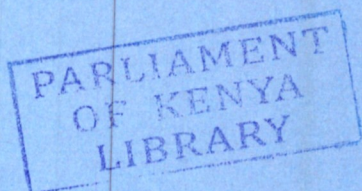


REPUBLIC OF KENYA

02 OCT 2018



OFFICE OF THE AUDITOR-GENERAL



**REPORT**

PAPER HAND BY THE  
MAJORITY PARTY WITH  
HON BENJAMIN  
WASHALI, CBS, MP ON  
2ND OCTOBER 2012  
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**OF**

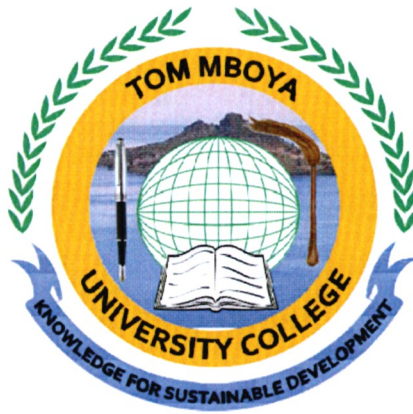
**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
TOM MBOYA UNIVERSITY  
COLLEGE**

**FOR THE FIFTEEN (15) MONTHS PERIOD  
ENDED 30 JUNE 2017**





**TOM MBOYA UNIVERSITY COLLEGE**  
(A CONSTITUENT COLLEGE OF MASENO UNIVERSITY)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 15 MONTHS ENDING  
JUNE 30<sup>TH</sup> 2017**

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

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## FUNDAMENTAL STATEMENTS OF THE UNIVERSITY

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### *Vision*

*A leading institution in societal transformation for sustainable growth*

### *Mission*

*To transform society through innovation, knowledge creation, application and outreach*

### *Philosophy*

*In association with the brand name Tom Joseph Mboya, Tom Mboya University College (TMUC) believes in limitless access to university education, global reach in scholarship, technological advancement and innovations for the good of society.*

### *Core Values*

*Tom Mboya University College shall be guided by the provisions of article 10 of the Kenya constitution with emphasis on:*

*Excellence and Quality*

*Accountability and Efficiency*

*Integrity and Transparency*

*Coexistence and Inclusivity*

## I. KEY INFORMATION AND MANAGEMENT

### (a) Background information

Tom Mboya University College was established under the Universities Act, No. 42 of 2012 through Legal Order No 55 of April 16<sup>th</sup> 2016 as a constituent college of Maseno University. At Cabinet level, the University College is represented by the Cabinet Secretary for Education who is responsible for the general policy and strategic direction of the University College.

The Institution has got six (6) schools:

- School of Education (SEDU.)
- School of Business & Economics (SBE.)
- School of Agriculture & Food Security (SAFS.)
- School of Arts & Social sciences (SABS.)
- School of Biological & Physical Science (SBPS.)
- School of Maths, Actuarial Science & Computing (SMAÇ.)

### (b) Principal Activities

The principal activity of the entity is to offer high quality training, carry out innovative research and community outreach programmes for sustainable socio-economic development summarised in the strategic and short term objectives below:

- To promote academic excellence through scholarship and quality teaching.
- To promote research and extension by participating and attracting research funds and disseminations.
- To attract, head hunt, recruit and retain competent human capital.
- To establish a strong capital and financial base through increasing relevant and quality programs, increasing access to SSP and Income Generating Activities.
- To develop, grow and maintain physical facilities/buildings and general infrastructures.
- To enhance corporate image and social responsibility through extension and outreach programs.
- To promote Coexistence, Inclusivity, Equity and Social justice.

### (c) Key Management

The Key Management personnel who held office during the financial year ended 30<sup>th</sup> June 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Principal	Prof. Charles O. Ochola
2	Dean Sch. Of Agriculture	Prof. Mathews Mito Dida
3	Dean Sch. Of Education	Prof. Enose M. W. Simatwa
4	Dean Sch. Of Business	Dr. Alphonse J. Odondo
5	Ag. Finance Officer	CPA. Kenneth K. Koech
6	Ag. Registrar	Mr. Peters T. O. Afullo

**(d) Fiduciary Oversight Arrangements**

Commission for University  
Parliament Education Committee  
Finance, Planning and Investment Committee  
Audit and risk Management Committee

**(e) University College Address**

P.O.BOX 199-40300  
**HOMA-BAY**  
**KENYA**

**(f) University College Contacts**

Telephone: (254) 059-20090/20091  
E-mail: [principal@tmuc.ac.ke](mailto:principal@tmuc.ac.ke)  
Website: [www.tmuc.ac.ke](http://www.tmuc.ac.ke)

**(g) Bankers**

Kenya Commercial Bank Ltd  
Homa-Bay Branch  
P. O. Box 368-40300  
**HOMA-BAY, KENYA**

Equity Bank Ltd  
Homa-Bay Branch  
P.O.Box 366-40300  
**HOMA-BAY, KENYA**

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
**NAIROBI, KENYA**

## II MEMBERS OF THE UNIVERSITY COUNCIL



**Dr. Augusta N. Abate-Chair of Council**

**Date of Birth:** 20<sup>th</sup> December 1952

Dr. Augusta N. Abate is the Chair of the Council. She is currently the Director, Dairy & Food Safety at Diamond V an organization that specializes in Nutrition and Health. She previously worked as the Assistant Representative in Charge of Kenya Programme at Food and Agriculture Organization (FAO) of the United Nations and also as an Assistant Director at Kenya Agricultural Research Institute (KARI). She holds a Bachelor of Science Degree in Agriculture and Master of Science in Animal Production from the University of Nairobi and PhD from the University of Aberdeen, Scotland.



**Ms. Esther D. Kodhek-Council Member**

**Date of Birth:** 1<sup>st</sup> November 1969

Ms. Esther D. Kodhek is a member of the council. She is a Socio-Economist Development Practitioner with 25 years' experience on organizational development, Program compliant, financial management and administration. Esther is currently the Country Director-Cordaid Kenya Office. She's responsible for the development of new programs and program sites. She has previously served as the Director of Program at CIC, Regional Director at COHRE, Assistant Program Unit Manager at Plan International and Projects Officer at Christian Children' Fund(CCF). She holds a Bachelor of Arts Degree from Egerton University and a Master of Arts in Urban Management from the University of Nairobi.



**Mr. Elijah N. Ileri –Council Member**

**Date of Birth:** 7<sup>th</sup> July 1965

Mr. Elijah N. Ileri is currently a lecturer in Law at Kabarak University where he also doubles as the Coordinator for Dissertation writing. He is an Advocate of the High Court of Kenya and a Managing Partner of Ileri & Co. Advocates where he has practiced law for over 25 years. He has served as Director of Kenya Co-operative Creameries, Council member and Treasurer of Kenya section of International Commission of Jurists. Mr. Ileri holds a Bachelor of Laws (LLB) and Master of Laws (LLM) Degrees from the University of Nairobi and a Post Graduate Diploma from Kenya School of Law.

## II MEMBERS OF THE UNIVERSITY COUNCIL(Continued)

### CPA Jones M. Kimeu-Council Member



CPA Jones M. Kimeu is a member of the Council. He is currently the Managing Director at Gamax Consulting Ltd in charge of Strategy and Business Development. He has gained a wealth of experience having worked as the Director/Risk Management & Internal Audit at Communications Authority of Kenya, Moore Stephens International (Zain), The Standard Group Ltd, PKF and PricewaterhouseCoopers.

Mr. Kimeu holds a Bachelor of Commerce degree in Accounting from the University of Nairobi, MBA from Strathmore University, Fellow of the Association of Chartered Accountants (FCCA, UK), member of ISACA, Certified Information Systems Auditor (CISA) and Certified Public Accountant of Kenya (CPAK). He is also Trained Trainer, Associate Consultant and regular facilitator with a number of Professional Associations.

### Dr. Barrack G. Otieno-Council Member



**Date of Birth:** 16<sup>th</sup> November 1977

Dr. Barrack G. Otieno is a member of the Council. He is currently working as a Consultant in Food security and livelihoods and also as the Co-ordinator of Borlaug Higher Education for Agricultural Research and Development. He has previously served as the Program Manager, Borlaug Institute of International Agriculture, Texas A & M University-Dr. John Garang Memorial University Program, Bor South Sudan, VSF Germany Programs Manager Jonglei & Upper Nile States, South Sudan, and Senior Livestock Officer Lake Basin Development Authority (LBDA) Kenya. He holds a Bachelor of Veterinary Medicine (BVM) from the University of Nairobi and Master of Science in Agriculture & Rural Development from Kenya Methodist University.

### Ms. Emma C. Rono-Council Member



**Date of Birth:** 1<sup>st</sup> July 1975

Ms. Emma C. Rono is a member of the Council. She is currently serving as a programme Officer at the Training Division of African Economic Research Consortium (AERC). Previously she served as a Senior Microfinance Officer at the Co-operative Bank of Kenya Ltd. She holds a Bachelor of Education Degree in Accounting and Economics from the University of Nairobi, MPhil in Development Finance from the University of Stellenbosch, South Africa and Diploma in Micro Finance from Strathmore University.

## **II MEMBERS OF THE UNIVERSITY COUNCIL(Continued)**



### **Mr. Johnson MainaMwangi–Council Member**

**Date of Birth:** 20<sup>th</sup> December 1968

Mr. Johnson MainaMwangi is a member of the Council representing the Cabinet Secretary, National Treasury. He is currently the Deputy Director, Macro and Fiscal Affairs Department in the National Treasury. He has served as an Economist for 23 years in various Government Ministries including Office of the Vice President and Ministry of planning and National Development, Ministry of Environment and Natural Resources, Ministry of Education, Science and Technology, Ministry of Health and the National Treasury. He holds a Bachelor of Arts in Economics and Master of Arts in Economics degrees from the University of Nairobi.



### **Mr. Ezra O. Magati–Council Member**

**Date of Birth:** 10<sup>th</sup> October 1963

Mr. Ezra O. Magati is a member of the Council Representing the Principal Secretary in the State Department for University Education. Mr. Magati works as a Finance officer at the Ministry of Education, State Department for University Education. He holds Bachelor of Commerce degree and an MBA from Mohanlal Sukhadhia University.



### **Prof. Julius O. Nyabundi–Council Member**

**Date of Birth:** 3<sup>rd</sup> August 1954

Prof. Julius O. Nyabundi is a member of the Council. Prof. Nyabundi is currently the Vice-Chancellor of Maseno University. He previously served as the Principal of Murang'a University College, Acting Deputy Vice-Chancellor, Administration, Finance and Development at Maseno University, Dean School of Agriculture and Food Security, Director Maseno University Botanic Garden, Managing Director Chemelil Sugar Company, Director Students Welfare Services, Dean Faculty of Science, Head Department of Horticulture, and Head of Department of Environmental Studies. He holds a Bachelor of Science in Agriculture and Master of Science in Agronomy from the University of Nairobi and a Ph.D. in Ecology from the University of California. He is a Professor in the Department of Horticulture at Maseno University.

## II MEMBERS OF THE UNIVERSITY COUNCIL(Continued)



**Prof. Charles O. Ochola-Council Member**

**Date of Birth:** 8<sup>th</sup> January 1961

Prof. Charles O. Ochola is a member of the Council and Principal of Tom Mboya University College. He has previously served as Director Students Welfare Services at Maseno University for Nine years, Co-ordinator of Evening/Parallel programmes, Chairman Department of Sociology at Maseno University, and National Council for population and Development. He has served in the various Committees within the University Administrative structure. Prof. Ochola is accomplished scholar and a Professional Social Demographer. He holds Bachelor of Arts Degree in Geography and Master of Arts in Population Studies from the University of Nairobi and PhD in Demography from the University of Liverpool.

### III MANAGEMENT TEAM



**Prof. Charles O. Ochola**

Prof. Charles O. Ochola is the Acting Principal of Tom Mboya University College. He has previously served as Director Students Welfare Services at Maseno University for Nine years, Co-ordinator of Evening/Parallel programmes, Chairman Department of Sociology at Maseno University, and National Council for population and Development. He has served in the various Committees within the University Administrative structure. Prof. Ochola is accomplished scholar and a Professional Social Demographer. He holds Bachelor of Arts Degree in Geography and Master of Arts in Population Studies from the University of Nairobi and PhD in Demography from the University of Liverpool.



**CPA Julius Okoth Otieno,**

Mr. Julius Okoth Otieno is the Ag. Finance Officer. He has over 17 years' experience having worked as the Bursar, College of Education & External Studies, Senior Accountant in Charge of Budget and Financial Reporting, Senior Accountant in Charge of Capital Projects among other senior positions at the University of Nairobi. He is a Certified Public Accountant of Kenya and Registered Member of Institute Certified Public Accountant of Kenya (ICPAK). He holds a BA (Economics) and Master of Business Administration (Finance & Accounting) from the University of Nairobi and currently pursuing PhD in Accounting at the University of Nairobi.



**Mr. Jared Odoyo Malela**

Mr. Jared Odoyo Malela is the Ag. Registrar, Academic & Student Affairs. Before joining Tom Mboya University College as the in charge of Agricultural Extension and Outreach Division he was the Principal of Homa Bay Agricultural Training College. He worked with the Ministry of Agriculture from 2006 in various positions as Divisional Agriculture Extension Officer, District Monitoring and Evaluation Officer, District Extension and Training Officer, Crops Development Officer and Agribusiness Development Officer. He holds a Bsc. Agricultural Education and Extension from Egerton University and is currently pursuing Msc. Land and Water Management at Kenyatta University.

### III MANAGEMENT TEAM(Continued)



**Dr.Enose M. W. Simatwa,**

Ag Dean of school of Education

He is an alumnus, of University of Nairobi, Kenyatta University and Maseno University where he earned Bachelor's degree, Master's degree and Doctor of Philosophy degree respectively. He has also served as an Administrator at Secondary and Post-secondary levels in different capacities. His focus is on teaching research and community service. The research areas include Social Sciences such as; Leadership and Policies, Management, Sociology and Psychology. He has published 83 full research papers /publications in refereed journals. He is a founding academic staff member of Maseno University and Tom Mboya University College.



**Dr.Alphonse J. Odondo,**

BA, MA, PhD (Maseno University),

An Economist by profession with most of research activities based on poverty reduction strategies with particular emphasis on rural poverty and smallholder livelihood strategies, with vast experience in various teaching and management of Academic affairs.

Currently he is the Ag. Dean of the School of Business and Economics.



**Prof. Mathews M. Dida,**

Ag. Dean School of Agriculture, an alumnus of university of Nairobi, where he graduated with a Bachelor of Science in Agriculture, also pursued his Masters of Science in Agronomy there and later, Masters of Philosophy Plant Breeding at University of Cambridge. He has also studied Pant Genetics at the University of East Anglia UK. Has served in various capacities as Director & Coordinator Publications, Associate Professor and Senior lecturer at Maseno University. Has developed skills in Molecular Biology and Bioinformatics as Plant Breeder and Researcher in Lubbock, Texas and Kenya respectively.

Has received various awards in his field, latest in Plant breeding & Genomics, has made many publications resulting in invitations to notable conferences and responsible for funded projects. Prof. Dida also has a number of Patentable products to his name.

#### IV CHAIRPERSON'S STATEMENT

It gives me much pleasure in presenting the Annual Report and Financial Statements of Tom Mboya University College for the year ended June 30, 2017.

The vision for Tom Mboya University College is “*A University of Excellence in Scholarship, leadership and Service to Society*”. In order to achieve this vision, the University College offers quality academic programmes that meet the needs of the society in line with Vision 2030 and also contributes to scientific and technological innovations thereby enhancing the competitiveness of the University.

During the FY 2016/2017, the University College received Kshs.70, million and Ksh.155 million for recurrent and Development Expenditure from the Government of Kenya. The University incurred an expenditure of Ksh.94.9 million for recurrent expenditure and Ksh.139.2 million towards Development Expenditure. In overall the University College registered a deficit of **Kshs 15,628,332**. The deficit was mainly caused by Personnel Emoluments paid to initial staff and those on secondment from Maseno University. The personnel emoluments refundable to Maseno University was **Ksh. 43,191,962** which translates to **61%** of the recurrent capitation and **43%** of the recurrent expenditure.

The University College is at an advanced stage of realizing her master plan and is in the Process of developing a strategic plan in line with its vision. The University College with the Support from the National Government has embarked on a phased approach to develop physical facilities and infrastructure to match the growing student population. Among the key projects that were initiated and some completed in the financial year 2016/2017 were; Tuition Block (Comprising of a Library space, Offices and Classrooms); Extension of Dining Hall space; Ablution block; Generator House; Access Road; Sports Fields Implementation of Enterprise Resource Planning (ERP) Software and Master Plan Development.

Much thanks to the National Government for its continued support in realization of the University's mandate. Allow me to take this opportunity to also thank County Government of Homa bay for surrendering the Agricultural Training College's Land and Physical facilities for the establishment of Tom Mboya University College.

Finally, I would like to express my special thanks to the University College community who worked tirelessly to ensure smooth operation of this institution. Going forward, the University College intends to continuously look into ways of improving and providing world-class service at all customer touch points, not only in the lecture hall but also in other aspects of students' life.



**Dr. Augusta N. Abate**  
BSc, MSc. (UoN); PhD (University of Aberdeen)

**CHAIR OF COUNCIL**

## V REPORT FROM THE PRINCIPAL

Tom Mboya University College was established under the Universities Act, No. 42 of 2012 through Legal Order No 55 of April 16<sup>th</sup> 2016 as a constituent college of Maseno University. The University College is positioning itself as a University of choice in the face of increased competition both locally and internationally. The College opened the doors to its first students on the 3<sup>rd</sup> October, 2016. I therefore wish to thank the Government, the Council, staff, parents, incoming students and all our stakeholders for their contributions and support. The University College is determined to offer quality teaching/scholarship, research, innovation, community outreach programs and sustainable development.

In the few months of existence, TMUC has made significant strides in achieving its basic mandate especially provision of quality university teaching this far. The University College has and will be launching new academic programs to address emerging issues in the surrounding environment and the economy at large in line with Kenyan Vision 2030, MTP and SDGs.

However, TMUC faces a myriad of challenges, key among them being inadequate financial resources which have made it to currently largely dependent on meager financial support from Maseno University (MSU), the mentoring University. This financial year TMUC received a paltry capitation of KES 70 Million a year for Recurrent grants and 155 million for Development grant, largely inadequate for its needs.

Key challenges faced by the institution further include;

- Insufficient lecture halls and office space
- Inadequate ICT infrastructure
- Inadequate Teaching laboratories
- Inadequate library space, furniture and equipment
- Inadequate accommodation and catering facilities
- Lack of students' centre and Incomplete Sporting facility
- Lack of Chapel and worship facilities
- Inadequate health facilities

In order to tackle the challenges highlighted above, TMUC is proposing to increase Self Sponsored Parallel (SSP) student numbers and initiate income generating activities (IGA) to provide additional funds to supplement the support from the National Government. TMUC also proposing to construct a number of learning infrastructure to enable and ensure the students have adequate and reasonable learning facilities and learning support systems.



**Prof. Charles Omondi Ochola**

**PRINCIPAL**

## VI. MANAGEMENT DISCUSSIONS AND ANALYSIS

### Operational Performance

The Financial year 2016/2017 marked the anticipated commencement of The Tom Mboya University College as a land mark institution on the scenic shore of Lake Victoria. With dedicated staff and an eager group of students the College has impressively commenced the task of executing its mandate top among them the advancement of knowledge. Projects particularly meant to facilitate academic programmes were initiated and well near completion toward the end of the reporting period. Key highlights to assist in the facilitation and execution of its objectives included the modern and disability friendly Tuition Block and the launch (go live) of the Enterprise Resource Planning (ERP) facility which is set to improve inter-departmental correlation and efficiency in service delivery.

Tom Mboya University was allocated and received a total of Kshs. 155,000,000 in Development Grants, for the financial year 2016/2017 in equal shares of Ksh. 38,750,000 on various dates in each of the four quarters. The University initiated a number of infrastructural development activities as summarized below;

1. **Library, offices, Tuition block, DH, Toilet, and Generator house** – the visibly new building is constituted of the tuition blocks, library and offices that acts as the landmark building of the institution. It features include modern finishing and a ramp for enabling easy access to Persons with disabilities. It has already been commissioned for use by students for class/tuition activities.
2. **Sports Field & Access Road** – Sitting on the vast TMUC land is a standard football pitch, traced by Olympic standard running track. The facility is accessed by the marram road from the university turn off at the main road. The pitch is more than 80% done with the current short rains doing well to water the grass.
3. **Enterprise Resource Planning Software** – The Microsoft Navision ERP. System has modules that enhance efficiency between departments in sharing of data. Its procurement included user licenses, customization of modules and subsequent staff trainings.
4. **Development of The Master Plan**–TMUC. has sought services to develop a Master Plan that will design the layout of the institution, so far Management has held several meetings to deliberate on this, and a draft of the same is available.

## **Financial Performance**

The University realized Kshs. 79,285,361 in the financial year 2016/2017. Out of this Kshs. 70,000,000 was realized from government capitation, Kshs. 145,800 from a Research Grant; and Kshs. 9,139,561 were from internally generated revenues.

During this financial year the University incurred a total expenditure of Kshs. **94,913,693** as follows;

- Salaries and Wages Kshs. 48,470,880
- Council expenses Kshs. 13,026,207
- Repairs and maintenance Kshs. 1,981,050
- Depreciation and Amortization Kshs. 6,144,588
- Research Expenses Kshs. 145,800
- Other operating expenses Kshs. 25,145,168

Ultimately the University College recorded a deficit of Kshs. **15,628,322** for the year ended 30<sup>th</sup> June 2017. This deficit has been witnessed as a result of a number of factors that are characteristic of new establishments which incur sizeable initial set up costs in as far as operations are concerned. Being in the set-up stage a lot of ground works, general rehabilitation and renovation on the donated buildings had to be done to be befitting of University College status and capacity. Kshs. 1,981,050 was expended toward these costs.

Most significant among them being; Staff Costs at 48% (i.e. Kshs. 48,470,880) of the total recurrent expenditure, it's important to note that to establish the institution Human Resource is a vital component in the execution of the mandate of the University College. TMUC. received seconded staff from Maseno University toward this effort. Maseno University ran the payroll for the University College which was recognized as expenditure but treated as a liability since it's an obligation owed.

The witnessed deficit could be largely mitigated if/when the Government through the State Department of Higher Education, Science and Technology, could disburse allocated Capitation funds as per the recommendations in the Supplementary Budgets. This would go a long way to helping the University comfortably meet its operational and developmental targets, which would consequently go a long way in setting up the institution to not only appeal to potential students but provide world class service too.

## VII. CORPORATE GOVERNANCE STATEMENT

Tom Mboya University College Council is responsible for the overall management and governance of the institution and is accountable to the stake-holders for ensuring that the institution complies with the law and the best practices in Educational Governance and Business Ethics.

The Council members are committed to the need to conduct the business and operations of the University with integrity and in accordance with Generally Accepted Standards and endorse the internationally developed principles of good governance.

Council/Committee meetings and attendance were as shown below;

Name	Designation	Full Council Meetings	Committee Membership		
			Exec./ Academic & H.R.	Finance/ Planning & Investment	Audit & Risk Mgmt.
Dr. Augusta N. Abate	Chair	3	N/A	N/A	N/A
Mr. Ezra O. Magati	Member	4	4	4	N/A
Prof. Julius O. Nyabundi	Member	4	4	4	N/A
Ms. Esther D. Kodhek	Member	4	N/A	4	4
CPA. Jones M. Kimeu	Member	4	N/A	4	4
Mr. Elijah N. Ireri	Member	4	4	N/A	4
Dr. Barrack G. Otieno	Member	4	4	N/A	4
Ms. Emma C. Rono	Member	4	4	4	
Mr. Johnson M. Mwangi*	Member	-	-	-	-
Prof. Charles O. Ochola	Member	4	N/A	N/A	N/A

**\*Note:** Council Member representing the Cabinet Secretary for National Treasury had not been appointed by the end of the reporting period.

### Composition of the Council

The Council is appointed in accordance with the Universities Act, 2012 (No. 42 of 2012) and includes among others the Chairman, the College Principal and other members. The full Council meets at least four times a year. The members receive all information relevant to the discharge of their obligations in an accurate, timely and clear manner so that they can guide and maintain full and effective control over strategic, financial, operational and compliance issues. Except for direction and guidance on general policy, the Council has delegated authority for conduct of day- to-day business to the College Principal and the College Management Board (UMB). The Council none the less retains responsibility for establishing and maintaining the institution's overall control of financial, operational and compliance issues as well as implementing strategies for the long-term success of the University.

**VII. CORPORATE GOVERNANCE STATEMENT(Continued)**

The University Council has attended two induction and training meetings within the reporting period:

- a) Council member’s pre-induction meeting and Induction programme held on the 11<sup>th</sup> to the 15<sup>th</sup> of February 2017- Mombasa. Where Council members were trained on Mwongozo Code of Governance for State Corporations. Highlighting practices formulating the core values and principles of Public Service as enshrined under article 232 of the Constitution of Kenya.
- b) Induction programme for newly appointed Council Members, held on the 10<sup>th</sup> to 11<sup>th</sup> of April 2017- Naivasha. This programme was coordinated by the Ministry of Education for familiarisation on the roles and expectations of Council Members.

Tom Mboya University College Council is at the advanced stages of formulating its Board Charter and shall be adopted in due course.

**COMMITTEES OF THE COUNCIL**

The main standing committees of the Council include:

<b>Name of the Committee</b>	<b>Members</b>
Executive, Academic and Human Resource Committee	1. Mr. Elijah N. Ileri - Chair 2. Dr. George B. Otieno - Member 3. Ms. Emma C. Rono - Member 4. Mr. Ezra O. Magati - Member 5. Prof. Julius O.Nyabundi - Member
Finance, Planning and Investment Committee	1.Mrs. Esther D. Kodhek - Chair 2. Mr. Ezra O. Magati - Member 3. Ms. Emma C. Rono - Member 4. Prof. Julius O. Nyabundi- Member 5. CPA Jones M. Kimeu - Member 6. Mr. Johnson M. Mwangi- Member
Audit and Risk Management Committee	1. CPA Jones M. Kimeu - Chair 2. Mr. Elijah N. Ileri - Member 3. Dr. George B. Otieno - Member 4.Mrs. Esther D. Kodhek - Member 5. Mr. Johnson M. Mwangi- Member

## VII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

In its bid to give back to the community Tom Mboya University College has collaborated with The University of California, Irvine, of United States America in **International Center of Excellence in Malaria Research Project (ICEMR)**.

ICEMR is a global network of independent research centres in Malaria-endemic settings, such as Homa bay County, with an aim of providing crucial strategies for the control and eventual prevention of malaria. Among its core objectives is 'to build clinical research capacity and improve malaria control and prevention', which TMUC. has provided and allocated space for set up of a laboratory towards the project.

Currently the prevalence rate of malaria per incidence rate is 8% in Kenya, in Homabay County as per Ministry of Health data, the documented cases of malaria infections are 58,820 cases per 100,000 people.

TMUC. has by virtue of its presence impacted positively not only by being a centre for academic development but by posing as an economic stimulus, resulting in a multiplier effect scenario that can be witnessed in the following events:

- Development of long-term leases between the institution and other business establishments within Homabay locality that detail terms on letting office and accommodation space for the ballooning student population.
- Opening up the region to domestic and other forms of tourism which trickles down to other businesses in the hospitality and transport industries.
- The demand for residential establishments has increased since the inception of TMUC. This can be consequently determined to impact the eventual growth of Homabay Municipality toward better service provision in water & sewerage services, security and general government services.

Tom Mboya University College, through the Agricultural Extension Division is the hosting institution for a regional project to strengthen the Cotton Sector in the Lake Victoria Basin. This initiative is called the **COTTON VICTORIA PROJECT**, supported by the Federal Republic of Brazil, Brazilian Cooperation Agency (ABC) and Federal University of Flavas (UFLA).

TMUC. is the Project Technology Demonstration Unit with the specific objective of enhancing institutional and human resources to use and disseminate cotton production technologies and seed production systems?

The Agricultural Extension section also engages in value addition through food processing with examples of fruit juices and peanut butter. This Division is responsible for growth of general and horticulture produce with addition to servicing Dairy and Poultry units, which serve training schemes exercised through the Extension function.

## VII.REPORT OF THE COUNCIL

The Council has the pleasure to submit this report together with the financial statements for the year ended 30<sup>th</sup> June 2017 which show the state of the University College's affairs.

### Principal activities

The principal activity of the entity is to offer high quality training, carry out innovative research and community outreach programmes for sustainable socio-economic development summarised in the strategic and short-term objectives below:

- To promote academic excellence through scholarship and quality teaching.
- To promote research and extension by participating and attracting research funds and disseminations.
- To attract, head hunt, recruit and retain competent human capital.
- To establish a strong capital and financial base through increasing relevant and quality programs, increasing access to SSP and Income Generating Activities.
- To develop, grow and maintain physical facilities/buildings and general infrastructures.
- To enhance corporate image and social responsibility through extension and outreach programs.
- To promote Coexistence, Inclusivity, Equity and Social justice.

### Council

The members of the Council who served during the year are shown on page 6 to 9 of this report.

### Results

Results for the year ended 30<sup>th</sup> June 2017 are set out on pages 23 to 27.

### Auditors

The Auditor General is responsible for the statutory audit of the entity in accordance with **Article 229 of the Constitution of Kenya** and the Public Audit Act 2015.

By Order of the Council

Sign.....

Date.....

**Prof. Charles Omondi Ochola, PhD**

**Principal /Chief Executive Officer**

## VIII. STATEMENT OF COUNCIL RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and The Universities Act No. 42 of 2012 requires the Council to prepare financial statements of the University College which give a true and fair view of the state of affairs of the University College 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 College maintains proper accounting records which disclose, with reasonable accuracy, the financial position of the University College. They are also responsible for safeguarding the assets of the University College.

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 College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act, 2012 and the State Corporations Act Cap 446. The Council is of the opinion that the University College's financial statements give a true and fair view of the state of the University College'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 College'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 College will not remain a going concern for at least the next twelve months from the date of this statement.

### Approval of the financial statements

The University College's financial statements were approved by the Council on the 24<sup>th</sup> of November 2017 and signed on its behalf by:

  
\_\_\_\_\_  
Council Member

  
\_\_\_\_\_  
Council Member

  
\_\_\_\_\_  
Council Member

**IX.REPORT OF THE AUDITOR GENERAL**

# REPUBLIC OF KENYA

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



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON TOM MBOYA UNIVERSITY COLLEGE FOR THE FIFTEEN (15) MONTHS PERIOD ENDED 30 JUNE 2017

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#### REPORT ON THE FINANCIAL STATEMENTS

##### **Opinion**

I have audited the accompanying financial statements of Tom Mboya University College set out on pages 23 to 49 which comprise the statement of financial position for the fifteen (15) months period ended 30 June 2017, and the statement of financial performance, statement of changes in net assets, statement of comparison of budget and actual amounts and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015 I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Tom Mboya University College as at 30 June 2017, and of its financial performance and its cash flows for the fifteen (15) months period then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Universities Act, No.42 of 2012.

In addition, as required by Article 229(6) of the Constitution, based on the procedures performed, I confirm that public money has been applied lawfully and in an effective way.

##### **Basis for Opinion**

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

##### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in the audit of the financial statements of the current year. Except for the matters described in the Other Matter section of my report, I have determined that there were no Key Audit Matters to report in the year under review.

---

*Report of the Auditor-General on the Financial Statements of Tom Mboya University for the year ended 30 June 2017*

## Other Matter

### Budget Analysis

#### Under Absorption of the Budget

A comparison of budget and actual figures revealed variances as detailed below;

Items	Budget Kshs.	Actual Kshs.	Variance Kshs.	Performance (%)
Employee Cost	357,627,117	48,470,880	309,156,237	14
General Expenses	47,614,458	31,222,626	16,391,832	65
Repairs and maintenance	7,841,680	1,981,051	5,860,629	25
<b>Total</b>	<b>413,083,255</b>	<b>81,674,557</b>	<b>331,408,698</b>	<b>20</b>

Analysis of the University's budget against the actual figures revealed that the university underspent on 3 items namely; employee costs, general expenses and repairs and maintenance. The total amount budgeted was Kshs.413,083,255 and total amount spent was Kshs.81,674,557 leading to a variance of Kshs.331,408,698 representing 80%. Because of the under absorption the University could not achieve its intended objectives.

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

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

In preparing the financial statements, management is responsible for assessing the University's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the management either intends to cease operations.

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

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

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

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

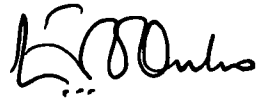
error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya. Reasonable assurance is a high level of assurance, but is not a guarantee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

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

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

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

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



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

**Nairobi**

**14 August 2018**

**X.STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED  
30<sup>TH</sup>JUNE 2017**

	Note	2016/2017 (15 months ) Kshs.
<b>Revenue from non-exchange transactions</b>		
Government Capitation Grants	21	70,000,000
Research Grants	22	145,800
		<b>70,145,800</b>
<b>Revenue from exchange transactions</b>		
Tuition fees	<b>23</b>	5,213,000
Other incomes	24	3,926,561
		-
		<b>9,139,561</b>
<b>Total revenue</b>		<b>79,285,361</b>
<b>Expenses</b>		
Staff costs	25	48,470,880
General Expenses	26	25,145,168
Repairs and Maintenance	27	1,981,050
Depreciation Expenses	28	6,144,588
Research Expenses	29	145,800
Council Expenses	30	13,026,207
<b>Total expenses</b>		<b>94,913,693</b>
<b>Other gains/(losses)</b>		
Gain on sale of assets		-
Gain on foreign exchange transactions		-
Unrealized gain on fair value of investments		-
Impairment loss		-
<b>Total other gains/(losses)</b>		-
<b>Surplus before Tax</b>		<b>(15,628,332)</b>
Taxation	34	
<b>Surplus for the period</b>		<b>(15,628,332)</b>

The notes set out on pages 29 to 49 form an integral part of these Financial Statements

**IX.REPORT OF THE AUDITOR GENERAL (Continued)**

**XI.STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2017**

		2016/2017 (15 Months)
	<u>Notes</u>	Kshs
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	31	107,315,852
Receivables from Exchange Transactions	32	528,170
Inventories	33	1,184,418
Biological Assets		100,000
<b>Total Current Assets</b>		<b>109,128,440</b>
<b>Non-Current Assets</b>		
Property, Plant & Equipment	35	675,875,681
<b>Total Non-Current Assets</b>		<b>675,875,681</b>
<b>TOTAL ASSETS</b>		<b>785,004,121</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and Other Payables	36	71,519,590
Refundable Deposits from Customers	37	399,430
Prepayment and Deposits	38	888,200
<b>Total Current Liabilities</b>		<b>72,807,220</b>
<b>EQUITY</b>		
Capital Grants Reserve	39	727,825,233
Revenue Reserve	40	(15,628,332)
<b>TOTAL CAPITAL AND LIABILITIUES</b>		<b>785,004,121</b>

The Financial Statements set out on pages 23 to 27 were signed on behalf of the Council by:

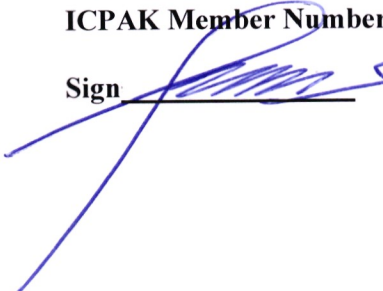
Principal /C.E. O  
 Prof. Charles Omondi Ochola

Sign \_\_\_\_\_



Ag. Finance Officer  
 Mr. Julius O Otieno  
 ICPAK Member Number:4369

Sign \_\_\_\_\_



Council Chair  
 Dr. August N. Abate

Sign.....



**XI.STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2017**

	Notes	Capital Reserves Kshs.	Revenue Reserve Kshs.	Total Equity Kshs.
Balance as at 1st April 2016		-	-	-
Surplus/Deficit for the year	40	-	(15,628,332)	(15,628,332)
Asset Donations	39	572,825,233		572,825,233
Capital Development Grants	39	155,000,000		155,000,000
<b>Balance as at 30<sup>th</sup> June 2017</b>		<b>727,825,233</b>	<b>(15,628,332)</b>	<b>712,196,900.70</b>

**XIII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2017.**

	Original budget	Adjustments	Final budget	Actual Outcome	Performance difference	Performance %	Remarks
	Kshs	Kshs	Kshs	Kshs	Kshs		
1	440,446,617	(370,446,617)	70,000,000	70,000,000	-	100%	
2	208,165,900	(53,165,900)	155,000,000	155,000,000	-	100%	
3	145,800	-	145,800	145,800	-	100%	
4	15,000,000	(3,529,000)	11,471,000	5,213,000	6,258,000	55%	A
5	-	21,453,515	21,453,515	21,453,515	-		
6	5,000,000	6,115,000	11,115,000	3,926,561	6,973,549	63%	B
	668,758,317	(399,573,002)	269,185,315	255,738,876	13,231,549	5%	
7	357,627,117	-	357,627,117	48,470,880	309,156,237	86%	C
8	47,614,458	-	47,614,458	31,435,556	10,917,762	23%	D
9	7,841,680	-	7,841,680	1,981,050	5,860,630	75%	E
10	12,759,162	-	12,759,162	13,026,207	(267,045)	-2%	F
11	242,915,900	(53,165,900)	189,750,000	139,295,036	52,367,175	28%	G
	668,758,317	(53,165,900)	615,592,417	233,995,799	378,034,760	39%	
	-	(346,407,102)	(346,407,102)	21,530,147	(364,803,211)		

XII.STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30<sup>TH</sup>JUNE 2017

		Year 2016/2017 (15 Months)
Cash flows from operating activities	Notes	Kshs.
<b>Receipts</b>		
Government grants and subsidies	21	70,000,000
Conditional Grants Syngenta	22	145,800
Tuition & Other related charges	23	5,213,000
Other Incomes	24	3,926,561
<b>Adjustments for non – cash items</b>		
Less Increase in accrued Income	32	(528,170)
Add Increase in refundable Deposits	37	399,430
Add Increase in Income Received in Advance	38	888,200
<b>Net cash receipts from Operating Activity</b>		<b>80,044,821</b>
<b>Payments</b>		
Staff Costs	25	48,470,880
General Expenses	26	25,145,168
Repairs and Maintenance	27	1,981,050
Research expenses	29	145,800
Council Expenses	30	13,026,207
<b>Adjustments for non – cash items</b>		
Increase in Inventories	33	1,284,418
Accrued Accounts Payables	36	(656,326)
Salary paid Maseno University for Seconded Staff	36	(43,125,613)
Items procured by Maseno University for TMUC	36	(5,864,637)
Retention fees on Capital Projects	36	(5,492,982)
Accrued KRA withholding tax	36	(401,776)
Accrued PAYE deduction	36	(389,378)
<b>Net cash Payments</b>		<b>34,122,811</b>
<b>Net cash flows from operating activities</b>		<b>45,922,010</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant, equipment and intangible assets	35	(109,195,035)
<b>Net cash flows used in investing activities</b>		<b>(109,195,035)</b>
<b>Cash flows from financing activities</b>		
Advances from Maseno University	36	15,588,878
Capital Development grants	39	155,000,000
<b>Net cash flows used in financing activities</b>		<b>170,588,878</b>
<b>Net increase in cash and cash equivalents</b>		<b>107,315,853</b>
<b>Cash and cash equivalents at end of the year</b>	31	<b>107,315,853</b>

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2017 (Continued)**

**EXPLANATION OF MATERIAL DIFFERENCES ON THE STATEMENT OF BUDGET COMPARISON:**

- A.** Tuition Income and related charges were below projected outcomes due to low enrolment of both KUCCPS placement and parallel programme students.
- B.** Other income from Internally Generated sources were as a result of the low scale of activities in the initial phase after inception of the University College. This is however anticipated to grow when operations are scaled up.
- C.** Employee Costs had a significant change between the Budgeted and Actual since Management had planned to recruit personnel in all Academic and Administrative roles. This was however revised downwards due to recurrent expenditure budgetary allocations.
- D.** General expenses were favourable since the University College spent below the budgeted amount for General Expenses.
- E.** Repairs and Maintenance Costs were significantly below the budgeted amount due to the fact that the institution received most assets as donations from the former ATC., thus resulting in the expenditure on repairs being lower than anticipated.
- F.** Council Expenses increased marginally compared to the budgeted amount as a result of enhanced sitting and subsistence allowance rates. The Council further met and attended more Induction forums necessary for newly gazetted institutions.
- G.** The University College spent a significant amount of the Capital Budget to put up requisite infrastructural assets necessary for teaching and administrative functions.

#### **XIV. NOTES TO THE FINANCIAL STATEMENTS**

##### **1. GENERAL INFORMATION**

Tom Mboya University College is established by and derives its authority and accountability from the Universities Act, No. 42 of 2012. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The institution's principal activity is to provide University education and training for societal transformation.

##### **2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

Tom Mboya University College 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 College rounded to the nearest thousand.

The accounting policies have been consistently applied.

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.

##### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

###### **a) Revenue recognition**

###### **i) Revenue from non-exchange transactions**

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

###### **ii) Revenue from exchange transactions**

###### **Student Income**

These are fees from the various programmes, statutory/mandatory charges, and fees for accommodation and catering services. Tuition fees are recognized over the period of the Semester they are earned without regard to when they are received.

#### **XIV. NOTES TO THE FINANCIAL STATEMENTS (Continued)**

Statutory Fees refer to charges such as registration fees, Medical fees, Activity fees, Computer fees, Student Union fees and charges for student Identification purposes. These are recognized over the course of the semester to which they apply.

Catering and Accommodation proceeds are recognized upon allocation of rooms and use of Campus dining facilities.

Student Caution money is recognized a Liability under Current Liabilities.

##### **Sale of goods and services**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually 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.

##### **Disposal Gains and Losses**

Any gains or losses on disposal of property, plant and equipment is recognized at the date the control of the asset is passed on to the other party and it is determined after deducting from the proceeds the net book value of the asset at the time of disposal.

##### **b) Budget information**

The original budget for FY 2016-2017 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

#### **XIV. NOTES TO THE FINANCIAL STATEMENTS (Continued)**

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section **XVI** of these financial statements.

#### **4. PROPERTY, PLANT AND EQUIPMENT**

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

#### **5. LEASES**

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the University College will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

## **XIV. NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **6. 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.

### **7. RESEARCH AND DEVELOPMENT COSTS**

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

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

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

### **8. FINANCIAL INSTRUMENTS**

#### ***Financial assets***

#### ***Initial recognition and measurement***

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

#### ***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less

#### **XIV. NOTES TO THE FINANCIAL STATEMENTS (Continued)**

impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

##### ***Impairment of financial assets***

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

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

##### ***Financial liabilities***

###### ***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 college determines the classification of its financial liabilities at initial recognition.

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

###### ***Loans and borrowing***

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

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

#### **9. INVENTORIES**

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

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

- Raw materials: purchase cost using the weighted average cost method

#### **XIV. NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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

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

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

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

#### **10. RISK MANAGEMENT FRAME WORK**

The University College recognizes that in order to pursue its objectives and take advantage of opportunities, it cannot avoid taking risks and that no risk management programme can aim to eliminate risk fully.

The University College's risk management approach is to increase the likelihood of success in its strategic activities that is to raise the potential reward of activities relative to the risks undertaken.

Accordingly, the University College's approach to risk management is intended to increase risk awareness and understanding, thus taking risks where appropriate in a structured and controlled manner.

To assist in implementing its risk management policy, the University College has:

- Identified, analyzed and produced a risk management strategy for those risks which might inhibit it from achieving its strategic objectives and which would threaten the ongoing survival.
- Raised awareness of the integrated risk management into its management policies
- Promoted an understanding of the importance and value of risk management.
- Established risk management roles and responsibilities for the University Council, Audit Committee, University Management Board and Internal Audit

The Risk management function is supervised by the Audit Committee.

The Management identifies, evaluates, hedges and manages financial risks under policies approved by University Council.

The Council has put in place an Internal Audit and Risk function to assist it in assessing the risk faced by the University on an ongoing basis and to evaluate and test the design and effectiveness of its internal accounting and operational controls.

#### **XIV. NOTES TO THE FINANCIAL STATEMENTS (Continued)**

##### **Credit Risk**

The credit risk is the risk of the financial loss to the university if a customer or a counter party to a financial instrument fails to meet its contractual obligations and arises principally from the receivables from customers.

##### **Trade and Other Receivables**

The University College's exposure to credit risk is influenced mainly by the characteristics of each individual customer, the demographics of the customer base and their sources of funding.

The University College has an established fee policy through which states among other things:

- All fees and other charges due shall be paid at the commencement of the semester they are due and not beyond the third week of the semester. No student shall be allowed into the lecture, examination room or participate in activities which they have not fully paid for.
- The University College shall withhold any and all services, examination results, conferment of any degree, certificate and diploma until all outstanding fees are settled and further reserve the right to institute legal recovery proceedings against students with outstanding fees and also surcharge an interest at a rate to be determined by the council from time to time.

The University College has endeavored to enforce the above statute in order to reduce the student debtors.

##### **Liquidity Risk**

Liquidity risk is the risk that the University will not be able to meet its financial obligations as they fall due. The university college's approach to managing liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due under both normal and

stressed conditions without incurring unacceptable losses or risking damage to University reputation. The university also monitors the level of expected cash flows from trade and other receivables with expected cash outflows on trade and other payables.

##### **Market Risk**

The University College has done sensitivity analysis on the bank accounts and trade other receivables denominated in foreign currencies and the results shows that the there is no significant effect on the University's financial position.

#### **11. PROVISIONS**

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

#### **XIV. NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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

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

##### ***Contingent liabilities***

The University College 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***

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

#### **12. RETIREMENT BENEFIT PLANS**

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

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

#### **13. CHANGES IN ACCOUNTING POLICIES AND ESTIMATES**

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

#### **XIV. NOTES TO THE FINANCIAL STATEMENTS (Continued)**

##### **14. 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.

##### **15. BORROWING COSTS**

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

##### **16. RELATED PARTIES**

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

##### **17. SERVICE CONCESSION ARRANGEMENTS**

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

##### **18. CASH AND CASH EQUIVALENTS**

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

#### **XIV. NOTES TO THE FINANCIAL STATEMENTS (Continued)**

##### **19. COMPARATIVE FIGURES**

Tom Mboya University College was gazetted on the 16<sup>th</sup> of April 2016 and as such has only been in existence for one year till the end of the FY 2016/2017, this therefor implies there would be no prior year for comparison of performance.

##### **20. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

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

###### **Estimates and assumptions**

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

###### **Useful lives and residual values**

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

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

**XIV.NOTES TO THE FINANCIAL STATEMENTS (Continued)**

		<b>2016/2017 (15 Months) Kshs</b>
<b>21</b>	<b>Recurrent Grants</b>	
	Capitation Recurrent grant	70,000,000
		70,000,000
<b>22</b>	<b>Research grants</b>	
	Syngenta	145,800
		<b>145,800</b>
<b>23</b>	<b>Tuition and related charges</b>	
	Activity fees	313,000
	Computer Time income	588,500
	Examination fee	428,000
	Field Practical work	-
	Library fee	169,500
	Maintenance fee	113,000
	Registration fee	108,500
		56,500
	Student ID	
	Student Medical fee	339,000
	Tuition fees	3,097,000
		<b>5,213,000</b>
<b>24</b>	<b>Other Incomes</b>	
	Accommodation Fees	614,000

	<b>2016/2017 (15 Months) Kshs</b>
Hire of Halls	14,000
<b>Other incomes ( continued)</b>	
Application fee	99,000
Administrative Costs income	-
Catering income	2,714,609
Tendering charges	42,280
Farm income	358,849
Miscellaneous	83,823
	<b>3,926,561</b>
<b>25 Staff costs</b>	
Personnel Emoluments (Payroll)	43,191,962
Part-time payments	2,171,900
Casual Wages	2,943,836
Medical expenses	44,222
Staff development	118,960
	<b>48,470,880</b>
<b>26 General expenses</b>	
Admission related expenses	50,400
Advertising and publicity	1,778,773
Anti-corruption expenses	-
Auditing expenses	-
Bank charges/commissions	87,943

*Tom Mboya University College*  
*Reports and Financial Statements for the 15 Months ended June 30<sup>th</sup> 2017*

	<b>2016/2017 (15 Months) Kshs</b>
Cleaning materials	362,227
Committee expenses	204,200
Computer expenses	24,999
Cooking fuel/gas	242,550
Electricity expenses	396,314
Examination material	35,000
ICT expenses	414,385
Internet access and services	1,649,499
Field Trip/Industries	74,000
Fuel For Boilers/Generators	69,280
Land Preparation/Crops inputs	179,296
Medical expenses	92,963
Office entertainment	79,335
Performance Contract	-
Purchase of Periodicals	10,900
Postal telegram	417,250
Penalties & Fines	98,620
Food & Catering Expenses	4,011,670
Security services	5,445,044
Stationery others	1,550,139
Subscription Expenses	151,880

		<b>2016/2017 (15 Months) Kshs</b>
	Tender Committee Honorarium	10,000
	Teaching materials	4,000
	Telephone expenses	258,298
	Transport Operating Expenses	256,650
	Travelling and accommodation	6,471,134
	Uniforms and clothing	2,820
	Veterinary Services	13,820
	Water Charges	701,779
	<b>Total General Expenses</b>	<b>25,145,168</b>
	<b>Maintenance and Repairs</b>	
<b>27</b>	Plant and Equipment	41,750
	Motor Vehicles Repairs& Spares	268,717
	Maintenance of Office Equipment	135,610
	Maintenance of Grounds	93,980
	Repair &Maintenance of Generators	33,575
	Refurbishment of Buildings	1,365,548
	water Supply	41,870
		<b>1,981,050</b>
<b>28</b>	<b>Depreciation expense</b>	<b>6,144,588</b>
<b>29</b>	<b>Research expenses - SYNGENTA</b>	<b>145,800</b>

		<b>2016/2017 (15 Months) Kshs</b>
		<b>145,800</b>
	<b>Council expenses</b>	
<b>30</b>	Honorarium	885,500
	Remuneration of Council members	5,661,045
	Travel Expenses	3,859,886
	Secretariat	609,911
	Training Charges	1,035,565
	Hotel Accommodation Charges	974,300
		<b>13,026,207</b>
<b>31</b>	<b>Cash and Cash Equivalents</b>	
	TMUC Current A/C KCB Homabay Branch A/C No. 1182330096	37,306,729
	TMUC Development KCB A/C Homabay Branch A/C No. 1182330010	64,617,872
	TMUC Fee Collection Equity A/C Homabay Branch A/C No. 0980269346780	2,499,600
	TMUC IGA KCB A/C Homabay Branch A/C No. 1198213183	2,891,651
	Petty Cash A/C	-
	Cash In Transit	
		<b>107,315,852</b>
<b>32</b>	<b>Receivables from Exchange Transactions</b>	
	Students Debtors	501,750
	Imprest	26,420
	Imprest Debtors Clearing A/C	-
		<b>528,170</b>

		<b>2016/2017 (15 Months) Kshs</b>
<b>33</b>	<b>Inventories</b>	
	Stocks Farm Stocks	155,725
	Stocks Maintenance Stores	51,300
	Stocks Stationery	104,593
	Stocks Medical Drugs Reagents & Others	75,534
	Stocks Cleaning Materials	27,523
	Stocks Food Stuff	769,744
	Biological Assets	100,000
		<b>1,284,418</b>

#### **34. TAXATION**

Tom Mboya University College is a Not for Profit State Corporation and thus exempt from Corporation Tax under the Corporation Tax Act Cap 470. With regard to Withholding Income Tax, P.AY.E. and VAT. (VAT Act 2013-Section 5(i).

The University College has fully complied in terms of deduction, remittance and filing of taxes that have accrued within the financial year.

**XIV. NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**Note 35-Property, Plant and Equipment**

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers	ICT Infrastructure	Intangible Assets (ERP.)	Library Books	Plant and Equipment	Work In Progress	Office Equipment	Total
Property, plant and equipment											
Cost	Kshs.	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 8 <sup>th</sup> April 2016	526,882,400	-	10,601,335	1,203,000	3,146,325	-	404,613	487,560	-	-	542,725,233
Additions	-	-	832,790	1,110,010	-	29,402,863	30,051,730	72,300	77,099,201	726,142	139,295,036
Disposals											
Transfer/adjustments											
Depreciation	2,672,060	-	1,381,735	770,243	1,038,287	-	83,509	108,357	-	90,397	6,144,588
Impairment											
At end of FY. 2016/2017	2,672,060	-	1,381,735	457,313	1,038,287	-	83,509	108,357	-	90,397	6,144,588
Net book values											
At 30 <sup>th</sup> June 2017	524,210,340		10,052,391	1,542,800	2,108,038	29,402,863	30,372,834	451,503	77,099,201	635,745	675,875,681

*Note: Status of Motor Vehicles*

*1. GK U365 fully depreciated awaiting revaluation report, 2. GK B664 is a fully depreciated and scrap awaiting disposal.*

**XIV. NOTES TO THE FINANCIAL STATEMENTS (Continued)**

	<b>2016/2017(15 Months) Kshs</b>
<b>36 Trade and Other Payables</b>	
Accounts Payable	656,326
Seconded Staff from Maseno University	43,125,613
Procured Items from Maseno University	5,864,637
Maseno Advances	15,588,878
Retention	5,492,982
Kra Withholding Tax Control	401,776
Paye Deduction Payable	389,378
	<b>71,519,590</b>
<b>37 Refundable Deposits from Customers</b>	
Student Refund	303,000
Other Bursaries A/C	-
Tuition Fee from Helb.	96,430
	<b>399,430</b>
<b>38 Prepayments &amp; Deposits</b>	
Student Advanced Receipts	<b>888,200</b>
<b>39 Capital Grants Reserve</b>	
Capitation Development Grant	155,000,000
General Reserve	572,825,233
	<b>727,825,233</b>
<b>40 Revenue Reserves</b>	
Opening Balance	-
Surplus/Deficit for the year	<b>(15,628,332)</b>
Closing Balance	<b>(15,628,332)</b>

41. The capital reserve relates to items of property, plant and equipment developed from capital grants from the National Government, inherited from the former Agricultural 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.

**XV. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

In the year ending 30<sup>th</sup> June 2016, the University College had just been gazetted and in operation for a period of three months and therefore the office of the Auditor General recommended that the Financial Statements should be prepared for the 15 months ending 30<sup>th</sup> June 2017. There were no issues of concern raised by the Office of the Auditor General for the three months ending 30<sup>th</sup> June 2016.

The University College however continues to enhance its Internal Control measures for continuous improvement of its service delivery.

Principal



Date.....

10/09/18

Chair of the Council

Date.....



**XVI. Appendix PROJECT IMPLEMENTED**

	<b>Project</b>	<b>Total project Cost</b>	<b>Total expended to date</b>	<b>Completion % to date</b>	<b>Budget</b>	<b>Actual</b>	<b>Sources of funds</b>
1	Tuition Block (Library room, Offices classrooms); Extension of Dinning Hall space; ablution block and generator House & Ramp Construction	62,834,300.00	52,000,000	83	62,834,300.00	52,000,000	GOK
2	Access Road and Sports Field	31,691,717.20	18,000,000	56	31,691,717.20	18,000,000	GOK
3	Implementation of Enterprise Resource Planning (ERP) Software	29,402,863	29,402,863	95	30,000,000.00	29,402,863	GOK
4	Master plan Development	11,600,000.00	7,099,200	61	11,600,000.00	7,099,200	GOK
		<b>135,126,016.20</b>	<b>104,589,852</b>		<b>136,126,016.20</b>	<b>104,589,852</b>	

**XVII. Appendix 2 INTER-ENTITY TRANSFERS**

Tom Mboya University college.				
Break down of Transfers from the State Department of Higher Education				
FY 16/17				
<b>a. Recurrent Grants</b>				
	<b>Bank Statement Date</b>	<b>Amount (KShs.)</b>	<b>FY to which the amounts relate</b>	
	02.09.2016	5,000,000	2016/2017	
	13.09.2016	12,500,000	2016/2017	
	13.12.2016	5,000,000	2016/2017	
	30.12.2016	12,500,000	2016/2017	
	05.02.2017	17,500,000	2016/2017	
	15.03.2017	17,500,000	2016/2017	
	<b>Total</b>	<b>70,000,000</b>		
<b>b. Development Grants</b>				
	<b>Bank Statement Date</b>	<b>Amount (KShs.)</b>	<b>FY to which the amounts relate</b>	
	18.11.2016	38,750,000	2016/2017	
	20.12.2016	38,750,000	2016/2017	
	23.03.2017	38,750,000	2016/2017	
	28.04.2017	38,750,000	2016/2017	
	<b>Total</b>	<b>155,000,000</b>		

The above amounts have been communicated to and reconciled with the State Department of Higher Education.

Finance Officer  
 Tom Mboya University College

Head of Accounting  
 Ministry of Education

Sign \_\_\_\_\_

Sign.....