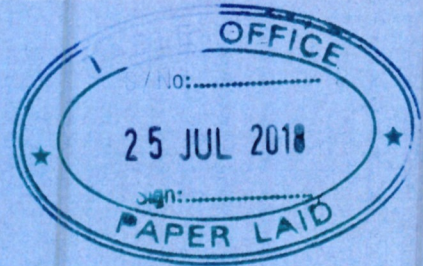


REPUBLIC OF KENYA



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REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
TECHNICAL UNIVERSITY OF MOMBASA**

**FOR THE YEAR
ENDED 31 DECEMBER 2017**



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TECHNICAL UNIVERSITY OF MOMBASA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2017

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

TECHNICAL UNIVERSITY OF MOMBASA
Reports and Financial Statements For the year ended June 30, 2017

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Technical University of Mombasa (TUM) is an ISO certified institution of Global Excellence in Advancing Knowledge, Science and Technology. The origin can be traced back to the late 1940's, as the first institution of higher learning to be established in the coastal region of Kenya. TUM has passed through four distinct phases to reach its current state. It operated as Mombasa Institute of Muslim Education (1948-1966), Mombasa Technical Institute (1966-1972), Mombasa Polytechnic (1972-2007), Mombasa Polytechnic University College through a Legal Notice No. 160 of 2007, and finally awarded the charter as Technical University of Mombasa on 30th January 2013 (under the Universities Act 2012).

TUM is profoundly committed to upholding the quest to provide higher education as envisioned by the founders. It has four established Faculties and Schools namely Faculty of Applied and Health Science, Faculty of Engineering and Technology, School of Business and School of Humanities and Social Sciences. The University admits students across the globe ranging from Kenya Universities and Colleges Central Placement Service (KUCCPS) to Self-Sponsored programmes. As a result of demand for TUM programmes, the student population has tremendously grown over the years, and currently stands at 13,748, composed of 9331 males and 4420 females. TUM also recognizes the importance of human capital in driving the vision of the institution and boasts of 387 teaching staff and 423 administrative staff, giving a total of 810. To ensure programmes are congruent with the market demands, the University incorporates industry, stakeholders and professional bodies in the development and review of the programmes to comfortably offer solutions in the labour market, in the quest of supporting Kenya Vision 2030.

(b) Principal Activities

Vision

A University of global excellence in advancing Knowledge, Science and Technology.

Mission

To provide and outstanding programmes by engaging in scholarly reflection, cultivating critical thinking and advancing creative problem- solving skills in the fields of engineering, the sciences, business and related areas that benefit society.

Motto

Endeavour and Achieve (Jiddu Tajiddu)

Strategic Objectives

- i) Provide quality academic programmes
- ii) Promote research, science, technology and innovation.
- iii) Increase access and equity to tertiary and University education.
- iv) Provide adequate facilities and infrastructure required by the expanding University.
- v) Provide information communication technology solutions to support learning activities and management of the university.
- vi) Institute a manpower and human resources management plan that maintains a competent and efficient workforce.
- vii) Ensure quality and relevance in all programmes.
- viii) Produce graduates with desirable attitudes to confront the various challenges in their lives.
- ix) Institute mutually beneficial linkages and collaborations.
- x) Market Technical University of Mombasa as a leading brand name in training and innovation in engineering, science and technology
- xi) Provide a finance mobilization plan that ensures a sustainable resource base for development and recurrent expenditure.

(c) Key Management

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

- Senate
- University Management Board

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2017 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Ag. Vice Chancellor	-Prof. Laila U. Abubakar
2.	DVC(AFP)	- Prof. Joseph O.Rasowo
3.	Ag. DVC(ARE)	- Prof. Raphael N Mutuku
4.	Finance Officer	-CPA. Alfred Indeche
5.	Registrar (AA)	-Dr. Paul Njihia Gichuhi
6.	Registrar(AP)	-Dr. Kilungu Matata
7.	Ag.Procurement Manager	-Ms. Susan Wanjiru Mwangi

Fiduciary Oversight Arrangements

- Human Resource Management Committee of the Council.
- Finance, Planning and General Purposes Committee of the Council.
- Audit Committee of the Council.
- Statutes and sealing Committee of the Council.
- Executive Committee of the Council.
- Full Council.

TECHNICAL UNIVERSITY OF MOMBASA

Reports and Financial Statements For the year ended June 30, 2017

(e) Registered Office and Place of Business

Technical university of Mombasa.
Tom Mboya Avenue,
P.O. Box 90420-80100,
Mombasa, KENYA

(f) Corporate Contacts

Telephone: (254) 41-2492222/3/4
Fax:254) 41-2495632
Mobile: (254) 0724 955377/0733955377
E-mail: info@tum.ac.ke,
vc@tum.ac.ke.
Website: www.tum.ac.ke

(g) Corporate Bankers

1. National bank of Kenya.
Nkrumah Branch
P.O. Box 576-80100
Mombasa.
2. Co-operative Bank Limited
Nkrumah Branch
P.O.Box 87771-80100
Mombasa.
3. Standard Chartered bank Limited.
Treasury Square Branch
P.O. Box 90170-80100
Mombasa.
4. Kenya Commercial Bank
Mvita Branch
P.O.Box 83534-80100
Mombasa.
5. Family Bank
Jomo Kenyatta Branch
P.O. Box 97268-80100
Mombasa.
6. Equity Bank
Digo Road Branch
P.O.Bank 90016-80100
Mombasa.

(h) Independent Auditors






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

(i) Principal Legal Adviser






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

II. THE COUNCIL MEMBERS

 <p>1. Dr. Kevit Desai – Chairman of Council D.O.B: 29/08/1968</p>	<p>Dr. Desai, has a PhD &M.Sc. in Robotics control systems Engineering. He is a member of Institute of Electrical and Electronics Engineers, a member of Kenya ICT federation, Patron Institute of Electrical and Electronics Engineer, Kenya section and Proprietor Centurion systems limited. He Chairs full council and Tumel board.</p>
 <p>2. Ms. Beatrice Kosgei – D.O.B:</p>	<p>Beatrice holds a Master of Laws, Bachelor of Laws, Diploma in Law, Higher Diploma in Human Resource Management & Certificate in International Trade & Development. She is currently the currently the Company Secretary of Geothermal Development Company Limited. She previously worked for Kenya Trade Network Agency, Agricultural Development Corporation, Liberty Assurance Company, Kosgei And Company Advocates, Jim Choge And Company Advocates, Kenya Industrial Estates, and the Attorney General’s Chambers. She has a wide experience in litigation, conveyance, commercial and corporate law, company secretarial practice and management. She is a Certified Public Secretary and an advocate of the High Court of Kenya. She Chairs Human Resources Management.</p>
 <p>3. Mrs. Alice Mwololo – Representative National Treasury. D.O.B: 6/1/1966</p>	<p>Mrs Mwololo holds an M.A. and B.A. in Economics, and also a PGD in Development Planning from the University of Nairobi. She is currently a Chief Economist in the Budget, Fiscal and Economic Affairs Directorate at the National Treasury. She is specialized in trade and regional integration policy and has wide experience in negotiations and implementation of the East African Community Customs Union and the Common Market Protocol. She previously worked in the Ministry of Planning and National Development as an Economist in rural development. In addition, she represents the National Treasury in the National Committee on World Trade Organization negotiations and the FAC-European Union Economic Partnership negotiations</p>

<p>4.</p>  <p>Mrs. Rebecca K. Butalanyi – Representative Ministry of Education Science and Technology. D.O.B:</p>	<p>Ms. Butalanyi has a Master of philosophy in Educational administration and management. Currently she is the Deputy Director of University Education with 20yrs experience in the Education sector.</p>
<p>5.</p>  <p>Ms. Jane Mbagi Mutua – Council Member D.O.B:19/02/1972</p>	<p>Ms Mutua, has a Master’s in Education, Bachelor of Education. She is a researcher and development practioner. Currently she is a Technical Education Specialist with Save the children Kenya programme. She Chairs Sealing and Statutes committee.</p>
<p>6.</p>  <p>Mr. Hamid Abiyo Morowa – Council Member D.O.B:17/04/1948</p>	<p>Mr. Hamid, has a Masters in Agricultural economics, a Bachelor of science in Agriculture, a diploma in Range management. He has a wide range of skills gained in a span of 30yrs working both in Government and Non-Governmental organisations in project management, Resource utilisation and planning and budgeting. He Chairs Audit committee.</p>
<p>7.</p>  <p>Arch. Alfred O. Mango – Council member D.O.B: 07/11/1967</p>	<p>Arch. Mango, has a MSc. in Architecture, a Higher diploma in Mechanical Engineering and a Diploma in Mechanical Engineering. He is a member of the Board of registration of Architecture and quantity surveyors (BORAQS). He is a council member of Architecture chapter. He is the Chief Executive Officer of Arch point consulting Architects. He Chairs the Finance and general purposes committee.</p>
<p>8.</p>  <p>Prof. Laila Uweso Abubakar – Ag Vice-Chancellor/ Council Secretary D.O.B: 13/12/1961</p>	<p>Prof Laila Uweso Abubakar has a PhD in Bio Chemistry, Masters of science in Biochemistry & Chemistry and a Bachelor of Science (Biochemistry & Chemistry). Secretary to the Council.</p>

III. MANAGEMENT TEAM

<p>1. </p> <p>Prof. Laila Uweso Abubakar – Ag Vice-Chancellor/ Council Secretary. D.O.B: 13/12/1961</p>	<p>Prof Laila Uweso Abubakar has a PhD in Bio Chemistry, Masters of science in Biochemistry & Chemistry and a Bachelor of Science (Biochemistry & Chemistry). She Chairs the Management Committee.</p>
<p>2. </p> <p>Prof. Raphael N. Mutuku – Ag Deputy Vice Chancellor(Academic, Research & Extension)</p>	<p>Prof. Raphael N. Mutuku has PhD in Forest and Wood sciences, MSc in Civil Engineering, BSc (Hons.) in Civil Engineering Corporate member (Institution of Engineers of Kenya); Registered Professional Engineer (Engineers Board of Kenya); Fellow of the Institution of Construction Project Managers of Kenya; Member of the Kenya National Academy of Sciences; Member of the Environmentalist Institute of Kenya.</p>
<p>3. </p> <p>Prof. Joseph Ouma Rasowo – Deputy-Vice Chancellor (Administration, Finance & Planning)</p>	<p>Prof. Joseph Ouma Rasowo has PhD in Aquatic Ecology/ Aquaculture, MSc in Marine Ecology & Aquaculture, MBA in Strategic Management, BSc in Botany/ Zoology.</p>
<p>4. </p> <p>Dr.Gichuhi Paul Njihia – Registrar Academic Affairs</p>	<p>Dr.Gichuhi Paul Njihia, has PhD in Pharmaceutical Synthetic Chemistry, MSc in Analytical Chemistry, BSc.in Chemistry.</p>
<p>5. </p> <p>Dr.Matata Kilungu – Registrar Administration and Planning</p>	<p>Dr.Matata Kilungu, has PhD in Human Resource Management, MBA in Human Resources Management, Post Graduate Diploma in Education, Bachelor of Commerce.</p>

6.



Mr. Alfred Indeche – Finance Officer.

Mr. Alfred Indeche has Master in Business Administration (Finance), Bachelor of Business Administration (Accounting) CPA (K).

TECHNICAL UNIVERSITY OF MOMBASA

Reports and Financial Statements For the year ended June 30, 2017

IV. CHAIRMAN'S STATEMENT

The Technical University of Mombasa (TUM) has passed through four transitional levels. The various phases it has undergone so far reflect the Government of Kenya's concerted efforts in promoting education and training in line with the dynamic technological and industrial growth in Kenya and in Africa.

The transition of the University has seen the growth of the university programmes, the staff and student population, physical infrastructure and ICT. The increase of these resources without a balanced growth in financial support from the exchequer has however come with a number of challenges. It has been difficult to provide commensurate teaching resources with the growth in student numbers while the university has also not been able to concentrate on the key areas of research and technology transfer.

While the mandate of the university provides for continuous growth to enhance higher education across the country, there have been challenges related to the infrastructural developments as the government has not been providing the requisite capital expenditure. More so as the University broke ground for the construction of the School of Medicine. The Program will make TUM the first University along the Kenyan Coast to offer degree courses in medicine.

The 2016/2017 financial statements reflect the financial status of the university, taking recognition of the increase personal emoluments that were implemented towards the end of the year as a result of the collective bargaining agreement between the public universities and the government through the Ministry Of Education, Science and Technology. Sustaining the increase personal emoluments will however be a challenge unless the government increases its financing for recurrent expenditure.

The University Council looks forward to supportive collaboration with the government to ensure continued development of the Technical University of Mombasa as provided in its Charter. In addition, the plans to initiate Public Private Partnerships (PPPs), which will open opportunities for growth in physical infrastructure to take care of student growth and the upcoming School of Medicine.



Dr. Kevit Desai
Chairman of Council

2017

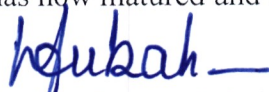
V. REPORT OF THE VICE CHANCELLOR

The University of Mombasa, as part of its expansion strategy, has developed market driven programmes that address national priorities in the fields of Business, Engineering, Science and Technology. Currently, the University is offering over a hundred and forty academic programs in diverse fields and continues to develop new programmes at both undergraduate and postgraduate level. This is in addition to restructuring some of its faculties so as to bring services closer to the customers and other stakeholders. TUM is committed to the advancement of knowledge through responsible research and scholarship addressing important scientific, social and cultural emerging issues of the new century. Our emphasis on research, innovation, linkages and collaboration with various stakeholders in the industry improves our visibility internationally.

To balance the development of new programmes and demand for University education, the University management, in consultation with the council, has continued to develop its human resource especially the teaching staff. Subsequently, during the year, the University spent almost Kshs 5 Million for staff development especially in the academic field. Through this effort, the University has been able to support its staff to undertake further training. The results have been positive as most of the staff have completed their studies and are playing a key role in teaching and programmes development.

The University reported a decline in revenue from the internally generated funds. This has been attributed mainly to the countrywide staff unrest, thus affecting our academic calendar and student enrolment. Nonetheless, the University has put measures to turn this around which includes carrying out aggressive marketing for our programmes and improving service delivery to attract more students. In addition, the Engineering Board of Kenya has accredited three engineering programmes for TUM namely; Bachelor of Science in Civil Engineering, Bachelor of Science in Mechanical Engineering and Bachelor of Science in Electrical and Electronics Engineering.

The University has developed and implemented work place policies to nurture holistic students and staff. Towards this end, TUM has complied towards gender and equality mainstreaming and alcohol and drug abuse prevention and intervention. We assure our partners in the industry that the university has now matured and is ready to be in the driver's seat in the transformation of higher education.



Prof. Laila U. Abubakar

Ag. Vice- Chancellor

VI. CORPORATE GOVERNANCE STATEMENT

Technical university of Mombasa, a public university in Kenya, is committed to undertake its affairs in a responsible and transparent manner. The university takes recognition of the various stakeholders, the funding agencies, and the regulations thereto, relating to its obligations as provided in the University Charter, 2013, and the Universities Act, 2012. For the 2016/2017 financial year, the University has been in compliance with all the provisions set out in the university Act, 2012, in so far as they relate to Universities.

The functions and responsibilities of the Council are as provided for in the Statutes. These responsibilities relate to the proper conduct of university business, policy development, strategic planning, monitoring effectiveness and performance, finance, audit, estate management, human resource management, equality and diversity, student welfare, health and safety and the appointment of the University Officers.

The Council has the following committees: Executive Committee; Audit Committee; Finance Planning and General Purpose Committee; Human Resources Management Committee; and Sealing and Statutes Committee. All sub committees meet as per the University Almanac and submit reports to the Council. As the Council, we have responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which we are responsible, in accordance with the responsibilities assigned to the Council by section 36 of the Universities Act, 2012, and section 18 and 19 of the University Charter, 2013.

The University Council is committed in ensuring financial sustainability; enhancing the student experience; and continuously building its research excellence in support of the country and regional economy. The University has managed its budgets well, increased the teaching and learning facilities, developed new market driven programmes and is involved in technology transfer in its s key areas of strength of Engineering, Science and Technology.

The day to day management of the university is vested on the Senate and Management Board. The functions of the Management Board and Senate are as provided in the university charter and the university statutes. Meetings of the Senate include Regular Senate, Senate Board of Examiners, Special Senate and Extraordinary Senate. The Vice Chancellor of the University is the Chairperson of both Senate and Management.

VII. MANAGEMENT DISCUSSION AND ANALYSIS

In the financial year ended 30th June, 2017, Technical university of Mombasa received from the Government of Kenya a total of Kshs. 749,122,549 for recurrent expenditure and was able to generate Appropriation In Aid of Kshs. 769,365,500. This supported employees, the student population and the academic programmes focusing on Business Administration, Management sciences, Hospitality and Tourism, Liberal studies, Applied and Health Sciences and Engineering.

In the year under review the major obligation of the university was to settle supplier's bills and part time lecturers brought forward from last semester, maintenance of physical facilities and acquisition of teaching materials.

In the same period the University received Kshs 18,743,280 to cater for the Capital expenditure. These funds were to fund the construction of School of medicine, Kwale campus hostels and Customer care.

Technical University of Mombasa strives to comply with all statutory requirements. All payments for taxes deducted from staff salaries and suppliers, pension, NHIF contributions and NSSF are always remitted on time to the relevant authorities. At the end of this financial period some payments were still outstanding but they were settled in the succeeding month and within the stipulated time frame.

In this financial year the University embarked on the construction of the following projects; School of medicine, Kwale campus hostels and Customer care. These projects are viable as they will avail the necessary infrastructure to enable our students get the necessary training that will make them be better citizens upon graduation.

Further the University was overseeing the construction of three Technical training institutions namely; Kinango, Lungalunga and Fayya. Two of the three that is Kinango and Lungalunga have been completed and handed over to their mentoring institutions. These projects are in line with Government priorities of increasing opportunities of access to higher education, developing high level human resources capacities in line with MTEF (Medium Term Expenditure Framework).

Technical university of Mombasa like any other institution is exposed to a variety of risks associated with day to day operations. These include credit, liquidity risks and changes in market prices.

Credit risk is related to outstanding fees balances from the students who might default on their contractual obligations to pay in time, which may result in financial loss to the University. In this year the outstanding amount from students was kshs. 57,384,613. The management is targeting to ensure that all students have nil balance by putting in place controls such no student is allowed to sit for

TECHNICAL UNIVERSITY OF MOMBASA

Reports and Financial Statements For the year ended June 30, 2017

examinations without honouring their contractual obligations. Credit risk also arises from cash and cash equivalents and deposits. Currently the University does not have significant concentration of credit risks as it deals with only well established and reputable financial institutions.

Liquidity risk, management manages this by maintaining banking facilities and through continuous monitoring of budget and actual cash flow.

As at 30th June 2017 Technical University of Mombasa had pending bills of kshs.201, 276,394 arising from unpaid supplier's invoices, unpaid part time teaching claims and other service provider's dues. Though the financial resources are limited as compared with the University's daily needs, the university is committed to reducing the pending bills over time.

The university is also currently servicing a bank loan with Barclays bank of Kenya. The outstanding balance as at the end of the financial year was Kshs. 63,350,000

The University has a pending case in court whose determination will see the University pay unspecified amount of money.

Following the implementation of the 2013/2017 Collective Bargaining Agreement (CBA) the University has not been able to implement the new salary rates.

Technical University of Mombasa has no major financial improbity as per internal Audit/ TUM council Audit committee, external Auditors or any other National Government agencies providing oversight. Additionally, there are no other governance issues among the Council members and top management including conflict of interest.

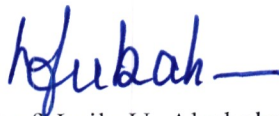
VIII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

In line with its mission and values, Technical University of Mombasa is sensitive to the impact of our activities on our students, employees, partners and other stakeholders, as well as on the community and on the environment.

The University is committed to the maintenance of principled standards, respect and accountability across all its activities; equality and diversity; treating employees with fairness and respect, including wide support of personnel and staff development activities; the development of practises, activities and support systems that are environmentally sustainable; fair competition within the higher education sector; volunteering in community and county activities and interacting effectively and positively with the county government, the national government and the wider community.

As provided within its mandate, the university is actively involved in research, innovation and technology transfer. The research outputs are shared to the community through shows and exhibitions and community exchange programmes. During the period, the University spent kshs 1.5Million on exhibitions that are meant to share new technologies to the industry and the communities in general.

The University shall continue to collaborate with all stakeholders on issues that benefit the development of the country, growth of industries as well as giving back to the society. The University also shall continue to play its crucial role towards attainment of vision 2030 as spelt out in the Government priority areas under the social and economic pillars.



Prof. Laila U. Abubakar
Ag. Vice- Chancellor

TECHNICAL UNIVERSITY OF MOMBASA
Reports and Financial Statements For the year ended June 30, 2017

IX. REPORT OF THE COUNCIL

The Council submit their report together with the audited financial statements for the year ended June 30, 2017 which show the state of the University's affairs.

Principal activities

The principal activities of the University are teaching and research.

Results

The results of the University for the year ended June 30, 2017 are set out on page 1


Council

The members of the Council who served during the year are shown on page VII & VIII In accordance with TUM statutes and the University Act.

Auditors

The Auditor General is responsible for the statutory audit in accordance with the Section 38 and 39 of the Public Audit Act, 2003, which empowers the Auditor General to nominate other auditors to carry out the audit on his behalf.

By Order of the Council


Prof. Laila Uweso Abubakar

Ag. Vice- Chancellor/ Council Secretary

Date: 18/06/2018

X. STATEMENT OF COUNCIL RESPONSIBILITIES

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

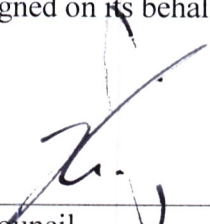
The Council is responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Council accept responsibility for the University 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 State Corporations Act. The Council is of the opinion that the University financial statements give a true and fair view of the state of University's transactions during the financial year ended June 30, 2017, and of the University's financial position as at that date. The Council further confirm the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements


The University financial statements were approved by the Board on _____ 2017 and signed on its behalf by:



Council



Council



Council

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON TECHNICAL UNIVERSITY OF MOMBASA FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Technical University of Mombasa set out on pages 1 to 30, which comprise the statement of financial position as at 30 June 2017, and the statement of financial performance, statement of change in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Technical University of Mombasa as at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) comply with the Public Universities Act, 2012.

In addition, as required by Article 229(6) of the Constitution, except for the matters described in the Basis for Qualified Opinion and Other Matter section of my report based on the procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Qualified Opinion

1.0 Presentation of Financial Statements

- 1.1 As previously reported and repeated in these financial statements, significant accounting policies No. 3(p) to the financial statements on related parties does not disclose the value of transactions between the University and TUM Enterprises Limited in conformity with International Public Sector Accounting Standards No.20 which requires a disclosure of information about transactions between the entity and its related parties.

Report of the Auditor-General on the Financial Statements of Technical University of Mombasa for the year ended 30 June 2017

1.2 The statement of Director's responsibilities on page xviii is not signed. Consequently, the financial statements presented for the year ended 30 June 2017 do not comply with the requirements of Kenya International Public Sector Accounting Standards Board.

2.0 Property, Plant and Equipment

2.1 Land in Dispute

As previously reported, the property, plant and equipment balance of Kshs.2,675,649,284 as at 30 June 2017 (2015/2016 Kshs.2,718,357,233) includes a parcel of land LR No. Mombasa/Block/X1/386 valued at Kshs.200 million of which ownership is in dispute and the matter is on-going before a Court of Law. A review of the matter in the current year indicates that the status has not changed since the matter is in court. Although the University management is confident that the University has a proper title to the property, it has not been possible to confirm ownership on the property due to the dispute.

2.2 Freehold Land

Further and as reported in the year 2015/2016, included in property, plant and equipment balance of kshs.2,675,649,284 as at 30 June 2017 is freehold land balance of Kshs.1,047,422,550. The balance of freehold land of Kshs.1,047,422,550 include addition of Kshs.102,422,550 (2015/2016-Kshs 92,922,550 and 2014/2015-Kshs 9,500,000) respectively. However, there was no evidence of the land having been competitively sourced as required by the Public Procurement and Disposal Act, 2005 as tender opening minutes, tender evaluation and acceptance and inspection reports were not availed for audit review. It was also not clear how the land was identified.

It is also not clear how the need and the suppliers were identified in the absence of a pre-qualified list of suppliers and procurement plan.

2.3 Plant and Equipment- High Voltage Lab Equipment

An amount of kshs.175,767,710 being supply of High Voltage lab equipment has been excluded from plant and equipment balance of Kshs143,558,274 as at 30 June 2017 and hence not captured in the financial statements. Further, the respective creditor of the Kshs.175,767,710 has also been excluded from these financial statements under note 22. The management has failed to disclose the equipment in the financial statements.

Consequently, the propriety and completeness of Kshs.143, 558,274 on plant and equipment as at 30 June 2017 could not be confirmed.

2.4 Legal Fees

As previously reported, included in the additions of freehold land of Kshs.102,422,550 as indicated in note 12 to the financial statement for the year 2015/2016 is legal fees amounting to Kshs.10,136,950 paid to a law firm. However, there was no evidence of competitive selection of the law firm as required by the Public Procurement and Disposal Act, 2005 and neither was approval by the Attorney General for the use of a private law firm availed for audit. It was observed that the law firm was added to the list of pre-qualified service providers in October, 2015 although the sale agreement was signed in January, 2015 nine (9) months after the sale agreement had been signed. It was not clear the role of the law firm in the land transaction that had already been concluded.

2.5 Buildings

Included in the freehold land balance of Kshs.1,047,422,550 is a parcel of land valued at Kshs.102,422,550 on which a telecommunication mast has been constructed.

However, details of the lease rentals for the telecommunication mast have not been availed for audit review.

2.6 Furniture

As previously reported, included in property, plant and equipment balance of Kshs.2,675,649,284 as at 30 June 2017 (2015/2016 Kshs.2,718,357,233) are additions totaling Kshs.107,850,973 made in the financial year 2013/2014. However, the purchase of furniture and equipment at the cost of Kshs.20,905,377 and Kshs.10,729,921 respectively did not have any evidence of having been competitively sourced as required by the Public Procurement and Disposal Act, 2005 as no tender opening minutes, tender evaluation, and acceptance and inspection reports were availed for audit review.

2.7 Television Sets

As previously reported, included in property, plant and equipment balance of Kshs.2,675,649,284 as at 30 June 2017 (2015/2016- Kshs.2,718,357,233) were additions during year 2014/2015 amounting to Kshs.346,826,307 net of work-in-progress. The additions included procurement of five smart television sets at a total cost of Kshs.4,553,448. The audit revealed procurement was done through requests for quotation contrary to Public Procurement and Disposal Act, 2005. In addition, the supplier delivered 65 inch-size instead of the 70 inch – size TV sets as per the supply order

2.8 Prior Year Work in Progress

Also as previously reported, included in property, plant and equipment balance of Kshs.2,675,649,284(2015/2016- Kshs.2,718,357,233) were additions amounting to Kshs.346,826,307 net of work-in-progress which comprise of various procurements made during the financial year 2014/2015. However, there was no approved procurement plan and evidence of supplier prequalification for the financial year as required by the Public Procurement and Disposal Act, 2005 and regulations thereof. It is not clear how the need and the suppliers were identified in the absence of a pre-qualified list of suppliers and procurement plan.

Further, included in property, plant and equipment balance of Kshs.2,675,649,284 as at 30 June 2017 is additions of Kshs.123,142,111 net of work in progress acquired in 2015/2016. The additions' balance of Kshs.123,142,111 included furniture and fittings of Kshs.3,183,618. Audit examination of the list of furniture and fittings revealed that the balance included among others items like curtains, napkins, mattresses totaling Kshs.2, 564,718 which do not qualify to be classified as property, plant and equipment as per International Public Sector Accounting Standards 17.

2.9 Project Management Fees

As previously reported, property, plant and equipment balance amounting to Kshs.2,675,649,284 (2015/2016- Kshs.2,718,357,233) include work in progress balance of Kshs.42,717,651 (2015/2016 – Kshs.21,845,298) which included payments to various university staff amounting to Kshs.17,425,066 referred to as the project management fees. However, it is not clear and the management has not explained the basis for the payments and the supporting payment documents were not availed for audit verification during the current audit.

In addition, as previously reported, included in property, plant and equipment balance of Kshs.2,675,649,284 (2015/2016- Kshs.2,718,357,233) is work in progress balance of Kshs.42,717,651 (2015/2016 – Kshs.21,845,298). Work in Progress includes an advance payment of Kshs.1, 802,697 for library detective system. However, the audit revealed that the work had not been completed, although according to the agreement dated 12 February 2014, the work was supposed to have been completed within 1 ½ months from the date of signing the agreement.

2.10 Perimeter Fence

As previously reported, included in property, plant and equipment balance of Kshs.2,675,649,284 as at 30 June 2017 is a balance of Kshs.42,717,651 in respect of Work in progress. The work in progress balance of Kshs.42,717,651 include expenditure amounting to Kshs.6,930,750 as at 30 June 2017 for the construction of a perimeter fence on Gotani land in Kaloleni. However, records available indicate that the project was abandoned due to inability of the university to process ownership

document for the land donated by Kaloleni CDF. It was not clear why the university commenced fencing of land to which it had no title. In addition, the probable costs resulting from legal suits for termination of the contract have not been quantified and determined in these financial statements. The public did not realize value for money from the abandoned project.

In the circumstances, the ownership, accuracy, propriety and completeness of property, plant and equipment figure of Kshs.2,675,649,284 as at 30 June 2017 could not be confirmed.

2.11. Fully Depreciated Assets

As reported in the year 2015/2016 audit report, property, plant and equipment with total cost of Kshs.117,102,254 were fully depreciated and there was no evidence that they had been revalued as at 30 June 2017. Therefore, the economic value of these assets has not been accounted for in these financial statements as they are carried at nil value contrary to International Public Sector Accounting Standards No. 17.

Consequently, the accuracy, propriety and completeness of property, plant and equipment figure of Kshs.2,676,649,284 as at 30 June 2017 could not be ascertained.

3.0 Long-term Investments

3.1 TUM Enterprises Limited

The statement of financial position reflects long term investments balance of Kshs12,324,338 as at 30 June 2017 which includes an amount of Kshs.5,571,938 in respect of investment in TUM Enterprises Limited. The Memorandum and Articles of Association for the Company incorporated on 7 August 2013 indicates that the Company has an issued share capital of Kshs.510, 200 comprising of 5,102 shares, 5,100 directly owned by Technical University of Mombasa and two (2) are owned by the University through the Vice-Chancellor and a council member. The management presented financial statements for the year ended 30 June 2016 that had been audited by a private auditor who was not appointed by the Auditor General contrary to Section 47 of Public Audit Act 2015.

Under the circumstance, the accuracy and validity of the investment balance of Kshs.5,571,938 as at 30 June 2017 could not be ascertained.

3.2 Fixed Deposit National Bank of Kenya

Note 20 to the financial statements for the year ended 30 June 2017 reflects fixed deposit at National Bank of Kenya amounting to Kshs.1,752,400. However, the supporting documents availed for audit review supported an amount of Kshs.1,275,000 resulting to unexplained variance of Kshs.477,400.

Consequently, the accuracy and completeness of fixed deposit at National bank of Kenya balance of Kshs.1,752,400 for the year ended 30 June 2017 could not be confirmed.

4.0 Receivables from Exchange Transactions

4.1 Student Debtors

The receivables from exchange transactions balance of Kshs.72,762,827 as at 30 June 2017 are student debtors balances of Kshs.57,423,118 which increased from Kshs.33,218,139 of previous year.

It was not clear why the student debtors increased tremendously and how the management intends to recover these debts.

4.2 Guest Accommodation Debtors

Note 16 to the financial statements for the year ended 30 June 2017 reflects Guest Accommodation debtors balance of Kshs.11,378,163 as compared to the previous year balance of Kshs.7,192,748.

The management has not explained how it intends to recover these debts.

4.3 Provision for Doubtful Debts

The balance of receivables from exchange transactions of Kshs.72,762,827 as at 30 June 2017 is net of general provision for bad and doubtful debt amounting to Kshs.35,410,246 which is 49% of the outstanding accounts receivable including staff advances totaling to Kshs.345,914. However, there is no specific provision for the impairment of debts that have been outstanding for very long period which may never be recovered.

Consequently, the adequacy of the provision of Kshs.35,410,246 as at 30 June is doubtful.

5.0. Receivables from Non-Exchange Transactions

Receivables from non-exchange transactions balance of Kshs.4,545,344 includes other debtors amounting to Kshs.1,400,470 out of which Kshs.1,331,000 is a receivable from staff as a surcharge in respect of payroll fraud perpetrated by the concerned staff. However, the total amount that could have been lost out of the fraud and hence recoverable from the concerned staff has not been quantified as forensic audit has not been carried out.

Consequently, the accuracy and completeness of other debtor's figure of Kshs.1,400,470 as at 30 June 2017 could not be ascertained.

6.0 Other Creditors

6.1 Unpaid Pension

The other creditors balance of Kshs.134,214,905 as at 30 June 2017 excludes an amount of Kshs.39,195,284 in respect of unpaid employer pension contribution arising from the collective Bargaining Agreement signed between the management of public universities and the trade union in April, 2014. The management, however, deducted and remitted the employee contribution which effectively created an obligation on the University to remit the employer's contribution in line with the rules of the pension scheme.

6.2. Long Outstanding Payables

The balance of other creditors of Kshs.134,214,905 as at 30 June 2017 includes long outstanding payables amounting to Kshs.1,815,270 in respect of VAT retained, unclaimed wages, CDF, other depositors, foreign examinations CILT and salary advance refund. There was no satisfactory explanation as to why the debts had not been settled.

6.3 Statutory Deductions

The other creditors balance of Kshs.134,214,905 as at 30 June 2017 includes unremitted taxes amounting to Kshs.43,338,715 comprising of PAYE of Kshs.39,385,391, VAT of Kshs.2,917,852, and withholding tax amounting to Kshs.1,035,472 that were due and payable. The University runs a restaurant and is registered for Value Added Tax and Tourism Development Fund. The management has paid the Tourism Development Levy and amounts due to Kenya Revenue Authority for the current year 2016/ 2017 though the arrears for the year 2015/2016 is still outstanding. It is not clear and the management has not explained how the amount of levy or tax payable including the penalties have been accounted for in these financial statements.

Under the circumstance, the accuracy and completeness of other creditors' balance of Kshs.134,214,905 could not be ascertained.

7.0 Sports Activities Dean of Students

Note 10 to the financial statements for the year ended 30 June 2017 reflects sports activities dean of students expenses amounting to Kshs.3,809,670. However, this balance includes an amount of Kshs.1,091,120 in respect to subsistence allowance whose supporting documents were not availed for audit review.

Consequently, the propriety of sports activities dean of students expenditure of Kshs.1,091,120 could not be ascertained.

8.0 Long Term Liabilities

Note 23 to the financial statements for the year ended 30 June 2017 reflects students caution money amounting to Kshs.12,976,178. However, no supporting schedules were availed for audit review.

In the circumstance, the accuracy and completeness of students caution money balance of Kshs.12,976,178 could not be confirmed.

9.0 Professional Services Central Vote – Legal Fees

Note 8 to the financial statements for the year ended 30 June 2017 reflects professional services central vote balance of Kshs.9,574,686 which was used in payment of legal services provided to the University. However, no approval from the Attorney General as required by the Circular No. AG/CONF/6/E/247 VOLII which requires that State Corporations should get approval and authority from Attorney General before incurring expenditure on legal fees.

Consequently, the propriety and completeness of professional services balance of Kshs.9,574,686 could not be confirmed.

10.0 Financial Performance

The statement of financial performance reflects a deficit of Kshs.60,474,983 for the year ended 30 June 2017, (2015/2016: deficit – Kshs.104,093,172). This results to accumulated losses of Kshs.181,544,405 in the statement of financial position as at 30 June 2017. The continued operations of the University as a going concern is dependent on financial support from the government and creditors.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Technical University of Mombasa in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described

in the Basis for Qualified Opinion and Other Matter section of my report, I have determined that there are no Key Audit Matters to communicate in my report.

Other Matter

1. Budgetary Control and Performance

1.1 Internally Generated Income

The management had budgeted to collect internally generated income of Kshs.982,367,444. However, the actual collection during the financial year was Kshs.796,360,420 resulting to an under-collection of Kshs.213,007,035 or 1.3%.

The management has not explained why it could not meet its revenue collection target and how it intends to recover the shortfall.

1.2 Unauthorized expenditure

The management budgeted to spend Kshs.113,825,380. However the actual expenditure was Kshs.123,599,800 thus resulting to unauthorized over expenditure of Kshs.9,774,420 as listed below.

	Approved Budget Kshs	Actual Expenditure KShs	Over Expenditure Kshs
Medical Insurance	85,000,000	87,098,916	2,098,916
Responsibility Allowance	14,000,000	14,971,000	971,000
Non Practising Allowance	2,500,000	2,652,000	152,000
Telephone Allowance	7,500,000	7,939,960	439,960
Acting Allowance	825,380	1,079,058	253,678
Hardship Allowance	-	941,140	941,140
General insurance	4,000,000	8,917,726	4,917,726
TOTAL	113,825,380	123,599,800	9,774,420

The over expenditure of Kshs.9,774,420 required approval by the council but no evidence was availed for audit verification..

The management has not explained why it overspent on the budget in the above items most of which are allowances.

1.3 Budget Absorption

The University had a total recurrent budget of Kshs.1,663,512,857 voted for the financial year 2016/2017 while actual expenditure amounted to Kshs.1,476,237,372, resulting to under-absorption of Kshs.187,275,485 or 11% of the budget as summarized below:

Item	Approved Budget (Kshs.)	Actual Expenditure (Kshs.)	Under Absorption in (Kshs.)	Under Absorption (%)
Personal Emoluments	1,062,665,392	1,004,356,739	58,308,653	5%
Council Expenses	20,000,004	13,541,977	6,458,027	32%
Operating/ Administration expenses	268,912,796	186,646,559	82,266,237	31%
Teaching expenses	275,834,657	239,800,000	36,034,657	13%
Students welfare	14,100,000	13,690,778	409,222	3%
Repairs and Maintenance	22,000,008	18,201,319	3,798,689	17%
Total	1,663,512,857	1,476,237,372	187,275,485	11%

The University had an overall under-utilization of the budget amounting to Kshs.187,275,485 or 11% thus negatively affecting the delivery of goods and services to the student and staff of the University.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the University's ability to continue as a going concern/ sustain services, disclosing, as applicable, matters related to going concern/ sustainability of services and using the

applicable basis of accounting unless the management either intends to liquidate the University or to cease operations, or have no realistic alternative but to do so.

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

Those charged with governance are responsible for overseeing the University's financial reporting process.

Auditor-General's Responsibilities for the Audit of the Financial Statements

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.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgment 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Technical University of Mombasa's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant

doubt on the Technical University of Mombasa's ability to continue as a going concern or 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 Technical University of Mombasa's to cease as a going concern or 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 Technical University of Mombasa to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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


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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Public Universities Act, 2012, I report based on my audit, that:

- i. 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;
- ii. In my opinion, adequate accounting records have been kept by the Technical University of Mombasa, so far as appears from the examination of those records; and,

- iii. The Technical University of Mombasa's financial statements are in agreement with the accounting records and returns.



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

Nairobi

18 May 2018

XII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2017

		2017	2016
REVENUE	NOTES	Kshs.	Kshs.
REVENUE FROM NON-EXCHANGE TRANSACTIONS:			
GOK GRANTS	3	749,122,549	760,994,985
TOTAL REVENUE FROM NON-EXCHANGE TRANSACTIONS		749,122,549	760,994,985
REVENUE FROM EXCHANGE TRANSACTIONS:			
OTHER INCOME	4	233,613,162	197,742,331
TUITION FEES	5	535,747,258	453,892,626
TOTAL INCOME		1,518,482,969	1,412,629,942
EXPENSES			
PERSONAL EMOLUMENTS	6	1,004,356,739	966,305,561
COUNCIL EXPENSES	7	13,541,977	13,597,182
OPERATING /ADMINISTRATION EXPENSES	8	186,646,559	177,435,733
TEACHING EXPENSES	9	239,800,000	238,751,295
STUDENTS WELFARE	10	13,690,778	5,476,919
REPAIRS & MAINTENANCE	11	18,201,319	15,847,437
DEPRECIATION	12	93,045,742	90,385,061
AMORTIZATION	13	1,061,736	3,087,614
AUDIT FEES	14	1,160,000	1,160,000
PROVISION FOR BAD DEBTS	16	7,453,102	4,676,312
		1,578,957,952	1,516,723,114
DEFICIT FOR THE YEAR		-60,474,983	-104,093,172

PROF. LAILA UWESO ABUBAKAR

AG. VICE CHANCELLOR / COUNCIL SECRETARY

SIGN *L. Uwes*

DATE 18/06/2018

CPA ALFRED INDECHE

FINANCE OFFICER

ICPAK MEMBER NUMBER: 7823

SIGN *A. Indech*

DATE 18/6/2018

DR. KEVIT DESAI

COUNCIL CHAIRMAN

SIGN *K. Desai*

DATE

The notes set out on pages 6 to 33 form an integral part of these Financial Statements

TECHNICAL UNIVERSITY OF MOMBASA

Reports and Financial Statements For the year ended June 30, 2017

XII. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

		A	B
		2017	2016
	NOTES	Kshs.	Kshs.
ASSETS			
CURRENT ASSETS			
INVENTORIES	15	14,005,158	29,395,972
RECEIVABLES FROM EXCHANGE TRANSACTIONS	16	72,762,827	77,534,092
RECEIVABLES FROM NON EXCHANGE TRANSACTIONS	17	4,545,344	6,207,627
CASH & BANK BALANCES	18	257,639,643	234,325,587
SHORT-TERM INVESTMENTS	19	0	20,524,281
TOTAL CURRENT ASSETS		348,952,972	367,987,559
NON - CURRENT ASSETS			
PROPERTY ,PLANT & EQUIPMENT	12	2,675,649,284	2,718,357,233
INTANGIBLE ASSETS	13	1,472,901	1,753,208
LONG-TERM INVESTMENTS	20	12,324,338	14,079,662
TOTAL NON CURRENT ASSETS		2,689,446,523	2,734,190,103
TOTAL ASSETS		3,038,399,495	3,102,177,662
CURRENT LIABILITIES			
TRADE AND OTHER PAYABLES	21	27,062,264	26,182,313
OTHER CREDITORS	22	134,214,905	206,393,004
TOTAL CURRENT LIABILITIES		161,277,169	232,575,317
NON-CURRENT LIABILITIES			
LONG-TERM LIABILITIES	23	88,283,897	108,424,849
TOTAL NON-CURRENT LIABILITIES		88,283,897	108,424,849
TOTAL LIABILITIES		249,561,066	341,000,166
NET ASSETS			
CAPITAL FUND	24	2,970,382,834	2,959,160,162
OTHER FUNDS & RESERVES	25	-181,544,405	-197,982,666
TOTAL NET ASSETS		2,788,838,429	2,761,177,496
TOTAL NET ASSETS AND LIABILITIES		3,038,399,495	3,102,177,662

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

Ag. Vice Chancellor
Prof. Laila U. Abubakar

Finance Officer
CPA. Alfred Indeché
ICPAK Member Number: 7823

Chairman of the Council
Dr. Kevit Desai

Sign 

for Sign 

Sign 

Date 18/06/2018

Date 18/6/2018

Date.....

XIII. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2017

	CAPITAL FUND	OTHER FUNDS & RESERVES	TOTAL
Balance As at July 1, 2015	2,858,199,902	-88,602,217	2,769,597,685
Development Grant	100,475,260		100,475,260
Donations Grants	485,000		485,000
Revenue Reserve		-5,287,277	-5,287,277
Surplus (deficit) for the Year		-104,093,172	-104,093,172
Balance As at June 30, 2016	2,959,160,162	-197,982,666	2,761,177,496
Development Grant	18,743,280		18,743,280
Revenue Reserve		76,913,244	76,913,244
Assets Adjustment Reserves	-7,520,608		-7,520,608
Deficit for the Year		-60,474,983	-60,474,983
Balance As at June 30, 2017	2,970,382,834	-181,544,405	2,788,838,429

Development Grant

Development grants are monies received from the Government to facilitate the growth of the University. These monies are used in improving and developing the University's infrastructure.

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TECHNICAL UNIVERSITY OF MOMBASA

Reports and Financial Statements For the year ended June 30, 2017

XIV. STATEMENT OF CASH FLOWS AS AT 30 JUNE 2017

		2017	2016
	NOTES	Kshs.	Kshs.
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
GOVERNMENT GRANTS AND SUBSIDIES	3	749,122,549	760,994,985
OTHER INCOMES	4	233,613,162	197,742,331
TUITION FEES	5	535,747,258	453,892,626
		1,518,482,969	1,412,629,942
PAYMENTS			
PERSONAL EMOLUMENTS	6	1,004,356,739	966,305,561
COUNCIL EXPENSES	7	13,541,977	13,597,182
OPERATING /ADMINISTRATION EXPENSES	8	186,646,559	177,435,733
TEACHING EXPENSES	9	239,800,000	238,751,295
STUDENTS WELFARE	10	13,690,778	5,476,919
REPAIRS & MAINTENANCE	11	18,201,319	15,847,437
INCREASE/DECREASE INVENTORIES	15	-15,390,814	7,488,234
AUDIT FEES	14	1,160,000	1,160,000
TRADE RECEIVABLES	16&17	1,019,554	-55,863,634
TRADE PAYABLES	21&22	71,298,923	-46,632,284
		1,534,324,260	1,323,566,443
NET CASH FLOWS FROM OPERATING ACTIVITIES		-15,841,291	89,063,499
CASH FLOWS FROM INVESTING ACTIVITIES			
PROPERTY ,PLANT & EQUIPMENT	12	-57,858,401	-123,142,111
INTANGIBLE ASSETS	13	-781,429	0
INCREASE/DECREASE IN INVESTMENTS	19&20	22,279,605	25,841,053
GAIN/LOSS ON TUMEL	4	0	0
NET CASH FLOW FROM INVESTING ACTIVITIES		-36,360,225	-97,301,058
CASH FLOW FROM FINANCING ACTIVITIES			
LONG-TERM LIABILITIES	23	-20,140,952	82,697,233
CAPITAL FUND	24	18,743,280	100,960,260
OTHER FUNDS & RESERVES	25	76,913,244	-5,287,277
NET CASH FLOW FROM FINANCING ACTIVITIES		75,515,572	178,370,216
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		23,314,056	170,132,657
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		234,325,587	64,192,930
CASH AND CASH EQUIVALENTS AT END OF YEAR		257,639,643	234,325,587

PROF. LAILA UWESO ABUBAKAR

CPA ALFRED INDECHE

DR. KEVIT DESAI

AG. VICE CHANCELLOR / COUNCIL SECRETARY

FINANCE OFFICER

COUNCIL CHAIRMAN

ICPAK MEMBER NUMBER: 7823

SIGN *Laila Uweso Abubakar*

for SIGN *Alfred Indeché*

SIGN *Dr. Kevit Desai*

DATE *18/06/2018*

DATE *18/6/2018*

DATE

XV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 JUNE 2017

	ORIGINAL		ADJUSTMENTS	FINAL		ACTUAL ON		VARIANCE
	BUDGET	Kshs.		BUDGET	Kshs.	COMPARISON BASIS	Kshs.	
INCOME								
GOK GRANTS	-749,122,560			-749,122,560	749,122,549			-11
INTERNALLY GENERATED	-982,367,444			-982,367,444	769,360,420			-213,007,024
TOTAL INCOME	-1,731,490,004			-1,731,490,004	1,518,482,969			-213,007,035
EXPENSES								
PERSONAL EMOLUMENTS	1,062,665,392			1,062,665,392	1,004,356,739			58,308,653
COUNCIL EXPENSES	20,000,004			20,000,004	13,541,977			6,458,027
OPERATING /ADM EXPENSES	268,912,796			268,912,796	186,646,559			82,266,237
TEACHING EXPENSES	275,834,657			275,834,657	239,800,000			36,034,657
STUDENTS WELFARE	14,100,000			14,100,000	13,690,778			409,222
REPAIRS & MAINTENANCE	22,000,008			22,000,008	18,201,319			3,798,689
AUDIT FEES	0			0	1,160,000			-1,160,000
TOTAL EXPENSES	1,663,512,857			1,663,512,857	1,476,237,372			186,115,485

Budget notes

1. Internally generated income had adverse variance of 213,007,024 as a result lecturers strike that made May-August SEMESTER be CANCELLED.

XVI. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Technical University of Mombasa is established by and derives its authority and accountability from University Charter. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is teaching and research.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

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.

ii) Revenue from exchange transactions

Rendering of services

Tum 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.

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2016-2017 was approved by the Council on 13th July 2016. The University's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

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.

TECHNICAL UNIVERSITY OF MOMBASA

Reports and Financial Statements For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (CONT...)

e) Investment property

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

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

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

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

d) 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.

ASSETS	RATES.
Building	2%
Furniture	10%
Computer	30%
Plant & Equip	10%
Motor Vehicle	20%

e) 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.

f) 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.

g) 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:

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of

Expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

h) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

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

Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

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

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

i) Inventories

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

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

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

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

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

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

j) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

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

k) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

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

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

n) Foreign currency transactions

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

o) Borrowing costs

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

p) Related parties

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

q) Service concession arrangements

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

r) 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.

s) Comparative figures

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

4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 16.

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)

u) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2017.

	2017	2016
3. GOVERNMENT GRANTS	Kshs.	Kshs.
Recurrent grants received	749,122,549	760,994,985
TOTAL	749,122,549	760,994,985

3b) Transfers from Ministries, Departments and Agencies

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	2015-2016
			KShs	KShs	KShs
Ministry of Education	749,122,549	0	0	749,122,549	760,994,985
Total	749,122,549	0	0	749,122,549	760,994,985

TECHNICAL UNIVERSITY OF MOMBASA

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NOTES TO THE FINANCIAL STATEMENTS (CONT...)

	2017	2016
4 .OTHER INCOME	Kshs.	Kshs.
Registration Fee	11,708,968	8,433,548
Internal Examinations	47,424,648	43,812,344
Sports Levy	13,868,910	10,690,575
Library Levy	14,560,950	12,054,124
Library Fines	56,030	22,470
Academic Trips	277,113	878,890
Medical Levy	22,346,015	16,355,225
Industrial Attachment Levy	12,340,366	7,958,597
ICT Levy	23,663,972	20,307,718
Academic Transcripts	28,600	12,150
Students hostel fee	10,157,283	10,489,176
Student Holiday Accommodation	257,200	175,300
Maintenance Levy	7,750	9,560
Teaching Materials Levy	0	1,000
Application Fee	1,710,150	3,114,755
Project Fee	311,875	45,625
Student Readmission Fee	1,759,553	7,786,111
Lost Items	38,940	57,790
Graduation Fee	7,993,398	4,381,920
Center Fees	0	16,000
Penalties	162,600	78,750
Materials Testing	34,200	123,200
Catering Income Catering	8,554,994	7,604,897
Kiziwi Guest House income	21,539,881	18,446,110
Training Restaurant Income	2,996,170	3,451,408
External Research Income	19,214,499	2,028,050
Consultancy Fee	115,200	1,477,600
Administrative Research Income	2,200	14,550
Student ID	0	21,185
Hire of Facilities	1,440,615	2,943,736
Hire of Transport	120,010	613,568
Photocopy & bindery Income	397,336	439,643
Rent Income	4,800,003	7,651,982
Staff training levy	3,648,169	3,351,250
Interest on Investment	1,477,850	1,332,293
Profit on Disposal of Assets	0	400,600
Tendering Fees	6,000	63,000
Administrative Fees	591,714	611,667
Miscellaneous Income	0	485,964
TOTAL	233,613,162	197,742,331

NOTES TO THE FINANCIAL STATEMENTS (CONT...)

	2017	2016
	Kshs.	Kshs.
5. TUITION FEE		
Tuition Fee Regular Central Vote	100,592,287	50,652,932
Tuition Fee Module II Central Vote	428,076,848	394,102,554
Tuition Fee LAMU	7,078,123	8,526,750
Tuition Fee Ukunda	0	610,390
Total	535,747,258	453,892,626

	2017	2016
	Kshs.	Kshs.
6. PERSONAL EMOLUMENTS		
Basic Salaries	433,308,997	407,982,160
House Allowance	246,145,472	232,765,134
Medical Insurance	87,098,916	75,206,870
Pension Employers Expense	61,732,778	64,709,786
NSSF Employer's Expense	2,045,410	2,134,700
Group Life	0	4,508,354
Responsibility Allowance	14,971,000	13,865,932
Non Practising Allowance	2,652,000	2,412,000
Professorial Allowance	480,000	420,000
Telephone Allowance	7,939,960	7,100,710
Acting Allowance	1,079,058	244,439
Special Duty Allowance	603,607	522,257
Management Allowance	22,661,334	22,047,166
Book and Research Allowance	2,936,000	2,628,000
Gratuities	7,452,773	19,656,120
Leave Allowance	9,531,141	8,728,607
Commuting Allowance	46,540,645	47,910,081
Car Allowance	32,410,748	30,918,617
Entertainment Allowance	11,332,498	11,258,667
Electricity & Water Allowance	4,098,530	3,850,629
Passage and Baggage Allowance	1,052,946	385,501
Domestic Workers Allowance	1,270,000	1,063,333
Risk Allowance	304,250	373,550
Extraneous Allowance	5,767,536	5,517,948
Hardship Allowance	941,140	95,000
TOTAL	1,004,356,739	966,305,561

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NOTES TO THE FINANCIAL STATEMENTS (CONT...)

	2017	2016
7. COUNCIL EXPENSES	Kshs.	Kshs.
Sitting Allowance	4,360,000	4,567,000
Accommodation Allowance	3,767,000	3,546,400
Travelling Allowance	2,438,379	3,200,942
Mileage Allowance	445,598	499,840
Chairman's Allowance	1,331,000	783,000
Chancellor's Allowance	1,200,000	1,000,000
TOTAL	13,541,977	13,597,182

	2017	2016
8. ADMINISTRATIVE/OPERATING EXPENSES	Kshs.	Kshs.
Casual wages	381,912	442,313
Travel and Subsistence	11,663,308	10,669,948
Fuel and oils	3,773,600	5,237,099
Maintenance of Vehicles Transport	929,708	2,373,262
Office Stationery	8,146,735	4,148,079
Photocopying	440,137	431,928
Computer Stationery	3,558,271	3,590,447
Service Charge Kiziwi Guest House	94,470	0
Advertising and Publicity	3,891,376	10,089,029
Printing and Publishing	879,200	3,421,792
Newspapers	858,997	1,668,860
Shows and Exhibitions Research	1,512,259	2,054,401
Electricity	18,990,878	19,140,028
Water and Conservancy	1,591,184	1,458,892
Graduation Expenses Central Vote	6,407,175	6,799,201
Official Entertainment	1,207,644	2,749,384
Expenses of Boards and Committees	11,666,450	10,141,174
Staff Development and Training Central Vote	5,065,557	6,727,011
Staff Welfare Central Vote	2,906,800	3,134,820
Staff Dependants Bursary Scheme Central Vote	1,183,452	1,544,385
Cleaning Materials	7,715,028	6,153,275
Fumigation & Waste Collection Services Accommodation	1,635,338	1,371,744
Purchase of Gas and firewood	2,529,881	2,795,890
Purchase of Utensils beddings & fittings	2,108,090	719,365
Purchase of foodstuffs	26,009,649	21,626,246
Vehicle Licenses and Inspection Transport	220,626	242,745
Vehicle Insurance Transport	1,509,423	2,377,267

NOTES TO THE FINANCIAL STATEMENTS (CONT...)

General Insurance Central Vote	8,917,726	3,344,404
Bank Charges	1,685,717	1,874,599
Payment of Rent and Rates	4,239,985	4,817,205
Staff Uniforms	1,841,828	1,851,910
In house Capacity Building Human Resource	140,100	357,380
Governance	2,509,960	3,096,696
Subscription Fee	1,614,245	1,831,110
Professional Services Central Vote	9,574,686	8,456,085
Hire of Security Services	13,886,320	8,620,700
Hire of Cleaning Services Central Vote	2,797,064	2,244,200
Funeral Expenses Central Vote	210,000	729,530
CSR Donations Central Vote	64,786	46,800
Postal and Courier Services	551,716	671,180
Telephone Expenses Central Vote	801,797	1,370,935
Interest Expense Central Vote	10,913,481	6,715,256
Hire of facilities	20,000	80,500
TUM Enterprises Closed	0	218,658
TOTAL	186,646,559	177,435,733

	2017	2016
	Kshs.	Kshs.
9. TEACHING EXPENSES		
Library Expenses Library	2,509,475	1,681,462
Purchase of Teaching Materials	13,660,302	9,346,204
Curriculum and Development	5,621,391	1,997,845
Academic Trips	126,700	1,868,050
Maintenance Computer Hardware and Networks	210,000	487,652
Internet Charges Directorate of ITCS	15,290,876	15,685,379
Maintenance Computer Software Directorate of ITCS	1,769,000	4,438,894
Internal Research Expenses	4,957,196	2,962,873
External Research Expenses	2,032,125	2,999,777
Part time Teaching	154,728,020	162,964,503
Production Expenses	15,914,297	12,052,397
Examination Materials Registrar AA	6,154,649	6,888,441
External Examiners	6,721,168	5,351,819
Consultancy Expenses	5,256,238	4,148,586
ISO Certification	838,900	1,491,277
Publications and Conferences Research	145,960	422,715
Accreditation	0	233,000
Industrial Attachment Expenses	3,863,703	3,730,421
TOTAL	239,800,000	238,751,295

TECHNICAL UNIVERSITY OF MOMBASA

Reports and Financial Statements For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (CONT...)

	2017	2016
10. STUDENTS WELFARE EXPENSES	Kshs.	Kshs.
Guidance and Counselling Dean Of Students	304,690	398,595
Sports Activities Dean Of Students	3,809,670	3,462,693
TUMSU Elections Dean Of Students	904,744	970,096
Medical Expenses Clinic / Medical	7,380,109	0
Student Work study Programme	305,635	135,215
Music and Drama Dean of Students	985,930	510,320
TOTAL	13,690,778	5,476,919

	2017	2016
11. REPAIRS AND MAINTENANCE	Kshs.	Kshs.
Repairs and Maintenance	7,661,531	1,081,824
Maintenance of Buildings and Stations	9,817,822	13,656,813
Maintenance of Sewerage	721,966	1,108,800
TOTAL	18,201,319	15,847,437

TECHNICAL UNIVERSITY OF MOMBASA

Reports and Financial Statements For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (CONT...)

12. PROPERTY, PLANT AND EQUIPMENT

Rates Cost	Free hold		Buildings		Furniture & Fittings		Computer & Other Electronics		Plant & Equipment		Motor Vehicle		Capital Work in Progress		Total	
	Land 0.0 Kshs	0.02 Kshs	0.01 Kshs	0.1 Kshs	0.3 Kshs	0.1 Kshs	0.1 Kshs	0.2 Kshs	0.1 Kshs	0.1 Kshs	0.2 Kshs	0.2 Kshs	0.1 Kshs	0.1 Kshs	0.2 Kshs	0.1 Kshs
At 1 July, 2015	945,000,000	1,519,053,883	89,300,951	137,061,334	415,319,768	58,347,038	57,628,697	3,221,711,671	102,422,550	43,413,340	3,183,618	256,978	9,649,024	0	(35,783,399)	123,142,111
Additions	0	0	(587,800)	(4,956,000)	(110,000)	0	0	0	0	0	0	0	0	0	0	(5,653,800)
Disposals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
At 30 June 2016	1,047,422,550	1,562,467,223	91,896,769	132,362,312	424,858,792	58,347,038	21,845,298	3,339,199,982	102,422,550	43,413,340	3,183,618	256,978	9,649,024	0	(35,783,399)	123,142,111
Additions	0	0	181,298	24,672,699	12,132,051	0	20,872,353	57,858,401	0	0	0	0	0	0	0	(11,477,858)
Cost Adjustment during the Year	0	0	(11,477,858)	0	0	0	0	0	0	0	0	0	0	0	0	0
At 30 June 2017	1,047,422,550	1,562,467,223	80,600,209	157,035,011	436,990,843	58,347,038	42,717,651	3,385,580,525	102,422,550	43,413,340	3,183,618	256,978	9,649,024	0	(35,783,399)	123,142,111
Depreciation and impairment																
At 1 July 2015	0	135,405,433	39,612,850	112,823,094	207,346,641	40,923,470	0	536,111,488	0	0	0	0	0	0	0	0
Depreciation	0	31,249,344	9,189,677	642,553	42,496,880	6,806,607	0	90,385,061	0	0	0	0	0	0	0	0
Disposals	0	0	(587,800)	(4,956,000)	(110,000)	0	0	(5,653,800)	0	0	0	0	0	0	0	0
At 30 June 2016	0	166,654,777	48,214,727	108,509,647	249,733,521	47,730,077	0	620,842,749	0	0	0	0	0	0	0	0
Depreciation	0	31,285,992	6,876,305	6,340,166	43,699,048	4,844,231	0	93,045,742	0	0	0	0	0	0	0	0
Accumulated dep-adjustment	0	0	(3,957,250)	(4,956,000)	(110,000)	0	0	(3,957,250)	0	0	0	0	0	0	0	0
At 30 June 2017	0	197,940,769	51,133,782	114,849,813	293,432,569	52,574,308	0	709,931,241	0	0	0	0	0	0	0	0
Net book values																
At 30 June 2017	1,047,422,550	1,364,526,454	29,466,427	42,185,198	143,558,274	5,772,730	42,717,651	2,675,649,284	102,422,550	43,413,340	3,183,618	256,978	9,649,024	0	(35,783,399)	123,142,111
At 30 June 2016	1,047,422,550	1,395,812,446	43,682,042	23,852,665	175,125,271	10,616,961	21,845,298	2,718,357,233	1,047,422,550	1,395,812,446	43,682,042	23,852,665	175,125,271	10,616,961	21,845,298	2,718,357,233

TECHNICAL UNIVERSITY OF MOMBASA

Reports and Financial Statements For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (CONT...)

	2017	2016
13. INTANGIBLE ASSETS	Kshs.	Kshs.
Opening Balance	15,944,551	15,944,551
Additions	781,429	0
Acc. Amortization Computer Software	-15,253,079	-14,191,343
BALANCE C/F	1,472,901	1,753,208

	2017	2016
14. AUDIT FEES	Kshs.	Kshs.
Audit fees	1,160,000	1,160,000
TOTAL	1,160,000	1,160,000

	2017	2016
15. DEPARTMENTAL INVENTORIES	Kshs.	Kshs.
Inventories Estates & project planning	1,787,019	4,837,866
Inventories Hospitality & Tourism	555,398	1,220,812
Inventories Mechanical Engineering	155,974	1,579,191
Inventories Health Unit	1,175,665	5,379,238
Inventories Administration	1,277,252	2,119,984
Inventories Electrical Engineering	15,265	224,648
Inventories Applied & Health Science	2,275,957	3,092,905
Inventories Business & Social studies	247,889	365,190
Inventories Medical Engineering department	39,390	3,994,946
Inventories ICTS	43,707	12,466
Inventories Library department	100,013	276,474
Inventories Building & civil Engineering	22,470	237,113
Inventories Kwale Campus	762,034	724,341
Inventories Lamu Campus	53,203	326,014
Inventories Registry	2,440,095	3,835,476
Inventories Student services	2,362,386	1,036,326
Inventories Transport & Logistics	691,441	132,982
TOTAL	14,005,158	29,395,972

TECHNICAL UNIVERSITY OF MOMBASA

Reports and Financial Statements For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (CONT...)

	2017	2016
16. RECEIVABLES FROM EXCHANGE TRANSACTIONS	Kshs.	Kshs.
Prepaid Insurances	36,765,870	61,821,604
Deposit Contingency	725,000	725,000
General Trade receivables	838,477	838,477
Student Debtors	57,423,118	33,218,139
TIVET Bursaries MOHEST	696,531	696,531
Guest Accommodation Debtors	11,378,163	7,192,748
TUMEL DEBTORS	0	561,090
Staff Medical Debtors	120,776	142,974
Staff Salary Advances	225,138	241,143
Rent Arrears	0	53,530
LESS PROVISION	-35,410,246	-27,957,144
TOTAL	72,762,827	77,534,092

	2017	2016
17. RECEIVABLES FROM NON EXCHANGE TRANSACTIONS	Kshs.	Kshs.
Staff Imprest	3,144,874	2,859,081
Other Debtors	1,400,470	3,348,546
TOTAL	4,545,344	6,207,627

18. Cash and cash equivalents

Financial institution	Account number	2016-2017	2015-2016
		KShs	KShs
a) Current account			
National Bank Current Account I	01021007510800	2,471,745	681,906
National Bank Current Account II	01021007510801	4,451,593	2,566,455
Co-operative Bank Fees collection Account	01129079001600	15,650,307	17,012,300
Standard Chart Bank Fees collection Acc.	0102092728000	22,428,493	22,418,660
KCB Lamu Satellite Campus	1118817192	13,823,711	7,226,738
Family Bank Research A/C	096000015735	19,513,471	812,890
KCB Kiziwi Guest House	1126859206	24,053,353	8,644,484
Equity Fees Collection a/c	0460297818058	10,365,285	10,094,138
Development A/C Standard Chartered	102092728001	8,505,522	1,496,941
NBK Economic Stimulus Programme	01038007510800	67,699,780	120,137,566
NBK fees collection a/c	01038074211700	10,425,069	24,304,522
NBK GOVSEA Project	01020036152900	0	5,730,544
KCB Fees Collection A/C	1169329578	21,875,857	6,432,608
Barclays Fees Collection A/C	2034098894	36,375,457	138,161
Sub- total		257,639,643	227,697,913
Cash in transit		0	6,627,674
Sub- total		0	6,627,674
Grand total		257,639,643	234,325,587

TECHNICAL UNIVERSITY OF MOMBASA

Reports and Financial Statements For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (CONT...)

19. SHORT-TERM INVESTMENTS	Kshs.	Kshs.
Fixed Deposit HFCK	0	20,524,281
TOTAL	0	20,524,281

	2017	2016
20. LONG-TERM INVESTMENTS	Kshs.	Kshs.
Shares in Consolidated Bank	5,000,000	5,000,000
Seed Money TUM Enterprises	5,571,938	5,571,938
Fixed Deposit National Bank of Kenya	1,752,400	3,507,724
TOTAL	12,324,338	14,079,662

	2017	2016
21. TRADE AND OTHER PAYABLES	Kshs.	Kshs.
General Trade Payables	-27,062,264	-25,059,013
Prior year trade creditors	0	-64,695
STUDENT CREDITORS	0	-1,058,605
TOTAL	-27,062,264	-26,182,313

	2017	2016
22. OTHER CREDITORS	Kshs.	Kshs.
PAYE Deductions	-39,385,391	-19,746,349
VAT Retained	-14,308	-14,308
Income Tax Withholding	-1,035,472	-638,740
VAT Clearing	-2,917,852	-2,342,649
Student Union Fee	-15,319	-397,635
Student Benevolent Fund	-285,970	-118,880
Accrued Payables	-4,224,178	-1,114,131
Rent Deposit	-131,500	-122,500
Unclaimed Wages	-203,780	-203,780
KUCCPS Levy	-816,475	-937,675
CUE Levy	-3,579,375	-996,195
TVET Institutions	-18,769,410	-71,012,071
HELB	-64,037	-33,585
CDF	-318,550	-318,550
Other Depositors	-681,026	-681,026
LAPSSSET refunds	-750,000	-483,000

TECHNICAL UNIVERSITY OF MOMBASA
Reports and Financial Statements For the year ended June 30, 2017
NOTES TO THE FINANCIAL STATEMENTS (CONT...)

Foreign Examinations CILT	-596,272	-596,272
External Examinations – KMTLB	0	-30,205
External Examinations – KASNEB	0	-9,170
External Examinations – KNEC	0	-504,478
Refund to General Debtors	0	-90,457
Pension Deductions/Contributions	-3,096,533	-197,135
NSSF Payables	1,350	0
NHIF Payables	200	0
Poly Sacco	-1,070,013	0
Staff Benevolent Fund	-251,499	-252,301
Loan Payables Barelays	-1,056,351	0
Trade Unions Payables	37,715	-146,100
Other Payables	-15,754,675	-84,293,130
Retentions Payable	-20,039,915	-15,534,714
TUMEL Payables	-2,371,601	-57,700
Insurance Payables CFC Life Insurance	-30,200	0
Insurance Payables ICEA	-2,000	0
Insurance Payables Kenindia	-1,500	0
Insurance Payables UAP Insurance Ltd	-5,001	0
Insurance Payables CIC GROUP	-4,500	0
Mwalimu SACCO	-6,853,422	-3,226,183
Loan Payables KCB	-7,288,354	0
Net Pay	-1,475,582	-1,130,451
Provision for Audit Fees	-1,160,000	-1,160,000
Salary Advance Refund	-1,334	-1,334
Post Bank Shares	-2,000	-2,300
TOTAL	-134,214,905	-206,393,004

NB: Under other creditors, the amount for tvet institutions is capitation received from the government in trust for development of Technical institutions. Kindly note that in the financial year 2016/2017, the University received an amount of Kshs 11,553,279

	2017	2016
	Kshs.	Kshs.
23. LONG TERM LIABILITIES		
Students Caution Money	-12,976,178	-9,322,548
Long term Service Gratuity	-11,957,719	-17,652,301
Bank Loan	-63,350,000	-81,450,000
TOTAL	-88,283,897	-108,424,849

TECHNICAL UNIVERSITY OF MOMBASA
Reports and Financial Statements For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (CONT...)

	2017	2016
	Kshs.	Kshs.
24. CAPITAL FUND		
B/F	2,959,160,162	2,858,199,902
Development Grant	18,743,280	100,475,260
Donations Grants	0	485,000
Assets adjustment reserve	-7,520,608	0
C/F	2,970,382,834	2,959,160,162

	2017	2016
	Kshs.	Kshs.
25. OTHER FUNDS & RESERVES		
B/F	-197,982,666	-88,602,217
MOVEMENTS		
Revenue Reserve	76,913,244	-5,287,277
SURPLUS (DEFICIT) FOR THE PERIOD	-60,474,983	-104,093,172
C/F	-181,544,405	-197,982,666

XVII. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Referen ce No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	No supporting schedules	The supporting documents will always be attached.	Alfred Indeche (F.O)	Resolved	
2.0	Disclosure of information btw TUM and TUMEL			Resolved	
3.1	- No evidence to show that additional land bought was competitively sourced. - Land LR No. Mombasa/Block/XI/386 ownership is in dispute			Not Resolved	
3.2	No approved procurement plan		Ms. Susan Wanjiru (Procurement Manager	Not Resolved	
3.3	Legal fees			Not Resolved	
3.4	Building on acquired land is not valued. Lease agreement for hosting the telecom mast not transferred to the University.	The lease agreement was signed	Serah Esendi(Senior Legal Officer)	Resolved	
3.5	Furniture bought in the year 2013/2014 did not have evidence that they were sourced competitively		Ms. Susan Wanjiru (Procurement Manager	Not Resolved	
3.6	Acquisition of TV sets	The matter is before the courts. The university is waiting for the determination of the same.	EACC.	Not Resolved	
3.7	Curtains,Napkins & Mattresses classified as PPE	These items to be expensed.	Alfred Indeche.(F.O.)	Resolved	

TECHNICAL UNIVERSITY OF MOMBASA

Reports and Financial Statements For the year ended June 30, 2017

Referen ce No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3.8	Project management fees	Staff involved to be surcharged	Alfred Indeche(F.O)	Not Resolved	
3.9	Gotani fencing	The management to pursue modalities of acquiring the ownership of the land	Prof. Rasowo, Mr. Swaif	Not Resolved	
3.10	Fully depreciated assets	A revaluation of all assets to be done to determine their economic value.	Alfred Indeche(F.O)	Partly Resolved	
4.0	Long term investment	Financial Statements of Tumel to be disclosed.	Alfred Indeche.(F.O).	Resolved	
5.1	Student Debtors	Reconciliation between the two systems to be done.	Alfred Indeche (F.O).	Resolved	
5.2	Provision for doubtful debts	Aged analysis to be provided.	Alfred Indeche(F.O).	Resolved	
6.0	Receivable from Non exchange transaction.			Not Resolved	
7.0	Other Creditors	Unpaid employer pension of Ksh 39,195,284 being followed by the institution.	Vc	Not Resolved	
7.2	Long Outstanding payables	These have been settled.	Alfred Indeche(F.O)	Resolved	
7.3	Other Payables	The accrued part time was not expired hence the outstanding balance of 39,914,134.This has been corrected.	Alfred Indeche(F.O)	Resolved	
7.4	Statutory Deductions	VAT and Withholding were all settled the following which was their due dates.	Alfred Indeche (F.O)	Resolved	
8.1	Unrecorded Variances	Sage Accpac and student management system have since been linked and variances addressed.	Alfred Indeche (F.O)	Resolved	
8.2	Kiziwi Guest House	There is a policy in place on how production funds are distributed.	Alfred Indeche(F.O)	Resolved	
9.0	Tuition Fees	Sage Accpac and student management system have been reconciled.	Alfred Indeche(F.O)	Resolved	
10.1	Medical Insurance	Minutes are available authorising increase of premium payments.	VC	Resolved	

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TECHNICAL UNIVERSITY OF MOMBASA

Reports and Financial Statements For the year ended June 30, 2017

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
10.2	Gratuities	Schedule attached.	Alfred Indeche(F.O)	Resolved	
11.0	Council Expenses	The matter is still being followed by VC'S office.	VC	Resolved	
12.0	Teaching Expenses	All part time teaches are engaged using appointment letters.	HR	Resolved	
13.0	Financial Performance	The deficit has reduced to 69,982,160 as compared to 104,093,172 30 th June 2016.	Alfred Indeche(F.O)	Resolved	



Ag. Vice Chancellor

Date: 18/06/2018

Chairman of the Council

Date: 

TECHNICAL UNIVERSITY OF MOMBASA

Reports and Financial Statements For the year ended June 30, 2017

XVIII. Appendix 1: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

Projects implemented by the State Corporation/ SAGA Funded by development partners

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)

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc.)

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
2							
3							

TECHNICAL UNIVERSITY OF MOMBASA

Reports and Financial Statements For the year ended June 30, 2017

XIX. Appendix 2: INTER-ENTITY TRANSFERS

ENTITY NAME:		TECHNICAL UNIVERSITY OF MOMBASA		
Break down of Transfers from the Ministry of Education				
FY 16/17				
a.	Recurrent Grants			
		<u>Bank Statement</u> <u>Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to</u> <u>which the amounts</u> <u>relate</u>
		10/08/2016	62,426,879	2016/2017
		26/08/2016	62,426,879	
		30/09/2016	62,426,879	
		09/11/2016	62,426,880	
		14/12/2016	62,426,880	
		30/12/2016	61,826,877	
		09/02/2017	62,426,880	
		15/03/2017	62,426,880	
		07/04/2017	62,426,880	
		03/05/2017	62,426,880	
		02/06/2017	62,426,880	
		27/06/2017	63,026,875	
		Total	749,122,549	
b.	Development Grants			
		<u>Bank Statement</u> <u>Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to</u> <u>which the amounts</u> <u>relate</u>
		31/05/2017	18,743,280	
		Total	18,743,280	

The above amounts have been communicated to and reconciled with the parent Ministry
Finance Manager
Technical University of Mombasa

Head of Accounting Unit
Ministry Of Education

Sign *10/16/17*

Sign-----