


REPORT

	
THE NATIONAL ASSEMBLY	
PAPERS LAID	
DATE: 23 NOV 2021	DAY.
TABLED BY:	THE AUDITOR-GENERAL
CLERK-AT THE-TABLE:	L.O.M Aetruide chebot

ON
THE TECHNICAL UNIVERSITY OF KENYA

FOR THE YEAR ENDED
30 JUNE, 2020



THE TECHNICAL UNIVERSITY OF KENYA

Education and Training for the Real World

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE, 2020

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

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I. BRIEF BACKGROUND ON THE UNIVERSITY AND MANAGEMENT

(a) Background information

The Technical University of Kenya came into existence upon the award of charter on 15th January, 2013. The University grew out of the defunct Kenya Polytechnic. The Kenya Polytechnic was for many years the leading institution for education and training at the tertiary level in Kenya. Over the years the institution was known throughout Kenya and the East and Central African region for her high quality graduates in the technical and vocational fields. The students at the institution were typically enrolled in programmes that prepared them for diploma and certificate level qualifications. At its founding in 1961, the institution was designed to provide education and training in the technical and vocational fields to those who were already in employment.

The Technical University of Kenya has since exponentially expanded. The student population stands at 15,000 spread across the three faculties, where over 60 academic programmes are on offer. The students are tutored by some of the best scholars in this region using most modern workshop and laboratory equipment, and supported by up to date library resources. The University has retained its mandate as a TVET institution, in line with the vision 2030.

Vision

To be a top rated University of technology.

Mission

To provide technological education and training and to contribute towards the advancement of society through research and innovation.

(b) Principal Activity

The Technical University of Kenya summarises its core mandate as guided by the Charter as follows:

1. To provide post-secondary technological, professional, and scientific education and training up to and including degree level.
2. To undertake high quality research and dissemination of research outcomes, to advance knowledge and educate students in science, technology and innovation and other areas of scholarship that will best train for the real world in the 21st century and beyond.

(c) Key Management

The university's day-to-day management is under the following key offices

- The Vice Chancellor
- Deputy Vice Chancellor – Institutional Advancement and Enterprise (IAE)
- Deputy Vice Chancellor – Research and Technology Development (RTD)
- Deputy Vice Chancellor – Academic and Student Affairs (ASA)
- Executive Dean – Faculty of Social Sciences & Technology (FSST)
- Executive Dean – Faculty Applied Sciences & Technology (FAST)
- Executive Dean – Faculty of Engineering & the Built Environment (FEBE)

(c) Fiduciary Oversight Arrangements

- University Council
- The University Senate
- University Management Board (UMB)
- Finance and General Purpose Committee of University Council
- Audit Committee of Council.

(e) Headquarters

Technical University of Kenya Building
Haile Selassie Avenue
P. O. Box 52428-00200
Nairobi.

(i) Principal Legal Advisor

Attorney General
Office of the Attorney General & Department of Justice
Sheria House, Harambee Avenue
P.O. Box 40112-00100
Nairobi, Kenya

(f) Contacts

Telephone +254 (020) 2219929,3343672
E- mail: vc@tukenya.ac.ke, finance@tukenya.ac.ke
Website: www.tukenya.ac.ke
Haile Selassie Avenue
P. O. Box 52428-00200
Nairobi.

(g) Bankers





- i. Kenya Commercial Bank Ltd.
Moi Avenue
P. O. Box 30081-00100
Nairobi.
- ii. Co-operative Bank of Kenya Ltd.
Haile Selassie Avenue
P. O. Box 48231- 00100
Nairobi.
- iii. Equity Bank
Moi Avenue
P. O. Box 8180-00100
Nairobi.






(h) Independent Auditors

Auditor-General,
Anniversary Towers, University Way
P.O. Box 30084 - 00100
Nairobi.

II. THE UNIVERSITY COUNCIL

- | | |
|--------------------------------------|-------------------------------------|
| - Dr. Halima Saado | - Chairperson |
| - Ms. Isabella Ochola-Wilson, | - Member |
| - Dr. Norah Chebet | - Member |
| - Eng. Joseph Nkadayo | - Member |
| - FA. Alexander Ngui | - Member |
| - Mr. Bernard Malenya | - Member |
| - Mr David Komen | - Member/Rep. National Treasury |
| - Mr. Johnson Nanjakululu | - Member/Rep. Ministry of Education |
| - Prof. Dr.-Ing. Francis W. O. Aduol | - Member/Secretary |

NO	COUNCIL NAMES	QUALIFICATION	EXPERIENCE
1	 Dr. Halima Saado Chairperson Appointed 10/3/2017	BSc (Moi), MSc, PhD (Kwa Zulu-Natal)	<ul style="list-style-type: none"> • Head of Research at the Red Cross Society
2	 Ms. Isabella Ochola-Wilson Appointed 10/3/2017	BA (Dar-es-Salaam) MBA (British Columbia)	<ul style="list-style-type: none"> • Business and Organizational Management. • Consultant • Entrepreneur
3.	 Dr. Norah Chebet Talam Langat Appointed 10/3/2017	B.Ed (Sc.), MSc (Moi), PhD (Maseno)	<ul style="list-style-type: none"> • Public Health Specialist (Epidemiology and Disease control specialty) • HIV Prevention Programme Manager US Department of Defense (US DoD)/Water Reed Project-Kericho
4.	 Eng. Joseph Nkadayo, MBS Appointed 10/3/2017	BSc (UoN), MSc (Birmingham)	<ul style="list-style-type: none"> • Registered Civil Engineer Licensed Consulting Engineer

5.	 FA, CPA, Alexander Ngui Appointed 10/3/2017	BA, MBA (UoN)	<ul style="list-style-type: none"> • Certified Investment and Financial Analyst (CIFA) • Certified Public Accountant • Banker
6.	 Mr. Bernard Malenya Appointed 10/3/2017	BSc (New Brunswick), MSc (Illinois)	<ul style="list-style-type: none"> • Business Development • Consultant and Educator
7.	 Mr. David Komen Appointed 14/10/2015	BA (Nairobi), MSc (Bradford)	<ul style="list-style-type: none"> • Economist • Representing National Treasury
8.	 Mr. Johnson Nanjakululu Appointed 4/6/2019	B.Ed (Kenyatta University) M.Ed (UoN)	<ul style="list-style-type: none"> • Deputy Director of Education • Representing Ministry of Education
9.	 Prof. Dr.-Ing. Francis Aduol	BSc Eng. MSc, MA (Nairobi), Dr.-Ing (Stuttgart), MISK, FIET, LicSurv.	<ul style="list-style-type: none"> • Professor of Geospatial Engineering • Vice-Chancellor, TU-K

III. MANAGEMENT TEAM

The Vice Chancellor



Prof. Dr.-Ing. Francis Aduol
BSc Eng, MSc, MA (Nairobi), Dr-Ing (Stuttgart), MISK, FIET, LicSurv

DVC - Academic & Student Affairs (ASA)



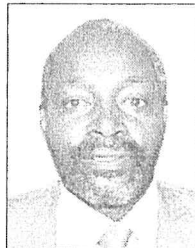
Prof. Paul M. Shiundu
BSc (Nairobi), CPGS (Cambridge), PhD (British Columbia)

Faculty of Engineering & the Built Environment (FEBE)



Prof. Dr.-Ing. Edwin Ataro
B.Tech (Moi), Dr-Ing (Kassel), MSc (Kassel),
PhD (Kassel)

Executive Dean, Faculty of Applied Sciences and Technology (FAST)



Prof. Gathari F. Kimani
BEd, MSc (KU), PhD (UNSW)

Executive Dean, Faculty of Social Sciences & Technology (FSST)



Prof. Peter M. Matu
BA, MA (Nairobi), PhD (Free State)

University Registrar & Chief Administrative Officer



Dr. Hesbon Nyagowa
B.Ed (KU), MBA (Nairobi), PhD (Zululand)

Ag. University Secretary & Chief Legal Officer



Mrs. Ruth Kirwa
LLB (Hons) (Nairobi), Diploma (Kenya School of Law),
LLM (Widener)

Ag. Chief Financial Controller



FA. CPA Ben M. Sanda
BA Econ (Moi), MA Econ (Nairobi),
CPA (K), CIFA (EA)

IV. STATEMENT FROM THE CHAIRMAN OF COUNCIL

The Technical University of Kenya (TU-K) was established through the elevation of The Kenya Polytechnic University College (KPUC) to full university status. TU-K was established as the first technical university in Kenya in line with the provisions of the Universities Act, 2012. The technical university is a new type of university in Kenya, whose mandate shall be to offer higher education and research in technology. The technical university, as a concept, was being created in Kenya with the objective to be a technological force behind the Vision-2030 drive and the general economic development of the nation. This has come about from the realisation that most countries that have been able to make major technological breakthroughs were heavily propelled through this by their technological universities.

As an institution of higher learning, TU-K offers degrees at the undergraduate and postgraduate levels. In this respect it will be noted that in the education of technical personnel at the university level, institutions of higher learning in Kenya have over the years only focused on the training of professionals at the level of engineers, architects, surveyors, planners, and estate managers. The education and training of the technologist has however been totally neglected in this structure. Given that the technologist is usually the 'driving engine' in the actual industrial production, it should be no surprise that Kenya has been unable to make serious breakthrough in industrialisation. To this extent, in addition to producing graduates at the fully professional degree level, TU-K continues in the tradition that had been set by its predecessor in offering as well degrees aimed at producing technologists.

The University recognises Kenya Vision 2030 economic blue-print strategy of realising knowledge led economic development. TU-K is therefore committed to enhancing its competitiveness in the higher education sector globally in line with its vision of being the top rated university of technology. The University will offer education and training that strategically focuses on application of technological knowledge and innovative skills as well as engaging in research geared towards solving immediate and future societal challenges.

On behalf of the Members of the Council, it is my pleasure to present the Annual Report and Financial Statements of The Technical University of Kenya for the year ended 30th June 2020.


University Secretary & Chief Legal Officer
For: **Chairperson of Council**

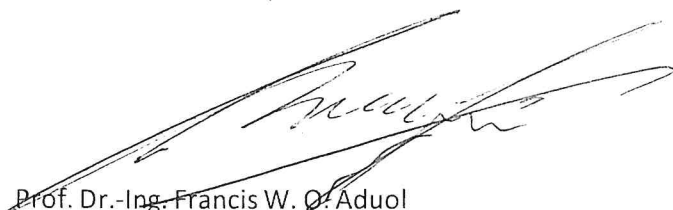
V. REPORT OF THE VICE CHANCELLOR

It is my pleasure to present the Annual Report and Accounts of the Technical University of Kenya for the year ended 30th June 2020. The institution has been operating under very constrained financial situation ever since it was upgraded to the Kenya Polytechnic University College in 2007. The Government recurrent capitation received has not been sufficient for the smooth running of its operations. The financing constraint has forced the University to curtail some of its planned activities by under-spending on certain essential and core areas of its mandate such as teaching and learning, procurement of specialised materials and laboratories. The adverse financial environment has in addition led to accumulation of bills.

In spite of the above mentioned financial challenges, TU-K currently offers 67 degree and 52 diploma programmes. Presently, the University has over 3,000 students in engineering, the largest number by a single institution in Kenya. Through its outreach programmes, TU-K has made tremendous efforts to demystify science among the youth with a view to encouraging them to take science-oriented courses. This has seen the proportion of students applying for places in science and technology rise to 81%. The University also engages in research with emphasis on practical solutions of immediate and future societal problems.

During the year under review, the University recorded a deficit of KSh. **444,178,088** out of total income from Government, donors and internally-generated funds all amounting to KSh. **2,717,796,286** against an expenditure of KSh. **3,161,974,375**. I am proud of the management and staff and greatly appreciate their ability and commitment towards achieving the University's vision, mission and objectives.

I wish to thank the University Council for dedicating their time and effort to steer and provide governance support to the University affairs. I express my sincere gratitude to the Government of Kenya, Ministry of Education, development partners and other stakeholders for their continued support. This has gone a long way towards building a solid institution that is true to its mandate and stakeholders' expectations.



Prof. Dr.-Ing. Francis W. O. Aduol

Vice-Chancellor and Secretary to University Council

VI. REPORT OF THE UNIVERSITY COUNCIL

The Council submits its report together with the audited financial statements for the year ended 30th June 2020 which show the state of the university's finances.

Principal activities

The Technical University of Kenya summarises its core mandate as guided by the Charter as follows:

1. To provide post-secondary technological, professional, and scientific education and training up to and including degree level.
2. To undertake high quality research and dissemination of research outcomes, to advance knowledge and educate students in science, technology and innovation and other areas of scholarship that will best train for the real world in the 21st century and beyond.

Results

The results of the University for the Year ended 30th 2020 are set out on page 1.

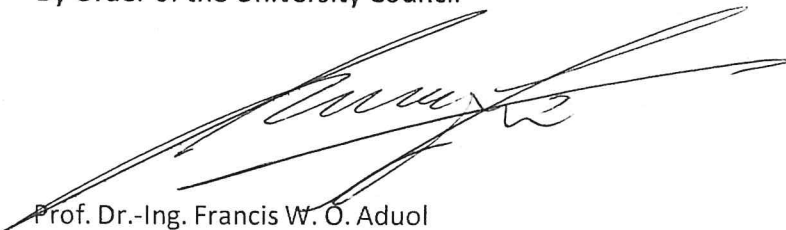
University Council

The members of the university council who served during the year are shown on page (v).

Auditors

The Auditor General is responsible for the statutory audit of the university in accordance with the Public Finance Management (PFM) Act, 2012.

By Order of the University Council



Prof. Dr.-Ing. Francis W. O. Aduol
Vice-Chancellor & Secretary to University Council

VII. STATEMENT OF UNIVERSITY COUNCIL RESPONSIBILITIES

Public Finance Management Act, 2012 and the State Corporations Act, require the Council to prepare financial statements for TU-K which gives a true and fair view of the state of affairs of the University at the end of a financial year and the operating results for that year. The Council is also required to ensure that the University keeps proper accounting records which disclose with reasonable accuracy its financial position. The Council is also responsible for safeguarding the assets of the University.

The Council is responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the university for and as at the end of the financial year ended on June 30, 2020. This responsibility includes:

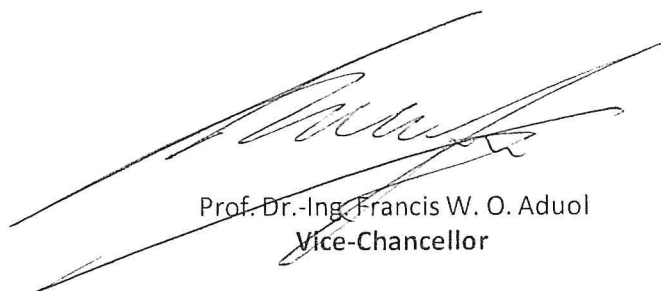
- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the University;
- (iii) designing,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

The Council accepts responsibility for the University's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Council is of the opinion that the University's financial statements give a true and fair view of the state of its transactions during the financial year ended June 30, 2020, and of the University's financial position as at that date. The Council further confirms the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

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

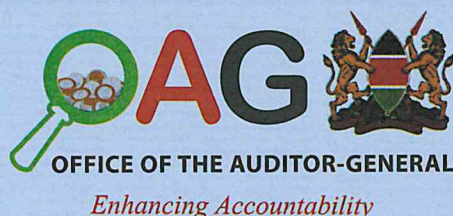
The University's financial statements were approved by the Council and signed on its behalf by:


University Secretary & Chief Legal Officer
For: Chairperson of Council


Prof. Dr.-Ing. Francis W. O. Aduol
Vice-Chancellor

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON THE TECHNICAL UNIVERSITY OF KENYA FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of The Technical University of Kenya set out on pages 1 to 15, which comprise the statement of financial position as at 30 June, 2020 and the statement of financial performance, statement of cash flows, statement of changes in accumulated funds, and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of The Technical University of Kenya as at 30 June, 2020, 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 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Going Concern Uncertainty

The University recorded a deficit of Kshs.444,178,088 (2019: Kshs.685,657,193) increasing the cumulative deficit to Kshs.3,540,544,586 as at 30 June, 2020 from a deficit of Kshs.3,096,366,498 as at 30 June, 2019. Further, the current liabilities of Kshs.3,829,538,571 exceeded the current assets of Kshs.848,875,771 resulting to a negative working capital of Kshs.2,980,662,800.

The University was therefore unable to meet its financial obligations as and when they fell due. In particular, the University was unable to remit other payroll deductions, insurance premium deductions, bank loan deductions, Sacco deductions and other statutory obligations of Kshs.61,651,986, Kshs.2,091,911, Kshs.18,654,748, Kshs.20,606,059 and Kshs.1,492,755,284 respectively, all totalling Kshs.1,595,759,988. The University also failed to pay audit fees totalling Kshs.6,496,000 for seven (7) financial years 2012/2013 to 2018/2019.

The University is therefore technically insolvent and the financial statements have been prepared on a going concern basis on the assumption of continued financial support from the National Government, bankers and creditors.

2. Trade and Other Receivables

As disclosed in Note 10 to the financial statements, the statement of financial position reflects a balance of Kshs.825,978,522 under trade and other receivables. However, the balance included amounts of Kshs.104,350, Kshs.500,000 and Kshs.562,501 being deposits to suppliers, Nyayo Vehicle Project and dishonored cheques respectively, which have been outstanding for a long period of time and whose supporting analysis ledgers and documents were not provided for audit review.

In the circumstances, recoverability of the long outstanding trade and other receivables of Kshs.1,166,851 is in doubt.

3. Unsupported Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalents balance of Kshs.17,497,922 which, as disclosed in Note 9(a) to the financial statements, includes amounts of Kshs.729,614, Kshs.105,738 and Kshs.300,000 held in Students' Deposit Savings Fund, Needy Students Fund and Fixed Deposit accounts respectively. However, and as previously reported, cashbooks and bank reconciliation statements for the accounts were not provided for audit verification.

Under the circumstances, the accuracy, completeness and existence of the cash and cash equivalents balance of Kshs.17,497,922 as at 30 June, 2020 cannot be ascertained.

4. Irregular Payments to Employees on Leave of Absence and Study Leave

The statement of financial performance reflects an expenditure of Kshs.2,718,431,817 under employees costs which includes an amount of Kshs.11,782,265 paid irregularly to two (2) employees. The employees continued to draw monthly salaries and other benefits in full during the entire period they were on unpaid leave.

Further, the expenditure of Kshs.2,718,431,817 on employees costs also includes an amount of Kshs.5,499,612 paid irregularly to fourteen (14) employees of the University who were on full salary, house allowance and commuter allowance while on Study leave outside the country on varying dates. This is contrary to Sub-Section 6.1d of Human Resource Manual which stipulates the amount to be paid as 80% of the basic salary for those studying outside the country.

In the circumstances, the accuracy and propriety of expenditure of Kshs.17,281,877 incurred under employees costs could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Technical University of Kenya Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical

requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There are no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with one Third Rule on Salary Deductions

Analysis of the University payroll data for the year ended 30 June, 2020 revealed that sixty (60) and forty-five (45) employees had payroll deductions in excess of two thirds of their gross pay in the month of July, 2019 and June, 2020 respectively, with twelve (12) employees having zero net pays and eighteen (18) staff members receiving less than a third of the basic throughout the financial year. This is contrary to Section 19(3) of the Employment Act, 2007 which provides that the total amount of all deductions made by an employer from the wages of his employee at any one time shall not exceed two-thirds of such wages.

In the circumstance, the University was in breach of the law.

2. Outstanding Staff Imprest

The statement of financial position reflects a balance of Kshs.825,978,522 under trade and other receivables which, as disclosed in Note 10 to the financial statements, includes staff imprest of Kshs.2,860,322 which was outstanding as at 30 June, 2020. This is contrary to Section 93(5) of the Public Finance Management (National Government) Regulations, 2015 which requires a holder of a temporary imprest to account or surrender the imprest within 7 working days after returning to duty station.

Consequently, the University was in breach of the Regulations.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the

financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2 330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to terminate the University or to cease operations.

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

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

Those charged with governance are responsible for overseeing the University's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and

systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

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


 Nancy Gathungu
AUDITOR-GENERAL

Nairobi

09 November, 2021

IX. STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 Kshs.	2019 Kshs.
INCOME			
Revenue from non-exchange transactions			
Government Grants: Recurrent	4(a)	2,116,430,160	1,630,524,659
Donor Funds	4(b)	41,494,941	32,068,186
Revenue from exchange transactions			
Rendering Services	5(a)	525,479,810	892,722,532
Other Income	5(b)	34,391,376	17,304,962
Total Revenue		2,717,796,286	2,572,620,339
EXPENSES			
Employee costs	6(a)	2,718,431,817	2,674,140,431
Depreciation and amortization expense	6(b)	98,365,898	109,763,977
General Expenses	6(c)	234,873,389	351,805,797
Purchases of Water and Electricity	6(d)	41,311,546	46,176,385
Contracted services	6(e)	29,424,464	32,824,880
Repairs and Maintenance	6(f)	32,224,451	35,238,748
Remuneration of Council members	6(g)	6,530,810	7,515,313
Audit fees	6(h)	812,000	812,000
Total Expenses		3,161,974,375	3,258,277,531
Surplus(Deficit) for the year		(444,178,088)	(685,657,193)

X. STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

		2020 Kshs.	2019 Kshs.
ASSETS	Notes		
Trade and Other Receivables	10	825,978,522	905,080,493
Cash and Cash Equivalents	9(a)	17,497,922	71,961,537
Inventories	11	<u>5,399,328</u>	<u>8,225,081</u>
		848,875,771	985,267,111
NON CURRENT ASSETS			
Property, Plant and Equipment	7	5,512,157,242	5,583,865,251
TOTAL ASSETS		<u>6,361,033,013</u>	<u>6,569,132,362</u>
CURRENT LIABILITIES			
Trade and other payables	8	3,829,538,571	3,651,682,442
Bank Overdraft	9(b)	-	-
TOTAL CURRENT LIABILITIES		<u>3,829,538,571</u>	<u>3,651,682,442</u>
FUNDS			
Capital Fund	3(a)	2,014,955,697	1,956,733,087
Revenue Reserve	3(c)	(3,540,544,586)	(3,096,366,498)
Revaluation Surplus	3(b)	<u>4,057,083,331</u>	<u>4,057,083,331</u>
		2,531,494,442	2,917,449,920
TOTAL FUNDS AND LIABILITIES		<u>6,361,033,013</u>	<u>6,569,132,362</u>

The financial Statements were approved by the Council and were signed on its behalf by :


Prof. Dr. Ing. Francis W.O. Aduol
VICE CHANCELLOR


FA, CPA Ben Sanda
Ag. FINANCIAL CONTROLLER

**XI. STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 30 JUNE 2020**

	<u>Capital Fund</u> Kshs.	<u>Revaluation Reserve</u> Kshs.	<u>Revenue reserve</u> Kshs.	<u>Total</u> Kshs.
At 30 June 2018	1,781,095,331	4,057,083,331	(2,410,709,305)	3,427,469,357
Funds received during the period	175,637,756			175,637,756
Surplus for period			(685,657,193)	(685,657,193)
As at 30 June 2019	1,956,733,087	4,057,083,331	(3,096,366,498)	2,917,449,920

	<u>Capital Fund</u> Kshs.	<u>Revaluation Reserve</u> Kshs.	<u>Revenue reserve</u> Kshs.	<u>Total</u> Kshs.
At 30 June 2019	1,956,733,087	4,057,083,331	(3,096,366,498)	2,917,449,920
Funds received during the period	58,222,610			58,222,610
Surplus for period			(444,178,088)	(444,178,088)
As at 30 June 2020	2,014,955,697	4,057,083,331	(3,540,544,586)	2,531,494,442

XII. STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

Notes	2020 Kshs.	2,019 Kshs.
Cash flow from operating activities:		
Receipts		
Government Grants	2,116,430,160	1,630,524,659
Donor funds	41,494,941	32,068,186
Tuition Fees	525,479,810	892,722,532
Other Incomes	34,391,376	17,304,962
	<u>2,717,796,286</u>	<u>2,572,620,339</u>
Payments		
Compensation of employees	2,718,431,817	2,674,140,431
Goods and services	345,176,660	477,395,244
	<u>3,063,608,477</u>	<u>3,148,513,554</u>
(Increase)/Decrease in current receivable	79,101,971	34,507,089
(Increase)/Decrease in inventory	2,825,753.18	(1,908,887)
Increase in payables	177,856,130	524,346,483
	<u>177,856,130</u>	<u>524,346,483</u>
Net cash from Operating Activities	(86,028,337)	(18,948,530)
Cash flows from investing activities		
Purchase of property plant and Equipment	(26,657,889)	(156,758,650)
Net Cash flows used in investing activities	(26,657,889)	(156,758,650)
Cash flows from financing activities		
Development grants received	58,222,610	175,637,756
Net Cash flows used in financing activities	58,222,610	175,637,756
Net increase/decrease in cash and Cash Equivalent	(54,463,616)	(69,423)
Cash and Cash equivalents at beginning of period	71,961,538	72,030,961
Cash and Cash equivalent at end of period	<u>17,497,922</u>	<u>71,961,538</u>

TECHNICAL UNIVERSITY OF KENYA
XIII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30 JUNE 2020
Budget Approved on the Cash Basis
(Classification of Payments by Functions)

	Actual Amount	Final Budget	Difference Final Budget
	Kshs	Kshs	Kshs
CASH INFLOWS			
Government Grants-Recurrent	2,16,430,160	1,858,525,826	(257,904,334)
Grants , Dev't Partner t (Donor Partner)	41,494,941	35,450,000	(6,044,941)
Rendering Services	525,479,810	932,800,000	407,320,190
Other Income -Recurrent (IGU)	34,391,376	-	(34,391,376)
Total Receipts	2,717,796,286	2,826,775,826	108,979,540
CASH OUTFLOWS			
Employee Costs	2,718,431,817	2,793,186,176	74,754,359
Council Expenses	6,530,810	8,194,743	1,663,933
Bulk Purchases of Water and Electricity	41,311,546	44,429,836	3,118,290
Repairs & Maintenance	32,224,451	12,888,704	(19,335,747)
Depreciation	98,365,898	-	(98,365,898)
Contracted Professional Services	29,424,464	18,472,125	(10,952,338)
Provision for Audit Fees	812,000	1,068,840	256,840
General Expenses			
Printing and Advertising expenses	11,487,775	17,440,778	5,953,003
Land Rates and Rentals	4,697,963	21,412,615	16,714,651
Staff Training Expenses	6,533,453	14,552,197	8,018,744
Hospitality Supplies and Services	21,448,046	23,116,605	1,668,559
Medical & Insurance Expenses	36,192,856	47,973,604	11,780,748
Specialized, Teaching Materials & Supplies	118,239,673	114,590,238	(3,649,436)
Provision for Bad Debt	(8,789,108)	-	8,789,108
General Supplies	19,610,095	28,357,726	8,747,632
Communication Supplies & Services	15,660,632	26,592,427	10,931,795
Foodstuffs supplies	5,737,418	6,282,468	545,050
Gas & Lubricants	1,610,275	12,111,801	10,501,526
Other Operating Expenses	2,444,312	29,990,167	27,545,855
Total Payments	3,161,974,375	3,220,661,050	58,686,675
NET CASH OUTFLOWS	(444,178,088)	(393,885,224)	50,292,864

* Actual amounts encompass both cash and third party settlements.

** The "Difference..." column is not required. However, a comparison between actual and the original or the final budget, clearly identified as appropriate, may be included.

XIV. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

2. Summary of significant accounting policies

(a) Revenue recognition

Revenue is recognised to the extent that it is probable that future economic benefits will flow to the University and the revenue can be reliably measured. Revenue is recognised at the fair value of consideration received or expected to be received in the ordinary course of the University's activities, net of value-added tax (VAT), where applicable, and when specific criteria have been met for each of the university's activities as described below.

- i) Revenue from the sale of goods and services is recognised in the year in which the University delivers products to the customer who has accepted the products and collectability of the related receivables is reasonably assured.
- ii) Grants from National Government are recognised in the year in which the University actually receives such grants.
- iii) Finance income comprises interest receivable from bank deposits and investment in securities, and is recognised in profit or loss on a time proportion basis using the effective interest rate method.
- iv) Rental income is recognised in the income statement as it accrues using the effective lease agreements.
- v) Other income is recognised as it accrues.

(b) In-kind contributions

In-kind contributions are donations that are made to the University in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the University includes such value in the statement of comprehensive income both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

XIV NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2020

(c) Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost less accumulated depreciation.

Gains and losses on disposal of items of property, plant and equipment are determined by comparing the proceeds from the disposal with the net carrying amount of the items, and are recognised in profit or loss in the income statement.

Land and capital work in progress are not depreciated. Capital work in progress relates mainly to the costs of ongoing but incomplete works on buildings and other civil works and installations.

Depreciation on property, plant and equipment is recognised in the income statement on a reducing balance basis to write down the cost of each asset or the re-valued amount to its residual value over its estimated useful life. The annual rates in use are:

Land	-
Buildings	2.5%
Motor Vehicles	25%
Furniture & Fittings	12.5%
Computer & Printers	30%
Office Equipment	12.5%

A full year's depreciation charge is recognised both in the year of asset purchase and in the year of asset disposal.

(d) Intangible assets

Intangible assets comprise purchased computer software licences, which are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over the estimated useful life of the intangible assets from the year that they are available for use, usually over three years.

Amortisation is calculated on the straight-line basis over the estimated useful life of computer software of three years.

All computer software is reviewed annually for impairment. Where the carrying amount of an intangible asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognised so that the asset is written down immediately to its estimated recoverable amount.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value.

XIV. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

(f) Trade and other receivables

Trade and other receivables are recognised at fair value less allowances for any uncollectible amounts. These are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off after all efforts at recovery have been exhausted.

(g) 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. For the purposes of these financial statements, cash and cash equivalents also include short-term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

(h) Trade and other payables

Trade and other payables are non-interest bearing and are carried at amortised cost, which is measured at the fair value of contractual value of the consideration to be paid in future in respect of goods and services supplied, whether billed to the University or not, less any payments made to the suppliers.

(i) Retirement benefit obligations

The University operates a defined contribution scheme for all full-time employees. The scheme is administered by Alexander Forbes and is funded by contributions from both the University and its employees. The University also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The University's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KSh.200 per employee per month.

(j) Comparative figures

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

(k) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2020.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2020

3 NET ASSETS

	3a Capital Fund	3b Revaluation Reserve	3c Revenue reserve	Total
At 30 June 2019	1,956,733,087	4,057,083,331	(3,096,366,498)	2,917,449,920
Funds received during the Peri	58,222,610	-	-	58,222,610
Surplus for the Year			(444,178,088)	(444,178,088)
As at 30 June 2020	2,014,955,697	4,057,083,331	(3,540,544,586)	2,531,494,442

	2020 Kshs.	2019 Kshs.
Government Development Grants	58,222,610	175,637,756

4 REVENUE FROM NON-EXCHANGE TRANSACTIONS

	2020 Kshs.	2019 Kshs.
4a Government Recurrent Grants	2,116,430,160	1,630,524,659
4b Donor Funds	41,494,941	32,068,186
Total	2,157,925,100	1,662,592,845

5 REVENUE FROM EXCHANGE TRANSACTIONS

	2020 Kshs.	2019 Kshs.
5(a) Rendering Services	525,479,810	892,722,532
5(b) Other Income	34,391,376	17,304,962
Total Exchange Revenue	559,871,186	910,027,494

6(a) Employee Costs

	2020 Kshs.	2019 Kshs.
Personal Emoluments	2,509,606,773	2,462,422,595
Employer Contributions	178,020,379	178,169,901
Domestic Travel	21,257,307	20,651,097
Foreign Travel	9,547,359	12,896,837
Total	2,718,431,817	2,674,140,431

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2020

	2020 Kshs.	2019 Kshs.
6(b) Depreciation and Amortization	98,365,898	109,763,977
6(c) General Expenses		
Printing, Advertising & Publicity	11,487,775	22,857,695
Land Rates & Rental Expenses	4,697,963	12,302,151
Staff Training Expenses	6,533,453	12,691,566
Hospitality Suppliers & Services	21,448,046	32,372,092
Medical & Insurance Expenses	36,192,856	49,501,224
Specialized, Teaching Materials & Supplies	118,239,673	145,408,030
Provision for bad debts(Increase/ Decrease)	(8,789,108)	(3,834,121)
General Supplies	19,610,095	36,147,400
Communication Supplies & Services	15,660,632	23,328,314
Penalties	500,000	8,503,800
Foodstuffs Supplies	5,737,418	8,857,665
Gas & Lubricants	1,610,275	2,176,355
Other Operating Expenses	<u>1,944,312</u>	<u>1,493,626</u>
Total	<u>234,873,389</u>	<u>351,805,797</u>
6(d) Bulk purchases of water and electricity		
Bulk purchase of water	12,501,050	12,386,180
Bulk purchase of Electricity	<u>28,810,496</u>	<u>33,790,206</u>
	<u>41,311,546</u>	<u>46,176,385</u>
6(e) Contracted Services	<u>29,424,464</u>	<u>32,824,880</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	Kshs.	Kshs.
6(f) Repair and Maintenance		
Maintenance of Motor Vehicles	9,094,295	14,775,532
Maintenance of other Assets	<u>23,130,155</u>	<u>20,463,215</u>
Total	<u>32,224,451</u>	<u>35,238,748</u>
6(g) Remuneration of Council members		
Sitting Allowances	5,974,310	4,708,813
Honoraria	<u>556,500</u>	<u>2,806,500</u>
	<u>6,530,810</u>	<u>7,515,313</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2020

7. PROPERTY, PLANT & EQUIPMENT		LAND		BUILDINGS		MOTOR VEHICLES		FURNITURE & COMPUTERS, FITTINGS		PRINTER & SOFTWARE		MACHINERY & EQUIPMENT		WORK IN PROGRESS		TOTAL	
		KSHS	0%	KSHS	2.50%	KSHS	25%	KSHS	12.50%	KSHS	30%	KSHS	12.50%	KSHS	KSHS	KSHS	KSHS.
At 30 June 2019		3,068,000,000		1,167,170,000		71,629,618		55,939,438		102,213,983		878,810,606		1,069,095,555		6,412,859,199	
Valuation/Additions		-		-		-		2,711,245		7,840,417		1,005,838		15,100,389		26,657,889	
At 30 June 2020		3,068,000,000		1,167,170,000		71,629,618		58,650,683		110,054,400		879,816,444		1,084,195,944		6,439,517,088	
DEPRECIATION:																	
At 30 June 2019		-		240,868,882		48,676,113		29,163,586		76,706,275		433,579,092		-		828,993,948	
Charges for the year		-		23,157,528		5,738,376		3,685,887		10,004,437		55,779,669		-		98,365,898	
As at 30 June 2020		-		264,026,410		54,414,489		32,849,473		86,710,713		489,358,761		-		927,359,846	
NET BOOK VALUE:																	
At 30 June 2020		3,068,000,000		903,143,590		17,215,129		25,801,210		23,343,687		390,457,683		1,084,195,944		5,512,157,242	
At 30 June 2019		3,068,000,000		926,301,118		22,953,505		26,775,852		25,507,707		445,231,514		1,069,095,555		5,583,865,251	

(1). In the opinion of the Council there is no impairment in the value of property, plant and equipment.
(2). All classes of the University assets were valued to fair market values by independent contracted professional valuers, Syagga and Associates Limited. The valuation report included also assets bought during the year. The report was issued in September 2011.

7. PROPERTY, PLANT & EQUIPMENT

	LAND		BUILDINGS		MOTOR VEHICLES		FURNITURE & COMPUTERS, FITTINGS		PRINTER & SOFTWARE EQUIPMENT		MACHINERY & WORK IN PROGRESS		TOTAL	
	KSHS	0%	KSHS	2.50%	KSHS	25%	KSHS	12.50%	KSHS	30%	KSHS	12.50%	KSHS	KSHS.
At 30 June 2018	3,068,000,000		1,167,170,000		53,904,368		53,789,994		90,922,151		878,286,965		944,027,972	6,256,100,550
Valuation/Additions	-		-		17,725,250		2,150,344		11,291,832		523,641		125,067,583	156,758,650
At 30 June 2019	3,068,000,000		1,167,170,000		71,629,618		55,939,438		102,213,983		878,810,606		1,069,095,555	6,412,859,199
DEPRECIATION:														
At 30 June 2018	-		217,117,572		41,024,944		25,338,464		65,774,401		369,974,590		-	719,229,971
Charges for the year	-		23,751,311		7,651,168		3,825,122		10,931,875		63,604,502		-	109,763,977
As at 30 June 2019	-		240,868,882		48,676,113		29,163,586		76,706,275		433,579,092		-	828,993,948
NET BOOK VALUE:														
At 30 June 2019	3,068,000,000		926,301,118		22,953,505		26,775,852		25,507,707		445,231,514		1,069,095,555	5,583,865,251
At 30 June 2018	3,068,000,000		950,052,428		12,879,424		28,450,630		25,147,750		508,312,375		944,027,972	5,536,870,579

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2020

8. TRADE AND OTHER PAYABLES

	2020	2019
	Kshs.	Kshs.
Auditor General	6,496,000	5,684,000
Contractors & General Creditors	104,208,227	134,189,361
Provision for NCC - Land Rates	6,443,144	3,221,572
UoK Salary Reimbursement	10,420,450	16,818,189
Provision for Gratuities	190,367,966	206,543,280
Staff Pension Fund	1,681,723,683	1,442,670,836
Third Party Funds	234,119,112	191,450,619
Statutory Obligations	1,492,755,284	1,380,844,357
Sacco Deductions	20,606,059	68,539,255
Bank Loan Deductions	18,654,748	24,155,338
Insurance Premium Deductions	2,091,911	6,023,113
Other Payroll deductions	61,651,986	171,542,521
Deposits Control Account	-	-
	<u>3,829,538,571</u>	<u>3,651,682,442</u>

9. CASH AND CASH EQUIVALENTS

	2020	2019
	Kshs.	Kshs.
Cash in hand	591,470	959,801
Production Unit Account-110163686	77,843	9,289,594
Hostel Fund Account-1101631791	942,452	948,557
Fund Account-0109148224	64,548	1,270,773
Cash at Bank- Coop Collection account	1,399,391	12,251,467
Cash at Bank- Equity Collection account	120,559	4,338,968
Students Deposit-Caution Money	458,002	60,215
Machine Replacement Fund	1,012,005	1,018,110
Staff Pension Fund	568,582	574,687
Students Deposit savings Fund	729,614	729,614
Needy Students Fund	105,738	105,738
Fixed Deposit	300,000	300,000
Cash at Bank- KCB Collection account	5,290,127	9,123,009
Enterprise Development Fund-1101631953	1,205,670	1,063,439
Production Unit Savings	422,053	427,093
KESSP Account	6,755	11,795
Main Account-1109148135	2,708,410	27,987,869
Kasarani TTI Account-1160726485	1,494,703	1,500,808
	<u>17,497,922</u>	<u>71,961,537</u>

9(b). BANK OVERDRAFT

Main Account- 1109148135	-	-
Production Unit Account- 110163686	-	-
Hostel Fund Account- 110914224	-	-
Fund Account	-	-
KESSP Account	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

The carrying amounts of the cash and cash equivalents are denominated in Kenya Shillings.
There is a bank guarantee of Kshs. 1.5 Million for the supply of motor vehicle fuel by Kenya Shell Ltd.

10. Trade and Other Recievables

	2020 Kshs.	2019 Kshs.
Outstanding Staff Imprest	2,860,322	22,502,629
Salary Advances	3,364,939	4,315,776
Outstanding Students fees	910,361,801	977,659,736
Deposits to Suppliers	104,350	104,350
Nyayo Vehicle Project	500,000	500,000
Dishonored cheque Ministry of Education	562,501	562,501
	-	-
Total Debtors	917,753,913	1,005,644,992
Provision for bad debts (10%)	<u>(91,775,391)</u>	<u>(100,564,499)</u>
	<u>825,978,522</u>	<u>905,080,493</u>

Provision for bad debts: It is the policy of the university to provide for bad debts at 10% the outstanding debtors

11. INVENTORY

	2020 Kshs.	2019 Kshs.
INVENTORY	5,399,328	8,225,081

Inventory is mainly composed of stationery and other consumables. The value of inventories was arrived at after stock take exercise that was conducted by Board of Survey Committee



Amalgam

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