


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

  
THE NATIONAL ASSEMBLY REPORT  
PAPERS LAID

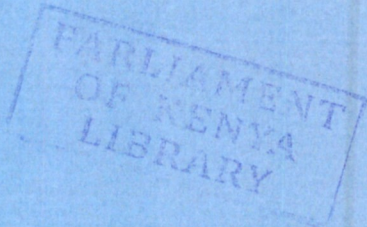
DATE: 02 APR 2019

DAY.  
TUESDAY

TABLED  
BY:

MAJORITY LEADER

CLERK-AT  
THE-TABLE:



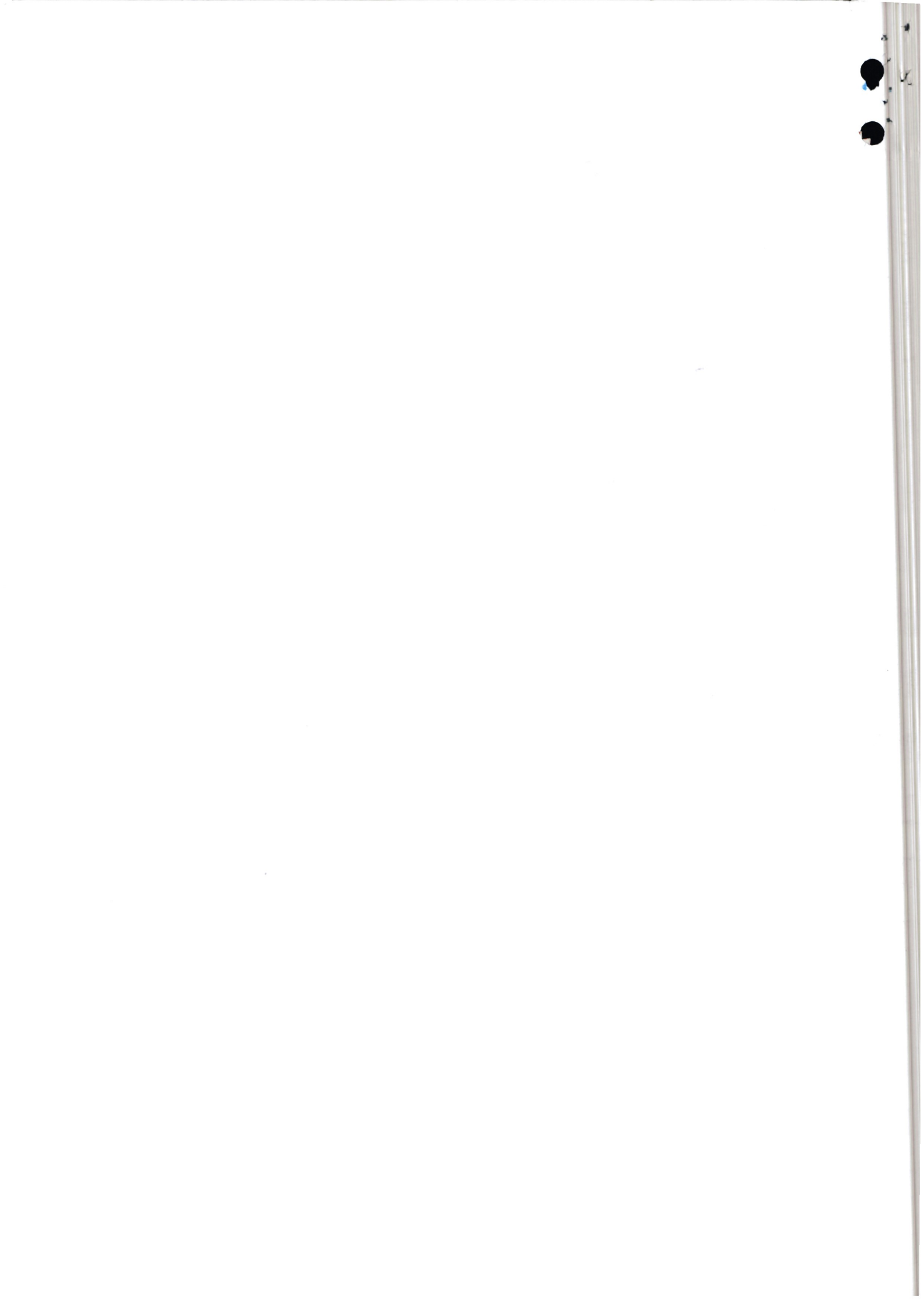
OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
MAASAI MARA UNIVERSITY

FOR THE YEAR ENDED  
30 JUNE 2018

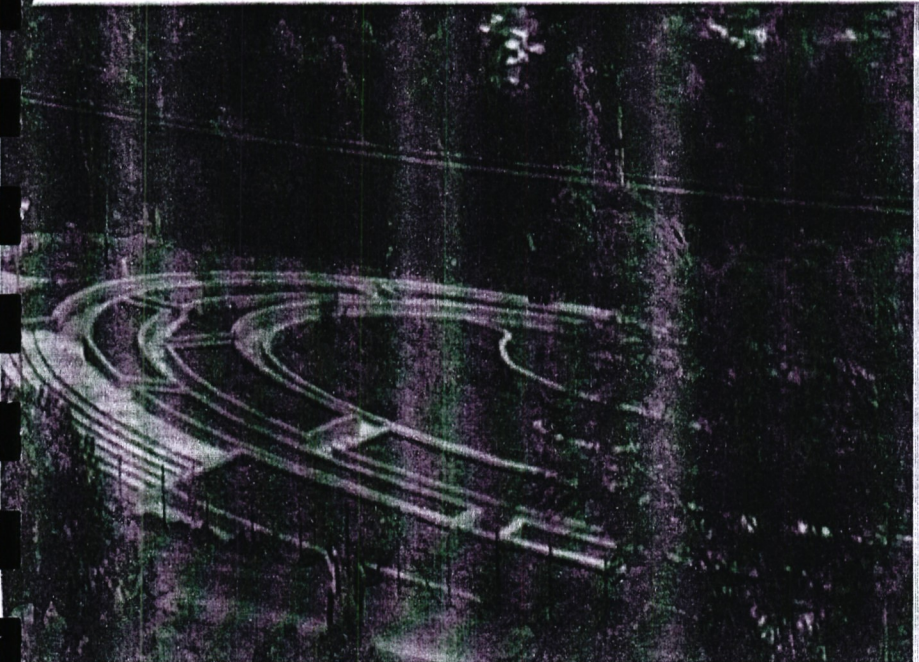
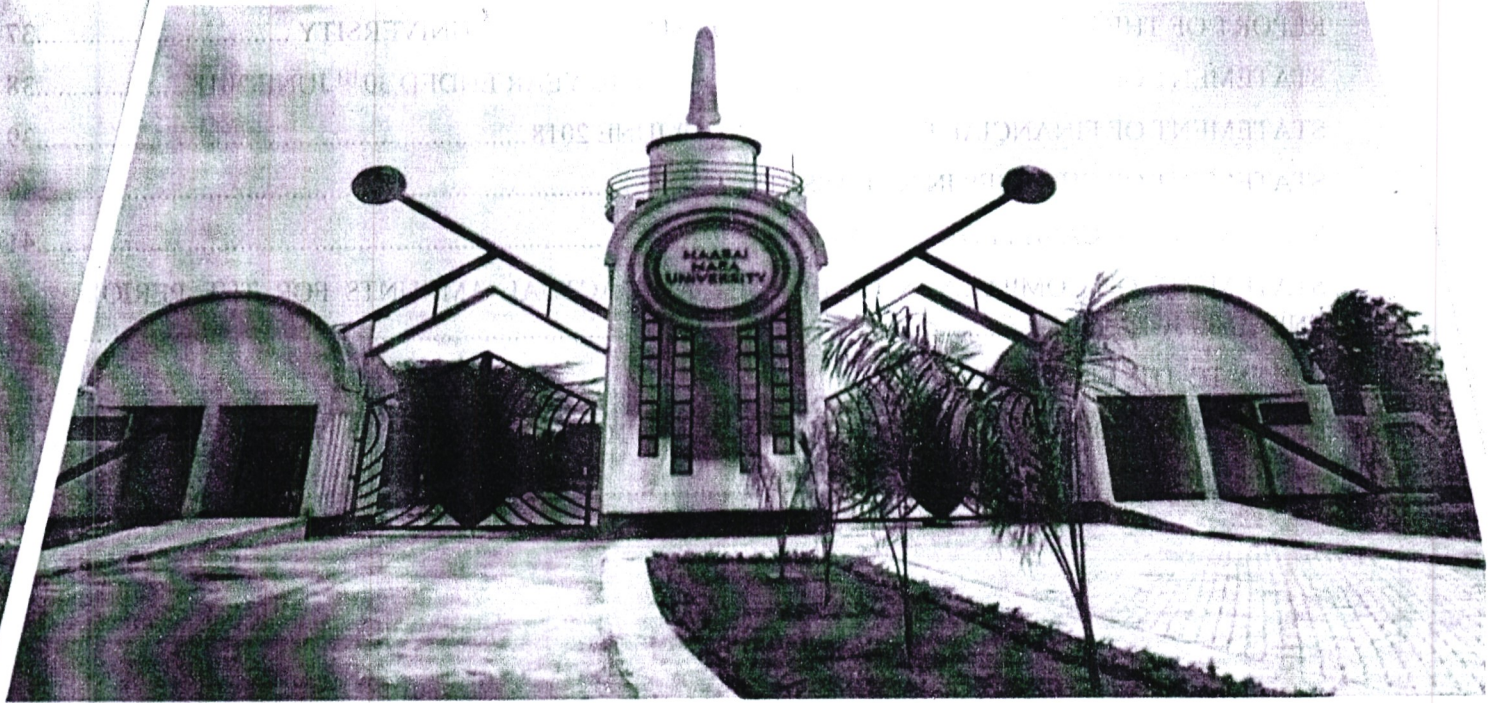




Maasai Mara University

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING JUNE 30, 2018



ISO 9001:2015 CERTIFIED

**MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018**

**CONTENTS**

KEY INFORMATION AND MANAGEMENT .....	3
MAASAI MARA UNIVERSITY COUNCIL MEMBERS .....	9
MANAGEMENT TEAM .....	13
CHAIRMAN'S STATEMENT .....	15
REPORT OF THE VICE-CHANCELLOR/CHIEF EXECUTIVE OFFICER.....	18
CORPORATE GOVERNANCE STATEMENT .....	25
MANAGEMENT DISCUSSION AND ANALYSIS .....	29
CORPORATE SOCIAL RESPONSIBILITY STATEMENT.....	34
REPORT OF THE UNIVERSITY COUNCIL .....	35
STATEMENT OF COUNCIL'S RESPONSIBILITIES .....	36
REPORT OF THE INDEPENDENT AUDITORS OF MAASAI MARA UNIVERSITY .....	37
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 <sup>TH</sup> JUNE 2018 .....	38
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018.....	39
STATEMENT OF CHANGES IN NET ASSETS .....	40
STATEMENT OF CASH FLOWS AS AT 30 JUNE 2018 .....	41
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 JUNE 2018 .....	42
NOTES TO THE FINANCIAL STATEMENTS.....	45
APPENDIX I: PROGRESS ON FOLLOW – UP OF AUDITORS RECOMMENDATIONS .....	64
APPENDIX II: INTER-ENTITY TRANSFERS .....	65

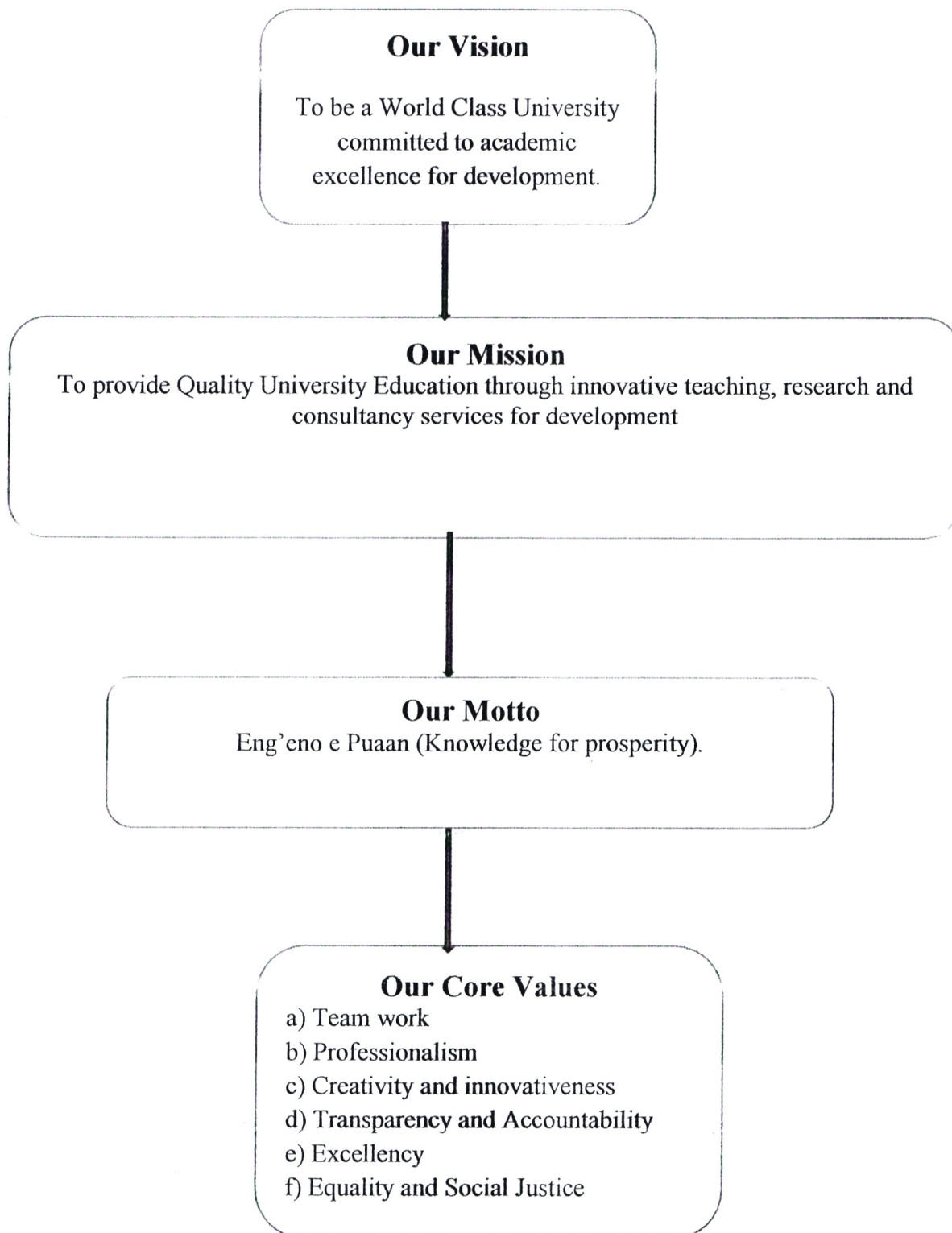
**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**

**KEY INFORMATION AND MANAGEMENT**

**a) Background information**

Maasai Mara University is a public body corporate established by Charter as per The Universities Act 2012; the Charter was issued on 11<sup>th</sup> February, 2013. At Cabinet level, Maasai Mara University is represented by the Cabinet Secretary for Education who is responsible for the general policy and strategic direction of the University. Specifically, the University is under the Principal Secretary of University Education and Research. It has five Schools namely: School of Business and Economics, School of Education, School of Science and Information Sciences, School of Arts and Social Sciences and School of Tourism and Natural Resource Management. The University offers recognized academic programmes from Doctor of Philosophy, post graduate, under graduate, diploma, certificate and short training market driven courses. The current student enrolment is 13,000. The University is located approximately one kilometre off the Narok-Bomet highway, two kilometres from Narok town in Kenya and approximately 150 kilometres northwest of Nairobi City

**b) Principal Activities**



**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**

**Functions:**

Maasai Mara University objectives and functions are defined in Part III Sec 19 of the Universities Act 2012. Key of these functions are as follows: -

- a) Provide directly or in collaboration with other institutions of higher learning, facilities for technological, professional and scientific education;
- b) Advancement of knowledge through teaching, scholarly research and scientific investigation;
- c) Promotion of learning in the student body and society generally;
- d) Promotion of cultural and social life of society;
- e) Support and contribution to the realization of national economic and social development;
- f) Promotion of the highest standards in and quality of, teaching and research;
- g) Education, training and retraining higher level professional, technical and management personnel;
- h) Dissemination of the outcomes of the research conducted by the University to the general community;
- i) Facilitation of life-long learning through provision of adult and continuing education;
- j) Fostering of a capacity for independent critical thinking among its students; and
- k) Promotion of gender balance and equality of opportunity among students and employees.
- l) Promotion of equalization for persons with disabilities, minorities and other marginalized groups;
- m) Play a leading role in development and expansion of opportunities for technological and vocational institutions;
- n) Conduct examinations for and grant such academic awards as may be provided for in the statutes and to syndicate examinations for awards at other institutions as may be approved by the Senate;
- o) Participate in commercial ventures and activities that promote the objectives of the institution.

In the discharge of its functions and the exercise of its powers under this Act, Maasai Mara University is guided by the national values and principles of governance set out under Article 10 of the Constitution.

**c) Key Management**

The University's day-to-day management is under the Vice Chancellor and Secretary, Maasai Mara University Council. The Council exercise oversight role of policy formulation. The other key management of the University comprises of the Deputy Vice Chancellor Academic and Student Affairs, Deputy Vice Chancellor Administration, Finance and Planning, Registrar Academic Affairs, Registrar Administration, Finance Officer, Senior Legal Officer, Librarian and Medical Officer.

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018

**d) Fiduciary Management**

The key management personnel who held office during the year ended 30<sup>th</sup> June 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name of the Staff
1	Vice-Chancellor/Chief Executive Officer	Prof. Mary K. Walingo
2	Deputy Vice-Chancellor (Admin., Finance & Planning)	Prof. Simon Ole Seno
3	Acting Deputy Vice-Chancellor (Academic, & Student Affairs)	Prof. Almadi Obere
4	Acting Registrar, Administration	Dr. James Nampushi
5	Registrar, Academic Affairs	Dr. Fredrick Otieno
6	Finance Officer	CPA Anaclet B. Okumu
7	Acting Head Health Services Department	Dr. Anthony L. Yiaile
8	Senior Legal Officer	Miss. Mercylene Njoroge
9	Acting University Librarian	Mrs. Nancy Kimile

**e) Fiduciary Oversight Arrangements**

The fiduciary oversight arrangements of the University are by the Council who carry out the oversight duties through the Council Committees. These committees are: Finance, Strategy and Resources, which is charged with the responsibilities of budgetary planning, budget approval, approval of quarterly and annual financial reports, investment policy, resource mobilization and income generation policies. It is also responsible for overall University planning including master and strategic plan ; Audit, Risk and Compliance committee is a statutory committee whose responsibilities include reviewing internal controls procedures and policies so as to ensure efficiency and effectiveness, submitting quarterly and annual reports on internal controls to the Council, ensuring proper books of accounts have been maintained, review of internal audit reports and their overall effectiveness, ensuring compliance with statutory guidelines, approval of annual audit work plans and reviewing risk management framework; Academic, Sealing and Honorary Degrees Committee which examines the format and content of the University's statutes, deliberates on all matters pertaining to research and academic activities, co-ordinating fund raising activities for research, advising on consultancies, technology transfers and intellectual property rights, receiving and reviewing academic board papers, recommending to the Council for award of honorary degrees and recommending to the Council on number of certificates to be sealed. This committee also receives and recommends to the Council academic policies; Human Resource Committee is charged with reviewing and recommending to the Council staff establishment and organization structure, developing and reviewing Human Resource Policies, reviewing and recommending to the Council career progression for all staff, reviewing and recommending terms and conditions of service, reviewing and recommending Collective Bargaining Agreements in consultation with Finance, Strategy and Resources committee, recommending staff promotions and handling disciplinary matters.

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**

Other oversight activities of the University are carried out by the Commission for University Education who performs quality assurance audits, Kenya Bureau of Standards who carry out ISO audits to ensure compliance with relevant ISO standards. Currently the University is transiting to ISO 9001:2015. The Office of the Auditor General carries out oversight of both annual systems and financial audits of the University while the Internal Audit function of the University ensures that the control environment is working with minimal risk exposure.

**f) University Headquarters**

Maasai Mara University,  
P. O. Box 861 – 20500,  
Narok County,  
Narok, Kenya

**g) University Contacts**

Tel: (254) 020-5131400  
Fax: 020-2066041  
E-mail: [info@mmarau.ac.ke](mailto:info@mmarau.ac.ke)  
Website: [www.mmarau.ac.ke](http://www.mmarau.ac.ke)

**h) University Bankers**

1. National Bank of Kenya,  
Narok Branch,  
P. O. Box 238,  
**NAROK**
2. Equity Bank Ltd.  
Narok Branch  
P. O. Box 1023-20500,  
**NAROK**
3. Kenya Commercial Bank,  
Narok Branch,  
P. O. Box 406-20500,  
**NAROK**
4. Barclays Bank of Kenya,  
Narok Branch  
P. O. Box 1073-20500,  
**NAROK**
5. Chase Bank Kenya Limited  
Narok Branch,  
P.O Box 66049 - 00800  
**NAIROBI**
6. Jamii Bora Bank  
P.O Box 22741-00400  
**NAIROBI**

**MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018**

7. Co-operative Bank of Kenya,  
Narok Branch  
P. O. Box 632-20500,  
**NAROK**

8. Bank of Africa  
Narok Branch  
P. O. Box 69562-00400  
**NAIROBI**

**i) Independent Auditors**

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

**j) Principal Legal Adviser**

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

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018

MAASAI MARA UNIVERSITY COUNCIL MEMBERS



Dr. Samuel Ochola  
*Chairman of the Council*

- ♣ DOB: 31st July, 1941
- ♣ PhD Economics
- ♣ Director of United Nations Institute of Economic Development and Planning (UN-IDEP) African Region - Dakar Senegal.
- ♣ Director of United Nations Economic Commission for Africa (UN-ECA) Sub - regional Office – Lusaka Zambia.
- ♣ Senior Industrial Development Officer UN-ECA sub-regional office for West Africa (ECOWAS) – Niamey, Niger.
- ♣ Senior Economic Affairs Officer-UN-ECA Headquarters, Addis Ababa, Ethiopia



CS Damary Ayuku - Angulu  
*Independent Council Member –  
Chairperson Human Resource  
Committee*

- ♣ DOB: 28th. December, 1968
- ♣ LLB - UoN
- ♣ MBA - UoN (Strategic Management)
- ♣ Post Graduate Dip. In Law – Kenya School of Law.
- ♣ Certified Public Secretary
- ♣ Certified Mediator
- ♣ Head of Legal – Tourism Promotion Services (Management) Ltd



Mr. Charles Obiero  
*Executive Council Member and  
alternate to PS Ministry of  
Education*

- ♣ DOB: 12<sup>th</sup> December, 1964
- ♣ B Ed. Hons (Kenyatta University)
- ♣ International Honors Group Diploma (Management) – Cambridge
- ♣ PGDPM (IMTRI), DIP. PM (ICS, London)
- ♣ M Ed. (Administration)
- ♣ Member HRM Kenya.
- ♣ Senior Assistant Director of Education

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018



Maj. (Rtd) John Karanja  
*Independent Council Member –  
Chairman Audit, Risk and Compliance  
Committee*

- ♣ DOB: 24th. September, 1961
- ♣ LLB Law-UoN
- ♣ Certified Public Secretary Kenya
- ♣ Master of Law (LLM) Specialization:  
Security & Law
- ♣ Senior Partner- Kamunya &  
Company Advocates
- ♣ Major/Senior Legal officer-KDF



Mr. Sammy Roore Oleku  
*Independent Council Member – Chairman  
Finance, Strategy and Resources Committee*

- ♣ DOB: 1970
- ♣ BA (Hons) (Moi)
- ♣ BBM (Hons) (Moi)
- ♣ MBA (Moi)
- ♣ Masters - Climate Change Adaptation –  
University of Nairobi
- ♣ CEO-POWER (NGO)
- ♣ Over 15 years of progressive  
management experience in local and  
international NGOs
- ♣ Strategic Management & Climate  
change expert.



Mr. Paul Ngetich – DSM, OGW  
*Independent Council Member – Chairman  
Academic, Sealing and Honorary Degrees  
Committee*

- ♣ DOB: 20<sup>th</sup> October, 1950
- ♣ B.E. D (Sc)
- ♣ Master in Education Management
- ♣ Rtd Chief Principal Tambach TTC
- ♣ Deputy Registrar-Moi Teachers  
College
- ♣ Senior Lecturer-Kagumo Teachers  
College
- ♣ Assistant Director of Education –  
Jogoo House
- ♣ Provisional Inspector of Schools –  
Nyanza and Eastern Provinces.

**MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018**



**Ms. Annette Nasiaki Okello**  
*Independent Council Member*

- ♣ DOB: 20<sup>th</sup> November, 1979
- ♣ Graduate Diploma- Management Information Systems (University of Greenwich – UK)
- ♣ Bsc (Hons) – (University of Greenwich – UK)
- ♣ Msc Information Technology Management (University of Sunderland – UK)
- ♣ Post Graduate Certificate in Global Social and Sustainable Enterprise



**FA Paul Kiagu**  
*Executive Council Member and alternate to PS National Treasury*

- ♣ DOB: 4<sup>th</sup> July, 1969
- ♣ BA(Econs) – (Kenyatta University)
- ♣ Masters in Economics (Kenyatta University)
- ♣ Member Institute of Certified Investment and Financial Analysts (ICIFA)
- ♣ Principal Economists at The National Treasury.



**Prof. Mary K. Walingo**  
*Vice-Chancellor and Secretary to Council*

- ♣ DOB: 1st. January, 1963
- ♣ B. Ed. Home Economics
- ♣ M. Sc Applied Human Nutrition Major
- ♣ Master of Business Administration.
- ♣ Ph. D Food & Nutrition Major
- ♣ Deputy Vice-Chancellor (A & F) Maseno University
- ♣ Principal, Murang'a University College

Ms. Annette Okello was appointed as Independent Council Member on 26th January 2018.

**MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018**

**Council Committees Membership**

Finance, Strategy and Resources Committee	→	<table border="0" style="width: 100%;"> <tr> <td style="width: 70%;">1. Mr. Sammy Oleku</td> <td style="width: 30%;">Chairman</td> </tr> <tr> <td>2. Ms. Damary Ayuku - Angulu</td> <td>Member</td> </tr> <tr> <td>3. Ms. Annette N. Okello</td> <td>Member</td> </tr> <tr> <td>4. FA Paul Kiagu</td> <td>Member</td> </tr> <tr> <td>5. Mr. Charles Obiero</td> <td>Member</td> </tr> <tr> <td>6. Prof. Mary K. Walingo</td> <td>Secretary</td> </tr> </table>	1. Mr. Sammy Oleku	Chairman	2. Ms. Damary Ayuku - Angulu	Member	3. Ms. Annette N. Okello	Member	4. FA Paul Kiagu	Member	5. Mr. Charles Obiero	Member	6. Prof. Mary K. Walingo	Secretary
1. Mr. Sammy Oleku	Chairman													
2. Ms. Damary Ayuku - Angulu	Member													
3. Ms. Annette N. Okello	Member													
4. FA Paul Kiagu	Member													
5. Mr. Charles Obiero	Member													
6. Prof. Mary K. Walingo	Secretary													
Academic, Sealing and Honorary Degrees Committee (Technical Committee)	→	<table border="0" style="width: 100%;"> <tr> <td style="width: 70%;">1. Mr. Paul Ngetich</td> <td style="width: 30%;">Chairman</td> </tr> <tr> <td>2. Ms. Damary Ayuku-Angulu</td> <td>Member</td> </tr> <tr> <td>3. Ms. Annette N. Okello</td> <td>Member</td> </tr> <tr> <td>4. FA Paul Kiagu</td> <td>Member</td> </tr> <tr> <td>5. Mr. Charles Obiero</td> <td>Member</td> </tr> <tr> <td>6. Prof. Mary K. Walingo</td> <td>Secretary</td> </tr> </table>	1. Mr. Paul Ngetich	Chairman	2. Ms. Damary Ayuku-Angulu	Member	3. Ms. Annette N. Okello	Member	4. FA Paul Kiagu	Member	5. Mr. Charles Obiero	Member	6. Prof. Mary K. Walingo	Secretary
1. Mr. Paul Ngetich	Chairman													
2. Ms. Damary Ayuku-Angulu	Member													
3. Ms. Annette N. Okello	Member													
4. FA Paul Kiagu	Member													
5. Mr. Charles Obiero	Member													
6. Prof. Mary K. Walingo	Secretary													
Audit, Risk and Compliance Committee	→	<table border="0" style="width: 100%;"> <tr> <td style="width: 70%;">1. Maj. (Rtd) John K. Karanja</td> <td style="width: 30%;">Chairman</td> </tr> <tr> <td>2. Mr. Paul Ngetich</td> <td>Member</td> </tr> <tr> <td>3. Ms. Annette N. Okello</td> <td>Member</td> </tr> <tr> <td>4. FA Paul Kiagu</td> <td>Member</td> </tr> <tr> <td>5. Head of Internal Audit</td> <td>Secretary</td> </tr> </table>	1. Maj. (Rtd) John K. Karanja	Chairman	2. Mr. Paul Ngetich	Member	3. Ms. Annette N. Okello	Member	4. FA Paul Kiagu	Member	5. Head of Internal Audit	Secretary		
1. Maj. (Rtd) John K. Karanja	Chairman													
2. Mr. Paul Ngetich	Member													
3. Ms. Annette N. Okello	Member													
4. FA Paul Kiagu	Member													
5. Head of Internal Audit	Secretary													
Human Resource Committee	→	<table border="0" style="width: 100%;"> <tr> <td style="width: 70%;">1. Ms. Damary Ayuku – Angulu</td> <td style="width: 30%;">Chairperson</td> </tr> <tr> <td>2. Maj. (Rtd) John K. Karanja</td> <td>Member</td> </tr> <tr> <td>3. Mr. Sammy R. Oleku</td> <td>Member</td> </tr> <tr> <td>4. FA Paul Kiagu</td> <td>Member</td> </tr> <tr> <td>5. Mr. Charles Obiero</td> <td>Member</td> </tr> <tr> <td>6. Prof. Mary K. Walingo</td> <td>Secretary</td> </tr> </table>	1. Ms. Damary Ayuku – Angulu	Chairperson	2. Maj. (Rtd) John K. Karanja	Member	3. Mr. Sammy R. Oleku	Member	4. FA Paul Kiagu	Member	5. Mr. Charles Obiero	Member	6. Prof. Mary K. Walingo	Secretary
1. Ms. Damary Ayuku – Angulu	Chairperson													
2. Maj. (Rtd) John K. Karanja	Member													
3. Mr. Sammy R. Oleku	Member													
4. FA Paul Kiagu	Member													
5. Mr. Charles Obiero	Member													
6. Prof. Mary K. Walingo	Secretary													

There were Adhoc Council committee meetings that were called upon during the year to review University policies and staff career progression.

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018

MANAGEMENT TEAM



**Prof. Mary K. Walingo**  
*Bed (KU), MBA(Maseno), MSc (UoN), PhD (ANGRAU, India), MKNAS, EBS*  
Vice-Chancellor/Chief Executive Officer



**Prof. Simon Ole Seno**  
*BSc, MSc(New Mexico), PhD(Arizona)*  
Deputy Vice-Chancellor (Admin., Finance  
& Planning)



**Prof. Almadi Obere**  
*BEd, MA(UoN), PhD(CPP-DAR/UoN)*  
Acting Deputy Vice-Chancellor (Academic &  
Student Affairs)



**Dr. Fredrick Otieno**  
*BSc (KU), MSc (UoN), PhD (JKUAT)*



**Dr James Nampushi**  
*BTM(Moi), MSc, PhD(Clemson)*  
Acting Registrar, Administration

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018



CPA Anaclet Biket Okumu  
*BSc in BA (USIU-A) MBA (KU),  
ICPAK No.4857*  
Finance Officer



Dr. Antony L. Yiaile  
*BPharm (MKU), MSc (UON), HDip Clin  
Pharm, Dip Pharm (KMTC), MPSK.*  
Ag. Head Health Services Department



Ms. Mercylene Njoroge  
LLB. (Moi), Post Graduate Dip. In Law (KSL)  
Senior Legal Officer



Mrs. Nancy Kimile  
Cert, Dip. Bsc, MPhi (Moi)  
Acting University Librarian

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018

**CHAIRMAN'S STATEMENT**



Dr. Samuel Ochola  
Chairman of the Council

*"The University was resilient and continued to achieve greater heights of her performance objectives throughout all the departments"*

It gives me great pleasure to present the Maasai Mara University (herein referred to the "University") Annual Report and Financial Statements, on behalf of the University Council for the year ended 30th June 2018.

**Key Activities**

The year under review was quite challenging especially in revenue generation and prolonged electioneering period hampering the velocity of completion of key University programmes and activities. Despite this, the University was resilient and continued to achieve greater heights of her performance objectives throughout all the departments. I am pleased therefore to highlight key of these achievements as follows:

In the quest of ensuring continual corporate governance, the University Council was strengthened by the appointment of Ms Annette Nasiaki Okello to the Council in January 2018. Madam Annette has brought in a wealth of experience of ICT from private sector. I join other Council members in welcoming her on board.

In order to anchor University operations on approved policies so as to comply with corporate governance principles and deliver better services, the Council reviewed and approved University policies during the year. Examples include Accommodation, Energy management, Gender based violence, Library, Students Welfare and Work study.

The University is transitioning from ISO (International Organization for Standardization) 9001:2008 to ISO 9001: 2015. The latter standard emphasizes on process approach of PDCA cycle (Plan, Do, Check and Act) and risk based thinking. The University is on course since the deadline for transition is 15<sup>th</sup> September, 2018.

The University is desirous to improve her infrastructural development. To this end, I am pleased to confirm that phase I of the Tuition block was completed and handed over to the University.

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**

This tuition block is set in 12 phases: Phase I has six floors each having two lecturer rooms with a capacity of 100 students for each lecturer room. A total of 1,200 students are therefore served by this tuition block. The University has commenced construction of phase II.

In line with the University's quest to produce qualified graduands for development, 1,493 students were conferred with Degree certificates and awarded Diplomas during the year. Out of the total graduands, 184 comprised Science and Technology students; a testament of the University's quest for growth in technology.



*The Deputy President His Excellency Hon. William Ruto, PS University Education and Research Prof. Collete Suda, Narok Governor Hon. Samuel Tunai, the Vice-Chancellor and other dignitaries during the 5<sup>th</sup> Graduation ceremony held on 1<sup>st</sup> December 2017.*

Further, I am pleased to comment on the successful mounting of the Bachelor of Nursing degree programme whereby the University was allocated 20 first year students. Overall, the Kenya Universities and Colleges Central Placement Services (KUCCPS) allocated 1,520 students to the University as Government sponsored first year students. This will bring the student population to 13,000.

To enhance financial resources and supplement Government funding, the University applied for the Chinese Government Aid Fund of USD 12 Million towards construction of Science Laboratory Complex. A Memorandum of Understanding was signed and the development partners delivered the equipment. The funding is under Public Private Partnership model of Build and Transfer.

### **Challenges**

Student numbers are increasing at a decreasing rate. For instance, during the year the University admitted 2,035 students while KUCCPS has allocated 1,520 for September 2018 intake. This is 73% of September 2017 intake notwithstanding the fact that all these students (1,520) are Government sponsored.

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**

Second challenge is funding. During the year, the development budget allocation was reduced by 75%. The University was however allocated Kshs 120 million against original approved budget of Kshs 279 million – 57% reduction.

There was prolonged electioneering period during the year which generally slowed down the velocity of implementation of University programmes and overall recurrent budget absorption. The recurrent budget allocation has increased marginally. This has hampered University efforts to recruit more teaching staff and reduce the ratio of lecturer to student and teaching to administrative staff.

**Way forward**

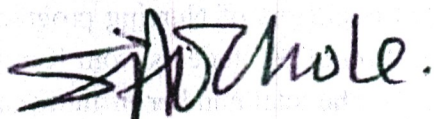
To surmount the above challenges, the University will first review the courses offered so as to enhance and strengthen market driven courses. This will attract more students bearing in mind that the last two years' trend has had all the students who qualified for University admission being absorbed by the Government leaving no self-sponsored students. Also, the University will enhance Technical and Vocational Education and Training (TVET) programmes.

To address funding gaps, the University will continue sourcing more funds from development partners especially for infrastructural development which has faced significant reductions from the Government. On this end the University is already at advanced stage of clinching Chinese funding for the Science Laboratory. Also, the University will fast track completion of ongoing projects before commencement of new ones. University staff will double their efforts in writing funding proposals and use of innovative ways to control energy costs.

The University will also review the staff establishment especially the administrative staff in line with activities carried so as to manage her payroll costs.

**Appreciation**

May I thank my fellow Council members for being proactive and articulating in a meritorious way policy issues of the University. They Council meetings were well attended. Secondly, I thank the University management under the able leadership of the Vice-Chancellor for carrying out daily operations of the University while maintaining highest standards of education and research. Thirdly, I applaud the entire Maasai Mara University fraternity for the hard work during the year. May God bless you.



**Dr. Samuel Ochola**

**CHAIRMAN**

**MAASAI MARA UNIVERSITY COUNCIL**

**MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018  
REPORT OF THE VICE-CHANCELLOR/CHIEF EXECUTIVE OFFICER**



**Prof. Mary K. Walingo  
Vice- Chancellor**

*“The objectives of these activities were centred around achievement of the University mandate as anchored in the Mission Statement”.*

### **Introduction**

Over the time Maasai Mara University has transformed herself towards becoming a world class University through continual improvement in provision of excellent academic, research and consultancy services for development. It is my pleasure to present to you the Maasai Mara University (hereafter referred to as the “University”) Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2018. Once again the University has recorded tremendous improvement in all her operational areas albeit with challenges.

### **Key Activities**

The University carried out her activities during the year in compliance with relevant laws, Acts of parliament, regulations and procedures. The objectives of these activities were centred around achievement of the University mandate as anchored in the Mission Statement. They cut across academic, research, infrastructural development through development partners engagement, enhancing University visibility through marketing of courses offered and operational functions.

#### ***a) Academic Services***

I am pleased to report that the University successfully mounted Bachelors of Nursing program which will commence in September 2018 after getting an allocation of 20 students from Kenya Universities and Colleges Central Placement Services (KUCCPS). The total number of first year students allocated was 1,520 disaggregated as follows:

- |   |                |
|---|----------------|
| • School of Education                               | - 227 students |
| • School of Tourism and Natural Resource Management | - 118 students |
| • School of Arts and Social Sciences                | - 267 students |
| • School of Business and Economics                  | - 581 students |
| • School of Science                                 | - 327 students |

**MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018**

The above numbers compare to 2,035 first year students who reported in September 2017. The total student enrolment is 13,000.

The University held her 5<sup>th</sup> graduation ceremony during the year whereby a total of 1,493 students were conferred with Degree certificates and awarded Diplomas. These were broken down as follows: 6 students were conferred with Doctor of Philosophy degrees, 13 with Masters degrees, 1,179 with under graduate degrees and 295 were awarded Diplomas. The distribution by gender was 881 male and 682 female. Out of the total graduands, 184 comprised Science and Technology students.



*Academic staff procession during the 5<sup>th</sup> graduation ceremony held on 1<sup>st</sup> December 2017.*

The University successfully carried out Press Week during the month of November 2017. This was done to expose students to players in Media and Public Relations industry and enable them to link theory to practice. Resource persons during this week included renown TV personalities Larry Madowo and Daniel Mule of Nation TV, the University own alumni Ken Muga of Ramogi FM and Vivian Wandera of Kenya Power. Oliver Mwenda – a Public Relations Manager at Narok County was invited to expound on job opportunities in the County.

**MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018**



*Mr. Larry Madowo of Nation TV addresses students during Press Week in November 2017*

***b) Research related activities***

The University Director of Research gave a Public lecturer whose topic was: “Bats (Mammalia: Chiroptera) of Eastern Africa: feared, misunderstood and persecuted”. The talk was attended by both staff and students. Three students from the Media, Film and Communication participated in the University Investigative Journalism Challenge dubbed ‘Top Story Season 2’ which was being aired on KTN television. The challenge involved 60 students pursuing Journalism in 20 Kenyan Universities. The University students competed up to the semi-finals held on 13<sup>th</sup> March 2018. The competition culminated in a grand finale gala held on 25<sup>th</sup> March 2018 at the Nairobi National Museums.

The Department of Social Studies organized a Paper presentation titled ‘Value Education through sports in community Development and cooperation’ on 18<sup>th</sup> January 2018. The presentation was made by a Katharina Wilhelm a graduate student at Goethe University of Frankfurt, Germany.

One staff presented a research project for funding proposal to Open University of United Kingdom entitled “TESSA (Teacher Education Sub- Saharan Africa) grant”. The objective of this proposal was to create awareness on TESSA open education resources and learner centred education. This attracted a funding of Kshs 261,169.

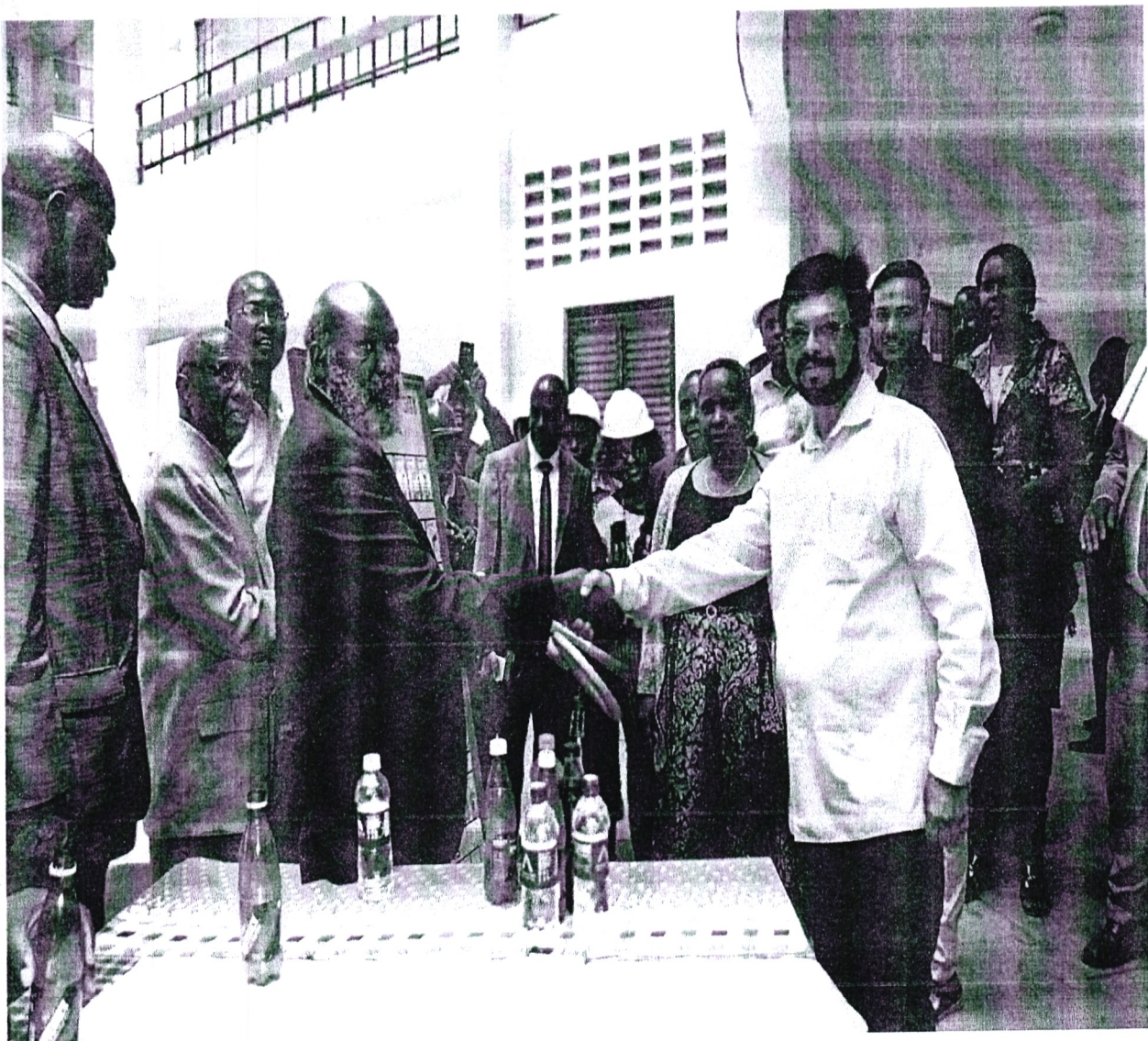
The School of Tourism through its research and Corporate Social Responsibility, succeeded to obtain a funding of 14,000 Euros equivalent to Kshs 1.7 million from Africa Experts in Finland

**MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018**

to train locals from Maasai Mara Siana Springs on hospitality skills. Further training collaboration with the University is likely to be realized after successful completion of this short course.

*c) Infrastructural development*

Tuition block phase I was completed and handed over to the University. The total cost was Kshs 146 million. This building is now currently occupied by academic staff of the University and has been recorded in the books of accounts as part of University assets. Tuition block phase II is at 50% completion stage. The University gate construction is at 95% completion. This, together with the road works are co-joined with the Tuition block. The Boundary Wall construction is at 75% completion stage.



*Handing over of Tuition Block Phase I. Looking on is the Vice- Chancellor, Council members and Senior Staff of the University*

**MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018**

***d) Engagement with development partners and linkages***

Regarding partnerships and collaborations /Institutional Linkages, during the year under review the School of Business and Economics signed a Memorandum of Understanding with the School of Business of University of Munster, Germany. This cooperation is envisaged to cover exchange of Students and Faculty, exchange of academic materials and academic publications and information.



*Dean School of Business Dr. Maurice Ombok signing memorandum of understanding with University of Munster, Germany.*

To enhance financial resources and supplement Government funding, the University applied for the Chinese Government Aid Fund of USD 12 Million towards construction of Science Laboratory Complex. The following laboratories will be at this complex: Biopharmaceutical laboratory complex, Biosafety laboratories, Bioinformatics Computing Laboratory, 3D Creativity and New Products Rapid Prototyping Laboratory – CNPRP Lab, Intelligent Communication Infrastructures Laboratory – ICI Lab, Artificial Intelligence and CAD Systems Laboratory and Cyber Security Laboratory among others. Medical equipment have already been delivered.

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018

*e) Operational activities*

The University continued to be the preferred Centre for Narok County activities. During the year, the County Primary Schools stakeholders meeting and National Dialogue on Education were held at the University premises. Various policies were prepared, reviewed and approved by the Council. These included include Accommodation, Energy management, Gender based violence, Library, Students Welfare and Work study.

The University is transitioning from ISO (International Organization for Standardization) 9001:2008 to ISO 9001: 2015. The latter standard emphasizes on process approach of PDCA cycle (Plan, Do, Check and Act) and risk based thinking. This standard will enable the University to:

- i) Consistently provide products and services that meet students and applicable statutory and regulatory requirements;
- ii) Facilitate opportunities to enhance both students and other stakeholder's satisfaction
- iii) Address risks and opportunities associated with its context and objectives;
- iv) Demonstrate conformity to specified quality management system requirements.

*f) Financial operations*

**i) Revenue**

The total revenue realized by the University during the year was **Kshs 1,394,631,985** against budgeted **Kshs 1,511,345,586** – 92% of the budget. This compares to **Kshs 1,155,188,705** in 2016/2017 financial year. The increase in revenue was mainly caused by adjustment in fee structure upwards by 40%. The Government capitation still remains the main source of the University's funding standing at 57% of total recurrent revenue (excluding Collective Bargaining Arrears of **Kshs 141,728,700**).

**ii) Expenditure**

The total expenditure of the University was **Kshs 1,342,551,409** against budgeted **Kshs 1,511,345,586** – 89% of the budget. This compares to **Kshs 1,137,035,961** in 2016/2017 financial year. Employee costs remain the highest expenditure item at **Kshs 940,976,151** – 70% of total expenses. This was partly contributed by payment of Collective Bargaining Agreement arrears for staff.

**iii) Results**

The financial results during the year was a surplus of **Kshs 52,080,576**. This was mainly attributed to the revision of the fee structure by 40% effective September 2017 hence increasing internally generated income and implementation of austerity measures to curb expenditure.

**Challenges**

The University is facing a number of challenges key of them being: student enrolment, lack of adequate facilities, inadequate funding and fewer number of teaching staff.

The pass rate for Kenya Certificate of Secondary Education (KCSE) has been low in the last two years whereby the students who score grade C plus and above which is the cut off mark for direct University entry end up being fully absorbed by the Government. This number is also low

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**

compared to the Universities capacity. This compels KUCCPS to under-allocate the students leaving unutilized capacity in many Universities; Maasai Mara University not being an exception. For instance, during the year the University admitted 2,035 students while KUCCPS has allocated 1,520 for September 2018 intake. This trend cannot sustain the University.

The University lacks most of essential facilities thereby posing a challenge to discharge fully her mandate of teaching and research. For instance, the only completed modern tuition facility can only serve 1,200 students. Two remaining phases are yet to be completed. There is no modern library nor Science complex laboratory. These are very essential facilities to enable effective teaching and research.

Inadequate funding is one of the key challenges of the University. Reduction in Government funding especially development vote has affected timely completion of infrastructural projects. Reduced student enrolment exacerbates this shortage.

Lastly, the University has fewer faculty staff in comparison to the courses offered. The total teaching staff stand at 148 against total staff complement of 548.

#### **Way forward**

To address the above challenges, the University will first review the courses offered so as to enhance and strengthen market driven courses and enhance (Technical and Vocational Education and Training (TVET) programmes. The teaching staff will increase their quest for proposal funding and write more research papers. The University will double her efforts in reaching out to development partners for infrastructural funding. Lastly, the University operations will be re-engineered to become more efficient and innovative so as to increase internally generated revenue. Additional funding request has been made to the Government for hire of teaching staff.

#### **Appreciation**

I thank the almighty God for having brought us this far. Secondly, I thank the Government of Kenya for both recurrent and development capitations. These disbursements assisted the University in meeting her daily operations and infrastructural development. Thirdly the University Council for their dedication and guidance on policy matters. Fourth, the University Management Board for their commitment in policy implementation. Fifth, the entire Maasai Mara University staff and students for their support and co-operation. Lastly, I thank the local community for providing conducive environment suitable for advancement of learning.

  
**Prof. Mary K. Walingo PhD (ANGRAU, India) MKNAS, EBS**  
**VICE-CHANCELLOR**  
**MAASAI MARA UNIVERSITY**

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018

**CORPORATE GOVERNANCE STATEMENT**

Maasai Mara University has engrained the principles of Corporate Governance in its institutional framework and is committed to consistently promoting the highest standards of governance which takes into cognizance the interests of all stakeholders, strengthens the Council, Board of Management and Senate accountability while building public trust in the University. The Council is responsible for appropriate strategic advice and direction to the University and is accountable to the Government, Stakeholders and the Kenyan Public at large through the Ministry of Education.

In implementing the Corporate Governance tenets, the Council seeks to add value through constructive dialogue and engagement with stakeholders as well as management with a strong focus on the University's strategic agenda. The Council embraces and recognizes the benefits of diversity in skills and experience in its compositions and this engenders the effective discharge of the Council's strategic oversight function.

As at 30th June 2018, the Council was made up to nine (9) members comprising of a non-executive Chairman, the Principal Secretary, National Treasury and Planning, the Principal Secretary, Ministry of Education, the Vice-Chancellor and five (5) independent members of various backgrounds. The non-executive Council members are independent of management.

The University Council as guided by the State Corporations Act and the Universities Act 2012 meets at least four times a year with special meetings held on a need basis. The meetings are held in accordance with the Council almanac. The Vice-Chancellor and Secretary of the University Council and University management are delegated by the Council to run the day to day affairs of the University.

**Appointment and removal of Council Members:**

The appointment and removal of Council members is guided by the State Corporations Act 446 Part III Section 6.

**Council Committees**

The Council has established four Committees with specific terms of reference to exercise delegated responsibilities. The Committees are namely Finance, Strategy and Resources, Academic, Sealing and Honorary degrees, Audit, Risk and Compliance and Human Resources Committee.

**i) Finance, Strategy and Resources Committee**

The committee is charged with the responsibilities of budgetary planning, budget approval, approval of quarterly and annual financial reports, investment policy, resource mobilization and income generation policies. It also responsible for overall University planning including master and strategic plan. It arranges for construction of new buildings once the finances have been made available and receives reports on performance contracts. It advises Council on income

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**

generation activities and makes proposals to the Council on ways of raising funds for the University both internally and externally. The members are:

1. Mr. Sammy Oleku	Chairperson
2. Ms. Damary Ayuku –Angulu	Member
3. Mr. Charles Obiero	Member
4. FA Paul Kiagu	Member
5. Ms. Annette N. Okello	Member
6. Prof. Mary K. Walingo	Secretary

**ii) Audit, Risk and Compliance Committee:**

This is a statutory committee whose responsibilities include reviewing internal controls procedures and policies so as to ensure efficiency and effectiveness. It submits quarterly and annual reports on internal controls to the Council while ensuring proper books of accounts have been maintained. The committee also reviews internal audit reports and their overall effectiveness, ensuring compliance with statutory guidelines and approve annual audit work plans. It further reviews risk management framework, ensuring effective co-ordination between management, the internal audit function and external auditors, ensuring statutory guidelines for Universities and State Corporations are fully complied with. It also reviews management reports from external auditors concerning deviations and weaknesses in accounting and operational controls. The membership of this committee comprises of:

1. Maj. (Rtd) John K. Karanja	Chairman
2. Mr. Paul Ngetich	Member
3. FA Paul Kiagu	Member
4. Ms. Annette N. Okello	Member
5. Head of Internal Audit	Secretary

**iii) Academic, Sealing and Honorary Degrees Committee (Technical Committee)**

This committee examines the format and content of the University's statutes, deliberates on all matters pertaining to research and academic activities, co-ordinates fund raising activities for research, advises on consultancies, technology transfers and intellectual property rights. It receives and reviews academic board papers, recommends to the Council for award of honorary degrees and recommends to the Council on number of certificates to be sealed. This committee also receives and recommends to the Council academic policies. It co-ordinates all fund raising activities for research. The members are:

1. Mr. Paul Ngetich	Chairman
2. Ms. Damary Ayuku – Angulu	Member
3. Ms. Annette N. Okello	Member
4. FA Paul Kiagu	Member
5. Mr. Charles Obiero	Member
6. Prof. Mary K. Walingo	Secretary

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**

**iv) Human Resource Committee**

This committee is charged with reviewing and recommending to the Council staff establishment and organization structure, developing and reviewing Human Resource Policies, reviewing and recommending to the Council schemes of service for all staff. It also reviews and recommends terms and conditions of service and Collective Bargaining Agreements in consultation with Finance, Strategy and Resources committee. It recommends staff promotions and handles disciplinary matters. The members are:

- |                               |             |
|-------------------------------|-------------|
| 1. Ms. Damary Ayuku – Angulu  | Chairperson |
| 2. Maj. (Rtd) John K. Karanja | Member      |
| 3. Mr. Sammy R. Oleku         | Member      |
| 4. Mr. Charles Obiero         | Member      |
| 5. FA Paul Kiagu              | Member      |
| 6. Prof. Mary K. Walingo      | Secretary   |

**Council Expenses**

The remuneration and expenses of the Chairperson and Members of the Council are guided by the State Corporations Act Cap. 446 and the provisions of the Universities Act 2012.

**Council Meetings**

During the year there were eighteen full council meetings including special meetings. The Council Committee meetings were as follows:

Name of Committee	Membership	Role	Number of Meetings
Finance, Strategy and Resources Committee	1. Mr. Sammy Oleku	Chairman	7
	2. Ms. Damary Ayuku - Angulu	Member	
	3. Ms. Annette Nasiaki Okello	Member	
	4. Mr. Paul Kiagu	Member	
	5. Mr. Charles Obiero	Member	
	6. Prof. Mary K. Walingo	Secretary	
Academic, Sealing and Honorary Degrees Committee (Technical Committee)	1. Mr. Paul Ngetich	Chairman	3
	2. Ms. Damary Ayuku – Angulu	Member	
	3. Ms. Annette Nasiaki Okello	Member	
	4. Mr. Charles Obiero	Member	
	5. Mr. Paul Kiagu	Member	
	6. Prof. Mary K. Walingo	Secretary	
Audit, Risk and Compliance Committee	1. Maj. (Rtd) John K. Karanja	Chairman	5
	2. Mr. Paul Ngetich	Member	
	3. Ms. Annette Nasiaki Okello	Member	
	4. FA Paul Kiagu	Member	
	5. Head of Internal Audit	Secretary	

**MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018**

Human Resource Committee	1. Ms. Damary Ayuku – Angulu	Chairperson	14
	2. Maj. (Rtd) John K. Karanja	Member	
	3. Mr. Sammy R. Oleku	Member	
	4. Mr. Charles Obiero	Member	
	5. FA Paul Kiagu	Member	
	6. Prof. Mary K. Walingo	Secretary	

**The Role of Senate in Governance**

The Senate forms part of the overall governance framework of the University. Its mandate is derived from the Universities Act (2012) 35 (1) and the University Charter. The Senate is responsible to Council and the Management Board for all academic matters of the University.

The Senate exercised the following powers and duties during the year: -

- a) Satisfied itself regarding the content and academic standard of courses offered at the University;
- b) Classified students for graduation by vetting their results and ensuring due process was followed.

**The Role of Management Board and the Vice-Chancellor in Governance**

As the Chief Executive Officer of the University, the Vice-Chancellor is both the chief academic officer and the chief administrator of the University. Indeed, she chairs both the Management Board and Senate for purposes of smooth governance of the University. The functions of the Vice Chancellor are set out in the Universities Act (2012), the Public Procurement and Asset Disposal Act (2015), the Public Financial Management Act (2012), and the Charter of the University.

The Vice-Chancellor provides progress reports to Council on policy implementations. She is the Secretary to Council. Council has delegated widespread powers and responsibilities to the Vice-Chancellor. The Management Board assists the Vice-Chancellor on both academic and administrative issues of the University.

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018  
MANAGEMENT DISCUSSION AND ANALYSIS

**a) The University's operational and financial performance:**

The operational and financial performance of the University is set out on page 39 to page 45.

**b) University's compliance with statutory requirements:**

The University's financial statements have been prepared in accordance with Section 83 of the PFM Act. The financial statements are in consonance with the Public Sector Accounting Standards Board of Kenya (PSASB-K) approved templates for annual reporting by National Government Entities of 30<sup>th</sup> June 2018. The annual report contains financial and non-financial information as stipulated under Section 83 2 (a) and (b) in the form and format that complies with the standards prescribed and published by the PSASB-K.

**Total Exposure**

The University's going concern is not in doubt. Whereas the University has on-going court cases, it is the judgement of both the Council and management that these cases do not expose the University with regards to going concern. The University is in full compliance with all its statutory obligations and requirements. Further, the financial statements have been prepared on a going concern basis and management does not have significant concerns about the University's ability to continue as a going concern as required by IPSAS 1.

**Reporting framework**

There is consistency in the presentation and classification of items in the financial statements which has been retained from the previous periods in conformity with IPSAS 1 on the presentation of financial statements. This is except for provision of bad and doubtful debts which the University management has reduced from 10% to 5% after risk of default assessment since they comprise mainly student debtors whereby clear mechanisms have been put in place to ensure they are recovered/paid. Additionally, each material class of similar items has been presented separately in the financial statements while dissimilar items have been aggregated only if they are immaterial on an individual basis [IPSAS 1 (13)].

**c) Key projects and investment decisions the University is planning/implementing**

The University has two ongoing projects: The Tuition block phase II and Boundary wall. During the year, Tuition block phase I was completed and handed over to the University. The total cost was Kshs 146,126,787.

**1) Tuition block phase I to III (This is co-joined with the University gate and road works). This is now at phase II.**

Cost of the project:	Kshs. 564,712,500
Commencement date:	17 <sup>th</sup> February 2016
Proposed date of completion of phase II:	16 <sup>th</sup> February 2019
Percentage of completion of total project:	50%

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018

**Project Name:** Tuition Block

**Project geographic location:** Narok County (Maasai Mara University)

**Project purpose:** Office space and lecturer rooms

**Brief description of the project/Project summary:**

The overall completion level is approximately 50%. Phase I is complete and handed over to the University. Phase II substructure works are ongoing and are approximately 60% complete. Circulation area i.e. the staircases and the lift shaft works are approximately 60% complete. Main gate is approximately 95% complete. New exit all weather road works and associated road structure and storm water drainage works are ongoing and approximately 30% complete.

When completed the project will provide office space and additional lecturer rooms which will help in easing the inadequate office and learning space as follows:

Phase I: Six floor building each floor having two lecture rooms with capacity of 100 students and seven offices. Total student capacity being 1,200 and 42 offices.

Phase II: Three floors with two lecture theatres in each floor having capacity of 200 students each. Total students served will be 1,200.

Phase III: Six floor building. Each floor with four lecture rooms with capacity of 250 students. Total students being 1,500. Additionally, there are 13 door washrooms.

**Outline economic and social benefit:**

-This is a Vision 2030 flagship project that is in line with National Government strategic objectives and policies as anchored in the vision's social pillar on education.

-Employment opportunities during and after construction

-Construction has low level of imports so the stimulus spending stays within the national economy

**Outline source of financing:** Government of Kenya

**Viability of the project:** The tuition block is viable since it is Vision 2030 project and the Government has undertaken to fund it.

**Sustainability of the project:** The relevant Government regulatory authorities approved the construction of tuition block especially National Environment Management Authority. An environmental impact assessment was carried out.

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018

**2) Proposed Boundary Wall**

Cost of the project:	Kshs 87,219,440
Commencement date:	29 <sup>th</sup> September, 2017
Initial proposed date of completion:	13 <sup>th</sup> April 2018
Revised proposed date of completion:	31 <sup>st</sup> December 2018
Percentage of completion:	75%

<b>Project Name:</b> Proposed Boundary Wall
<b>Project geographic location:</b> Narok County (Maasai Mara University)
<b>Project purpose:</b> Secure the University
<p><b>Brief description of the project/Project summary:</b></p> <p>The following activities have been completed: Clearing of vegetation along the existing fence and bacon re- establishment and construction of site offices and stores. The construction of masonry grids A &amp; B 540M along main road and masonry fence grid C 400M along and behind nursery are approximately 80% complete. Work remaining include fixing of grills, key external finishes and coping to columns. The masonry wall grid E 804M along hostels area construction is at 25% complete. Excavation of trenches (Grid D) along sewage ponds, and grid G along gate B is 50% complete.</p> <p>Once completed the University security will be enhanced hence making it easy to protect her students, staff, property and visitors. The project will entail construction of Boundary Wall around the University.</p>
<p><b>Outline economic and social benefit:</b></p> <ul style="list-style-type: none"> <li>-This is a Government priority project aimed at enhancing security of its citizens and institutions against threats of attacks.</li> <li>- Better management and control of students.</li> <li>-Employment opportunities during construction.</li> <li>-Construction has low level of imports so the stimulus spending stays within the national economy.</li> </ul>
<b>Outline source of financing:</b> Government of Kenya

**Viability of the project:** The Boundary Wall is viable since it is a Government priority project and the Government has undertaken to fund it.

**Sustainability of the project:** The relevant Government regulatory authorities approved the construction of Boundary Wall.

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018

**d) Major risks facing the University:**

The University is facing the following risks which can affect attainment of overall objectives and achievement of her mandate:

i) Liquidity risk: This is caused by reduced Government development funding, reduced student numbers and student debtor balances arising from inability of students to pay full fees in a timely manner. The effect of this risk is inability of the University to complete her development projects in time and lack of sufficient funds for operational activities.

To surmount this risk, the University has encouraged staff to write more funding proposals so as to attract more funds. Secondly, the University is advancing Technical and Vocational Education courses in addition to the degree courses and reviewing the curriculum so as to make the current courses more attractive and market driven. Thirdly, the University is engaging development partners to provide financial support especially towards development projects.

ii) Operational risks: These risks are two-fold; one relating to inadequate teaching staff compliment and the other on insufficient compensation in case of loss of University assets. Fewer teaching staff leads to inability of the University to effectively discharge her teaching, research and consultancy services. The University assets have not been valued while the buildings have not been insured. The latter is because of lack of ownership documents. Therefore, in case of loss, the Insurer will not correctly compensate the University.

These risks are being addressed by the University through appealing for further funding from the Government and applying the initiatives discussed in (i) above. Also, the University is utilizing part-time teaching staff to bridge the gap. Regarding valuation and title of ownership documents, efforts are being made to obtain the land title deed and procure a valuer.

iii) Reputational risk: This can arise from pending payments to suppliers who can decline to do business with the University until they are paid which can portray the University in bad faith. The pending court cases can also put the University in bad repute and financial distress. These risks can be addressed through enhancing funding and minimizing legal cases.

**e) Material arrears in statutory/financial obligations:**

The following were outstanding obligations by end of the year:

- i) Staff pension remittance relating to 2011, 2012 and 2013 amounting to Ksh. 49,486,837 which is made up of the principal Kshs 17,657,710.80 and interest of Kshs 31,829,127. To note, Maasai Mara University is among Universities whose pension funds are yet to be disbursed from The National Treasury;
- ii) Tuition block and boundary wall - Kshs 133,135,753.
- iii) Part time lecturers – Kshs. 78,586,717
- iv) Suppliers of goods and services - Kshs 66,085,107
- v) Staff payroll creditors for the month of June 2018 – Kshs 64,408,247.
- vi) Students caution money – Kshs 9,415,000

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**

The court cases and their potential financial impact facing the University are:

- i) Nakuru Employment and Labour Relations Court Case No.249 of 2013
- ii) Nakuru Employment and Labour Relations Court Case No.523 of 2014.
- iii) Kericho Employment and Labour Relations Court Case No.22 of 2015
- iv) Nakuru Employment and Labour Relations Court Cases No. 506 of 2014
- v) Nakuru Employment and Labour Relations Court Judicial Review No.4 of 2016
- vi) Kisumu Employment and Labour Relations Court Case No.346 of 2016 claiming Kshs 575,000
- vii) Nyeri Employment and Labour Relations Court Case No .87 of 2016. Claiming Kshs 199,080
- viii) Nairobi High Court Civil Case No.294 of 2015 claiming Kshs 76,380,000.

Since the outcome of these court cases is uncertain, they have not been included in the financial statements.

**f) The University's financial probity and serious governance issues**

During 2017/18 financial year there were no major financial improbities reported by internal audit/Audit Committee, external Auditors, or any other National Government Agencies providing oversight that were known to the management. Additionally, the University is not aware of any serious governance issues among the Council or its members of the Council and top management including conflict of interest.

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**

**CORPORATE SOCIAL RESPONSIBILITY STATEMENT**

Maasai Mara University was founded for public benefit, to promote education and knowledge, and to provide an institution open to all, irrespective of race, creed or political belief. It is a pioneering institution of higher learning in making university education available to the communities living in the South Rift Valley of Kenya.

The University's Corporate Social Responsibility (CSR) policy sets out the guiding principles by which the organization is run in order to fulfil its core mission. This policy brings together the ways in which the University ensures, at corporate level, that its activities are carried out ethically, sustainably and for the public benefit.

The CSR Policy is made up of three central pillars:

- People and Community
- Finance and Economic Activity
- Environmental Sustainability

During the year the University was involved in the following Corporate Social Responsibility activities:

The Open University of United Kingdom provided funds for TESSA (Teacher Education Sub-Saharan Africa) whose objective was to create awareness on TESSA open education resources and learner centred education. Eighty (80) primary school teachers within Narok County were trained.

Thirty (30) locals from Maasai Mara Siana Springs located within the environs of Maasai Mara Game Reserve were trained on hospitality skills using funds from Africa Experts based in Finland. This training helped to prepare them sharpen their skills in hospitality and tourism.

Two Hundred Forty-Five (245) needy students benefited from the University bursary award of Kshs 2,500,000. A further fund raising of Kshs 150,000 was sourced from the Ngong Catholic Diocese out of which an amount of Kshs 100,000 was channelled towards purchase of chairs for University Catholic students and the balance of Kshs 50,000 went towards helping needier students.

During the year the University fabricated 100 beds and donated 100 sheets and mattresses to Entasekera primary school in Loita division, Narok South. Radio talks were also held at Mayian FM where the University programmes were articulated and the local community engaged in discussions thereby being enlightened d on courses offered.

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018

**REPORT OF THE UNIVERSITY COUNCIL**

The Council submits this report together with the financial statements for the year ended June 30, 2018 which show the state of the University's affairs.

**Principal activities of the University**

The University is mandated to provide quality education through innovative teaching, research and consultancy services for development. It does this through inter alia:

- a) Advancement of knowledge through teaching, scholarly research and scientific investigation;
- b) Promotion of learning in the student body and society generally;
- c) Promotion of cultural and social life of society;
- d) Support and contribution to the realization of national economic and social development;
- e) Promotion of the highest standards in, and quality of, teaching and research;
- f) Education, training and retraining higher level professional, technical and management personnel;

**Results**

The results of the University the year ended June 30, 2018 are set out on page 38 to page 44.

**Council Members**

The Council Members who served during the year are shown on page 9 to page 11 in accordance with the Universities Act 2012 (18). During the year Ms. Annette Okello was appointed as Independent Council Member with effect from 26th January 2018.

**Auditors**

The Auditor-General is responsible for the statutory audit of the University in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015, which empowers the Auditor-General to audit University Financial Statements.

By Order of the Council.

Prof. Mary K. Walingo PhD (ANGRAU, India), MKNAS, EBS  
Vice-Chancellor/ Chief Executive Officer & Secretary

**MAASAI MARA UNIVERSITY COUNCIL**

Date: 13/12/2018

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**

**STATEMENT OF COUNCIL'S RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2012 and Section 14(3) of the State Corporations Act, require the Council 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 the year. The Council is also required to ensure that the University keeps proper accounting records which disclose with reasonable accuracy the financial position 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, 2018. This responsibility includes:

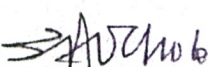
- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the University;
- (iii) Designing,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

The Council accept responsibility for the University's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act 2012, the State Corporations Act 2012 and the Universities Act 2012. The Council is of the opinion that the University's financial statements give a true and fair view of the state of University's transactions during the financial year ended June 30, 2018, and of the University's financial position as at that date. Council members further confirm the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University's financial statements as well as the adequacy of the systems of internal financial control.

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's financial statements were approved by the Council on 29<sup>th</sup> September 2018 and signed on its behalf by:

  
\_\_\_\_\_

Dr. Samuel Ochola  
Council Chairman

**MAASAI MARA UNIVERSITY**

  
\_\_\_\_\_

Prof. Mary K Wallingo PhD, MKNAS, EBS  
Vice-Chancellor /Council Secretary  
**MAASAI MARA UNIVERSITY**

# REPUBLIC OF KENYA

Telephone: +254-20-342330  
Fax: +254-20-311482  
E-Mail: [oag@oagkenya.go.ke](mailto:oag@oagkenya.go.ke)  
Website: [www.kenao.go.ke](http://www.kenao.go.ke)

P.O. Box 30084-00100  
NAIROBI



## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON MAASAI MARA UNIVERSITY FOR THE YEAR ENDED 30 JUNE 2018

---

#### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of set out on pages 38 to 66, which comprise the statement of financial position as at 30 June 2018, and the statement of financial performance, statement of changes in net assets, statement of cash flows, statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Maasai Mara University as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the University Act No.42 of 2012.

#### Basis for Opinion

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

#### Key Audit Matters

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

#### Other Matter

##### 1. Receivables from Exchange Transactions

The net receivables from exchange transactions stood at Kshs.150,192,375 as at 30 June 2018 compared to Kshs.159,558,931 as at 30 June 2017 representing a decrease of

---

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

Kshs.9,366,555. Included in receivables from exchange transactions is Kshs.148,597,020 in respect of student's debtors gross. However, the figure remains substantially high.

The management has explained that the cause decrease of the students' debts is as a result of transition from Unipack System to the new ABNO system which is currently being implemented. In addition, the management explained that the composition of the debts is historical and management is currently reconciling with a positive progress being made and is planned to be completed in 2018/2019 financial year.

## **2. Pension Obligation**

Note 30 to the financial statements reported pension obligation of Kshs.49,486,837 as at 30 June 2018. During the year under review, the balance moved from Kshs.43,917,055 to Kshs.49,486,837 representing an increase of Kshs.5,569,7812 which is accrued interest.

The management has however explained that the pensions obligations result from outstanding remittances to Moi University Pensions Scheme dating back to 2011 to 2013 during which period the current university management has requested for specific funding from the National Treasury through the parent ministry but this has yet to be honored. The University has no outstanding obligations since 2014.

## **3. Sustainability of Services**

The current assets stood at Kshs.320,409,032 while the current liabilities were Kshs.328,734,568 leading to a negative working capital of Kshs. 8,325,536 which however is an improvement from negative Kshs.26,811,736 in 2016/2017 financial year. Nevertheless, this situation indicates uncertainty exists that may cast doubt on the University's ability to continue honoring its obligations as and when they fall due.

## **4. Delayed Completion of Boundary Wall**

During the year under review, Maasai Mara University signed a contract with Mycal General Services on 17 August 2017 for the construction of a boundary wall for a sum of Kshs.87,219,440 with a commencement date of 29 September 2017 and end date of 13 April 2018. It was however observed that the works were not completed within the stipulated time frame and an extension of time was revised and a new completion date of 13 August 2018 was given being a variation of time of four (4) months. The works were not completed within the extended timeline of 13 August 2018 and a second extension was done with a revised time of completion date put on 31 December 2018. The reasons the contractor gave for the second extension of time were long rains in the month of March 2018, marshy grounds and slow disbursement of funds.

Physical verification of project status on 26 November 2018 eight (8) months after the initial completion date, revealed that out of the total two thousand nine hundred and fifty nine (2,959) meters of the University boundary wall, part measuring nine hundred and thirty seven point seven (937.7) meters equivalent of thirty two (32%) percent is almost complete but not fitted with razor wire, part measuring one thousand five hundred and eight point

seven (1,508.7) meters equivalent of fifty one (51%) has been partially done and the remaining part measuring five hundred and thirteen point three (513.30) meters equivalent of seventeen (17%) percent has not been started at all.

Further, though the contractor has been paid Kshs. 49,646,924 exclusive of retention money which represents fifty-seven (57%) percent of work certified. The management has explained that this payment was made despite reduced development capitation from national government from Kshs. 279,340,000 to Kshs. 54,072,000 which indicates the University efforts to pay the certificate and avoid litigation. Whereas the work done was verified at 60%, this did not include materials on site estimated at around Kshs.8 (eight) million. In addition, during the time of inspection the contractor was not on site but was fabricating grills in his workshop in Nairobi. Further, the management has committed not to pay additional funds due to variation of contract. To cushion herself the University has a performance bond of 5% of the contract sum.

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### **Conclusion**

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them.

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **Lack of Risk Assessment Policy Document**

Review of the risk management revealed that Maasai Mara University did not have a risk management policy and therefore there is no formal system in place to conduct risk

assessment for its key operations. The university may therefore not be able to detect and take appropriate action to mitigate risks. However, the management has explained that this is Work-In-Progress and it's at an advanced stage of completion.

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and Those Charged with Governance**

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

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error,

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

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

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

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

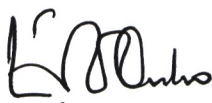
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue 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 University to cease to continue as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the University to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

**Nairobi**

**27 March 2019**

**MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018  
REPORT OF THE INDEPENDENT AUDITORS OF MAASAI MARA  
UNIVERSITY**

---

**Auditor – General**

Nairobi

Date \_\_\_\_\_

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30<sup>TH</sup>**  
**JUNE 2018**

	Notes	Jun-18 Kshs	Jun-17 Kshs
<b>Revenue</b>			
<b>Revenue From Non-Exchange Transactions</b>			
Recurrent Grants	5	801,668,009	661,593,500
Donations		-	104,990,698
Collective Bargaining Agreement Arrears	6	141,728,700	-
Research Grants	7	4,153,479	761,150
		<b>947,550,188</b>	<b>767,345,348</b>
<b>Revenue From Exchange Transactions</b>			
Rental Revenue From Facilities & Equipment	8	17,362,750	732,500
Finance Revenue-Short Term Deposit Interest	8(i)	3,556,051	1,058,949
Other Income	8(ii)	18,614,827	12,892,023
Cafeteria Revenue	9	7,463,759	6,024,502
Tuition Income	10	400,084,410	367,135,383
		<b>447,081,797</b>	<b>387,843,357</b>
<b>Total Revenue</b>		<b>1,394,631,985</b>	<b>1,155,188,705</b>
<b>Expenditure</b>			
General Expenses	11	119,682,031	92,716,703
Rent and Rates	12	497,500	43,733,995
Casual Wages	13	10,372,322	13,646,163
Schools Direct Expenses	14	103,134,854	83,892,869
Research Expenses	15	1,355,469	935,000
Catering & Accommodation Expenses	16	13,856,153	23,821,760
Medical Costs	17	32,661,089	15,120,395
Bulk Purchases Of Water & Electricity	18	20,651,272	18,904,913
Employee Costs	19	940,976,151	731,041,787
Council Expenses	20	17,709,503	19,609,616
Repairs & Maintenance	21	15,043,721	20,175,575
Contracted Services	22	4,191,167	11,038,137
Depreciation and Amortization Expense	23	61,045,703	61,303,256
Financial Expenses	24	1,374,475	1,095,791
<b>Total Expenditure</b>		<b>1,342,551,409</b>	<b>1,137,035,961</b>
<b>Surplus/(Deficit)</b>		<b>52,080,576</b>	<b>18,152,744</b>

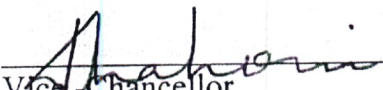
The notes set out on pages 45 to 66 form an integral part of these Financial Statement

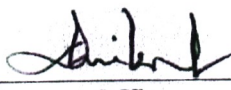
MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018

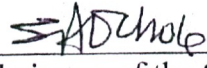
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018**

	Notes	Jun-18 Kshs	Jul-17 Kshs
<b><u>NON-CURRENT ASSETS</u></b>			
Work in Progress	25	243,558,820	360,799,554
Property, Plant and Equipment	23	1,392,737,946	1,181,899,776
<b>Total non-current assets</b>		<b>1,636,296,766</b>	<b>1,542,699,330</b>
<b><u>CURRENT ASSETS</u></b>			
Inventories	26	11,463,399	6,364,765
Receiveables from Non-Exchange transactions	27	-	70,000,000
Receiveables from Exchange transactions	28	150,192,375	159,558,930
Cash and Cash equivalents	29	158,753,258	52,975,604
<b>Total current assets</b>		<b>320,409,032</b>	<b>288,899,299</b>
<b>TOTAL ASSETS</b>		<b>1,956,705,798</b>	<b>1,831,598,630</b>
 <b><u>CAPITAL FUNDS &amp; LIABILITIES</u></b>			
<b><u>CAPITAL FUNDS</u></b>			
Accumulated Capital Fund		1,561,673,305	1,507,601,305
Revaluation Reserve		3,101,540	3,101,540
Revenue Reserve		16,319,064	(35,761,512)
<b>Total capital funds</b>		<b>1,581,093,909</b>	<b>1,474,941,333</b>
<b><u>CURRENT LIABILITIES</u></b>			
Trade Payables	30	66,085,107	96,389,370
Schools Direct Exp.	30	78,586,717	62,951,640
Caution money Deposits	30	9,415,000	10,196,000
Employee Obligation/Pension Obligation	30	49,486,837	43,917,055
Students fees received in advance	30	16,613,156	27,038,074
Payroll Creditors	30	64,408,247	38,467,823
Contractors payables	30	41,341,495	36,751,073
Research grants payable	30	2,798,010	-
<b>Total current liabilities</b>		<b>328,734,568</b>	<b>315,711,035</b>
<b><u>LONG TERM LIABILITIES</u></b>			
Contractors Retention – WIP	31	46,877,321	40,946,263
<b>TOTAL FUNDS &amp; LIABILITIES</b>		<b>1,956,705,798</b>	<b>1,831,598,630</b>

The financial statements set out on pages 38 to 43 were signed on behalf of Maasai Mara University by:

  
Vice Chancellor  
Prof. Mary K Walingo

  
Finance Officer  
CPA Biket Okumu  
ICPAK Member No.4857

  
Chairman of the Council  
Dr. Samuel Ochola

Date 13-12-18

Date 13/12/2018

Date 13/12/18

**MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018**

**STATEMENT OF CHANGES IN NET ASSETS**

	<b>Accumulated Fund Ksh</b>	<b>Revaluation Reserve Ksh</b>	<b>Revenue Reserve Ksh</b>	<b>Total Ksh</b>
Balance as at 1st July 2016	1,256,941,305	3,101,540	(53,914,256)	1,206,128,589
Government Capital Grants	250,660,000	-	-	250,660,000
Surplus/Deficit for the Period		-	18,152,744	18,152,744
<b>Balance as at 30th June 2017</b>	<b>1,507,601,305</b>	<b>3,101,540</b>	<b>(35,761,512)</b>	<b>1,474,941,333</b>
<b>Balance as at 1st July, 2017</b>	<b>1,507,601,305</b>	<b>3,101,540</b>	<b>(35,761,512)</b>	<b>1,474,941,333</b>
Government Capital Grants	54,072,000	-	-	<b>54,072,000</b>
Surplus/Deficit for the Period	-	-	52,080,576	<b>52,080,576</b>
<b>Balance as at 30th June 2018</b>	<b>1,561,673,305</b>	<b>3,101,540</b>	<b>16,319,064</b>	<b>1,581,093,909</b>

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 JUNE 2018**

	Original Budget		Adjustments		Final Budget		Actual on Comparable Basis		Performance Difference		Variance %	Notes
	2017-2018	Kshs	2017-2018	Kshs	2017-2018	Kshs	2017-2018	Kshs	2017-2018	Kshs		
A) Recurrent Revenue												
Recurrent Grants	766,204,480		35,463,529		801,668,009		801,668,009		-		0%	
Research Grants	-		-		-		4,153,479		4,153,479		0%	
CBA Atrears	-		141,728,700		141,728,700		141,728,700		-		0%	
Rental Revenue From Facilities and Equipment	66,167,392		-		66,167,392		17,362,750		(48,804,642)		-74%	[a]
Finance Revenue Short Term Deposit Interest	3,600,000		-		3,600,000		3,556,051		(43,949)		-1%	
Other Income	39,600,000		-		39,600,000		18,614,827		(20,985,173)		-53%	[b]
Cafeteria Revenue	8,200,000		-		8,200,000		7,463,759		(736,241)		-9%	
Tuition Fee	450,381,485		-		450,381,485		400,084,410		(50,297,075)		-11%	[c]
<b>Total Revenue</b>	<b>1,334,153,357</b>		<b>177,192,229</b>		<b>1,511,345,586</b>		<b>1,394,631,985</b>		<b>(116,713,601)</b>		<b>-8%</b>	
Expenditure												
General Expenses	153,450,927		(9,096,671)		144,354,256		119,682,031		24,672,225		17%	[d]
Rent and Rates	500,000		-		500,000		497,500		2,500		1%	
Casual Wages	11,394,080		-		11,394,080		10,372,322		1,021,758		9%	
Schools Direct Expenses	162,246,209		-		162,246,209		103,134,854		59,111,355		36%	[e]
Research Expenses	2,398,485		-		2,398,485		1,355,469		562,647		23%	[f]
Catering & accommodation Expenses	46,414,124		(29,104,045)		17,310,079		13,856,153		3,453,926		20%	[g]
Medical Costs	21,578,400		14,500,000		36,078,400		32,661,089		3,417,311		9%	
Bulk Purchases Of Water & Electricity	18,184,200		4,522,055		22,706,255		20,651,272		2,054,983		9%	
Employee Costs	804,918,903		177,192,229		982,111,132		940,976,151		41,134,981		4%	
Council Expenses	16,800,000		7,000,000		23,800,000		17,709,503		6,090,497		26%	[h]
Repairs & Maintenance	12,464,402		6,478,661		18,943,063		15,043,721		3,899,342		21%	[i]
Contracted Services	15,947,288		5,700,000		21,647,288		4,191,167		17,456,121		81%	[j]
Depreciation and Amortization	66,568,892		-		66,568,892		61,045,703		5,523,189		8%	

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**  
**STATEMENT OF CASH FLOWS AS AT 30 JUNE 2018**

Notes	Budget	Jun-18	Jun-17
	Kshs	Ksh	Ksh
<b>Cash flow from Operating Expenses:</b>			
	-	52,080,576	18,152,744
<b>Surplus/(Deficit)</b>			
<b>Adjustment for:</b>			
Donations	-	-	(104,990,698)
Provision for Audit fees	871,200	696,000	696,000
Depreciation	36,525,193	61,045,703	61,303,256
Provision for bad and doubtful debts	1,280,875	(8,128,844)	(629,303)
increase/(decrease)	38,677,268	105,693,435	(25,468,001)
Working capital changes	(818,150)	(5,098,634)	1,072,959
(Increase) / Decrease in stocks	(2,315,446)	87,495,401	(76,184,136)
(Increase)/ Decrease in Receivables	11,449,979	13,023,533	9,701,205
Increase/ (Decrease) in Payables	115,000,000	5,931,058	8,176,828
Increase/ (Decrease) in retention	123,316,383	101,351,358	(57,233,145)
Cash from Operating Activities	161,993,651	207,044,793	(82,701,146)
Net cash from Operating Activities	(729,340,000)	(143,898,450)	666,114,732
Investing Activities	29,808,433	(11,440,689)	(824,972,371)
Work in Progress	-	-	-
Property, Plant and Equipment	(699,531,567)	(155,339,139)	(158,857,639)
Cash from Investing Activities	279,340,000	54,072,000	250,660,000
Government Grants – Capital	350,000,000	-	-
Grants from Development Partners	100,000,000	-	-
Proceeds from long term borrowing	729,340,000	54,072,000	250,660,000
Cash from Financing Activities	191,802,084	105,777,655	9,101,215
Net Increase in Cash & Cash Equivalents	128,506,966	52,975,604	43,874,389
Net Cash & Cash Equivalents - Opening	320,309,050	158,753,259	52,975,604
Net Cash & Cash Equivalents – End	173,665,469	158,753,258	52,975,604
Analysis of Cash & Cash Equivalents	-	-	-
Cash and Bank Balances	173,665,469	158,753,258	52,975,604
Overdrafts	173,665,469	158,753,258	52,975,604

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**

	Original Budget 2017-2018 Kshs	Adjustments 2017-2018 Kshs	Final Budget 2017-2018 Kshs	Actual on Comparable Basis 2017-2018 Kshs	Performance Difference 2017-2018 Kshs	Variance %	Notes
Financial Expenses	1,287,447	-	1,287,447	1,374,475	(87,028)	-7%	
<b>Total Expenses</b>	<b>1,334,153,357</b>	<b>177,192,229</b>	<b>1,511,345,586</b>	<b>1,342,551,409</b>	<b>168,313,808</b>	<b>11%</b>	
<b>Surplus/(Losses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,080,576</b>			
<b>B) Development</b>							
<b>Revenue</b>							
Government Grants- Development	279,340,000	(209,505,000)	69,835,000	54,072,000	(15,763,000)	-23%	[k]
Grants From Development Partner- Dev't	350,000,000	(350,000,000)	-	-	-		
Borrowings, Both Current Year and Previous Years	100,000,000	(100,000,000)	-	-	-		
Other Incomes- Dev't							
<b>Total</b>	<b>729,340,000</b>	<b>(659,505,000)</b>	<b>69,835,000</b>	<b>54,072,000</b>	<b>(15,763,000)</b>		
<b>Expenditure</b>							
Construction of Tuition Block	166,684,910	(96,849,910)	69,835,000	74,584,832	(4,749,832)	-7%	
Administration Block	50,000,000	(50,000,000)	-	-	-		
Construction of Library	100,000,000	(100,000,000)	-	-	-		
Laboratory/Science Complex	150,000,000	(150,000,000)	-	-	-		
Perimeter Fence	112,655,090	(112,655,090)	-	49,646,924	(49,646,924)		
University Health Centre	50,000,000	(50,000,000)	-	-	-		
Students Hostel	100,000,000	(100,000,000)	-	-	-		
<b>Total</b>	<b>729,340,000</b>	<b>(659,505,000)</b>	<b>69,835,000</b>	<b>124,231,756</b>	<b>(54,396,756)</b>		

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018

**Explanation of variances above 10%**

[a] [b] The reduction in internally generated funds and other income was caused by premature closure of the University mid-stream during the second quarter and staff union strikes during the year. These reduced the activity levels within the University.

[c] Commission of University Education directed universities to close satellite campuses so as to enhance quality. This reduced the number of privately sponsored students.

[d] The savings are related to the activities **within the** University as indicated in [a] [b] and [c] above. This was coupled with cost control initiatives by the University in compliance with austerity measures.

[e] Reduced School direct expenses was directly attributed to [c] above.

[f] Lower research expenses were commensurate with research income received.

[g] Reduced catering and accommodation expenses were as a result of reduced activities as indicated in [a] and [b] above.

[h] Reduced Council activities due to breaks in electioneering period.

[i], [j] Reduced activities as indicated in [a] and [b] above.

[k] The Government reduced development allocation by 75% during supplementary 1.

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018

**NOTES TO THE FINANCIAL STATEMENTS**

**1. General Information**

The Maasai Mara University is a public body corporate established by Charter as per the Universities Act 2012. The University is the successor of Narok University College constituted under the Narok University College Order (Legal Notice No. 101 of 2008). All rights, liabilities and assets held by anybody on behalf of Narok University College, existing at the commencement of the Charter were automatically and fully transferred to The Maasai Mara University. The University's vision is to be a world class University committed to academic excellence for development. The mission is to provide quality University education through innovative teaching, research and consultancy services for development.

At Cabinet level the University is represented by the Cabinet Secretary for Education. It is specifically funded under the State Department of University Education and Research. The general policy and strategic direction of the University is provided by the Cabinet Secretary.

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

The University's financial statements have been prepared on historical cost basis 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 University. The accounting policies have been consistently applied to all the years presented except in provision for bad and doubtful debts where the provision has been reduced from 10% to 5%.

The financial statements have also been prepared in accordance with Public Finance Management Act 2012 and the State Corporation Act 446. The cash flow statement is prepared using the indirect method. The financial statements are prepared on accrual basis.

**3. Adoption of new and revised standards**

Standard	Impact
IPSAS 39 - Employee benefits	The University does not use defined benefit plan but instead uses defined contribution plan. Hence this standard is not applicable.
IPSAS 40 - Public Sector Combinations	The University does not intent to combine either through amalgamation or combinations in the near future. Therefore, this standard is not applicable.

The University did not early adopt any new or amended standard in the financial year 2017/2018.

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018

**4. Summary of significant accounting policies**

**a) Revenue recognition**

**i) Revenue from exchange transactions**

The University recognizes revenue from rendering of services (tuition fee) 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 academic semester period incurred to date as a percentage of total academic semesters. Tuition fee revenue from students is recognised as it accrues unless collectability is in doubt. Where fees has been in advance such is treated as deferred income since the teaching would not have taken place at close of the financial year.

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

The University also maintains a provision of 5% of all outstanding fee balances due from students.

**Sale of goods**

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

**Interest revenue**

Interest income is recognized when earned. The University makes short term placements from student's fees received in lump sum at the beginning of the semester to finance its operations for a longer period of time. Such income is therefore not utilized immediately. The rates of interest are negotiated and the amounts are mainly put on call deposits.

**Rental revenue**

Rental revenue arising from operating leases on the University's properties is accounted for on a straight-line basis over the lease terms and included in revenue. This revenue is recognized when earned and is mainly from accommodation of students within the University hostels. This amount is also deferred if paid in advance and hence not earned.

**Other Exchange transactions revenue**

The University realized further income from hire of facilities like halls and pavilion grounds.

**ii) Revenue from non-exchange transactions – transfers from other Government entities**

Non-exchange transactions revenue is mainly from Government grants which are split into recurrent and development. They are recognized on receipt. In cases where the receipt is after year end, the University still recognizes the revenue to the year it applies to and records the same as income receivable.

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**

**b) Budget information**

This Standard requires that the financial statements of public sector entities that make their approved budget(s) publicly available include by providing a comparison of actual amounts with amounts in the original and final budget. This comparison is to be made on the same basis of accounting as adopted for the budget, even if that basis is different from the basis adopted for the financial statements. Actual amount describes the amounts that result from execution of the budget. An explanation of material differences between budget and actual amounts is supposed to be provided.

The Universities statement of comparison of budget and actual performance is on accrual basis since the revenue and expenses are accrued. During the year there were budget virements leading to revised budget. Differences between final budget and actual budget of over 10% were explained.

**c) Taxes**

The University is exempted from Taxation under First Schedule to the income Tax Act (CAP470). However, as a withholding tax agent the University withholds 6% VAT, 3% income withholding tax on construction contracts, 5% income withholding tax on consultancies and 10% rental expenses. The University further complies PAYE tax and remits the same on monthly basis.

**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 University recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. Depreciation on assets is charged on reducing balance basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life. Full depreciation is charged during the year of acquisition.

The depreciation applied on straight line are as follows:

The annual depreciation rates in use are:

Plant and Equipment	20%
Buildings	2.5%
Furniture and Fittings	12.5%
Motor vehicles	25%
Computer	33.3%
Library Books	25%

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**

Buildings that are completed and handed over to the University are capitalized in the year of completion and depreciated during that year.

**e) Inventories**

Inventories are stated at the lower of cost and Net Realisable Value. 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 purchased by the University are expensed immediately to the various expense classes. At the end of the year, a stock take is carried out to establish the remaining consumable stock. They are valued at historical cost.

As at the closure of 2017/2018 financial year the University had consumable stock valued at **Kshs 11,463,399**.

**f) Provisions**

Provisions are recognized when the University has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. During the financial year, the University made a total debtor provision of 5% amounting to **Kshs 7,451,964**. Additionally, expenses which had been incurred but not paid were also provided for during the year under accrual basis. These included part time lecturers, pending interim certificates of completion of Tuition block, payroll deductions not remitted and supplier payments.

**g) Contingent assets**

The contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the entity. The University at the time of preparing the 2017/2018 Annual Report and Financial Statements, had not obtained the title deed for its land at the main campus. This land has been recognized in the books based on the allotment letter and on the fact that the economic benefits flows to the University.

**h) Changes in accounting policies and estimates**

Estimates and Judgements are continually evaluated on the basis of historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances. During the year, the University revised provision for bad and doubtful debts from 10% to 5%.

**i) Employee benefits**

**Retirement benefit plans**

The University operates a defined contribution benefit scheme for all its employees. The scheme is administered by Octagon Pension Services and operates according to provisions of the Retirement Benefits Act (1997). The assets of the scheme are held in a separate trustee administered fund that is funded by both the University and its Employees.

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018

The University also contributes to a statutory defined contribution scheme, The National Social Security Fund (NSSF). The contributions are determined by the National Social Security Fund Act (CAP258).

The University's contribution to this scheme is charged to the income statement in the year to which they relate.

The University provides gratuity for employees on contract. Such staff do not benefit from the Defined Contribution Benefit Scheme.

**j) Related parties**

Members of key management are regarded as related parties. Key management of the University have been disclosed on pages 11 to 13 of these financial statements. The University is also related to National Government and Council members. During the year, the University management remuneration of **Kshs 57,206,617** while the Council member's expenses were **Kshs 17,709,503**.

**k) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year. During the year, the University had short term placements on open call deposits with Cooperative Bank, National Bank of Kenya and Barclays Bank of Kenya amounting to Kshs 60 million.

**l) Intangible assets**

The University is in the process of installing a new ERP system. Since the modules have not been installed and tested and the system has not been handed over, capitalization process has not taken place.

**m) Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2018.

**n) Financial Risk Management Objectives and Policies**

The University's activities expose it to a variety of financial risks including credit risk and liquidity risk. There exists an Audit, Risk and Compliance committee of the Council charged with overall responsibility of reviewing the risk profile and establishing mitigating measures to manage risks. The University's overall risk management programme focuses on the unpredictability in the markets and seeks to minimize adverse effects on its financial performance.

The University regularly reviews its risk management policies and systems to reflect emerging best practises. Risk management is carried out by the management under the supervision of Council.

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**

**Credit risk Management**

Credit risk refers to the risk that counter party will default on its contractual obligations resulting in financial loss to the University. Most of the credit facilities offered by the University relate to tuition fees.

Accounts receivable from exchange transactions are as follows:

	<b>As at 30<sup>th</sup> June 2018</b>	<b>As at 30<sup>th</sup> June 2017</b>
Accounts Receivables	Kshs 150,192,375	Kshs 159,558,930

**Liquidity Risk Management**

Liquidity risk is the risk that the University will not be able to meet its financial obligations when they fall due. The University's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or at the risk of damaging the University's reputation. This is done by phasing the University's activities in line with the timing of receipt of Government subventions and tuition fees revenue.

The University ensures that it has sufficient cash on demand to meet expected operational expenses. This is done by ring fencing funds for mandatory expenses including employee emoluments and related expenses payroll deductions. All liquidity policies and procedures are subject to review and approval by Council. All capital investments are funded by Grants from Government.

Accounts payables from exchange transactions are as follows:

	<b>As at 30<sup>th</sup> June 2018</b>	<b>As at 30<sup>th</sup> June 2017</b>
Accounts payables	Kshs 66,085,107	Kshs 96,389,370

**o) Significant judgments and sources of estimation uncertainty**

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

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

- i) The condition of the asset based on the assessment of the University's management.
- ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- iii) The nature of the processes in which the asset is deployed
- iv) Availability of funding to replace the asset
- v) Changes in the market in relation to the asset

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**

**p) Donations**

Gifts and donations (other than services in-kind) are recognized as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably. With gifts and donations, the making of the gift or donation and the transfer of legal title are often simultaneous, in such circumstances, there is no doubt as to the future economic benefits flowing to the entity. The University recognizes gifts and donations as revenue when its certain of the fair value of the same. The donations which constitute fixed assets are reported as part of the Property, Plant and Equipment and depreciated as per the depreciation policy. Any costs associated with transfer of ownership and carriage are expensed in full.

**q) Contingent liabilities – IPSAS 19**

The University had a number of court cases which had not been determined by the end of the year. These included:

- i) Nakuru Employment and Labour Relations Court Case No.249 of 2013
- ii) Nakuru Employment and Labour Relations Court Case No.523 of 2014.
- iii) Kericho Employment and Labour Relations Court Case No.22 of 2015
- iv) Nakuru Employment and Labour Relations Court Cases No. 506 of 2014
- v) Nakuru Employment and Labour Relations Court Judicial Review No.4 of 2016
- vi) Kisumu Employment and Labour Relations Court Case No.346 of 2016 claiming Kshs 575,000
- vii)Nyeri Employment and Labour Relations Court Case No .87 of 2016. Claiming Kshs 199,080
- viii) Nairobi High Court Civil Case No.294 of 2015 claiming Kshs 76,380,000.

Since the outcome of these court cases is uncertain, they have not been included in the financial statements.

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**

**NOTES TO THE FINANCIAL STATEMENTS**

**5 Recurrent Capitation**

	<b>Jun-18</b> <b>Kshs</b>	<b>Jun-17</b> <b>Kshs</b>
July-17	63,850,373	53,466,125
August-17	63,850,373	53,466,125
September-17	63,850,373	53,466,125
October-17	63,850,373	53,466,125
November-17	63,850,373	53,466,125
December-17	63,850,373	53,466,125
December-17	5,066,219	-
January-18	63,850,373	53,466,125
January-18	5,066,219	-
February-18	63,850,373	53,466,125
February-18	5,066,219	-
March-18	63,850,373	53,466,125
March-18	5,066,219	-
April-18	63,850,373	53,466,125
April-18	5,066,219	-
May-18	63,850,373	53,466,125
May-18	5,066,219	-
June-18	63,850,373	53,466,125
June-18	5,066,219	20,000,000
	<b>801,668,009</b>	<b>661,593,500</b>

**6 Collective Bargaining Arrears**

	<b>Jun-18</b> <b>Kshs</b>	<b>Jun-17</b> <b>Kshs</b>
July-17	116,397,673	-
November-17	25,331,027	-
	<b>141,728,700</b>	-

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**  
**NOTES TO THE FINANCIAL STATEMENTS**

7	<b>Research Income/Consultancy</b>	<b>Jun-18</b>	<b>Jun-17</b>
		<b>Kshs</b>	<b>Kshs</b>
	National Research Fund	2,163,110	-
	Sino-Africa Joint Research Center	155,500	-
	Teacher Education Sub Sahara Africa	308,800	-
	Africa Experts	808,500	-
	Open University	261,169	-
	Norbrook	-	761,150
	Osho Chemicals	456,400	-
		<u>4,153,479</u>	<u>761,150</u>
		<b>Jun-18</b>	<b>Jun-17</b>
		<b>Ksh</b>	<b>Ksh</b>
		<u>17,362,750</u>	<u>732,500</u>
		<b>Jun-18</b>	<b>Jun-17</b>
		<b>Ksh</b>	<b>Ksh</b>
	8 Rental revenue from facilities & equipment	<u>17,362,750</u>	<u>732,500</u>
		<b>Jun-18</b>	<b>Jun-17</b>
		<b>Ksh</b>	<b>Ksh</b>
	8(i) Finance Revenue-Short Term Deposit Interest	<u>3,556,051</u>	<u>1,058,949</u>
		<b>Jun-18</b>	<b>Jun-17</b>
		<b>Ksh</b>	<b>Ksh</b>
	8(ii) Other income	<u>3,556,051</u>	<u>1,058,949</u>
		<b>Jun-18</b>	<b>Jun-17</b>
		<b>Ksh</b>	<b>Ksh</b>
	Medical Fees	500	46,710
	ID Replacement	128,985	-
	Key Replacement	52,000	-
	Misc Income	516,300	220,100
	Fines	25,680	-
	Nursery Income	697,000	3,207,550
	Collaborations	-	351,000
	Graduation Income	7,567,700	7,018,000
	Decrease in provisions for debtors	8,128,844	629,303
	NHIF Income	1,497,818	1,419,360
		<u>18,614,827</u>	<u>12,892,023</u>
		<b>Jun-18</b>	<b>Jun-17</b>
		<b>Kshs</b>	<b>Kshs</b>
	9 Catering Sales	<u>7,463,759</u>	<u>6,024,502</u>

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**  
**NOTES TO THE FINANCIAL STATEMENTS**

<b>10 Tuition Income</b>	<b>Jun-18</b>	<b>Jun-17</b>
	<b>Kshs</b>	<b>Kshs</b>
PSSP Program	128,608,310	160,893,133
KUCCPS Students	271,476,100	206,242,250
<b>Total</b>	<b>400,084,410</b>	<b>367,135,383</b>
<b>11 General Expenses</b>	<b>Jun-18</b>	<b>Jun-17</b>
	<b>Kshs</b>	<b>Kshs</b>
Administrative/Office	1,245,260	1,765,366
Advertising & Publicity	3,829,053	12,236,258
African Medical Botanical Garden Expenses	60,000	-
Bindery Materials	24,050	-
Cleaning Materials and Detergents	870,466	750,782
Committee expenses	1,809,449	943,146
Computer Expenses	2,229,797	2,546,806
Conferences & Seminars	1,179,715	819,700
Corporate Social Responsibility	-	1,500,000
E –Resources	1,340,000	-
Fee Waiver	2,649,495	-
Fuel, Oil & Transport	6,049,540	3,262,039
Gender Issues	196,792	-
Graduation Expenses	9,035,464	4,386,871
Honoraria	1,860,000	-
Innovations	229,858	-
Insurance Expenses	3,985,831	2,527,629
Internet Expenses	26,304,185	6,768,871
Kitchen Expenses	46,970	-
Library Books	-	190,200
Postage & Telephone	2,544,700	1,440,815
Provision for Audit Fees	696,000	696,000
Publishing & Printing Expenses	-	26,775
Purchase of Uniforms & Clothing	1,255,474	219,336
Sanitary Expenses	1,150,995	-
Security Surveillance & Expenditure	5,455,730	3,977,556
Senate Expenses	2,756,070	-
Service Charter Delivery/Quality Assurance	3,926,292	801,168
Staff & Student Welfare	1,606,893	996,250
Staff Development	1,368,356	4,515,500
Stationery & Office Expenses	4,007,334	4,673,468
Student Activities	4,917,265	4,688,027
Student choir	1,651,750	-
Student Financial Aid	2,500,000	2,938,610
Student Refunds	1,074,975	1,075,450
Subscription	1,180,330	3,400,377
Subsistence External	5,219,493	3,166,784
Subsistence Internal	15,424,450	22,402,919
<b>Total</b>	<b>119,682,031</b>	<b>92,716,703</b>

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**

	<b>Jun – 18</b>	<b>Jun – 17</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>12. Rent &amp; Rates</b>	<u>497,500</u>	<u>43,733,995</u>
	<b>497,500</b>	<b>43,733,995</b>
	<b>Jun-18</b>	<b>Jun-17</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>13. Casual Wages</b>	<u>10,372,322</u>	<u>13,646,163</u>
	<b>10,372,322</b>	<b>13,646,163</b>
<b>14 School's Direct Expenses</b>	<b>Jun-18</b>	<b>Jun-17</b>
	<b>Kshs</b>	<b>Kshs</b>
Teaching Practice/Attachment	11,974,703	7,374,794
Examination Materials	3,485,993	2,628,670
Student Practicals, Media & Forestry Trips	4,109,285	-
Programme Development	3,798,151	-
Admission Expenses	6,465,000	6,363,000
Brails	6,300	
External Examiners	1,605,099	1,691,860
Teaching Materials	270,920	2,882,905
Lab Consumables	201,840	
Part-time for the year	<u>71,217,563</u>	<u>-</u>
	<b>103,134,854</b>	<b>20,941,229</b>
	<b>Jun-18</b>	<b>Jun-17</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>15 Research expenses</b>	<u>1,355,469</u>	<u>935,000</u>
	<b>1,355,469</b>	<b>935,000</b>
	<b>Jun-18</b>	<b>Jun-17</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>16 Catering and Accommodation Expenses</b>		
Purchase of foodstuffs	<u>13,856,153</u>	<u>23,821,760</u>
	<b>13,856,153</b>	<b>23,821,760</b>

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**  
**NOTES TO THE FINANCIAL STATEMENTS**

<b>17 Medical Costs</b>	<b>Jun-18</b>	<b>Jun-17</b>
	<b>Kshs</b>	<b>Kshs</b>
Medical Costs/Bills	32,661,089	15,120,395
	<u><b>32,661,089</b></u>	<u><b>15,120,395</b></u>
<b>18 Bulk purchases of Water and Electricity</b>	<b>Jun-18</b>	<b>Jun-17</b>
	<b>Kshs</b>	<b>Kshs</b>
Electricity	12,190,269	9,094,275
Water	8,461,013	9,810,638
	<u><b>20,651,272</b></u>	<u><b>18,904,913</b></u>
<b>19 Employee Costs</b>	<b>Jun-18</b>	<b>Jun-17</b>
	<b>Kshs</b>	<b>Kshs</b>
Gross Pay	737,842,140	686,673,418
Pension Employer	47,620,433	44,368,369
CBA 2013-2017 Arrears	116,397,673	-
CBA 2013-2017 Arrears	25,331,097	-
Gratuity	13,784,808	-
	<u><b>940,976,151</b></u>	<u><b>731,041,787</b></u>
<b>20 Council Expenses</b>	<b>Jun-18</b>	<b>Jun-17</b>
	<b>Kshs</b>	<b>Kshs</b>
Sitting, Travelling & Accommodation Allowances	17,709,503	19,609,616
	<u><b>17,709,503</b></u>	<u><b>19,609,616</b></u>

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**  
**NOTES TO THE FINANCIAL STATEMENTS**

<b>21. Repairs and Maintenance</b>	<b>Jun-18</b>	<b>Jun-17</b>
	<b>Kshs</b>	<b>Kshs</b>
Maintenance of Buildings	2,340,612	14,127,043
Maintenance of Catering Facilities	2,339,231	223,460
Maintenance & Repair of Motor Vehicles	2,177,103	1,308,761
Maintenance of Water & Sewerage	1,067,697	979,559
Maintenance of Contingencies	545,996	-
Maintenance of Grounds	125,695	-
Maintenance of Computers & Office Equipment	294,500	248,126
Maintenance of Plant & Equipment	<u>6,152,887</u>	<u>3,288,626</u>
	<b><u>15,043,721</u></b>	<b><u>20,175,575</u></b>
<b>22. Contracted Services</b>	<b>Jun-18</b>	<b>Jun-17</b>
	<b>Kshs</b>	<b>Kshs</b>
Legal and Consultancy Expenses	<u>4,191,167</u>	<u>11,038,137</u>
	<b><u>4,191,167</u></b>	<b><u>11,038,137</u></b>

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018  
NOTES TO THE FINANCIAL STATEMENTS

23 Property, Plant and Equipment

Cost/Valuation	20.0%		2.5%		12.5% FURNITURE AND FITTINGS		25.0%		33.3%		25.0%	
	LAND Ksh	PLANT EQUIPMENT Ksh	BUILDINGS Ksh	BUILDINGS Ksh	FURNITURE AND FITTINGS Ksh	MOTOR VEHICLES Ksh	COMPUTER Ksh	LIBRARY BOOKS Ksh	TOTAL Ksh			
NBV as at 1.07.2015	5,264,000	4,887,128	284,553,075	-	11,464,999	15,197,508	805,801	-	322,172,512			
Additions	-	-	-	-	-	-	-	-	-			
<b>TOTAL</b>	<b>5,264,000</b>	<b>4,887,128</b>	<b>284,553,075</b>	<b>-</b>	<b>11,464,999</b>	<b>15,197,508</b>	<b>805,801</b>	<b>-</b>	<b>322,172,512</b>			
Accumulated Depreciation B/F	-	31,701,860	25,919,560	-	11,318,113	35,370,675	14,947,956	-	119,258,163			
Depreciation for the year	-	977,426	7,113,827	-	1,433,125	3,799,377	268,332	-	13,592,086			
Depreciation for Additional Assets in the year	-	-	-	-	435,123	-	365,800.00	-	800,923			
Accumulated Depreciation c/d	-	32,679,285	33,033,387	-	13,186,361	39,170,052	15,582,088	-	133,651,172			
Add: Net Additional Assets	-	-	-	-	4,698,996	-	828,163	-	5,527,159			
<b>NBV as at 30.6.2016</b>	<b>5,264,000</b>	<b>3,909,703</b>	<b>277,439,248</b>	<b>-</b>	<b>14,295,747</b>	<b>11,398,131</b>	<b>999,832</b>	<b>-</b>	<b>313,306,662</b>			
<b>NBV as at 01.07.2015</b>	<b>5,264,000</b>	<b>4,887,128</b>	<b>284,553,075</b>	<b>-</b>	<b>11,464,999</b>	<b>15,197,508</b>	<b>805,801</b>	<b>-</b>	<b>322,172,512</b>			
<b>Cost/Valuation</b>												
<b>Net Book Value as at 1.07.2016</b>	5,264,000	3,909,703	277,439,248	-	14,295,747	11,398,131	999,832	-	313,306,662			
Additions	-	-	817,829,315	-	2,193,056	-	4,950,000	104,990,698	929,963,069			
<b>TOTAL</b>	<b>5,264,000</b>	<b>3,909,703</b>	<b>1,095,268,563</b>	<b>-</b>	<b>16,488,803</b>	<b>11,398,131</b>	<b>5,949,832</b>	<b>104,990,698</b>	<b>1,243,269,731</b>			
Accumulated Depreciation B/F	-	32,679,285.28	33,033,386.75	-	13,186,361	39,170,051.77	15,582,087.79	-	133,651,172.46			
Amortization/Depreciation for the year	-	781,941	27,381,714	-	2,061,100	2,849,533	1,981,294	26,247,675	61,303,256			
Accumulated Depreciation c/d	-	33,461,226	60,415,101	-	15,247,461	42,019,585	17,563,382	26,247,675	194,954,429			
<b>Net Book Value as at 30.06.2017</b>	<b>5,264,000</b>	<b>3,127,762</b>	<b>1,067,820,152</b>	<b>-</b>	<b>14,427,703</b>	<b>8,548,598</b>	<b>3,968,538</b>	<b>78,743,023</b>	<b>1,181,899,776</b>			
<b>Net Book Value as at 01.07.2016</b>	<b>5,264,000</b>	<b>3,909,703</b>	<b>277,439,248</b>	<b>-</b>	<b>14,295,747</b>	<b>11,398,131</b>	<b>999,832</b>	<b>-</b>	<b>313,306,662</b>			
<b>Cost/Valuation</b>												
<b>Net Book Value as at 1.07.2017</b>	5,264,000	3,127,762	1,067,820,152	-	14,427,703	8,548,598	3,968,538	78,743,023	1,181,899,776			

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**

Cost/Valuation	20.0%	2.5%	12.5%	25.0%	33.3%	25.0%	TOTAL
	LAND Ksh	PLANT EQUIPMENT Ksh	BUILDINGS Ksh	FURNITURE AND FITTINGS Ksh	MOTOR VEHICLES Ksh	COMPUTER Ksh	LIBRARY BOOKS Ksh
Prior year adjustment of net book value	-	-	66,697	-	-	-	66,697
Additions	-	-	-	-	-	-	-
Additions - Borehole drilling	-	1,390,800	-	-	-	-	1,390,800
Additions- Landmark Holdings Ltd	-	-	104,919,233	-	-	-	104,919,233
Capitalize Lecturer complex offices	-	-	9,330,467	-	-	-	9,330,467
Additions	-	1,421,000	146,126,787	4,046,903	-	625,986	152,220,676
Additions- Toyota Corolla	-	-	-	-	3,956,000	-	3,956,000
<b>TOTAL</b>	<b>5,264,000</b>	<b>5,939,562</b>	<b>1,328,263,336</b>	<b>18,474,606</b>	<b>12,504,598</b>	<b>4,594,524</b>	<b>1,453,783,649</b>
Accumulated Depreciation B/F	-	33,461,226	60,415,101	15,247,461	42,019,585	17,563,382	194,954,429
Amortization/Depreciation for the Year	-	1,187,912	33,206,583	2,309,326	3,126,150	1,529,977	61,045,703
Accumulated Depreciation c/d	-	34,649,138	93,621,684	17,556,787	45,145,734	19,093,358	256,000,132
<b>Net Book Value as at 30.6.2018</b>	<b>5,264,000</b>	<b>4,751,650</b>	<b>1,295,056,753</b>	<b>16,165,280</b>	<b>9,378,449</b>	<b>3,064,548</b>	<b>1,392,737,946</b>
<b>Net Book Value as at 01.7.2017</b>	<b>5,264,000</b>	<b>3,909,703</b>	<b>277,439,248</b>	<b>14,295,747</b>	<b>11,398,131</b>	<b>999,832</b>	<b>313,306,662</b>

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**

**NOTES TO THE FINANCIAL STATEMENTS**

24 Finance Expenses	Jun-18	Jun-17
	Kshs	Kshs
Bank Charges - Coop	923,252	570,266
Bank Charges - BBK	31,939	38,690
Bank Charges - Equity	74,510	109,964
Bank Charges - KCB	21,455	55,844
Bank Charges - NBK	322,219	162,295
Bank Charges - Chase	1,100	-
Finance Lease Expense	-	158,732
	<u>1,374,475</u>	<u>1,095,791</u>

25 Work in Progress

CONTRACTORS	GROSS PAY	WITHHOLDING			NET PAY
		VAT 6%	TAX 3%	RETENTION 10%	
BAL B/F as at 01/7/2016	1,026,914,286	46,991,679	21,814,369	32,769,435	925,338,803
Capitalize Lecture Complex- Vangjiyani	438,477,054	34,398,506	11,239,212	6,210,815	363,410,947
Prior Year Adjustment	-	-	-	-	23,217,574
Capitalize Women Hostel	379,352,261	9,743,119	6,261,527	21,808,530	211,260,323
Prior Year Adjustment	-	-	-	-	130,278,762
<b>Total Capitalized</b>	<b>817,829,315</b>	<b>44,141,625</b>	<b>17,500,739</b>	<b>28,019,345</b>	<b>728,167,606</b>
Vee Vee Entr. (Women Hostel)	28,117,683	1,454,363	727,181	2,811,768	23,124,370
Vee Vee Entre.	7,838,152	427,535	-	-	7,410,617
Vee Vee Entr. (Tuition Block)	39,697,005	2,053,293	1,026,647	3,969,700	32,647,364
Vee Vee Entr. (Tuition Block)	43,429,702	2,246,364	1,123,182	4,342,970	35,717,186
Vee Vee Entr. (Tuition Block)	28,646,694	1,481,726	740,863	2,864,669	23,559,436
Vaghjiyani (Retention Paid)			-	(6,210,815)	6,210,815
Stroika	3,985,348	206,139	103,069	398,535	3,277,605
	<b>151,714,583</b>	<b>7,869,419</b>	<b>3,720,942</b>	<b>8,176,828</b>	<b>131,947,393</b>
<b>TOTAL</b>	<b>360,799,554</b>	<b>10,719,474</b>	<b>8,034,573</b>	<b>12,926,918</b>	<b>329,118,590</b>
BAL B/F as at 01/7/2017	360,799,554	10,719,474	8,034,573	12,926,918	329,118,590
	<u>360,799,554</u>	<u>10,719,474</u>	<u>8,034,573</u>	<u>12,926,918</u>	<u>329,118,590</u>
<b>Adjusted B/F Balance as at 01/07/2017</b>	<b>360,799,554</b>	<b>10,719,474</b>	<b>8,034,573</b>	<b>12,926,918</b>	<b>329,118,590</b>
Mycal General Services Ltd	18,057,800	934,024	513,713	1,805,780	14,804,283
Vee Vee Entr. (Tuition Block)	34,703,744	1,795,021	897,511	3,470,374	28,540,838
Vee Vee Entr. (Women Hostel)	-	-	-	(8,382,518)	8,382,517

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**

Mycal General Services Ltd	27,105,450	1,402,006	701,003	2,710,545	22,291,896
Vee Vee Entre. (Tuition Block)	44,947,459	2,324,869	1,162,434	4,494,746	36,965,410
Mycal General Services Ltd	18,321,300	947,653	473,827	1,832,130	15,067,690
	<b>143,135,753</b>	<b>7,403,573</b>	<b>3,748,488</b>	<b>5,931,058</b>	<b>126,052,634</b>
	<b>503,935,307</b>	<b>18,123,047</b>	<b>11,783,060</b>	<b>18,857,975</b>	<b>455,171,224</b>
Capitalize phase one of tuition block	(146,126,787)	(7,558,282.09)	(3,779,141)	(14,612,679)	(120,176,685)
Capitalize Lecturer complex (Landmark)	(104,919,233)	-	(2,713,428)	(10,491,923)	(91,713,881)
Capitalize Lecturer Complex Offices (Stroika)	(9,330,467)	(482,610.36)	(241,305)	(933,047)	(7,673,505)
<b>TOTAL</b>	<b>243,558,820</b>	<b>10,564,765</b>	<b>8,003,919</b>	<b>4,245,297</b>	<b>334,994,539</b>

<b>26 Inventories</b>	<b>Jun-18</b>	<b>Jun-17</b>
	<b>Kshs</b>	<b>Kshs</b>
Closing Stock-Stationeries	6,663,797	3,497,495
Closing Stock - Estates	821,070	379,413
Closing Stock - Catering	631,956	-
Closing Stock - Health	3,346,576	2,487,857
	<b>11,463,399</b>	<b>6,364,765</b>

<b>27 Receivables from Non - Exchange Transactions</b>	<b>Jun-18</b>	<b>Jun-17</b>
	<b>Kshs</b>	<b>Kshs</b>
Ministry of Education Recurrent Capitation	-	20,000,000
Ministry of Education Development Capitation	-	50,000,000
	-	<b>70,000,000</b>

<b>28 Receivables from Exchange Transactions</b>	<b>Jun-18</b>	<b>Jun-17</b>
	<b>Kshs</b>	<b>Kshs</b>
Staff Debtors - Imprest as	1,708,014	13,792,703
Rent Deposit (United Kenya Club)	150,000	-
Fuel Deposit (Total Kenya)	1,208,094	-
Deposits (Oltalet)	5,538,960	5,538,960
Other Debtors	442,250	769,050
Student Debtors - Gross	148,597,020	155,039,026
	<b>157,644,338</b>	<b>175,139,739</b>
Provision for Bad Debts	7,451,964	15,580,808
Trade and Other Debtors for the period	<b>150,192,375</b>	<b>159,558,931</b>

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**

**NOTES TO FINANCIAL STATEMENTS**

<b>29 Cash and Bank balances</b>	<b>Jun-18</b>	<b>Jun-17</b>
	<b>Kshs</b>	<b>Kshs</b>
Equity Catering and Accommodation	959,101	139,651
Equity KUCCPS	2,202,409	441,479
Equity PSSP	130,977	233,914
National Bank -Operations	72,929,767	5,127,076
Barclays Bank	7,021,945	589,825
Cooperative Bank – PSSP	1,823,315	260,769
Cooperative Bank Catering and Accommodation	264,985	437,177
Cooperative Bank KUCCPS	1,518,795	588,556
KCB Development	10,288,588	1,412,149
KCB PSSP	431,346	517,138
Jamii Bora Bank	1,056,024	952,864
Chase Bank	126,008	275,007
Bank of Africa	-	-
<b>Short Term Deposits</b>	-	-
National Bank	30,000,000	25,000,000
Barclays Bank	17,000,000	
KCB	-	
Equity Bank	-	
Cooperative Bank	13,000,000	17,000,000
	<u>158,753,258</u>	<u>52,975,604</u>
<b>30 Current liabilities</b>	<b>Jun-18</b>	<b>Jun-17</b>
	<b>Kshs</b>	<b>Kshs</b>
Schools Direct Exp.	78,586,717	62,951,640
Pension Obligation	49,486,837	43,917,055
Caution Money	9,415,000	10,196,000
Payroll Creditors	64,408,247	38,467,823
Provision for expenses	-	13,994,245
Contractors payable	41,341,495	36,751,073
Prepayments Fees	16,613,156	27,038,074
Trade Payables	66,085,107	82,395,125
Research grants payable	2,798,010	-
	<u>328,734,568</u>	<u>315,711,035</u>
<b>31 Contractors retention - Work in progress</b>	<b>Ksh</b>	
Opening	40,946,263	
Add	14,313,575	
Paid	(8,382,517)	
<b>Total</b>	<u>46,877,321</u>	

**MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018**

**Transfers from Ministries, Departments and Agencies**

Name of Entity Sending the grant	Amount recognized to statement of comprehensive income	Amount deferred under deferred income	Amount Recognized in capital fund	Total Grant income during the year	2016-2017
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Ministry of Education	943,396,709	-	54,072,000	997,468,709	912,253,500
<b>Total</b>	<b>943,396,709</b>	<b>-</b>	<b>54,072,000</b>	<b>997,468,709</b>	<b>912,253,500</b>

**Events after the reporting period**

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

**Ultimate and Holding Entity**

Maasai Mara University is a Semi-Autonomous Government Agency under the Ministry of Education, State Department of University Education. Its ultimate parent is the Government of Kenya.

**Currency**

The financial statements are presented in Kenya Shillings.

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2018

**APPENDIX I: PROGRESS ON FOLLOW – UP OF AUDITORS  
RECOMMENDATIONS**

The following is the summary of outstanding paragraphs raised by the external auditor and their resolution status.

Audit Issue	Audit paragraph	Management comment	Status
Un reconciled tuition fees	The University reported tuition fees at Kshs. 457,432,576 compared to Kshs. 413,663,925 in 2015/2016. However, re-computation and analysis of the nominal roll revealed that tuition fees due from 14,336 students who were in session in the four semester of financial year 2016/2017 was Kshs. 350,433,462. Further the audit could not establish the total actual number of active students especially from Kisii and Nairobi campuses due to lack of proper students' enrolment statistics. Therefore, the accuracy and completeness of the reported tuition fees could not be ascertained.	Reconciliation of tuition fees is on-going since the transactions cut across two systems – Unipack and ERP ABNO. The University is currently using both the nominal roll and reconciled systems data to arrive at the correct tuition fees charged. All student records have been migrated to ERP ABNO system.	Completed 2013 and 2014 admissions reconciliations. Currently reconciling 2015 class.
Receivables from exchange transactions	The net receivables from exchange transactions stood at Kshs. 159,558,930 as at 30 June 2017 compared to Kshs. 153,804,816 as at in 30 June 2016 an increase of Kshs. 5,754,114. Included in the receivables from exchange transactions is Kshs 155,039,026 in respect of student debtors. The management did not offer adequate explanations as to why the University allow students to sit for examinations without clearing the respective semesters fees.	The roll out of ABNO ERP system has assisted the University in ensuring that only those students who have reported in the system, registered for units and fully paid fees are allowed to sit for examinations. The current debtor balance is now reducing as evidenced in 2017/2018 financial year.	Currently implementing fees payment policy.
Sustainability of services	The current assets stood at Kshs 288,899,299 while the current liabilities was Kshs 315,711,035 leading to a negative working capital of Kshs 26,811,736. This situation indicates that a material uncertainty exists that may cast significant doubt on the University's ability to continue as a going concern. The financial statements do not adequately disclose this matter.	The University is monitoring its current liabilities and current assets in order to meet the current obligations as and when the fall due. The working capital currently stands at a negative of Kshs 8,805,905 down from Kshs 26,811,736 in 2016/2017.	The University is on course in reducing the negative working capital.

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**

**APPENDIX II: INTER-ENTITY TRANSFERS**

The University received the following transfers from the Ministry of Education:

Name of Entity Sending the grant	Amount recognized to statement of comprehensive income	Amount deferred under deferred income	Amount Recognized in capital fund	Total Grant income during the year	2016-2017
	Kshs	Kshs	Kshs	Kshs	Kshs
Ministry of Education	943,396,709.00	-	54,072,000	997,468,709	912,253,500
<b>Total</b>					
<b>MAASAI MARA UNIVERSITY</b>					
<b>Breakdown of Transfers from the State Department of University Education</b>					
	<b>Recurrent Grants</b>	<b>Bank Statement Date</b>	<b>Amount (Kshs)</b>	<b>FY</b>	
a)	Capitation	01/08/2017	63,850,373	2017/2018	
	CBA Arrears	14/07/2017	116,397,673	2017/2018	
	Capitation	04/09/2017	63,850,373	2017/2018	
	Capitation	03/10/2017	63,850,373	2017/2018	
	Capitation	03/11/2017	63,850,373	2017/2018	
	CBA Arrears	01/12/2017	25,331,027	2017/2018	
	Capitation	01/12/2017	63,850,373	2017/2018	
	Capitation	02/01/2018	63,850,373	2017/2018	
	Capitation	02/01/2018	5,066,219	2017/2018	
	Capitation	08/02/2018	63,850,373	2017/2018	
	Capitation	08/02/2018	5,066,219	2017/2018	
	Capitation	13/03/2018	63,850,373	2017/2018	
	Capitation	13/03/2018	5,066,219	2017/2018	
	Capitation	06/04/2018	63,850,373	2017/2018	
	Capitation	06/04/2018	5,066,219	2017/2018	
	Capitation	02/05/2018	63,850,373	2017/2018	
	Capitation	02/05/2018	5,066,219	2017/2018	
	Capitation	11/06/2018	63,850,373	2017/2018	
	Capitation	11/06/2018	5,066,219	2017/2018	

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2018**

			<b>943,396,709</b>		
b)	<b>Development Grants</b>				
	Capitation		34,835,000	2017/2018	
	Capitation		16,875,000	2017/2018	
	Capitation		2,362,500	2017/2018	
			<b>54,072,000</b>		

