	-	2,075,000	2,075,000
Provisions	-	-	6,902,608	6,902,608
Gratuity	-	3,718,849	21,596,987	25,315,836
Total	-	9,231,243	23,023,299	32,268,542

iii) Market risk

TUC 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. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit, Risk Management and Compliance Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

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Notes to the Financial Statements (Continued)

iv) Capital Risk Management

The objective of the Entity's capital risk management is to safeguard the Entity's ability to continue as a going concern. The Entity capital structure comprises the following funds:

Description	2022/2023	2021/2022
	Kshs	Kshs
Accumulated Surplus	(480,403,277)	(431,369,575)
Capital Reserve	1,341,672,683	1,314,071,229
Total Funds	861,269,405	882,701,654
Total Borrowings	-	-
Less: Cash and Bank Balances	(124,171,319)	(125,847,311)
Net Debt/(Excess Cash And Cash Equivalents)	737,078,086	756,854,343
Gearing	55%	58%

31. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of TUC, holding 100% of TUCs equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Entity, both domestic and external.

Other related parties include:

- i) The Parent Ministry.
- ii) County Governments
- iii) Other State Corporations (SC) and Semi-Autonomous Government Agencies (SAGA)
- iv) Key management.
- v) Board of Directors.

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Notes to the Financial Statements (Continued)

Description	2022/2023	2021/2022
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Rent income from govt. Agencies	592,293	507,937
Others (specify) e.g. interest and bank charges	-	-
Total	592,293	507,937
B) purchases from related parties		
Purchases of electricity from KPLC	1,584,387	1,603,674
Purchase of water from govt service providers	181,050	354,040
Training and conference fees paid to govt. Agencies		1,960,968
Purchase of chairs from Nzoia Polytecnic	0	949,000
New programs	0	66,000
KUCCPS	160,500	811,500
CUE	252,000	488,000
Total	1,997,068	4,851,164
b) Grants /transfers from the government		
Grants from national govt	226,778,983	196,487,393
Grants from county government		0
Donations in kind		0
Total	226,778,983	196,487,393
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	0	0
Payments for goods and services for employees	0	0
Total		
d) Key management compensation		
Directors' emoluments	1,044,000	1,044,000
Compensation to key management	39,151,276	25,950,104
Total	40,195,276	26,994,104

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Notes to the financial statements (continued)

32. Segment Information – IPSAS 18

TUC has three school whose income for the FY 2022/2023 is as shown below

S/N	INCOME	SOBE	SOES	SOST	TOTAL
1	Tuition Fees	13,368,750	21,139,750	11,566,000	46,074,500
2	Student Organization fee	52,400	230,400	68,800	351,600
3	Examination Fee	560,700	2,404,500	701,400	3,666,600
4	Medical Fee	286,500	874,000	413,000	1,573,500
5	Activity Fee	131,000	576,000	172,000	879,000
6	Amenity Fee	131,000	576,000	172,000	879,000
7	Registration Fee	60,500	176,000	71,000	307,500
8	ICT levy	841,000	2,883,000	920,000	4,644,000
9	Library fee	511,000	1,733,000	552,000	2,796,000
10	Field Attachment	150,000	595,000	190,000	935,000
11	Project Supervision	60,000	50,000	202,000	312,000
12	Field Trips	0	0	292,000	292,000
13	Practicals/Workshop	0	0	335,000	335,000
14	Student Identity Card	4,250	3,500	2,750	10,500
15	Written Examination Fee	133,000	7,000	38,500	178,500
16	Computer For Development	190,000	10,000	55,000	255,000
17	Thesis Examination	1,035,000	60,000	330,000	1,425,000
18	KUCCPS Processing Fees	50,000	373,500	6,000	429,500
19	Supervision Fee	1,420,000	88,000	484,000	1,992,000
20	Graduation fee	234,000	619,500	161,000	1,014,500
21	Hostel Fees	12,000	752,000	36,000	800,000
	Total	19,231,100	33,151,150	16,768,450	69,150,700

33. Contingent Assets and Contingent Liabilities

There were no contingent assets during the financial year.

Contingent Liabilities

Description	2022/2023	2021/2022
	Kshs	Kshs
Contingent Liabilities		
Court Case against the Entity	14,398.293	21,784,217
Others (Specify)	-	-
Total	14,398.293	21,784,217

Kitale ELC 48 of 2019 Mude Hussein Mohammed Vs. MMUST, TUC & others (Claiming TUC land- encroachers case)

Nakuru ELRC E002 of 2021 Prof. Thomas E. Akuja Vs. TUC Council

Francis Muniu Njoroge T/A Kasarani Suppliers v. Turkana University College Civil Suit No. 5 of 2020

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34. Capital Commitments

Capital Commitments	2022/2023	2021/2022
	Kshs	Kshs
Authorised for	655,000,000	655,000,000
Authorised and Contracted for	58,000,000	58,000,000
Total	713,000,000	713,000,000

NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing

35. Events after the Reporting Period

There were no material adjusting and non- adjusting events after the reporting period.

36. Ultimate And Holding Entity

The Entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

37. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

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20. Appendices

Appendix 1: Implementation Status of Auditor-General's Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/NNR O/Turkana University Cert.2022	Uncertainty of sustainability of services	The depreciation of our assets have caused the sustainability issue	Resolved	
	Budgetary control performance	Management is improving on the control issues raised	Resolved	
	Graduates with outstanding balances	The students have not collected their certificates	Resolved	
	Non implementation of E-Procurement		Resolved	
	Non-compliance with the ethnic composition		Non Resolved	Apr 30, 2024
	Unaccounted invoices		Resolved	

.....
 PRINCIPAL

Date: 12-07-2023

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Appendix II: Projects implemented by Turkana University College

Projects implemented by the State Corporation/ SAGA Funded by development partners and/ or the Government.

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements. (Yes/No)
2No Hostel	1	GoK	96 months	None	No	Yes
Clinic	2	AIA	24 months	None	No	Yes

Status of Projects completion

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	2 no hostel	114 million	70 million	58%	114 million	69,757,855	GoK
2	clinic	9 million	9 million	99%	9 million	8,280,910	Recurrent

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Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/D evelopment/ Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Education									
Total									

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Appendix V- Inter-Entity Confirmation Letter

The Turkana University College wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

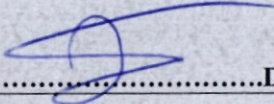
Confirmation of amounts received by Turkana University College as at 30th June 2023

Reference Number	Date Disbursed	Amounts Disbursed by MOE SDHER (KShs) as at 30th June 2023				Amount Received by Turkana University College (KShs) as at 30 th June 2022 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
	3rd Aug. 2022	31,398,249			31,398,249	31,398,249	
	8th Sept. 2022	25,296,496			25,296,496	25,296,496	
	30th Sept. 2022	0	17,500,000		17,500,000	17,500,000	
	11th Nov. 2022	18,898,249			18,898,249	18,898,249	
	9th Dec. 2022	18,898,249			18,898,249	18,898,249	
	31st Dec. 2022	18,898,248			18,898,248	18,898,248	
	3rd Feb. 2023	18,898,249			18,898,249	18,898,249	
	17th Mar. 2023	18,898,249			18,898,249	18,898,249	
	14th April. 2023	18,898,248			18,898,248	18,898,248	
	5th May. 2023	18,898,249			18,898,249	18,898,249	
	9th June 2023	18,898,249			18,898,249	18,898,249	
	27th June 2023	18,898,248			18,898,248	18,898,248	
	4 th July 2023		10,101,454		10,101,454	10,101,454	
Total		<u>226,778,983</u>	<u>27,601,454</u>		<u>254,380,437</u>	<u>254,380,437</u>	

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

Head of Accountants department of beneficiary Entity:

Name: CPA Dr Jared Okello

Sign  **Date** 12/7/23

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Appendix VI: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Going Green	Planting trees	To reduce the emission of Co ₂	1200 trees planted					A-I-A	KEFRI, REREC, TCG

Appendix VII: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
Data Security		IT related	Mitigation against loss of data			
Fire security			Mitigation against fire			