



*Vision*

A beacon of excellence and a global leader in University education  
for sustainable development

*Mission*

To provide quality education that nurtures creativity and innovation through  
integrated training, research and community outreach for  
the advancement of humanity.

*Philosophy*

The University is anchored on the philosophy of holistic approach to  
the service of humanity and other related areas of scholarship mediated  
through wisdom, science and technology.

*Core Values*

Fairness  
Professionalism  
Integrity  
Meritocracy  
Equity  
Transparency & Accountability

*Motto*

Oasis of Knowledge



# Table Of Contents

I.	Key Information And Management .....	3
ii.	University Council .....	5
iii.	University Management Board .....	7
iv.	Chairman's Statement .....	8
v.	Report Of The Vice Chancellor .....	9
vi.	Management Discussions And Analysis .....	11
vii.	Corporate Governance Statement .....	13
viii.	Corporate Social Responsibility Statement .....	17
ix.	Report Of The Council .....	20
x.	Statement Of Council Responsibilities .....	21
xi.	Independent Auditors Report .....	22
xii.	Statement Of Financial Performance For The Year Ended 30 June 2015 .....	23
xiii.	Statement Of Financial Position As At 30 June 2015.....	24
xiv.	Statement Of Changes In Net Assets For The Year Ended 30 June 2015.....	25
xv.	Statement Of Cashflows For The Year Ended 30 June 2015.....	26
xvi.	Statement Of Comparison Of Budget And Actual Amounts For The Year Ended 30 June 2015 .....	27
xvii.	Notes To The Financial Statements .....	29
xviii.	Progress On Follow Up Of Auditor Recommendations .....	43

## I. Key Information and Management

### (a) Background information

Jaramogi Oginga Odinga University of Science and Technology was established under the Universities Act, No. 42 of 2012 by grant of Charter on 13 February 2013. At Cabinet level, the University is represented by the Cabinet Secretary for Education, Science and Technology who is responsible for the general policy and strategic direction of the University.

### Principal Activities

The principal activity of the entity is to offer high quality university training, carry out innovative research and community outreach programmes for sustainable socio-economic development.

### Council Members

The Members of the Council who served the University during the year and to the date of this report were;

S/No	Name	Status	Appointment Date
1	Dr. Bonfance J. Mwandotto	Chairman	1 March 2013.
2	Ms. Winsum C Murgor	Vice Chair	12 February 2013
3	Prof. Stephen G. Agong'	Vice-Chancellor/CEO	11 July 2013
4	Dr. (Mrs.) Anne Oburu	Member	12 February 2013
5	Eng. Bishar Adan	Member	12 February 2013
6	Ms. Damary A. Angulu	Member	12 February 2013
7	Ms. Jemimah W. Keli	Member	12 February 2013
8	Mr. Bartholomew Lumbasi	Alternate to PS MOEST	17 April 2015
9	Mr. Dickson MacAger	Alternate to PS Treasury	12 February 2013
10	Mr. Bernard M. Malenya	Alternate to PS MOEST	18 July 2014

Mr. Dickson MacAger only attended one meeting of 18-07-14 and left the National Treasury. The PS for the National Treasury has not appointed his representative on the Council. Mr. Bartholomew Lumbasio replaced Mr. Bernard Malenya in representing the PS MOEST with effect from 17-04-15

### (b) Key Management Personnel

The key management personnel who held office during the financial year ended 30 June 2015 and who had direct fiduciary responsibility were:

S/No. Name	Designation
1. Prof. Stephen G. Agong', PhD, FASS	Vice-Chancellor/Chief Executive Officer
2. Prof. Joseph Bosire, PhD Deputy	Deputy Vice-Chancellor (Academic Affairs)
3. Prof. Washington H.A. Olima, PhD	Deputy Vice-Chancellor (Planning, Administration and Finance)
4. Prof. Benson B.A. Estambale, PhD	Deputy Vice-Chancellor (Research Innovations and Outreach)
5. CPA Jared O. Ogutu, MBA CPA (K)	Finance Officer
6. Dr. Walter Akuno, PhD	Registrar (Academic Affairs)
7. Dr. Patrick J. Akhaukwa, PhD, CPS (K)	Registrar (Research Innovations and Outreach)
8. CS. Rosemary A. Ngesa, EMBA, CPS (K)	Registrar (Administration and Planning)

**(a)UNIVERSITY ADDRESS**

Bondo-Usenge Road  
P.O Box 210-40601  
Bondo.  
Kenya

**(b)UNIVERSITY CONTACTS**

Telephone: (254) 057-2058000/ 2501804  
E-mail: [vc@jooust.ac.ke](mailto:vc@jooust.ac.ke)  
Website: [www.jooust.ac.ke](http://www.jooust.ac.ke)

**(c)BANKERS**

Kenya Commercial Bank Ltd  
Bondo Branch  
P. O. Box 598 - 40601  
Bondo, Kenya

Equity Bank Ltd  
Bondo Branch  
P.O.Box 261 - 40601  
Bondo, Kenya

Co-operative Bank of Kenya Ltd  
Bondo Branch  
P.O. Box 380 - 40601  
Bondo, Kenya

Barclays Bank of Kenya Ltd  
Kisumu Branch  
P.O. Box 831-40100  
Kisumu, Kenya.

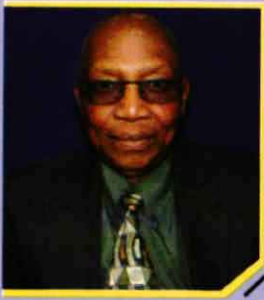
**(d)INDEPENDENT AUDITORS**

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

**(e)PRINCIPAL LEGAL ADVISER**

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

*ii. University Council*



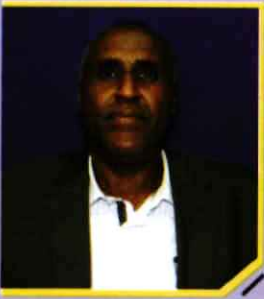
*Dr. Bonfance J. Mwandotto, Chairman of Council*

BSc, MSc(UoN); PhD (Animal Science, A&M Texas, USA); Formerly Acting Managing Director and Deputy Managing Director for Coast Development Authority; Council Member of Egerton University; worked as Centre Director, Kiboko, KARI



*Ms. Winsum Chemutai Murgor, Vice-Chairperson*

BCom (UoN); MBA (Warwick); Member of ICPAK; Member of the Institute of Chartered Accountants in England and Wales (ICAEW); Fellow of CIMA;



*Mr. Bishar Adan Mohammed*

BSc; MSc (Agricultural Engineering, Egerton); PD(Soil and Water), Osaka International Centre, Provincial Irrigation Officer; Consultant with EU in different projects; Currently in Private Practice



*Ms. Jemimah Wanza Keli*

LLB (UoN); PD (Law, KSL); LLM (UoN). Advocate of the High Court of Kenya, Associate Arbitrator and Commissioner of Oaths, Magistrate Vetting Board, Assisting Counsel, Member of LSK and ICJ.



*Dr. Anne A. Oburu*

Bachelor of Medicine and Bachelor Surgery (Lumumba); M. MED Paediatrics (UoN, KNH); Worked as Doctor in Charge of Paediatrics, Nyanza General Hospital, Coast Provincial Hospital, and private practice.

University Council



*Mr Bartholomew Lumbasi*

Bed (KU), MED (KU) Alternate to PS MOEST



*Ms. Damary Ayuku Angulu*

LLB (UoN), PD (Law, KSL), MBA (UoN); CPS (K) Currently working with TSP Serena Group of Companies as the Head of Legal and Regulatory Affairs and Company Secretary with wide experience in corporate governance.



*Mr. Dickson MacAger*

BA; PD (Admin). Alternate to the PS (National Treasury)



*Mr. Bernard Mbelase Malenya*

Bed (Tech) New Brunswick) MSc (Illinois), Alternate to PS MOEST



*Prof. Stephen Gaya Agong'*

Vice Chancellor and Chief Executive Officer; an ex-officio member and Secretary to the Council



iii. University Management Board



**Prof. Stephen Gaya Agong'**

Vice Chancellor and Chief Executive Officer; holds BSc, MSc (UoN) PhD (Giessen) and Post-Doctoral(Okayama); Professor of Horticulture with wide experience in University Management and Leadership spanning over 21 years in different Universities and International organizations. He is an academic of high standing with over 100 scientific publications in refereed journals. A fellow of the Africa Academy of Sciences and Matsume



**Prof. Washington H.A. Olima**

Deputy Vice Chancellor in charge of Planning, Administration and Finance Division of the University; holds B.A. (Land Econ); M.A. (H.A)(UoN) and PhD (Dortmund); Associate Professor of Built Environment with over 21 years academic and Administrative experience in university Management. He is a Member of the Institute of Surveyors of Kenya and registered Valuer.



**Prof. Benson Estambale**

Deputy Vice Chancellor in charge of Research, Innovation and Outreach Division of the University; holds M.B.Ch.B (UON),M.Sc.;DTM&H,(LSTM),Ph.D.(UON); A Professor of Medical Microbiology has close to 31 years of academic and administrative experience at University level and wide publication record in the field of medicine.



**Prof. Joseph Bosire**

Deputy Vice Chancellor in charge of Academic Affairs Division of the University; holds B.Ed. (UoN), M.Ed. and Ph.D. (KU); Associate Professor with over 21 years of academic and administrative experience.



**CS. Rosemary Akoth Ngesa**

Registrar in charge of Planning and Administration responsible to the DVC (PAF);has over 26 years administration and management; holds B.A (UON), EMBA (JKUAT), Certified Public Secretary of Kenya(ICPSK) and a Member of the Institute of Certified Secretaries of Kenya.



**Dr. Walter Akuno**

Registrar in charge of Academic Affairs responsible to the DVC (AA) in the day to day activities of the Academic Affairs Division ; holds Diploma, B.Sc,M.Sc. PhD,(Egerton)with over 21 years' experience in administration in the public service and university environment.



**Dr. Patrick Akbarkwa**

Registrar in charge of Research, Innovation and Outreach responsible to the DVC (RIO); holds B.A. (KU), MSc.(MMUST)and PhD.(Moi) with over 21 years administrative experience. He is a Member of the institute of Certified Public Secretaries of Kenya and the Institute of Human Resource Management



**CPA Jared Oguta Ogutu**

Finance Officer responsible to the DVC (PAF) for the management of University Finances; B.com (Accounting) (KU); MBA (Maseno) with over 13 years' experience in financial management in various public institutions. He is a Certified Public Accountant of Kenya and Registered Member of ICPAK. No. 6143

*iv. Chairman's Statement*



*Dr. Bonfance J. Mwandotto*

On behalf of Jaramogi Oginga Odinga University of Science and Technology Council, I present my statement for the 2014-2015 Financial Year (FY). During the 2014-2015 FY, the University maintained the momentum of the previous year despite a challenging operating environment.

At the start of the 2014-2015 FY, the University fraternity lost its founding Chancellor Prof. Jonathan Ole Karei in July 2014. The death had a great impact on the operations of the Council, the Senate and Management. Despite this loss, the University Council steered the second graduation of our great University on the 29th May, 2015.

The Council participated in the Audit and Risk Management training in January, 2015 that was aimed at equipping the members with the necessary capacity that would ensure greater impact in the governance of the University. The training also prepared the Council to effectively and efficiently manage risks that obtain on a regular basis. *My team is thus well equipped to ensure business continuity in the University. Similarly, the team has been able to manage, develop and implement a risk mitigation strategy and performs continuous evaluation.*

In the year under review, the University continued to register growth in various areas. The Council signed Performance Contract for the year 2014-2015 that helped in the implementation of the University Strategic Plan. The University successfully held its second graduation ceremony that saw 920 young men and women graduate compared to 430 in the previous year. This once again is a clear indication of the growth that continues to be realized. The financial performance for the year under review declined owing to funding challenges particularly due to constant level of recurrent grants support from the National Treasury despite growth in University operations. In order to ensure competent and competitive staff establishment, the Council continued to invest in staff training and development in the year and several employees were sent to various training institutions where relevant skills are gained. This is envisaged to improve work performance and productivity in service delivery.

The University continued with community outreach programmes which included introduction of cage fish farming at Miyandhe Beach in Bondo, organization of the JOOUST 2014 Eye Camp, Field day on Sorghum Multiplication Technology that helped to strengthen the partnership that continues to exist between the University and the surrounding Siaya County Community. The University has also built additional important partnerships with development partners such as NACOSTI, USAID-SERVIR, DANIDA, SIDA and CDC and continues to participate in various national activities to profile and position the University as a premier institution.

*Dr. Bonfance J. Mwandotto*  
*Chairman*





v. Report of the Vice Chancellor



*Prof. Stephen Gaya Agong'*

It is with great pleasure that the University releases the Annual Report for the 2014-2015 financial year. *The University recorded several milestones in the second year under review since it became fully-fledged on 13th February 2013.* The following are some of the key highlights of the University's operations in the year ended 30th June, 2015:

*2nd Graduation Ceremony*

The University held its inaugural graduation ceremony on the 29th May, 2015, where a total of 920 graduands were conferred and awarded with degrees, and certificate, and diplomas, respectively.

The graduation was presided over by the Dr. Bonfance J. Mwandotto the Council Chairman after the demise of Prof. Jonathan ole Karei, who until

his death on the 16th July, 2014 was the University's Chancellor. The University recorded an increase in the PhD graduands from 7 in 2014 to 17 in 2015, a clear indication of competent supervisory capacity. The graduation was a culmination of the University staff and student's tireless efforts in pursuit of quality teaching, education, research and outreach towards branding our young institution as a centre of excellence. The graduands were highly trained in various fields of study with the view that they will go out and ensure the development of our beloved country in their distinctive areas of specialisation. The University strives to ensure that future academic calendars remain predictable so that other graduations remain as planned.

*Student Enrolments*

The University has continued to witness rapid growth in student numbers in almost all of its programmes offered in the campuses. In the year 2014-2015 the students' numbers stood at 8,317 compared to 7,000 as at 30th June, 2014. This growth has been possible with the expansion of tuition, accommodation and research facilities. The University has been carrying out marketing of its programs through various avenues and strategies which is already bearing fruits. As the University moves in to the FY 2015-2016, the focus will be on improving on various partnerships that towards ultimately availing more space for tuition as well as community outreach activities for greater resource mobilization. Already several initiatives like the launch of Nambale Campus, the Nairobi Learning Centre is positioned in ensuring student number growth.

*Appointment of Second Chancellor*

Pursuant to the Universities Act, No. 42 of 2012, the JOOUST Community began the process of identifying the second Chancellor following the demise of the founding Chancellor of the University. This process resulted into the identification of three prominent industrialists that were forwarded to the Cabinet Secretary Incharge of university education for consideration. Through a gazette notice, Mr. Vimal Shah was appointed the Chancellor of our great University with effect from 19th May, 2015 for a period of five years. This marks yet another milestone in the history of JOOUST and plans are already underway to install the new Chancellor.



### *Community outreach deepening*

The University continued in the year under review to implement programmes aimed at fostering good relations with the community. During this period the University undertook the following (a) participated in the 2014 Kisumu Regional Agricultural Show where it performed very well in the various categories that it made entries, (b) initiated fish Culture Project (c) participated in annual Exhibitions by Kenyan Universities, (d) participated in the Siaya County Agri-Business trade fair and conducted Jaramogi Oginga Odinga Memorial Lecture, (f) organized JOOUST Eye Camp. These shows and activities provided a good opportunity for the University to conduct technology transfer clinics on inventions that are aimed at benefiting the society through food security, climatic change sensitizations and human wellness.

### *Research and Innovation*

The University has continued to build capacity in research, facilitate the development of fundable research proposals through consistent and timely dissemination of information to researchers. During this year, a total twelve (12) researchers of the University received research funding from various agencies. This shows an active buildup of research activities that are directed at positioning our University as a knowledge base to propel the national economy. Additionally, ten (10) of our postgraduate students secured research grants from NACOSTI clearly demonstrating our efforts in equipping young scholars with the relevant skills in pursuit of excellence.

### *Enterprise Resource Planning*

In the year 2014/2015 the University continued with the implementation of an ERP system that is aimed at improving service delivery in a bid to enhance performance and productivity at all levels of operations and processes. The implementation has seen tremendous improvement in service delivery to all our internal and external customers. The commissioning of this system is expected in FY2015/2016 after the implementation of additional modules like Human Resource Systems, Student Portal and Transcripts and Classification modules.

### *Capacity Building*

In the year 2014/2015 the University deepened capacity building of its various cadres of staff in order to equip them with the relevant skills for better performance. Academic staffs were trained on critical appraisal of research proposal, capacity building for ethics review committee and NACOSTI research proposal writing. The Council, University Management Board, Senate and other senior managers were trained on risk management during the year in addition to a number of administrative staff who were trained in their areas of specialization. This capacity building is aimed at continually improving the staff competencies in the performance of their duties towards service delivery.

### *Financial Stewardship*

The University Management in the year under review continued with the pursuit of prudent financial management in its bid to strengthen the institutional capacity in pursuit of the strategic objectives. The University recorded a significant drop in its operating surplus from Kshs. 63,547,338 in 2014 to Kshs. 16,376,243 in 2015 which was due to increased operating and personnel costs against constant revenue sources. The Council has taken appropriate measures to avert this decline in the FY 2015/2016 by widening income sources through aggressive resource mobilization and cost management to ensure financial efficiency going forward. The Financial Position has continued to grow as demonstrated by comparatives in the financial statements. The University remains a going concern and nothing has come in to the position of the Council to change this.



*Prof. Stephen Gaya Agong'*  
*Vice Chancellor/ CEO*



*Economic outlook*

World economic output is expected to strengthen gradually from 3.3 percent growth in 2014 to 3.8 percent in 2015, driven mainly by growth in advanced economies. Although the euro area has exited recession, growth remains anemic, hampered by high unemployment, large debt stocks, and tight private sector borrowing conditions. Despite deceleration in 2014, growth in emerging markets and developing economies is projected to increase modestly in 2015, supported by stronger domestic demand and some recovery in global demand.

In Kenya, Real GDP expanded by 5.7 percent in 2013 from 4.5 percent growth in 2012. Based on the growth of the first three quarters of 2014, 5.8 percent, 4.4 percent and 5.7 percent respectively, that averages 5.2 percent, the growth of 5.3 percent was projected in 2014. Going forward, we project the economy to grow by 6.9 percent in 2015 and 7.0 percent over the medium term. This robust broad based growth will be underpinned by performance in the agriculture, forestry and fishing, manufacturing, construction, real estate, wholesale and retail trade, financial and insurance activities and information and communication.

This had a significant effect on the disposable income available for investment in higher education. Even in this challenging economic environment, the University put in place mitigating strategies to ensure that changes in the economy did not completely erode the gains made in key investments.

*Financial results and review of performance*

The University achieved revenue of Kshs 1,034,009,369 representing a growth of 5.1% from the previous year of Kshs. 984,214,067 compared to 26.6% from the previous financial year. This reduction in revenue growth is mainly attributable to maintenance of the same level of recurrent grants support from the National Government. Other sources of revenues grew marginally owing to various factors that affected the operations of the University in the financial year under review. Our main revenue streams of Recurrent Grants, Tuition and related charges contributed 90% of the total revenue compared to 93% in the previous year. The stagnant growth in tuition and related revenue is attributable to decreasing student numbers in the Campuses. There was a significant increase in research grants income from Kshs. 30,380,968 in the previous year to Kshs. 59,102,408 in the year under review. This is attributable to increased funding sources from development partners. Surplus for the year dropped from Kshs. 63,547,338 in 2014 to Kshs. 16,376,243 giving a decline in profitability of 73%. This was due to growth in expenditure by 10.2% with Staff costs and Repairs and Maintenance recording growths of 5.5% and 63% respectively. Staff Costs was largely affected by substantial growth in part time teaching costs by 148% from Kshs. 62,008,575 in the previous year to Kshs. 92,059,806 in the year under review

*Table 1. Comparative Contributions to revenues from various sources*

Revenue Source	2015		2014	
	Amount in Kshs.	Percentage	Amount in Kshs.	Percentage
Recurrent Grants	505,397,500	49	507,158,608	52
Tuition & Related Charges	422,498,337	41	406,015,232	41
Research Grants	59,102,408	6	30,380,968	3
Rental Income	16,809,769	2	11,841,692	1
Finance Income	1,225,475	0	1,112,231	0
Other Income	28,945,881	3	27,705,335	3
<b>TOTAL</b>	<b>1,034,009,369</b>	<b>100</b>	<b>984,214,067</b>	<b>100.00</b>

Revenue from other income includes catering sales, interest earned, canteen sales, application fees, photocopying and library fines, farm produce, nursery school and tender sales.

The growth of the University in terms of revenues, surplus and student numbers over the last five years has been on a mixed trend as shown in the table below;

Table 2. Growth in revenues, surplus and student numbers over the last 5 years

Year/Description	2011	2012	2013	2014	2015
Revenues(Kshs.)	307,382,882	450,337,627	774,530,434	984,214,067	1,034,009,369
Operating Surplus(Deficit) (Kshs.)	62,384,537	(18,581,943)	22,212,756	63,547,338	16,376,244
Student Numbers	1,200	2,500	4,000	7,000	8,317
Staff Numbers	218	237	267	374	380

*Outlook for the Financial Year 2015/2016*

The economy is expected to continue registering significant growth in all sectors with downgraded growth in the tourism sector owing to travel advisories issued by certain foreign embassies. According to the Budget Policy Statement of the National Treasury for 2015, the economy is expected to grow from 5.3 in 2014 to 6.9 in 2015. This growth is therefore expected to spread to all sectors of the economy with the higher education sector expected to continue registering demand for high quality training.

According to Pillar IV Access to Quality Social Services, the National Government has committed to continue investing in education to improve the human capital by ensuring relevant and quality education to all Kenyans. This therefore affords the University tremendous opportunities to tap in the pursuit of the Ministry of Education, Science and Technology policy of increasing access to university education.

The Council therefore has a responsibility of ensuring that frugal financial management coupled with robust resource mobilization strategies are sustained in order to tap these opportunities to achieve the strategic objectives of the University. Increased student intake through the campuses, rationalized teaching management, improved human resource capacity and commitment to accountability principles will see the University correct the declining performance in the current year.

The forecast for the financial year 2015/2016 remains positive as long as the above strategies are implemented and follow up on challenges undertaken to continually improve.



## *vii. Corporate Governance Statement*

The Council and the Senior Management are committed to the highest level of corporate governance. The University considers as paramount for business integrity and maintaining our stakeholders trust in the University. Our business principles set out in our core values and in turn the standards we set ourselves ensures that we operate lawfully, with integrity and respect, observing and respecting the culture of the people of Kenya and particularly those of our customers. We believe that our sphere of influence with regards to good corporate governance should be extended to our stakeholders and business relationships. We engage with our stakeholders in a mutually beneficial and sustainable manner in an environment of equity, mutual respect and honesty. It is our corporate policy that our corporate engagements are in observance of the highest standards of professional ethics that promotes Credibility, Professionalism and Accountability.

### *The Composition of the Council*

The Council is the governing body of the University and is responsible for the overall governance of JOOUST. It consist of nine persons appointed by the Cabinet Secretary as follows; Chairman, the Principle Secretary in the Ministry of Education, Science and Technology, the Principal Secretary in the Ministry of Finance, five members appointed by the Cabinet Secretary through an open process and the Vice Chancellor who is an ex-officio member to the Council.

The Council was appointed in March 2013 for a period of 4 years as per the Universities Act No 42 of 2012. The University is in continuous consultation with the Parent Ministry to ensure adherence to good governance as well as smooth transition and continuity of Council's responsibilities.

### *The roles of the Council as stipulated in the Universities' Act include:*

Section 35. (1)(a) Of the Universities Act provides for the following roles of the Council which shall

- i) Employ staff
- ii) Approve the statutes of the University and cause them to be published in the Kenya Gazette;
- iii) Approve the policies of the University;
- iv) Approve the budget
- v) Recommend for the appointment of the Vice-Chancellor, Deputy Vice-Chancellors and principals of constituent colleges through a competitive process; and
- vi) Undertake other functions set out under the Act and JOOUST Charter.

### *Other functions and roles of the Council include:*

- i. Strategic Leadership: Approving and monitoring and guiding the implementation of the University's Strategic plan.
- ii. Performance Evaluation: Setting performance targets and reviewing of the University's results so as to ensure the achievement of the operational plans.
- iii. Integrity of Financial Reporting: Reviewing and monitoring controls, policies and procedures put in place to ensure integrity in the University's accounting records and the financial statements.
- iv. Risk Management and Compliance: Monitoring and reviewing the policies and procedures put in place by the management to ensure that the various risks facing the University are effectively mitigated and various regulatory and legislative requirements are complied with.
- v. Stakeholders' Interest: Guiding the University so as to ensure the fulfilment of the interests of various stakeholders besides reviewing and monitoring corporate governance and corporate social responsibility practices at the University.

### *Activities of the Council*

It is the responsibility of the Chairman and the Chief Executive to work closely together in planning the annual program and agendas for meetings. The meetings are structured to allow open discussion. All substantive agenda items have comprehensive briefing documents which are circulated earlier in advance before the meetings.

In addition to regular Council meetings, there are a number of other meetings to deal with specific matters. When Council members are unable to attend a meeting, they are advised on the matters to be discussed and given the opportunity to discuss their views with the Chairman.



*Committees of Council*

The roles of the Chairman and the Chief Executive Officer are separate and there is a clear division of responsibilities as spelt out in the detailed engagement and appointment. Similarly, during the inauguration of the Council, responsibilities of the Chairman and Members of the Council are clearly established and agreed by the Council to ensure that no one person has unrestrained powers of decision.

The Council has various committees that enable it perform its functions with more specialised skills. These committees are headed by a member who's training and professional skills are amenable to offer good work.

The Audit, Governance and Risk Management Committee have in place an approved Audit Charter that spells out the responsibilities of the committee. It details the type of work and powers that the committee has. The purpose of the Charter is to assist the Council members in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the company's process for monitoring compliance with laws and regulations and the code of conduct.

The following are the committees of JOOUST Council

- i) Finance, Resource Mobilization and General Purposes
- ii) Planning, Building and Development, Farm and Estates
- iii) Research, Training, Statutes and Honorary Degree
- iv) Appointment, Promotions, Terms and Conditions of Service
- v) Audit, Governance and Risk Management

**COUNCIL MEETINGS AND ATTENDANCE**

*Full Council Attendance*

Members	18-07-14	29-09-14	19-12-14	23-01-15	17-04-15	28-05-15
Dr. Bonfance J. Mwandotto	P	P	P	P	P	P
Ms. Winsum C. Murgor	P	P	P	P	P	AP
Ms. Jemimah W. Keli	P	P	P	P	P	P
Dr. Anne Oburu	P	P	P	P	P	P
Ms. Damary A. Angulu	P	P	P	P	P	P
Mr. Bishar A. Mohamed	P	P	P	P	P	P
Mr. Bernard M. Malenya	P	P	P	P		
Mr. Bartholomew Lumbasio					P	P
Mr. Dickson Mac Ager	P	AP	AP	AP	AP	AP
Prof. Stephen G. Agong'	P	P	P	P	P	P

*Finance, Resource Mobilization and General Purposes*

Members	18-07-14	19-12-14	23-01-15	17-04-15	
Dr. Bonfance J. Mwandotto	P	P	P	P	
Ms. Winsum C. Murgor	P	P	P	P	
Ms. Jemimah W. Keli	P	P	P	P	
Dr. Anne Oburu	P	P	P	P	
Ms. Damary A. Angulu	P	P	P	P	
Mr. Bishar A. Mohamed	P	P	P	P	
Mr. Bernard M. Malenya	P	P	P		
Mr. Bartholomew Lumbasio				P	
Mr. Dickson Mac Ager	P	AP	AP	AP	
Prof. Stephen G. Agong'	P	P	P	P	

*Planning, Building and Development, Farm and Estates*

<b>Members</b>	<b>17-07-14</b>	<b>23/01/2015</b>
Ms. Jemimah W Keli	P	P
Dr. Anne Oburu	P	P
Mr. Bishar A. Mohamed	P	P
Mr. Bernard M. Malenya	P	P
Mr. Dickson MacAger	P	AP
Prof. Stephen G. Agong'	P	P

*Research, Training, Statutes, Sealing and Honorary Degree*

<b>Members</b>	<b>23-05-15</b>
Dr. Bonfance J. Mwandotto	P
Ms. Winsum C. Murgor	AP
Ms. Jemimah W Keli	P
Dr. Anne Oburu	P
Ms. Damary A. Angulu	P
Mr. Bishar A. Mohamed	P
Mr. Bartholomew Lumbasio	P
Mr. Dickson MacAger	AP
Prof. Stephen G. Agong'	P

*Appointment, Promotions, Terms and Conditions of Service*

Members	No meeting took place during the period under review
Dr. Bonfance J. Mwandotto	
Ms. Winsum C. Murgor	
Ms. Jemimah W. Keli	
Dr. Anne Oburu	
Ms. Damary A. Angulu	
Mr. Bishar A. Mohamed	
Mr. Bartholomew Lumbasio	
Mr. Dickson MacAger	
Prof. Stephen G. Agong'	

*Audit, Governance and Risk Management*

<b>Members</b>	<b>19/12/2014</b>	<b>17/04/2015</b>	<b>8/05/2014</b>
Ms. Winsum C. Murgor	P	P	P
Dr. Anne Oburu	P	P	P
Ms. Damary A. Angulu	P	P	P
Mr. Bartholomew Lumbasio	P	P	AP
Rep. PS, National Treasury	AP	AP	P

**KEY:** P denotes Present; AP denotes Absent with Apology

### *Conflict of Interest.*

The University has fully adopted the Code of Ethics that is enshrined in the Mwongozo which is the Code of Governance for State Corporations. The code of ethics entails among other things Conflict of Interest which must be embraced by both the Council and employees of the University. The Council has developed a Conflict of Interest declaration register which is use for all the proceedings of the Council and any matter of conflict recorded and declared as required. The Council members have been trained on the requirements of the code of Conduct and have been conducting their business with professionalism.

### *Induction and Training*

The Council and, The University Management Board and The Senate underwent training on corporate governance and leadership at the Kenya School of Government in June 2014. In January 2015, the Council and University Management Board were trained in Audit and Risk Management. These training and induction opportunities have been availed to equip the teams with the necessary skills to perform their duties effectively and judiciously. With the adoption of Mwongozo other opportunities to align it to the operations of the University abound and training programs will be rolled out for both Council and Management to participate in order to deepen corporate governance practices at the University. State Corporations Advisory Committee (SCAC) has been useful in taking the Council through the requisite training and induction.

### *Whistle Blowing Policy*

The University has a whistle blowing system embedded in our corruption prevention policy that protects the identity of staff, students or other stakeholders who report cases of corruption or any other forms of impropriety. The University has established anonymous calling system together with a box where information can be availed. The University has a committee that is charged with ensuring that the University is corruption free zone and sensitization of members of the University Community against corrupt and criminal practices.

### *Performance Appraisal of the Council*

The Council has embraced an annual board appraisal as outlined in the Mwongozo under the oversight of SCAC. The evaluation for the 2014/2015 gave the Council performance overall rating of 84.4% (4.22 out of 5). The Council is committed to do even better in the coming year.

The University continued to participate in various community outreach activities through which technological solutions have been delivered and transferred to the local communities to improve their livelihood.

During the year 2014/2015 the University piloted the Cage Fish Culture project at Miyandhe Beach of Bondo Sub County. The main objective of this project is to establish a research and training facility for students, local community, regional and international collaborators on cage fish aquaculture in the Lake Victoria region. The project aims to ensure food production and sustainable livelihoods of the fishing communities along the shores of Lake Victoria. Already, the local community has taken the initiative to use the knowledge transfer to start their own cages where they are now farming fish.

The University participated at the 2014 Edition of the ASK Kisumu Regional Show. A number of innovations and inventions by students and staff were show cased. At the Kisumu ASK Show, we continued to share with the country all the innovations that have been developed at the University with a view of improving production technologies in the food chain. The University participated in six categories where it performed fairly well.

The University organized a field day on sorghum multiplication technology through the project entitled "*Community-Based Seed Multiplication and dissemination of Sorghum Seed Systems Technology in the Lake Victoria Basin*" which was funded by Kenya Agricultural Productivity and Agribusiness Project (KAPPAP), a field day was organized in July, 2014 in Siaya County. The objective of this day was to build capacity of farmers in enhancing sorghum production, processing and marketing for improved livelihoods in Kenya.

The University organized Jaramogi Oginga Odinga Memorial Lecture in September, 2014 at its Main campus in Bondo. This lecture entitled "*Empowering Communities through Justice and Good Governance for Social and Economic Development*" was held in partnership with the family of the late Jaramogi Oginga Odinga. The forum brought together people from all walks of life that included public speakers, local leaders, scholars and the community at large. The forum's objective was to foster national cohesion in our country and also enhance the understanding of the social justice systems in order to improve the economic and political gains made in our country.

The University created a lot of collaborations and linkages which are aimed at enhancing knowledge generation and improving people's livelihoods. In the year new collaborations with far reaching implications were inked with (i) Kenya Forestry Research Institute, (ii) Plan International, (iii) National Commission for Science, technology and Innovation (NACOSTI), Cape Peninsula University of Science and Technology, South Africa, (iv) Appropriate Technology in Health (PATH), Chalmers University of Technology. These efforts are directed at developing frameworks for cooperation that would yield in the long run knowledge and innovative solutions that are critical in improving the lives of our people.

During the year, the University participated through donations and other support in kind in the 2014 James Rapenda Memorial Cross Country. This opportunity allowed for the interaction of the community with the University fraternity in fostering good relations that would go a long way in improving the community's wellness thus having adequate time for engagement in productive economic activities.

The University Council has put in place a number of interventions to ensure that the welfare of its employees is not only protected but that they are guaranteed as well. The Council has established a staff retirement scheme which is non-discriminatory for all staff that is on permanent terms of employment. The Council has continued to make timely payments to the scheme in order to protect the welfare of its staff in retirement. The pension scheme has grown from Kshs 15 m in 2011 to Kshs 200 min 2015. The staff numbers have equally grown since the inception of the University from 2 in 2009 to 400 by June 30<sup>th</sup>, 2015.

The council has continued to engage with employee representatives to negotiate terms that are aimed at retaining the staff as they work for the University. To this end the Council together with the Unions namely Kenya University Staff Union and University Academic Staff Union signed internal Collective Bargain Agreements for 2010-2013. This is in line with the Constitution of Kenya and ILO conventions that affords workers to join unions to push for their welfare. Through these CBAs the work environment has significantly improved and a lot of stick issues addressed through the joint efforts of the Council and the Unions.

The staff of the University in the Financial Year 2014/2015 benefited from a number of training programs such as scholarships for the academic staff and fee waiver for both staff and their dependants who studied at the University. The Council has continued to avail resources towards this end in order to improve the capacities of staff with a view to improving work performance and also building the blocks of human capital to remain relevant and competitive in the higher education sector in Kenya and beyond. A total of 25 employees attended various short trainings in the year. These trainings are intended to equip the staff with relevant on the job skills that would improve customer service delivery and hence increase the productivity. The academic staff was as a result of career development allowed to attend various conferences where they presented papers which were recorded in the proceedings.

The Division of Planning Administration and Finance is currently developing a staff establishment that would inform the future needs of the University with a view of reducing the current staff workload by gradually hiring more staff to fill in the vacant positions. This is aimed at making JOOUST the University of Choice in the higher education sector.

The University has succeeded in establishing the staff medical insurance scheme that will replace the treatment of staff from the University Clinic. This has gone a long way in improving staff welfare in terms of variety in medication. The dependants of the staff have been incorporated into the scheme to reduce the burden of medication. This in effect contributes to the welfare of the employee since they now have enough time to concentrate on their work as that burden has been covered.

**T**he University has an established risk management process to identify the principal risks that we face as a business. The risk management process relies on our judgment of the risk likelihood and impact and also developing and monitoring appropriate controls. We maintain a Key Risk Register of the principal risks faced by the University and this is an important component of our governance framework and how we manage our business. Our risk management process is cascaded down all the functional units.

The content of the Risk Register is considered and discussed through regular meetings with senior management and review by the Risk Committee and the Council.

Our process for identifying and managing risk is set out in more detail in the University Risk Management Policy. This has been done with full participation of all the units of the University by identifying both the strategic and operational risks. The strategies and objectives of managing financial risks of the University are given in details in note 32 of the Financial Statements.

### *Environmental Reporting*

The University recognized the importance of the need to protect our environment for future generations. This led to the establishment of a policy on environment that was approved by the University Council. This has helped to address key challenges associated with our operations key among them waste management, environment degradation, green gases emissions among others.

In order to address the above issues the Environment Standing Committee was appointed in line with the policy in order to ensure that the policy objectives are met going forward. The Committee came up with several interventions key among them planting of trees around the University, participation in environmental protection sensitization within Bondo Community.

The University over the years has engaged in activities aimed at protecting the environment like the construction of Eco lodges at the shores of Lake Victoria, adoption of use of solar energy at the Main campus where a number of solar panels have been installed to warm water at the university Kitchen thus saving on electricity usage. The University also entered into a waste management agreement with the Siaya County Government in order to ensure proper handling of both recyclable and non-recyclable wastes.

Whenever the University plans to undertake development projects which have significant potential impact on the environment it has always carried out Environmental Impact Assessment as per prevailing laws to ensure that all relevant environmental protection parameters are adhered to.

Going forward the University shall continue to engage in activities aimed at environmental protection like planting more trees, reduction of usage of sources of energy that increase emission of greenhouse gases in order to limit their impact on future generations.



The Council has the pleasure to submit this report together with the financial statements for the year ended 30 June 2015 which show the state of the University's affairs.

*Principal activities*

The principal activity of the entity is to offer high quality university training, carry out innovative research and community outreach programmes for sustainable socio-economic development.

*Financial Performance*

The performance in the period ended 30 June 2015 is set out in the subsequent pages of this document. The University recorded a surplus of Kshs 16,376,243 during the 2014/2015 financial Year.

*Council*

The members of the Council who served during the year are shown on pages 5 of this report.

*Auditors*

The Auditor General is responsible for the statutory audit of the University in accordance with the Section 14 of the Public Audit Act, 2003.

By Order of the Council



Sign:.....  
**Prof. Stephen G. Agong, PhD, FAAS**  
**Vice Chancellor/Chief Executive Officer**

7 / 09 / 2015  
Date.....

## *x. Statement of Council Responsibilities*

The Universities Act No. 42 of 2012 requires the Council to prepare financial statements of the University which give a true and fair view of the state of affairs of the University as at the end of each financial year and of its operating results for that year. The Council is also required to ensure that the University maintains proper accounting records which disclose, with reasonable accuracy, the financial position of the University. They are also responsible for safeguarding the assets of the University.

The council is responsible for the preparation of financial statements that give a true and fair view in accordance with International Public Sector Accounting Standards (IPSASs) and in the manner required by the Kenyan Public Finance Management Act, and for such internal controls as the council determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Council accepts 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 Public Finance Management Act, 2012 and the State Corporations Act Cap 446. The Council is of the opinion that the University's financial statements give a true and fair view of the state of the University's financial affairs of the company and of its financial performance. The Council further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of the University's financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Council that indicate 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 7<sup>th</sup> September 2015 and signed on its behalf by:



Chairman



Vice Chancellor

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**P.O. Box 30084-00100  
NAIROBI**

**OFFICE OF THE AUDITOR-GENERAL**

**THE REPORT OF THE AUDITOR-GENERAL ON JARAMOGI OGINGA ODINGA  
UNIVERSITY OF SCIENCE AND TECHNOLOGY FOR THE YEAR ENDED 30 JUNE  
2015**

**REPORT ON THE FINANCIAL STATEMENTS**

I have audited the accompanying financial statements of Jaramogi Oginga Odinga University of Science and Technology set out on pages 21 to 42, which comprise the statement of financial position as at 30 June 2015, and the statement of cash flows for the explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003. 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.

*Management's Responsibility for the Financial Statements*

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

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Sector 13 of the Public Audit Act, 2003

*Auditor-General's Responsibility*

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15(2) of the Public Audit Act 2003 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya. The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's Internal Control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

*Opinion*

In my opinion, the financial statements present fairly, in all material respects, the financial position of Jaramogi Oginga Odinga University of Science and Technology as at 30 June 2015, 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 Universities Act, 2012

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

**NAIROBI  
29 March 2016**

*xii. Statement of Financial Performance for the Year Ended 30 June 2015*

<b><u>INCOME</u></b>	<b><u>NOTE</u></b>	<b><u>30/06/2015</u></b> <b><u>KSH'000'</u></b>	<b><u>30/06/2014</u></b> <b><u>KSH'000'</u></b>
Recurrent grants	2	505,397,500	507,158,608
Research grants	3	59,102,408	30,380,969
		<b>564,499,908</b>	<b>537,539,577</b>
Tuition fees	4	422,498,337	406,015,232
Rental income	5	16,809,769	11,841,692
Financial income	6	1,255,475	1,112,231
Other incomes	7	28,945,881	27,705,335
		<b>469,509,461</b>	<b>446,674,490</b>
<b>Total revenue</b>		<b>1,034,009,369</b>	<b>984,214,067</b>
<b><u>Expenditure</u></b>			
Staff costs	8	(706,837,296)	(674,369,114)
General expenses	9	(191,889,901)	(186,508,544)
Repairs and maintenance	10	(14,338,875)	(9,036,857)
Depreciation expenses	11	(37,761,250)	(24,841,616)
Research expenses	12	(64,289,078)	(19,779,387)
Council expenses	13	(6,156,573)	(6,447,400)
<b>Total expenditure</b>		<b>(1,021,272,974)</b>	<b>(920,982,918)</b>
Gains on foreign exchange	14	3,577,848	121,189
Revaluation of biological assets	15	62,000	195,000
<b>Total other gains</b>		<b>3,639,848</b>	<b>316,189</b>
<b>Surplus / deficit</b>		<b>16,376,244</b>	<b>63,547,338</b>

The notes set out on pages 28 to 41 form an integral part of these Financial Statements

*xiii. Statement of Financial Position as at 30 June 2015*

	<u>Notes</u>	<u>30/06/2015</u> <u>KSH'000'</u>	<u>30/06/2014</u> <u>KSH'000'</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	16	117,906,948	116,641,438
Receivables from Exchange	17	154,802,978	121,181,774
Receivables from Non- Exchange	18	43,611,891	5,870,312
Inventories	19	8,197,331	7,238,498
<b>Total Current Assets</b>		<b>324,519,148</b>	<b>250,932,022</b>
<b>Non-Current Assets</b>			
Biological Assets	20	660,000	598,000
Intangible Assets	21	7,514,299	3,095,160
Property, Plant & Equipment	22	1,798,161,930	1,690,006,119
<b>Total Non-Current Assets</b>		<b>1,806,336,229</b>	<b>1,693,699,279</b>
<b>TOTAL ASSETS</b>		<b>2,130,855,377</b>	<b>1,944,631,301</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	23	67,233,728	86,849,846
Employee Benefit Obligations	24	17,906,440	22,240,340
Refundable Deposits from Customers	25	9,550,825	6,831,025
Deferred Income	26	33,783,754	16,256,290
Prepayment and Deposits	27	54,005,305	63,081,386
<b>Total Current Liabilities</b>		<b>182,480,053</b>	<b>195,258,887</b>
<b>Net Assets</b>		<b>1,948,375,325</b>	<b>1,749,372,414</b>
Capital Grants Reserve	28	1,852,110,738	1,669,484,071
Revenue Reserve		96,264,587	79,888,343
		<b>1,948,375,325</b>	<b>1,749,372,414</b>

The notes set out on pages 28 to 41 form an integral part of these Financial Statements

The Financial Statements set out on pages 23 to 41 were signed on behalf of the Council by:



**Dr. Boniface Jumwa Mwandotto**  
Chairman

7 / 09 / 2015

Date.....



**Prof. Stephen G. Agong'**  
Vice Chancellor  
7 / 09 / 2015

Date.....

*xiv. Statement of Changes in Net Assets for the Year Ended 30 June 2015*

	<b>Capital Reserves Kshs.</b>	<b>Revenue Reserve Kshs.</b>	<b>Total Equity Kshs.</b>
<b>Balance as at 1 July 2013</b>	<b>1,380,562,494</b>	<b>152,694,276</b>	<b>1,533,256,770</b>
Surplus for the year	-	63,547,338	<b>63,547,338</b>
Capital Development Grants	152,568,306	-	<b>152,568,306</b>
Movement During the year	<b>136,353,271</b>	(136,353,271)	-
<b>Balance as at 30 June 2014</b>	<b>1,669,484,071</b>	<b>79,888,343</b>	<b>1,749,372,414</b>
<b>Balance as at 1 July 2014</b>	<b>1,669,484,071</b>	<b>79,888,343</b>	<b>1,749,372,414</b>
Surplus for the year	-	16,376,244	<b>16,376,244</b>
Capital Development Grants	182,626,667		<b>182,626,667</b>
<b>Balance as at 30 June 2015</b>	<b>1,852,110,738</b>	<b>96,264,587</b>	<b>1,948,375,325</b>

xv. Statement of Cash Flows for the Year Ended 30 June 2015

	Notes	2,015 Kshs.	2,014 Kshs.
<b>Cash flows from operating activities</b>			
Surplus/(deficit) for the year		16,376,244	63,547,338
Add back Depreciation	11	37,761,250	24,841,616
Less Gain on Revaluation	15	(62,000)	
<b>Operating cash before working capital changes</b>		<b>54,075,494</b>	<b>88,388,954</b>
Increase/(Decrease) in Inventory	19	(958,833)	(1,901,735)
Increase/(Decrease) in Receivables	17&18	(71,362,784)	(68,294,877)
Increase /(Decrease) in Payables	23-27	(12,778,834)	93,072,964
<b>Net Cash flow from operating activities</b>		<b>(31,024,957)</b>	<b>111,265,306</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of Plant Property & Equipment	22	(145,917,061)	(201,283,087)
Disposal of Assets		-	-
Purchase of Intangible Assets	21	(4,419,139)	(3,095,160)
Purchase of Investments		-	-
<b>Net Cash Flow From investing activities</b>		<b>(150,336,200)</b>	<b>(204,378,247)</b>
<b>Cash flows from Financing activities</b>			
Receipt of Capital Grants	28	182,626,667	152,568,306
Receipt of Loan Proceeds		-	-
Repayment of Borrowings		-	-
<b>Net Cash flow from Financing Activities</b>		<b>182,626,667</b>	<b>152,568,306</b>
<b>Net Increase in cash and cash equivalents</b>		<b>1,265,510</b>	<b>59,455,365</b>
Cash and cash Equivalents at the beginning		116,641,438	57,186,073
<b>Cash and cash Equivalents at the end</b>		<b>117,906,948</b>	<b>116,641,438</b>
<b>Represented by:</b>			
<b>Cash in Hand</b>		-	-
<b>Cash in Bank</b>		<b>117,906,948</b>	<b>116,641,438</b>
<b>Total</b>		<b>117,906,948</b>	<b>116,641,438</b>

		Original budget	Adjustments	Final budget	Actual Outcome	Performance difference	Budget Vs Actual Variance
		2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	%
A	Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
1	Recurrent Grants	505,397,500		505,397,500	505,397,500	-	100%
2	Development Grants & Loans	427,460,000	(244,833,333)	182,626,667	182,626,667	-	100%
3	Research Grants		59,102,408	59,102,408	59,102,408	-	100%
4	Tuition and Other Related Fees	374,200,000	30,000,000	404,200,000	422,498,337	(18,298,337)	105%
5	Rental Revenue	15,314,164	-	15,314,164	16,809,769	(1,495,605)	110%
6	Finance Income	1,000,000	-	1,000,000	1,255,475	(255,475)	126%
7	Other Income	33,400,000	(3,600,000)	29,800,000	28,945,881	854,119	97%
	<b>Total Income</b>	<b>1,356,771,664</b>	<b>(159,330,925)</b>	<b>1,197,440,739</b>	<b>1,216,636,037</b>	<b>(19,195,298)</b>	<b>102%</b>
	<b>Expenses</b>						
8	Employee Costs	664,263,664	43,700,000	707,963,664	706,837,296	1,126,368	100%
9	General Expenses	188,685,000	13,935,000	202,620,000	191,889,901	10,730,099	95%
10	Repairs and Maintenance	9,130,000	6,000,000	15,130,000	14,338,875	791,125	95%
11	Depreciation	40,000,000	(2,000,000)	38,000,000	37,761,250	238,750	99%
12	Research Expenses	8,660,000	55,629,078	64,289,078	64,289,078	-	100%
13	Council Expenses	10,000,000	(3,600,000)	6,400,000	6,156,573	243,427	96%
14	Capital Expenses	427,460,000	(244,833,333)	182,626,667	125,953,820	56,672,847	69%
	<b>Total Expenditure</b>	<b>1,348,198,664</b>	<b>(131,169,255)</b>	<b>1,217,029,409</b>	<b>1,147,226,794</b>	<b>69,802,615</b>	<b>94%</b>
	<b>Surplus</b>	<b>8,573,000</b>	<b>(28,161,670)</b>	<b>(19,588,670)</b>	<b>69,409,243</b>		

This budget statement relates to the approved Budget for Financial year 2014-2015

1. The recurrent grants support from the National Government of Kshs. 505,397,500 was realized as planned thus registering 100% performance. This showed the continued commitment from the National government to continue support the University in quest to recruit and retain competent staff.
2. The development grants of Kshs. 182,626,667 were received from the National Government as budgeted.
3. Research Grants income was realized 100% as adjusted in the year. This adjustment is necessary due to unpredictability of the possible funding amounts and expenditure and disbursement timelines from the funding agencies.
4. Tuition and related charges recorded 105% over the budget amounts. This was marginal growth given the dynamics surround the academic cycle. This being the core growth area, the results can be improved.
5. Rental income recorded 110% performance against the budget. This growth was consistent with the marginal growth in student numbers and availability of capacity at the main campus. This was positive as the target was surpassed in real terms.
6. Finance Income registered 126% performance index against the budget indicating that cash balances held in the bank was prudently invested as had been planned. The interest rates remained fairly stable and predictable in the year and as such the little term deposits realized these results.
7. Other income recorded 97% of the target giving a reduced performance. The main component of other incomes is catering income which realized significant drop in revenues as shown in note 7 in the detailed notes to the financial statements. This was due to increased competition by private businesses around the University.
8. Employee costs recorded 100% of the budget. This shows that the effort to contain costs was achieved in the year and the University realised a marginal savings on this item. All the planned costs were incurred prudently and most of the liabilities settled within the year.
9. General expenses recorded 96% of the budget indicating good results in expenditure management though individual items had mixed variances.
10. Repairs and Maintenance recorded 95% performance against the budget. The University continues to repair a number of facilities to keep them in productive status throughout their lifespan.
11. Depreciation provision registered 98%. This largely depended on the level of Property, Plant & Equipment maintained in the year.
12. Research Expenses recorded 100% performance as planned.
13. Council Expenses registered 98% performance against budget.
14. Capital Expenses recorded 71% of the budget. This is a result of low absorption of development funds due to lengthy procurement processes in the year.

*1 Statement of compliance and basis of preparation*

Jaramogi Oginga Odinga University of Science and Technology financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the University. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the indirect method. The financial statements are prepared on accrual basis. The Statement of Comparison of Budget and Actual Amounts have been prepared on accrual basis taking into account all necessary provisions like depreciation and amortisation. This statement is prepared under economic classification as per National Treasury Practice.

*2 Summary of significant accounting policies*

*a) Revenue recognition*

*i) Revenue from non-exchange transactions*

*Government Recurrent Grants and other Donors Research Grants*

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

*ii) Revenue from exchange transactions*

*Student's fees*

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

*Sale of goods*

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

*Interest income*

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

*Rental income*

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

*b) Budget information*

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

*c) Property, plant and equipment*

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

Depreciation is calculated on the straight-line basis to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life using the following annual rates:

<b>Description</b>	<b>Annual Rate</b>
Buildings	2.5%
Plant, machinery and equipment	20%
Office equipment	20%
Computer equipment	33.3%
Motor vehicles	25%
Furniture and fittings	12.5%
Crockery & Utensils	33.5%
Library Books	20%

*d) Intangible assets*

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

The useful life of the intangible assets is assessed as either finite or indefinite.

Intangible assets shall be amortised over their useful life on a straight line basis. Subsequent expenditures on intangible assets shall be recognized as an expense for the period that it is incurred.

*e) Research and development costs*

All research costs are expensed as incurred.

Development costs are capitalised only after technical and commercial feasibility of the resulting product or service have been established. All other treatments relating to research and development shall be as permitted by the standards.

*f) Financial instruments*

*i) Financial assets*

*Initial recognition and measurement*

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

*ii) Financial liabilities*

*Initial recognition and measurement*

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

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

*Loans and borrowing*

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

*g) Inventories*

Inventories are stated at the lower of cost and current replacement cost. Cost is determined by the first-in, first-out (FIFO) method. Current replacement cost represents the cost the entity would incur to acquire the asset on the reporting date.

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

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

*Contingent liabilities*

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

*Contingent assets*

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

*1) Nature and purpose of reserves*

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

*j) Changes in accounting policies and estimates*

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

*k) Employee benefits*

The University provides retirement benefits for its employees. Defined contribution plans are postemployment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. The University also contributes to National Social Security Fund (NSSF) a statutory defined contribution scheme registered under the NSSF Act, 2013.

*l) Foreign currency transactions*

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

*m) 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. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and cash at bank net of bank overdrafts.

*n) Comparative figures*

The comparative prior year figures are shown against every item in the financial statements. Consistent accounting methods have been applied and changes made will be reported and the effect on reported results disclosed.

*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. Management shall ensure compliance with the Standards where such events become manifest.

*p) 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 30 June 2014.

*q) Borrowing costs*

Borrowing costs include interest, amortisation of discounts or premiums on borrowings, and amortisation of ancillary costs incurred in the arrangement of borrowings. Borrowing costs incurred on qualifying assets will be treated as permitted by the IPSAS using the appropriate model.

*r) Leases*

A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an asset are passed to the lessee. All other leases are classified as operating leases. The University shall charge all the payments on operating leases to the surplus or deficit on a straight line basis over the period of the lease.

*s) Investment Property*

Investment property is land or buildings held (whether by the University or under a finance lease) to earn rentals or for capital appreciation or both, rather than production or sale in the ordinary course of operations. Investment property shall be recognized as permitted by the IPSAS using the appropriate recognition model.

*t) Segment Reporting*

The University will look at its organisational structure and internal reporting system for the purpose of identifying its service segments and geographical segments with a view to issue segment reports as permitted by the IPSAS

*u) Impairment of cash generating assets*

An impairment loss of a cash generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount. An impairment loss shall be recognized immediately in surplus or deficit for the year and all other treatments shall be as permitted by the IPSAS

*v) Impairment of Non-cash generating assets*

An impairment loss of non-cash generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount. An impairment loss shall be recognized immediately in surplus or deficit for the year and all other treatments shall be as permitted by the IPSAS

*w) Agriculture*

All biological assets (including those acquired biological assets through non exchange transaction) are measured at fair value less costs to sell, unless fair value cannot be measured reliably. Any change in the fair value of biological assets during a period is reported in surplus or deficit.

	2015	2014
	Kshs	Kshs
<b>2 Recurrent Grants</b>		
Capitation Recurrent grant	505,397,500	507,158,608
	<b>505,397,500</b>	<b>507,158,608</b>
<b>3 Research grants</b>		
Who malaria project	16,322,956	12,400,148
KAAPAP	4,135,619	2,559,223
ICDL Project	3,319,808	1,938,590
DKK Kobenhavens	4,892,634	
Hortinlea Project	677,600	1,172,754
KLIP Project	15,347,867	3,808,362
IPAS Project	1,845,989	2,005,244
NACOSTI	286,000	
UHIV Project	2,513,610	
Other Grants	9,760,325	6,496,648
	<b>59,102,408</b>	<b>30,380,969</b>
<b>4 Tuition and related charges</b>		
Activity fees	7,209,400	4,479,150
Computer Time income	28,550,350	-
Examination fee	14,443,325	8,327,122
Field Practical work	12,475,000	2,654,281
Library fee	6,065,375	10,317,761
Maintenance fee	4,813,125	-
Registration fee	2,429,750	-
Student ID	971,100	1,477,210
Student Medical fee	14,469,250	6,865,950
Tuition fees	331,071,662	371,893,758
	<b>422,498,337</b>	<b>406,015,232</b>
<b>5 Rental income</b>		
Accommodation Fees	11,058,336	7,610,292
Hire of Halls	415,000	529,400
Hire of Transport	181,000	-
House Rent	5,053,933	3,702,000
Hire of Sports Equipment	101,500	-
	<b>16,809,769</b>	<b>11,841,692</b>
<b>6 Financial income</b>		
Commission earned	1,255,475	1,112,231
	<b>1,255,475</b>	<b>1,112,231</b>
<b>7 Other incomes</b>		
Application fee	3,158,970	3,423,550
Catering income	14,534,256	15,490,940
Graduation fee	3,559,220	-
Library fine	377,197	420,639
Sale of water	197,650	381,962
Tendering charges	23,000	210,800
Nursery income	642,480	769,085
Canteen income	3,183,796	3,734,450
Farm income	1,427,185	2,451,799
Workshops and seminars	437,388	822,110
	<b>28,945,881</b>	<b>27,705,335</b>

<b>8 Staff costs</b>		
a) Key Management Staff	56,899,389	53,256,200
b) Other Staff	520,668,737	521,267,133
<b>Total Payroll Expenses(a+b)</b>	<b>577,568,126</b>	<b>574,523,333</b>
Medical expenses	27,497,230	27,458,394
Staff development	7,460,889	3,100,496
Office entertainment	2,251,246	2,370,596
Provision of tax	-	4,907,720
Parttime payments	92,059,806	62,008,575
<b>Staff Costs</b>	<b>706,837,296</b>	<b>674,369,114</b>
<b>9 General expenses</b>		
Admission related expenses	668,494	486,965
Accredation expenses	2,925,884	444,100
Advertising and publicity	10,106,230	5,622,159
Bill boards and rates	153,150	-
Anti corruption expenses	47,400	-
Auditing expenses	806,879	678,452
Baseline surveys	669,492	1,044,570
Bank charges/commisisions	802,354	513,980
Book allowance	-	1,753,200
Canteen expenses	3,521,220	2,613,771
Cleaning materials	1,888,521	2,353,398
Committee expenses	4,906,504	2,570,052
Computer expenses	3,444,299	6,824,808
Confernce and Seminars	922,566	2,974,977
Cooking fuel/gas	1,489,027	1,901,404
Professional & legal services	1,553,000	6,200,346
Dairly Expenses	958,164	680,813
Chancellors expenses	545,330	1,358,055
Electricity expenses	13,439,983	11,261,809
Examination material	2,009,888	5,673,814
Supervision of thesis	8,502,727	2,144,960
Graduation expenses	8,010,249	7,825,187
Ict expenses	1,475,911	1,802,881
Insuarance Expenses	8,708,672	5,269,367
Internet access and services	4,897,212	3,100,982
Iso certification expenses	659,340	1,902,262
Rent and leases	18,011,737	21,364,782
Library expenses	1,498,724	603,364
Outreach programmes	1,962,898	229,356
Performance Contract	1,051,903	625,814
Postal telegram	905,256	1,624,410
Purchase of foodstuffs	19,391,019	21,945,451
Sanitary fumigation expenses	1,527,391	839,200
Security services	8,415,412	8,323,571
Senate expenses	446,605	528,790
Shows/exhibition expenses	4,901,251	2,251,528
Special needs Expenses	2,053,380	2,800,864
Sports & games	1,688,594	1,536,232
Stationery others	7,789,554	5,300,411
Students activities	4,829,108	4,483,958
Teaching materials	2,214,695	974,212
Teaching Practise and Field works	5,768,056	3,257,158
Telephone expenses	2,146,896	4,343,759
Transport Operating Expenses	9,451,655	14,003,622
Travelling and accomodation	12,171,099	12,303,626
Uniforms and clothing	1,451,094	300,512
Water and conservancy	1,101,077	1,865,612
<b>Total General Expenses</b>	<b>191,889,902</b>	<b>186,508,544</b>

	Kshs	Kshs
<b>10 Maintenance and Repairs</b>		
Plant and Equipment	2,751,140	1,873,171
Refurbishment of Buildings	11,587,735	7,163,686
	<u>14,338,875</u>	<u>9,036,857</u>
<b>11 Depreciation expense</b>		
Depreciation for the year	37,761,250	24,841,616
	<u>37,761,250</u>	<u>24,841,616</u>
<b>12 Research expenses</b>		
Who malaria project	16,322,956	5,250,101
Kappap	4,135,619	2,338,523
Icld project	3,319,808	1,518,590
Dkk kobenhavens	4,892,634	
Hortinlea project	677,600	749,754
Klip project	15,347,867	2,915,515
Ipas project	1,845,989	1,600,370
Nacosti	286,000	
Uhiv project	2,513,610	
Other grants	9,760,325	5,406,534
Research administrative expenses	4,055,853	-
University rearch Activities	1,130,817	-
	<u>64,289,078</u>	<u>19,779,387</u>
<b>13 Council expenses</b>		
Honararium	1,044,000	1,044,000
Travel and Subsistance& Others	2,872,573	2,192,400
Sitting allowance	2,240,000	3,211,000
	<u>6,156,573</u>	<u>6,447,400</u>
<b>14 Gains on Exchange Transactions</b>		
Interest on exchange transactions	3,577,848	121,189
	<u>3,577,848</u>	<u>121,189</u>
<b>15 Gains on revaluations</b>		
Gains on revaluation	62,000	195,000
	<u>62,000</u>	<u>195,000</u>

16	<b>Cash and Cash Equivalents</b>	<b>Kshs.</b>	<b>Kshs.</b>
	Equity Bank JOOUST Project ac 0750 261 507 711	363	1,146,950
	Barclays JOOUST Dollar account 2024 513 516	29,089,430	7,797,958
	Cooperative Bank JOOUST Pension 01100 2951 70500	174,677	187,571
	CooperativeBank JOOUST Fee Collection 112 92557	14,162,688	9,608,912
	Equity Bank JOOUST Fee Collection 07502 9423 9156	34,710,076	9,937,644
	Equity Bank JOOUST PSSP 1260 2997 51272	20,380,267	21,789,881
	KCB JOOUST Current 111 576 6643	7,952,147	40,805
	KCBJOOUST Development Account 111 387 3035	729,617	14,490,004
	KCB JOOUST Helb Account 111 712 2409	4,502,883	8,123,525
	KCB JOOUST KAAPAPAccount 114 9187 859	382	4,047,945
	Kcb JOOUST Recurrent Account 111 304 6066	5,327,276	39,193,214
	KCB JOOUST Towa Account 113 1897 390	427	1,647
	Equity Bank JOOUST Mistra Account 0755298895695	874,029	272,696
	Equity Bank JOOUST Dollar Account 0750299070880	2,686	2,686
		<b>117,906,948</b>	<b>116,641,43</b>
<b>17</b>	<b>Receivables from exchange transactions</b>		
	Students Debtors	145,639,788	117,060,43
	Imprest Debtors	9,163,190	4,121,337
		<b>154,802,978</b>	<b>121,181,77</b>
<b>18</b>	<b>Receivables from non- exchange transactions</b>		
	Deposits KPLC co ltd	389,000	320,000
	Internal debtors	106,432	-
	Contractor debtors	-	4,550,312
	Government grants receivables	42,116,459	-
	Medical deposits	1,000,000	1,000,000
		<b>43,611,891</b>	<b>5,870,312</b>
<b>19</b>	<b>Inventories</b>		
	Stocks Maintenance stores	2,839,657	1,696,147
	Stocks canteen	157,098	102,400
	Stocks stationery	4,047,661	2,930,221
	Stocks medical drugs reagents & others	283,752	828,952
	Stocks cleaning materials	205,565	702,934
	Stocks food stuff	663,599	977,845
		<b>8,197,331</b>	<b>7,238,498</b>
<b>20</b>	<b>Biological assets</b>		
	Biological assets	660,000	598,000
		<b>660,000</b>	<b>598,000</b>
	These assets relate to dairy cattle kept by the University for purposes of teaching and training in the School of Food		
<b>21</b>	<b>Intangible assets</b>		
	Computer software Intangible assets	3,095,160	3,095,160
	Management information system	4,419,139	-
		<b>7,514,299</b>	<b>3,095,160</b>

The ERP system that qualifies for classification under Intangible Asset is still under implementation and therefore no amortization provision has been made in this financial year.

Property Plants and Equipment

22 Property Plants and Equipment										
Property Plants and Equipment										
Current year	Land	Buildings	Work in Progress	Motor Vehicles	Plant & Equipment	Crockery's	Library Books	Computers	Furniture & Fittings	Total
<b>Cost</b>										
At 1 July 2013	30,379,760	207,503,952	1,224,694,694	46,984,843	34,121,449	873,064	15,666,989	16,118,226	25,206,108	1,601,549,085
Additions			168,805,112	7,862,948	5,518,205	-	4,005,313	5,154,754	9,741,755	201,088,087
At 1 July 2014	30,379,760	207,503,952	1,393,499,806	54,847,791	39,639,654	873,064	19,672,302	21,272,980	34,947,863	1,802,637,172
Additions	-		107,910,954	6,200,000	10,904,784	160,000	7,304,643	10,607,690	4,052,519	145,917,061
Transfer		35,734,944	(35,734,944)							-
<b>At 30 June 2015</b>	<b>30,379,760</b>	<b>243,238,896</b>	<b>1,465,675,815</b>	<b>61,047,791</b>	<b>50,544,438</b>	<b>1,033,064</b>	<b>26,976,945</b>	<b>31,880,670</b>	<b>39,000,382</b>	<b>1,948,554,233</b>
<b>Depreciation</b>										
At 1 July 2013	-	15,537,699	-	31,132,621	14,088,710	873,064	5,062,515	13,144,284	7,950,544	87,789,437
Charge for the year		4,799,156		5,928,793	5,110,189	-	2,921,957	2,706,856	3,374,665	24,841,616
At 1 July 2014		20,336,855		37,061,414	19,198,899	873,064	7,984,472	15,851,140	11,325,209	112,631,053
Charge for the year		6,080,972		5,854,184	8,533,085	53,328	5,794,290	6,570,343	4,875,048	37,761,250
<b>At 30 June 2015</b>	<b>26,417,827</b>	<b>26,417,827</b>	<b>-</b>	<b>42,915,598</b>	<b>27,731,984</b>	<b>926,392</b>	<b>13,778,762</b>	<b>22,421,483</b>	<b>16,200,257</b>	<b>150,392,303</b>
<b>At 30 June 2015</b>	<b>30,379,760</b>	<b>216,821,069</b>	<b>1,465,675,815</b>	<b>18,132,193</b>	<b>22,857,742</b>	<b>106,672</b>	<b>12,000,367</b>	<b>9,388,187</b>	<b>22,800,125</b>	<b>1,798,161,930</b>
At 1 July 2014	30,379,760	187,167,097	1,393,499,806	17,786,377	20,440,755	-	11,687,830	5,421,840	23,622,654	1,690,006,119

23	Trade and Other Payables	Kshs.	Kshs.
	Payables from provision of Goods	(62,326,008)	(76,077,063)
	Payables from provision of Services		(5,865,063)
	Provision for tax and Penalties	(4,907,720)	(4,907,720)
		<b>(67,233,728)</b>	<b>(86,849,846)</b>
24	<b>Employee Benefit Obligations</b>		
	Insurance Claims	(4,820,640)	<b>(4,820,640)</b>
	Part-time claims	(13,085,800)	<b>(17,419,700)</b>
		<b>(17,906,440)</b>	<b>(22,240,340)</b>
25	<b>Refundable Deposits from</b>		
	Students caution money	(9,550,825)	(6,831,025)
		<b>(9,550,825)</b>	<b>(6,831,025)</b>
26	<b>Deferred Income</b>		
	WHO Malaria Project	(13,785,266)	(5,843,399)
	KAAPAP	(503,876)	(2,178,675)
	ICLD Project	(1,664,156)	(1,518,590)
	DKK Kobenhavens	(3,300,180)	(1,356,414)
	Hortinlea project	(518,405)	(82,958)
	KLIP ECOTOURISM Project	(840,678)	(2,143,956)
	IPAS Project	(1,154,487)	(188,675)
	NACOSTI	(4,974,465)	(374,000)
	UHIV Project	(1,093,043)	
	Health Sector Support Project	(3,307,815)	
	Other Grants	(2,641,383)	(2,569,623)
		<b>(33,783,754)</b>	<b>(16,256,290)</b>
27	<b>Prepayments and Deposits</b>		
	Students prepaid fees	(54,005,305)	(63,081,386)
		<b>(54,005,305)</b>	<b>(63,081,386)</b>
28	<b>Capital Grants Reserve</b>		
	Capitation development grant	(182,626,667)	(152,568,306)
	Equity	(1,669,484,071)	(1,516,915,765)
	Reserve	(96,264,586)	(79,888,343)
		<b>(1,948,375,324)</b>	<b>(1,749,372,414)</b>

29. The capital reserve relates to items of property, plant and equipment developed from capital grants from the National Government, inherited from the former Bondo teachers Training College and other transfers from revenue reserves on purchase of additional assets. This is stated after accumulating subsequent capital grants from the National Government.

30. Contingent Liabilities

The University had no contingent liabilities in the year (2014-Nil).

31. Related Party Disclosures

	2015 Kshs.	2014 Kshs.
i) The University is a single entity without controlling interest in any other entity and as such did not trade in that respect.		
ii) Council expenses' relates to facilitative allowances paid to members during attendance of meetings as per the calendar of activities. The expenses as per note 13 are	6,156,078	6,447,400
I) Key Management Remuneration		
These relate to payment of salaries and gratuities	56,899,389	53,256,200

32. Financial Risk Management

The University's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The University's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

The University's financial risk management objectives and policies are detailed below:

(i) Credit risk

The University has exposure to credit risk which is the risk that a counterparty to a financial instrument will be unable to pay amounts in full when due thus causing a financial loss. Credit risk arises from cash and cash equivalents and trade receivables.

Credit risk on trade receivables is managed by ensuring that credit is extended to customers and students with established credit history. Credit is managed by setting the credit limit and the credit period for each category of customer. These parameters are monitored by the University Management Board on a monthly basis.

The carrying amount of financial assets recorded in the financial statements representing the University's maximum exposure to credit risk is made up as follows:

30th June 2015	Fully Performing Kshs.	Past Due but not impaired Kshs.	Past due and impaired Kshs.	Total Kshs.
<b>Financial Assets</b>				
Receivables from Exchange Transactions	154,802,978			154,802,978
Receivables from Non-Exchange Transactions	43,611,891			43,611,891
Cash at Bank	117,906,948			117,906,948
<b>Gross financial assets</b>	<b>316,321,817</b>	-	-	<b>316,321,817</b>

30th June 2014	Fully Performing Kshs.	Past Due but not impaired Kshs.	Past due and impaired Kshs.	Total Kshs.
<b>Financial Assets</b>				
Receivables from Exchange Transactions	121,181,774			121,181,774
Receivables from Non-Exchange Transactions	5,870,312			5,870,312
Cash at Bank	116,641,438			116,641,438
<b>Gross financial assets</b>	<b>243,693,524</b>	-	-	<b>243,693,524</b>

The credit risk associated with these receivables is minimal hence no allowance for uncollectible amounts has been recognised in the financial statements.

(ii) Market risk

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

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market price and comprises three types of risks: currency risk, interest rate risk and other price risk.

**(a) Foreign currency risk**

Foreign currency exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the university's functional currency. The university primarily transacts in the Kenya shilling and its assets and liabilities are denominated in the same currency. The university's exposure to foreign currency risk is minimal.

Year ended 30th June 2015	US\$ Kshs.	Total Kshs.
<b>Financial Assets</b>		
Trade Receivables.	29,092,116	29,092,116
Trade Payables	-	-
Borrowings	-	-
<b>Net Exposure</b>	<b>29,092,116</b>	<b>29,092,116</b>
<b>Year ended 30th June 2014</b>	<b>US\$ Kshs.</b>	<b>Total Kshs.</b>
<b>Financial Assets</b>		
Trade Receivables.	7,800,644	7,800,644
Trade Payables	-	-
Borrowings	-	-
<b>Net Exposure</b>	<b>7,800,644</b>	<b>7,800,644</b>

Management consider that an appreciation /depreciation of the US\$ against Kshs. are reasonably possible and that a change of 5% either way of the current rate of Kshs. 100 for 1US\$ is likely to occasion a loss or gain of Kshs. 1,454,605 on the surplus for the year ended 30<sup>th</sup> June 2015.

**(b) Interest rate risk**

Interest rate risk is the risk that the University's financial condition may be adversely affected as a result of changes in interest rate levels. The University's interest rate risk arises from deposits with financial institutions. This exposes the University to cash flow interest rate risk.

**Management of interest rate risk**

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

**Sensitivity analysis**

The University analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Using the end of the year figures, the sensitivity analysis indicates no impact on the statement of financial performance. This is due to the fact that at the end of the financial year there was no investment that would be affected by fluctuations in the interest rates.

**(iii) Price risk**

The University does not hold investments that would be subject to price risk; hence this risk not relevant.

**33. Statement of Debts Guaranteed By the National Treasury.**

The Council reiterates that as at 30<sup>th</sup> June, 2015, there were no borrowings that were guaranteed by the National Treasury as required by Sec 81(2)(c) of the Public Finance Management Act No. 18 of 2012

**34. Leases Arrangements.**

The University continues to lease property in places where it operates but do not own the property. Currently the University has a presence in Kisumu City, Kisii Town, Nairobi City, Busia Town, Nambale Town, and Kendu Bay Town. The University has secured operating leases paid for within the financial year for period ranging from 2 to 5years. The Council will continue to ensure that all requirements with respect to offering university education are met by all rented facilities.

**35. Events after the end of the reporting period.**

There was no major even that took place after the balance sheet date that would significantly affect the value of the balance sheet.

**36. Research Grants Reconciliation**

Research Grants are receivable from institutions both local and foreign that have entered into funding agreements for purposes of furtherance of areas of common interest in training, research and community outreach activities. The terms of these grants are as specified in the agreements.

Research Grants Reconciliation

Grant Description	Opening	Additions	Expenses & Recognized	Closing
	Kshs.	Kshs.	Kshs.	Kshs.
WHO Malaria Project	5,843,399	24,264,823	16,322,956	13,785,266
KAAPAP	2,178,675	2,460,820	4,135,619	503,876
ICDL project	1,518,590	3,465,374	3,319,808	1,664,156
DKK kobenhavens	1,356,414	6,836,400	4,892,634	3,300,180
Hortinlea project	82,958	1,113,047	677,600	518,405
KLIP ECOTOURISMproject	2,143,956	14,044,589	15,347,867	840,678
IPSAS project	188,675	2,811,801	1,845,989	1,154,487
NACOSTI	374,000	4,886,465	286,000	4,974,465
UHIV project		3,606,653	2,513,610	1,093,043
Other grants	2,569,623	13,139,900	9,760,325	5,949,198
Central Admin			5,186,670	
	<b>16,256,290</b>	<b>76,629,872</b>	<b>64,289,078</b>	<b>33,783,754</b>

*xviii. Progress on follow up of Auditor Recommendations*

In the year ending 30<sup>th</sup> June 2014, the University had unqualified report and hence there were no issues raised by the external auditor. The University however continues to enhance its Internal Control measure for continuous improvement of its service delivery.



Vice-Chancellor

Date... **7 / 09 / 2015** .....



Chairman of the Council

Date... **7 / 09 / 2015** .....



*A Statement of Performance Against Predetermined Objectives*

Pursuant to sec 81 (2) (f) of the Public Finance Management Act No. 18 of 2012 the University wishes to report on the objectives that it set out to achieve in the FY 2014/2015 as spelt out in the year's budget statement.

The Council of JOOUST in approving the FY 2014/2015 Budget set out to achieve the following objectives in pursuit of its mandate as par the Universities Act No. 42 of 2012.

*Strategic Objectives*

In the 2014/15 Financial Year JOOUST will focus on the following strategic objectives as set out in the Strategic plan:

- Achievement of sustainable institutional growth and development
- Enhancement of the provision of high quality education and training
- To conduct innovative research as the vanguard of social, scientific and technological development
- Carry out community outreach programmes targeted at socio-economic empowerment.

*Short-term objectives*

By the end of the 2014/15 financial year the University will have pursued the following specific objectives in order to achieve its strategic objectives as spelt above;

- Completed construction of an Ultra-Modern Library,
- Constructed the Engineering Workshops and Lecture Theaters,
- Initiated the construction of Modern Tuition Block,
- Recruited staff to fill the staff establishment for the advancement of quality university education,
- Procured facilities and equipment,
- Staff training and Development

*Actual reported performance*

The Council implemented its programmes in the FY 2014/2015 with varying degrees of success. The actual performance as per the short-term objectives is as outlined below:

*i) Construction of Ultra-Modern Library*

The construction of the library in the year reported 40% completion rate which was slightly above the target of 35%. This was attributed to prudent utilization of availed development resources and closer project management.

*ii) Construction of Engineering Workshops and Lecture Theatres*

The University did not commence the construction of this project due to lack of adequate development resources. The development allocation for the year was divided amongst the on-going projects namely; the Student Hostel, the Teaching and Research Laboratories and the Ultra-Modern Library.

*iii) Commence construction of Modern Tuition Block*

The Council owing to constraint in raising development funds did not commence the construction of this project. However, efforts are on to source for resources to ensure that in the coming year the project starts. This project is crucial in meeting the National Government policy of widening access to University Education.

*iv) Recruitment of skilled staff*

The Council did in the year continue to recruit staff in order to improve on service delivery. A number of academic staff was recruited to incrementally build capacity in the faculty. This has seen improvement in the quality of programme content delivery. The University will continue to look at key priority areas in order to recruit core staff as stipulated in the various segments establishment.

*v) Facilities and Equipment Acquisition*

The Council acquired additional property, plant and equipment if the FY amounting to Kshs. 201,088,087. These included purchase of motor vehicles, computers, plant and equipment and library books. This ensured continued service delivery in the pursuit of our strategic objectives. Additionally, the Council continued to maintain existing and leased facilities to ensure effective service delivery.

*vi) Staff training and development*

The Council continued with capacity building of its staff in order to ensure new skills acquisition and retooling of the faculty and the technical and administrative staff. A total of Kshs. 7,460,889 was spent on this critical objective. The areas of training included but not limited to; risk management, grant proposal writing, financial reporting, customer care, secretarial effectiveness.

In conclusion, the University continued to register growth in key areas of operations. The above performance helped increase the student numbers enrolled in our academic programmes from 7,000 in 2013/2014 to 8,317 in 2014/2015. This growth shall be sustained to ensure that the University realizes the strategic objectives laid out in the Strategic Plan together with Master Plan.

## Academic Programmes

Jaramogi Oginga Odinga University of Science and Technology invites applications from qualified candidates to pursue various **Postgraduate, Undergraduate, Diploma and Certificate Programmes** at its various campuses and centres: Main Campus in Bondo Town, Siaya County; Kisumu Campus in Kisumu Town; Kisii Campus in Kisii Town; Busia Learning Centre in Busia Town; Dr Robert Ouko Campus in Muhoroni; Nambale Campus In Nambale Town and Kosele/ Kendu Bay Learning Centre in Kosele and Kendu Bay Town respectively.

### SCHOOL OF AGRICULTURE AND FOOD SCIENCES

- \* **Bachelor of Science In:** Agribusiness Management; Food Security; Soil Science; Horticulture; Plant Breeding or Agricultural Education and Extension
- \* **Master of Science** in Agricultural Extension Education
- \* **PhD** in All Agricultural Related Areas

### SCHOOL OF BIOLOGICAL AND PHYSICAL SCIENCES

- \* **Bachelor of Science in:** Biology, Chemistry, Physics
- \* **Master of Science in:** Plant Ecology; Plant Taxonomy And Economic Botany; Microbiology; Parasitology; Immunology ; Molecular Biology; Entomology; Plant Pathology; Chemistry
- \* **PhD in:** Plant Ecology; Plant Taxonomy and Economic Botany; Microbiology; Parasitology; Immunology ; Molecular Biology; Entomology; Plant Pathology; Agro-Forestry Chemistry

### SCHOOL OF BUSINESS AND ECONOMICS

- \* **Master of** Business Administration
- \* **Master of** Logistics & Supply Chain Management
- \* Executive Masters of Business Administration
- \* **Bachelor of** Business Administration (With IT)
- \* **Bachelor of** Logistics and Supply Chain Management
- \* **Diploma** in Tourism Management or Business Administration
- \* **Certificate** in Business Administration or Tourism Management

### SCHOOL OF EDUCATION

- \* **Master of Education in:** Planning and Economics of Education; Guidance and Counseling ; Educational Psychology; Educational Administration; Curriculum Studies; Pedagogy; Educational Technology; Special Needs Education; Early Childhood Development and Education
- \* **PhD** (in all above related areas)
- \* **Bachelor of Education** (Arts) with IT
- \* **Bachelor of Education** (Science) with IT
- \* **Bachelor of Education** in Early Childhood Development and Education
- \* **Bachelor of Education** (Special Needs Education) with IT
- \* **Diploma in:** Special Needs Education or Early Childhood Education

### SCHOOL OF ENGINEERING AND TECHNOLOGY

- \* **Diploma** in Building and Civil Engineering
- \* **Bachelor of Science in:** Construction Management or Renewable Energy and Technology Management

### SCHOOL OF HEALTH SCIENCES

- \* **PhD in:** Public Health or Community Health Development
- \* **Master of Science** in Epidemiology and Biostatistics
- \* **Master of Biomedical Sciences in:** Medical Entomology; Parasitology or immunology
- \* **Master of** Public Health
- \* **Bachelor of Science in:** Community Health and Development or Public Health
- \* **Diploma** in Community Health and Development
- \* **Certificate** in Community Health and Development

### SCHOOL OF HUMANITIES AND SOCIAL SCIENCES

- \* **PhD** in Geography; Religion; History; Linguistics or Literature
- \* **Master of Arts** in Geography; Religion; History; Linguistics or Literature; Kiswahili
- \* **Bachelor of Arts** in Development and Policy Studies
- \* **Bachelor of Arts** in Geography and Natural Resource Management
- \* **Diploma** in Community Development

### SCHOOL OF INFORMATICS AND INNOVATIVE SYSTEMS

- \* **PhD** in Business Information Systems
- \* **PhD** in Information Technology and Audit
- \* **Master of Science in:** Information Systems; Information Technology Management; Information Technology Security and Audit; Health Informatics
- \* **Bachelor of Science in:** Computer Security and Forensics; Information Communication Technology; Business Information Systems; Library and Knowledge Management; Computer Science and Technology
- \* **Diploma in:** Linux for Engineering and IT Professionals; Computer Studies or Computer Technology and Application Studies
- \* **Executive Certificate** in Computer Forensics and Cyber Crime Investigations
- \* **Certificate** in Computer Technology Applications
- \* **Computer Packages**

### SCHOOL OF MATHEMATICS AND ACTUARIAL SCIENCE

- \* Bridging Course in Mathematics
- \* **Bachelor of Science** (Actuarial Science) with IT Industrial Mathematics; Pure Mathematics or Applied Statistics
- \* **Master of Science** in Applied Statistics; Actuarial Science; Mathematics; Applied Mathematics; Industrial Mathematics; Financial Mathematics
- \* **PhD in:** Pure Mathematics; Applied Mathematics or Statistics

### SCHOOL OF SPATIAL PLANNING AND NATURAL RESOURCE MANAGEMENT

- \* **PhD** in Planning
- \* **Master of Science** in Urban Environment Planning and Management
- \* **Master of Arts** (Project Planning and Management)
- \* **Bachelor of Arts** (Spatial Planning)
- \* **Bachelor of Science** in Water Resource and Environmental Management



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*Oasis of Knowledge*