

REPUBLIC OF KENYA



Enhancing Accountability

REPORT 15 NOV 2022

THE NATIONAL ASSEMBLY	
P. DAY	
Tuesday	
TABLED BY:	Hon. Silvanus Osoo, MP Chief Whip Majority
CLERK-AT-TABLE:	Halima Suliman

THE AUDITOR-GENERAL

ON

**COMMISSION FOR
UNIVERSITY EDUCATION**

**FOR THE YEAR ENDED
30 JUNE, 2021**



COMMISSION FOR UNIVERSITY EDUCATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE, 2021**

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

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Commission for University Education (The Commission) was established by an Act of Parliament, Universities Act, No. 42 of 2012 as the successor to the Commission for Higher Education which was established under Universities Act Cap 210B of 1985. The Commission is domiciled in Kenya, Nairobi and has no branches. At cabinet level, the Commission is represented by the Cabinet Secretary for Ministry of Education.

(b) Principal Activities

The vision of the Commission is a leading regulator of quality, relevant and sustainable university education. The principal activity of the Commission is to regulate and assure quality university education by setting standards and guidelines and monitoring compliance to achieve global competitiveness.


(c) Key Management

The Commission's day-to-day management is under the following:

- i) Commission Secretary/CEO
- ii) Deputy Commission Secretary (Quality Audit & Standard)
- iii) Deputy Commission Secretary (Accreditation)
- iv) Deputy Commission Secretary (Administration & Finance)
- v) Deputy Commission Secretary (Planning, Research & Development)

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:



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No.	Designation	Name
1.	Commission Secretary/CEO	- Prof. Mwenda Ntarangwi
2.	Deputy Secretaries	- Prof. Grace Njoroge - Prof. Jackson Too - Lynette Kisaka
3.	Ag. Head of Administration & HR	- Margaret Kamoni
4.	Head of Finance	- Linah Kiptoo
5.	Head of Procurement	- Phylis Karimi
6.	Head of Legal	- Isaac Gathirwa

(e) Fiduciary Oversight Arrangements

The activities of the Commission are transacted through the following committees:

Audit, Risk and Compliance Committee

1. Review the systems established to ensure sound public financial management and internal controls, as well as compliance with policies, laws, regulations, procedures, plans and ethics
2. Evaluate adequacy of management procedures with regard to issues relating to risk management, control and governance
3. Review policies and programs developed in respect of significant compliance issues
4. Monitor compliance with Laws, regulations and the Commission Policies and Procedures in relation to key financial and operational controls and processes

Quality Assurance Committee

1. To consider and recommend to the Commission for approval standards and guidelines for physical facilities and other infrastructural requirements, academic programmes, library and information services, for quality assurance purposes
2. To consider and recommend to the Commission for approval establishment of universities, constituent colleges and campuses
3. To consider and recommend to the Commission academic programmes for accreditation

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4. To consider reports on audited academic programmes and audited universities for recognition of quality status
5. To consider and recommend to the Commission grant of authority to foreign universities to collaborate with local institutions
6. To consider and recommend to the Commission grant of license to student recruitment agencies to operate in Kenya.
7. To oversee and give direction on difficult cases on recognition and equation of foreign qualifications

Strategy Committee

1. Oversee and monitor the effectiveness and integrity of the Commission's performance management systems, including performance contracting and ISO certification processes;
2. Develop and implement strategies and policies of the Commission that will guide university education in Kenya;
3. Fundraise and mobilize resources for the Commission and over see their prudent use and utilization;
4. Develop and implement policies to guide research, innovation and outreach both at the Commission and in the University sector in Kenya;
5. Develop and implement policies that shall guide planning, policy formulation, collaboration and partnerships at the Commission and within the University sector in Kenya;
6. Develop and implement policies that will help manage the Commission's externally funded projects;
7. Development and implement policies on postgraduate research training at Universities in Kenya;
8. Report to the Board of Commission regularly.

Human Resources & Finance Committee

1. Oversee and monitor the effectiveness of Administration, Human Resource and security functions, processes and activities of the Commission;
2. Oversee and monitor the effectiveness of financial systems, functions, processes and activities of the Commission;
3. Oversee the development and utilization of the Commissions assets;
4. Oversee and monitor the Commission's performance with regard to legal and regulatory requirements of Human Resource, Administration and Finance issues;
5. Report to the Board of Commission regularly.



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(f) Commission Headquarters

P.O. Box 54999-00200
CUE Building
Red Hill Road
Off Limuru Road, Gigiri
NAIROBI, KENYA

(g) Commission Contacts

Telephone: (254) 020-7205000, 020-2021150, 020-2021154/56
E-mail: info@cue.or.ke
Website: www.cue.or.ke

(h) Commission Bankers

Kenya Commercial Bank
Kencom House
P.O. Box 30081
NAIROBI

Family Bank Limited
Westlands Branch-Pamstech House,
P.O. Box 74145 – 00200
NAIROBI

(i) Independent Auditors



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

(j) Principal Legal Adviser



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

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THE BOARD OF DIRECTORS

Name	D.O.B	Qualifications	Experience
 <p>Prof. Chacha Nyaigotti-Chacha Chairperson</p>	22/8/1952	<ul style="list-style-type: none"> • PhD in Anthropological Linguistics ,Yale University • Master of Philosophy in Poetics, Yale University • MA Swahili studies University of Nairobi • Bed. Literature and Kiswahili, University of Nairobi 	<ul style="list-style-type: none"> • Chairman of the Commission for University Education (CUE) and the Kenya Institute of Mass Communication (KIMC). • Executive Secretary of the Inter-University Council for East Africa • First CEO of the Kenyan Higher Education Loans Board (HELB). • Kenyan playwright and Swahili language educationalist. • Tutorial Fellow and Lecturer in Swahili Language and Linguistics at Kenyatta University and later Egerton University.
 <p>Amb. Simon Nabukwesi Principal Secretary State Department of University Education, MOE, Member</p>		<ul style="list-style-type: none"> • B.Ed., Kenyatta University • PS, Ministry of Foreign Affairs and International Trade • Director, FSI, MFA • Ambassador/ Director 	<ul style="list-style-type: none"> • PS, Ministry of Foreign Affairs and International Trade • Director, FSI Aug 2013 – Employment, Location, MFA • Ambassador/ Director, 2013 – Employment Duration6 yrs 9 mos Location MFA

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 <p>Dr. Julius Muia Principal Secretary, the National Treasury, Member</p>		<ul style="list-style-type: none"> • PhD in Finance-University of Nairobi • Masters in Finance-University of Nairobi • Bcom. Accounting – University of Nairobi • Certified Public Accountant (CPA-K) • Certified Public Secretary(CPS-K) 	<ul style="list-style-type: none"> • Principal Secretary – National Treasury Ministry of Finance
 <p>Lucy Muthoni Kambuni-SC Independent Member</p>		<ul style="list-style-type: none"> • Master of Laws (Public International Law), University of Nairobi • Diploma at the Kenya School of Law • Advocates, Nairobi. • LLB-University of Nairobi 	<ul style="list-style-type: none"> • Advocate of the High Court • Founder, LM Kambuni & Associates Advocates • Member of the Law Society of Kenya • Member of the East Africa Law Society • Member of the National Bar Association (U.S.A.) • Commissioner, Independent Review Commission (IREC), (Kriegler Commission) March – September 2008 • Acting Chairperson, Tourism Trust Fund, December, 2007-2012 • Member, Masinde Muliro University Council, 2006-2010

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 <p>Prof. Anne W.T Muigai Independent Member</p>	<p>4/12/1966</p>	<ul style="list-style-type: none"> • PhD Biochemistry-population Genetics and Molecular Biology(JKUAT) • Master of Science-Plant Genetics(Kenyatta University) • Bed (science)-Botany & Zoology Kenyatta University 	<ul style="list-style-type: none"> • Professor of Genetics • Associate Prof. of Genetics • Editor in Chief, Journal of Agriculture Science and Technology • Board Member, Journal of Agriculture Science and Technology • Director, Institute of Biotechnology Research (JKUAT) • Chairperson, Senior Lecturer, Lecturer Assistant Lecturer Dept. of Botany-JKUAT • Senate representative JKUAT Council • Consultant
 <p>Dr. Elizabeth Muli Independent Member</p>	<p>2/12/1969</p>	<ul style="list-style-type: none"> • Doctor of the Science of Law (JSD), Stanford Law School, Stanford University, Stanford, CA • Master of Laws university of Bristol, Bristol, united kingdom • Diploma of law, Kenya school of law • Bachelor of Law- University of Nairobi, • Corporate governance training course for directors, 2015 	<ul style="list-style-type: none"> • University of Nairobi School of Law Chairperson, Department Of Commercial Law (2008 to Date) • Commission For The Implementation Of The Constitution (2011-2015) <i>Vice-Chairperson of The Commission</i> • Judiciary Mediation Pilot Programme Mediator, Milimani Court, Family Division (2016 to Date) • Nexus Consulting Limited (2008 to Date) • Director, Research, ADR and Conflict Systems Design

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 <p>Eng. David Onyango Independent Member, HSC</p>		<ul style="list-style-type: none"> • MSc. Construction Engineering and Management, Loughborough University • MBA, Maastricht School of Management • BSc. (Hons), University of Nairobi 	<ul style="list-style-type: none"> • Consultant, Midrock Consulting • Managing Director, Kisumu Water and Sewerage Company (2006-2018) • Board Member, Federation of Kenya Employers • Board Member, Global Water Partnership Alliance (2015-18) • Board Member, African Utility Week • Board Member, Stadia Management Board (2010-2012) • Board Member, National Council for Occupational Health and Safety • Fellow, Aspen Global Leadership Network
 <p>Prof. Mwenda Ntarangwi CEO</p>		<ul style="list-style-type: none"> • PhD (Cultural Anthropology)- Univ. of Illinois • MA (Cultural Anthropology)- Univ. of Illinois • MA-Swahili Cultural studies- Kenyatta University • BEd. (Language Education)- Kenyatta Univ. 	<ul style="list-style-type: none"> • Vice President, Theological Book Network (2015-2017) • Executive Director, International Association for the Promotion of Christian Higher Education (2012-2015) • Associate Director Office of Off-Campus Programmes, Calvin College (2012-2015) • Director, African and African Diaspora Studies, Calvin College (2008-2011) • Director and Assistance Professor St. Lawrence Univ.-Kenya Semester Programme (1999-2003) • Assistant Director Academic Programme & Students- St. Lawrence University-Kenya Semester Program (1998 to 1999) • Associate Professor of Anthropology (2008-2015)

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MANAGEMENT TEAM



**Prof. Mwenda Ntarangwi, PhD
Commission Secretary/CEO**



**Prof. Grace N. Njoroge, PhD
Deputy Commission Secretary
Accreditation**



**Lynette Kisaka
Ag. Deputy Commission Secretary
Quality Audits and Standards**



**Prof. Jackson Too, PhD
Ag. Deputy Commission Secretary
Administration and Finance**

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Our Vision

A leading regulator of quality, relevant and sustainable university education

Our Mission

To promote quality university education through regulation, monitoring compliance and policy advisory to achieve global competitiveness.

Our Mandate

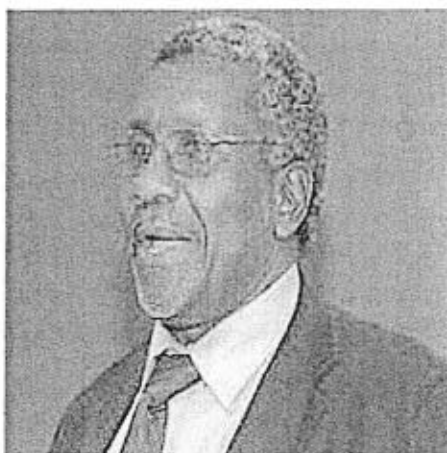
To promote the objectives of university education, by regulating and accrediting universities and programmes, among other functions.

Our Core Values

- Professionalism
- Integrity
- Equity
- Teamwork
- Accountability
- Responsiveness

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CHAIRMAN'S STATEMENT



**Prof. Chacha Nyaigotti-Chacha
Chairman**

It is a great pleasure to present the Commission for University Education's (CUE) Annual Report for the Financial Year 2020/21, a challenging year both at the global and national level as the world continues to battle the Covid-19 pandemic. The Corona Virus pandemic is a global phenomenon that wobbled all sectors in every country in the world including university education. The University sub-sector was worst hit as all the institutions of higher learning remained shut over a period of time to avert the spread of the disease.

Most importantly for the period under review, we share the programs and activities undertaken by the Commission in effectively executing its mandate of promoting the objectives of university education, by regulating and accrediting universities and programmes, among other functions.

As a Regulator, the Commission developed a Self-Assessment Report (SAR) tool for Open, Distance and E-learning (ODEL) programmes and universities in Kenya to enable institutions adopt remote teaching and learning. This was among the strategies adopted to ensure continuation of learning in our universities located in different parts of the country. In addition, the Commission held its 3rd Biennial Conference on the State of University Education in Kenya under the theme '*Technology and Quality University Education in the age of disruption*'. The outcome of the conference aimed to establish current gaps in leveraging technology to respond to disruptions in university education so as to enhance quality, relevance, access and student experience; initiate and develop strategic partnerships and networks amongst policy makers, think tanks, scholars, and key stakeholders in university education. It is worth noting that the financial year 2020/2021 marked the second year of the implementation of the Commission's Strategic Plan 2019-23, which coincided with the



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implementation of the government's Big Four Agenda and the Third Medium Term Plan of the Vision 2030.

I am also pleased to inform you that the activities for this financial year were in line with our four Key Result Areas of Quality Assurance, Institutional Capacity, Corporate positioning, Strategy formulation, Policy and Research. In the period under review, the Commission revised the Universities Regulations 2014(Revised2019) Gazetted 2020. This was aimed at mainstreaming quality assurance practices and promoting continuous improvement in universities operations. In furtherance of its mandate, CUE provided evidence based policy advisory to government and engaged stakeholders through collaborations and partnerships.

The Commission continued to engage stakeholders through several channels to ensure compliance with all advisories. To this end, all advisories and circulars are continuously prepared and uploaded on CUE's website for ease of access by all stakeholders.

In adhering to government directives to mitigate the impact of the disease, the Commission instituted work-from-home measures and ensured business continuity through virtual and online platforms.

Though this was unprecedented and difficult time for the nation, the Commission shall continue to undertake to deliver much more in the coming financial year.

I acknowledge our stakeholders who have continued to journey with the Commission as it fulfills its mandate. On behalf of the Commission, I assure all stakeholders of our continued engagement and support for the successful realization of quality and sustainable university education for all Kenyans.

Lastly, I extend my sincere gratitude to the Members of the Commission and the Secretariat staff for working tirelessly and diligently to achieve our goals.



PROF. CHACHA NYAIGOTTI-CHACHA
COMMISSION CHAIRMAN

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REPORT OF THE CHIEF EXECUTIVE OFFICER



**Prof. Mwenda Ntarangwi, PhD
Commission Secretary/CEO**

Following the launch of CUE Strategic Plan 2019-2023 in March 2020, the Commission embarked on the implementation of several key activities during the financial year 2020/2021. The planned activities were aligned to our four key Result Areas of Quality Assurance, Institutional Capacity, Corporate positioning, Strategy formulation, Policy and Research. A key activity to note was the gazettment of Statutes Law Miscellaneous Amendments. This follows a review of the proposed Amendments to the Universities Act, Review of Universities Regulations, 2014(Revised 2019- Section 24 of the Universities Act). The Gazettment opened doors for registration of a specialized degree awarding institution-the first of its kind in Kenya. The National Defence University-Kenya received its Charter in May 2021. In addition, two more private universities operating under Letters of Interim Authority (LIA) were elevated to fully fledged universities after being granted Charters.

Pursuant to our constitutional mandate, CUE undertook the 2019/2020 University statistics and data collection analysis to determine student enrolment rates, staffing, graduation trends, academic programmes on offer and finance.

With the knowledge that data is a vital element in making decisions and crafting policies, the Commission is committed to building a rich data base, which will be easily accessed by any authorized person upon request. Policies and projections will then be made based on tangible up-to-date data. There will also be greater efficiency in the implementation of projects and realization of targets.

In the spirit of promoting close collaboration with stakeholders, the Commission held consultative meetings and virtual conferences with its key stakeholders in the university sub-sector to keep our stakeholders abreast with the on-goings and trends in the university sub-sector. The Commission held its 3rd Biennial conference on the Status of University Education in Kenya from 28th October -29th October 2020. The Conference brought together university stakeholders under the theme: *Technology and Quality University Education in an age of Disruption*.



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It is my hope that our stakeholders will continue to implement some of the strategies discussed for sustainable and quality university education. Most importantly, Kenyan Universities must continue to remain innovative in order for them to be relevant and competitive globally.

The year witnessed the world, including Kenya, grapple with the negative impact of the Coronavirus (Covid-19) pandemic. This pandemic affected the implementation of some of CUE's planned activities. Despite the challenge posed by the pandemic in terms of working from home and re-adjusting the usual modus operandi, CUE remained committed to working with its stakeholders.

The Commission, for example, issued an advisory on how universities can pursue teaching and learning remotely without physical meetings.

In understanding new ways of ensuring business continuity, in spite of the pandemic, the Commission was versatile and moved towards working virtually so as to achieve its planned activities, while serving Kenyans. The Commission shall strive to implement more of its activities in the coming year.

I thank our stakeholders for their continued support and collaboration throughout the year. More so, I acknowledge the Chairman, Members of the Commission Board, Staff and the Secretariat for their collective effort in propelling CUE to achieve its mandate.



PROF. MWENDA NTARANGWI, PhD
COMMISSION SECRETARY/CEO

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STATEMENT OF CUE'S PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES FOR F/Y 2020/2021

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the Commission for University Education's performance against predetermined objectives.

The Commission has four (4) strategic pillars and Seven (7) objectives within its Strategic Plan for the FY 2018/2019- 2022/2023. These strategic pillars are as follows:

- Pillar 1: Quality Assurance
- Pillar 2: Strategy Policy and Research
- Pillar 3: Corporate Positioning
- Pillar 4: Institutional Capacity

The Commission develops its annual work plans based on the above four (4) pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Commission achieved its performance targets set for the FY 2020/2021 period for its four (4) strategic pillars, as indicated in the diagram below:


Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Quality Assurance	To Re-engineer Quality Assurance Processes	Gazetted Amendments to the Universities regulations	Draft proposed amendments to the Universities Regulations	Amendments finalized and taken through stakeholder involvement. Finalized report submitted to the Ministry of education for gazettelement
		Number of proposed Universities evaluated	Evaluate proposed universities for establishment	The Commission evaluated 14 proposals for establishment of the universities
		Number of Campuses inspected/Re-inspected	Evaluate/Re-inspect university campuses and ODEL centres	12 campuses inspected
		Number of universities with transitional accreditation monitored	Annually monitor/evaluate institutions with transitional accreditation for award of charter	12 Universities with transitional accreditation monitored
		Number of programmes evaluated	Evaluate curricula for university programmes	235 No of programmes evaluated
		Number of universities audited	Conduct Regular institutional quality audits	Four Universities audited
		Number of issue based/impromptu audits undertaken	Undertake issue based quality audits	One universities audited
		Number of programme audits undertaken	Undertake programme quality audits	No university programme audited
		Percentage of student recruitment agencies evaluated and licensed	License student recruitment agencies	100% applications evaluated and those that qualified licensed
		Percentage of application evaluated	Recognize and equate foreign qualification	100% of application evaluated

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		for recognition and equation		
Pillar 2: Strategy Policy and Research	To Provide Evidence Based Policy Advisories	Approved indicator framework	Develop indicator framework for university education	Draft framework complete. Stakeholder consultation ongoing
		Approved policy criteria for admission into universities	Develop/review policy criteria and requirement for admission to universities in Kenya	Development Committee selected
		Number of reports	Collect, analyse and disseminate data on university education	Data on university education collected analysed and report completed and disseminated to stakeholders
		Number of policy briefs prepared	Prepare policy briefs and advisories on university education	One policy brief prepared and advisory sent to the CS MOE
		Approved directory of credible journals	Develop the directory of credible universities journals	All journals were reviewed by external reviewers and an evaluation report submitted to CUE.
		Number of symposiums/ workshops/ conferences to promote sharing of research outputs	Hold symposiums/ workshops/ conferences to promote sharing of research outputs	Preparation for the 3rd Biennial conference ongoing
		Number of research undertaken	Undertake research on topical issues on university education	Research proposal on PhD in Kenya developed
Pillar 3: Corporate Positioning	To Promote Corporate Image And Branding	Improved website functionality	Re-design the corporate website and continually update the website	Website re-designed and continuously updated
		Revised service charter	Revise and Implement the Citizens Service Charter	Service charter revised and cascaded and monitoring of the implementation of Service Charter done
		Number of CSR activities undertaken	Undertake Corporate Social Responsibility (CSR)	CUE undertook strategic sponsorship and partnership in the Beyond Zero half Marathon held on 8th March 2020; Distribution of commercial umbrellas and branded reflector jackets in JKUAT, Murang'a university of Technology and Meru University of Science and Technology;

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		Number of items branded	Identify and implement corporate branding activities	Business cards printed for a section of staff Staff name tags printed Car passes printed
Pillar 4: Institutional Capacity	To Institutionalize use of ICT	Number of ICT infrastructure acquired	Acquire and maintain ICT infrastructure	New laptops, computers and other ICT equipment acquired and
		IMIS system developed	Develop and implement an integrated Information Management System (IMS)	Development of IMIS system complete awaiting training of staff and universities.
	To Enhance Human Resource Management	Career guideline developed	Develop and implement career progression guidelines	Draft complete
		Number of staff recruited	Recruit and place staff	Request for approval of recruiting staff submitted to Treasury
		Training plan developed	Develop and implement training plan	Training plan developed and all staff trained
		Succession management plan developed	Develop and implement a succession management plan	Not done
		Develop change management and organizational transformation mechanisms developed	Develop and implement mechanisms to promote culture change and organizational transformation	Not done
		Rewards and sanction policy developed	Develop and implement rewards and sanction policy	Not done
		Number of policies reviewed	Develop/review cross-cutting policies	Two policies reviewed Policy on Records management Finalized Transport Policy circulated to internal stakeholders
	To Enhance Resource Mobilization And Financial Management	Revenue collection strategy developed	Develop revenue collection strategy	Draft strategy developed
		Programme based budget	Develop program based budgeting	Programme based budget developed
		Resource mobilization strategy	Develop Resource mobilization strategy	Not done
	To Enhance Institutional Planning	Master plan developed	Develop and implement a 10 year master plan	Not done
		Designs of the Research and Training Centre	Design and construct the Research and Training Centre	Not done
		ISO certification	Mainstream internal quality assurance mechanisms	Commission has been ISO certified



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		Corporate business continuity plan developed	Develop and implement a corporate business continuity plan	Not done
		Reports	Monitor and evaluate programme/projects and policies	Quarterly reports on projects and programmes done

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CORPORATE GOVERNANCE STATEMENT

The Commission is responsible for the overall management of the organisation. The members of the Commission are committed to achieving the highest standards of good governance. In this regard, the members of the Commission and management have committed to work honestly and diligently and have put policies and strategies to ensure compliance with the law and highest standards of best practice in good governance and business ethics.

Number of Board meetings held and the attendance to those meetings by members

The Commission holds quarterly meetings while special meetings are called when it is deemed necessary to do so. During the year, the Commission held 6 meetings and 3 special meetings.

Board Charter

The Board Charter is critical to the Commission's governance framework, and offers guidance on matters including but not limited to the following; The separation of the roles, functions, responsibilities and powers of the board and its individual members; Powers delegated to the board committees; Matters reserved for final decision-making and approval by the board; Policies and practices of the board on matters of corporate governance, directors' declarations and conflict of interest, conduct of board and board committee meetings; appointment, induction, ongoing training and performance evaluation of the board and its committees.

The Charter is not a substitute or a replacement of any laws and regulations that govern the running of the Commission.

Board Size, Composition, Appointment and Succession Plan

The constitution of the Commission is as is stipulated by the University's Act in Section 6 and consists of seven members as follows:


a chairperson appointed by the President;

the Principal Secretary in the Ministry for the time being responsible for university education;

the Principal Secretary in the Ministry for the time being responsible for national treasury;

one person appointed by the Cabinet Secretary who is a distinguished academic scholar with at least ten years' experience in management of university education;

one person nominated by the Federation of Kenya Employers and appointed by the Cabinet Secretary;



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one person nominated by chairpersons Councils of public universities in a forum of chairpersons of the Councils of public universities convened by the Cabinet Secretary for that purpose;
one person nominated by chairpersons Councils of private universities in a forum of chairpersons of the Councils of private universities convened by the Cabinet Secretary for that purpose; and
the Commission Secretary who shall be an *ex-officio* member.

The First Schedule stipulates the provisions as to the Conduct of the Business and Affairs of the Commission. The quorum for a meeting of the Commission is five (5) members. The Commission has the appropriate mix of skills, knowledge and experience to perform its role effectively.

The Commission has four (4) committees which are:

Human Resources Administration and Finance Committee,
Strategy Committee,
Quality Audit Committee and
Audit Committee.

Each committee has a formal and approved terms of reference. The board periodically reviews the terms of reference for each of these committees to ensure they are in line with current legislation and best practice. The committees are provided with all necessary resources to enable them to undertake their duties effectively.

The chairperson and members of the Commission will hold office for a term not exceeding four years and shall be eligible for reappointment for one further term.

Roles and Functions of the Board

The role and functions of the Commission is as prescribed under the Mwongozo Code of Governance and includes, among others, the following:

Set and oversee overall strategy and approve policies for the organisation;
Approve the organisational structure and budget of the organisation; and
Ensure strategy is aligned with the organisation's mission, Vision and core values.

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Induction and Training

Members undergo regular training and education to enable them fulfil their responsibilities. All board members receive an induction upon joining. This provides an overview of the Commission, new developments in the environment in which the Commission operates, as well as any regulatory changes.

Board and Member Performance and Evaluation

During the year, the Commission conducted a self-evaluation as provided for in law under the guidance of officials from the State Corporations Advisory Committee (SCAC). The evaluation provided members with an opportunity to interrogate their performance and point out issues that require the attention of both individual members and the board as a whole.

Conflict of interest

The Universities Act in the First schedule stipulates that a member who has a direct or indirect interest in a matter being considered or to be considered by the Commission shall, as soon as the relevant facts regarding the matter come to knowledge of the member, disclose the nature of such interest, and shall not be present during any deliberations on the matter.

In addition, the Commission has a Conflict of Interest Policy that guides members in this matter.


Board remuneration

Members are remunerated as per guidelines set out in the State Corporations Advisory Committee circulars, Salaries and Remuneration Commission and National Treasury directives in respect to sitting allowance, transport, airtime and accommodation costs.

Ethics and conduct as well as governance audit

The Commission has approved policies which govern general conduct with persons interacting with the organisation; Human Resources Policies and Procedures Manual, CUE Code of Ethics, CUE Whistle Blowing Policy and CUE Conflict of Interest and Gift Policy.

The Commission governs the University consistent with its values of Professionalism, Integrity, teamwork, Accountability and Responsiveness all contributing to commitment with respect to transparency and high quality governance system.



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The Board and Committee membership

The Commission has four committees whose membership is as follows:

Audit, Risk and Compliance Committee

Eng. David Onyango -Chair Person
Mr.Micah Origa-Representing PS National Treasury
Mr. Darius Mogaka-Representing-PS, MoE
Prof. Anne Muigai

Quality Assurance Committee

Dr. Elizabeth Muli- Chairperson
Prof.Anne Muigai
Mr. Darius Mogaka-Representing-PS, MoE
Mr. Micah Origa -Representing PS National Treasury
Prof. Mwenda Ntarangwi - CEO

Strategy Committee

Prof.Anne Muigai-Chair Person
Ms. Lucy Kambuni,SC
Dr. Elizabeth Muli
Eng. David Onyango
Mr. Darius Mogaka-Representing-PS, MoE
Prof. Mwenda Ntarangwi – CEO

Human Resources & Finance Committee

Ms. Lucy Kambuni ,SC- Chair Person
Mr.Micah Origa- Representing PS National Treasury
Mr. Darius Mogaka-Representing-PS, MoE
Prof. Mwenda Ntarangwi – CEO

Number of Board Meetings

During the year the Commission held the following meetings
Full Board- 5 Regular meetings & 1 special meeting
Audit, Risk and Compliance Committee - 4 meetings
Quality Assurance Committee - 4 meetings
Strategy Committee - 4 meetings
Human Resources & Finance Committee - 4 meetings

Independence of Board Members and conflict of interest

The Commission maintains a register of conflict of interest where members sign at the beginning of the meeting to indicate their interest

Commission for University Education
Annual Reports and Financial Statements for the Year Ended 30 June, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

During the financial year, the Commission raised income of Kshs 310,052,351 against a budget of Kshs.291,491,931 while spending Kshs 298,173,332 against a budget of Kshs.316,115,004 The Commission recorded a surplus of Kshs 11,879,019.

The performance of the Commission for the last 5 years is as illustrated in table 1 and table 2

Table 1

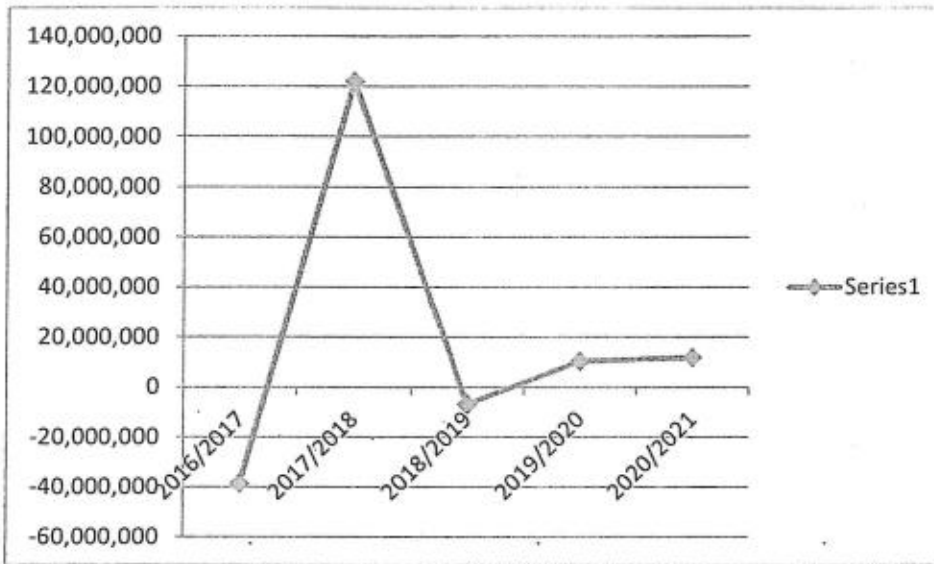
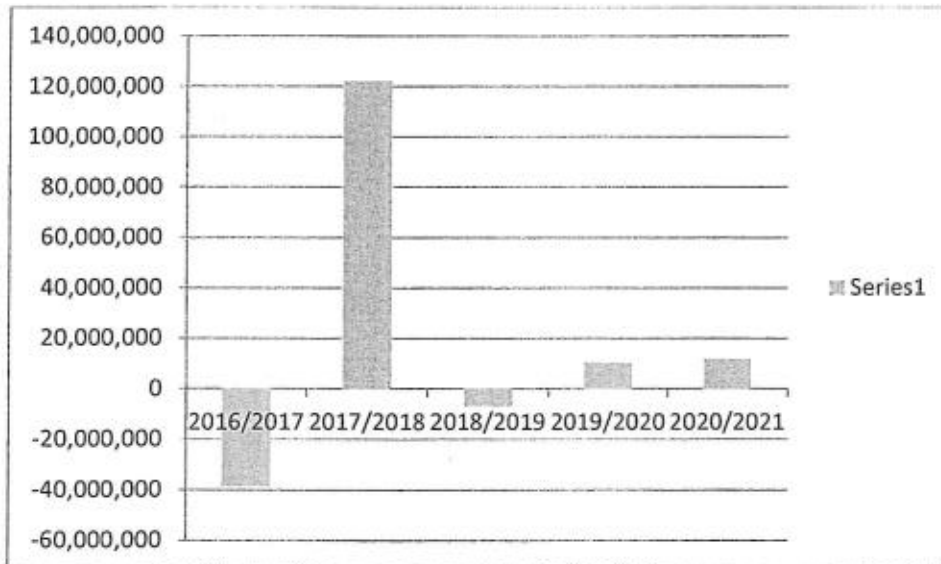


Table 2



Commission for University Education
Annual Reports and Financial Statements for the Year Ended 30 June, 2021

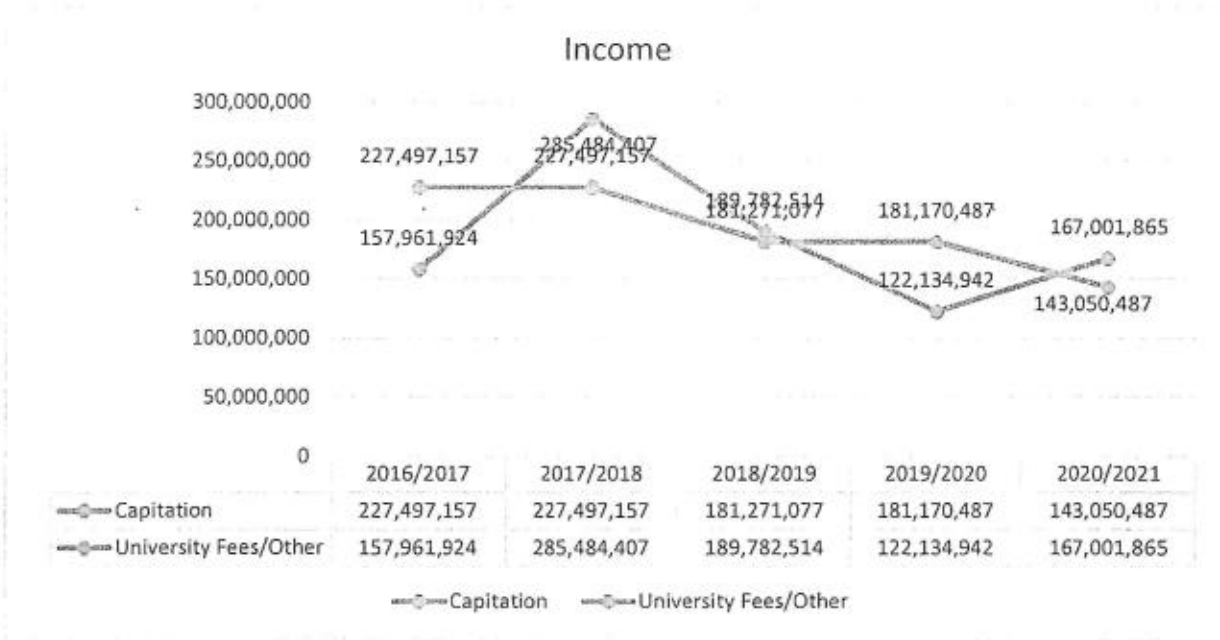
Income

Following the approval of the service charge collection policy by the Commission in January 2017, management continues to intensively engage the universities to ensure that they pay their dues. The concerned universities have been promptly informed that failure to pay their dues to the Commission will result in sanctions including not being offered any service by the Commission among others.

The Commission is currently pursuing the outstanding quality assurance charges debts which some universities have not yet cleared owing to cash flow challenges faced compounded by the negative effects of Covid19 pandemic. As at the end of the financial year, the Commission was owed Kshs. *1,054,275,168* against *1,059,446,772* on quality assurance charges.

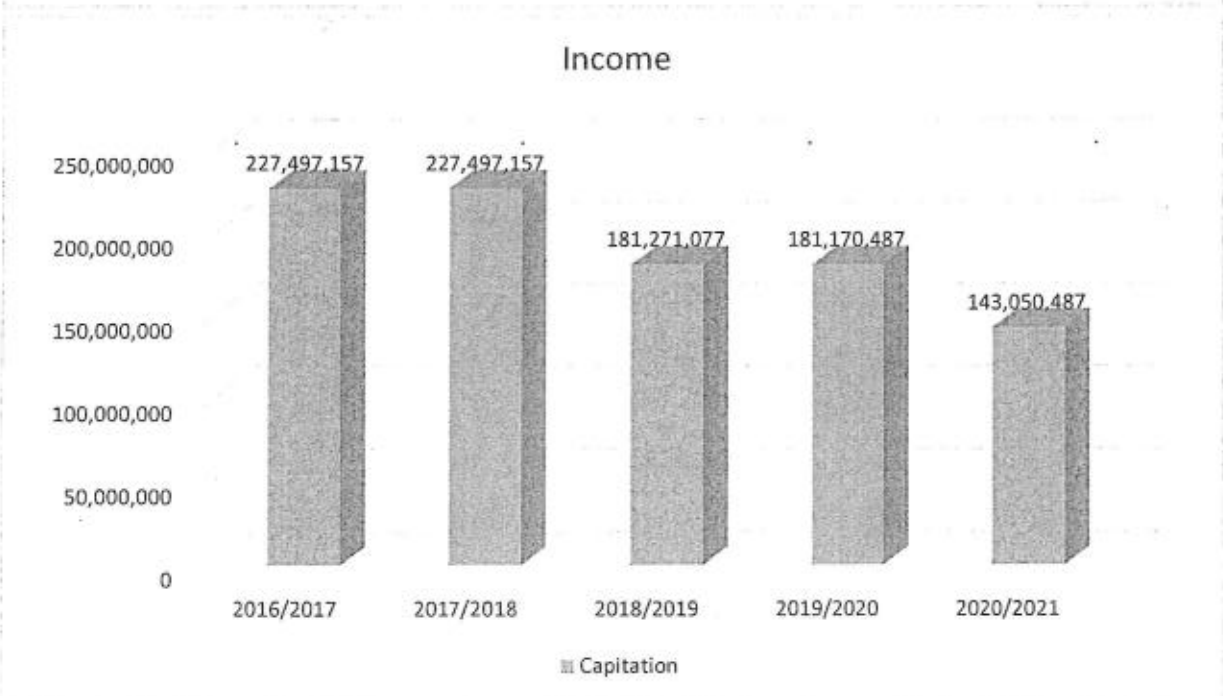
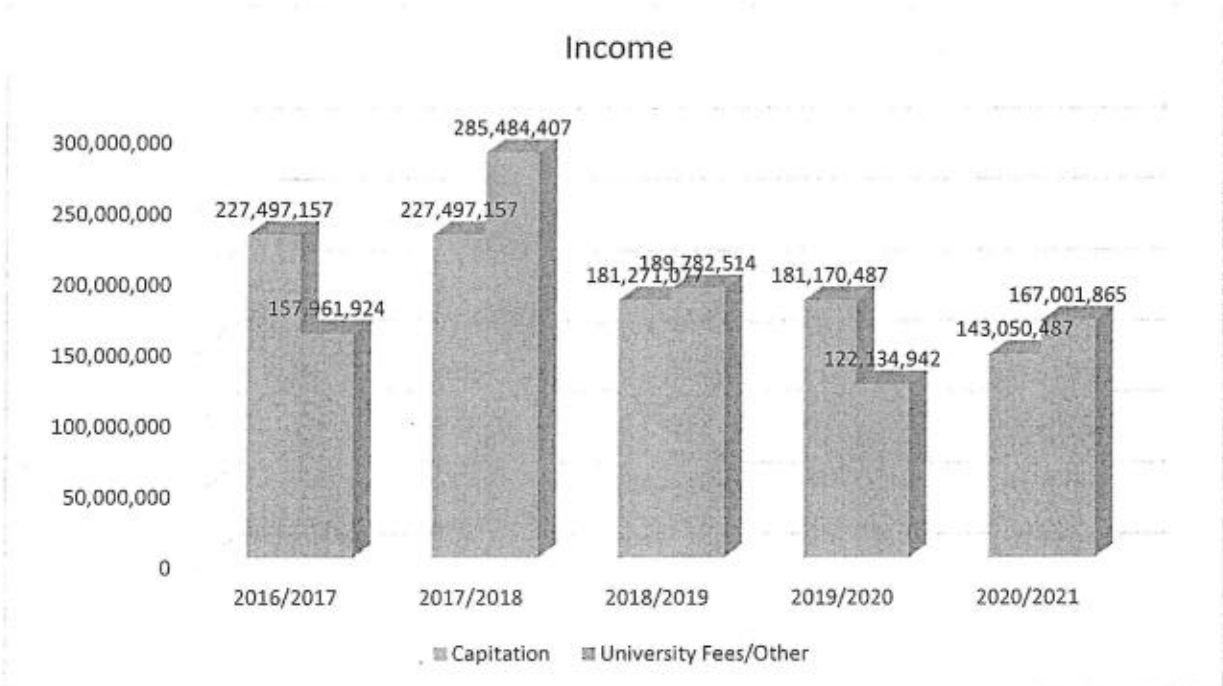
Income of the Commission is as illustrated in Table 3 and Table 4. It is noted that though the Universities Act, 2012 expanded the mandate of the Commission, capitation has reduced by 30% from Kshs.227 million in 2016/2017 to Kshs.143 million in 2020/2021. This has become an impediment in advancing the mandate of the Commission.


Table 3



Commission for University Education
Annual Reports and Financial Statements for the Year Ended 30 June, 2021

Table 4



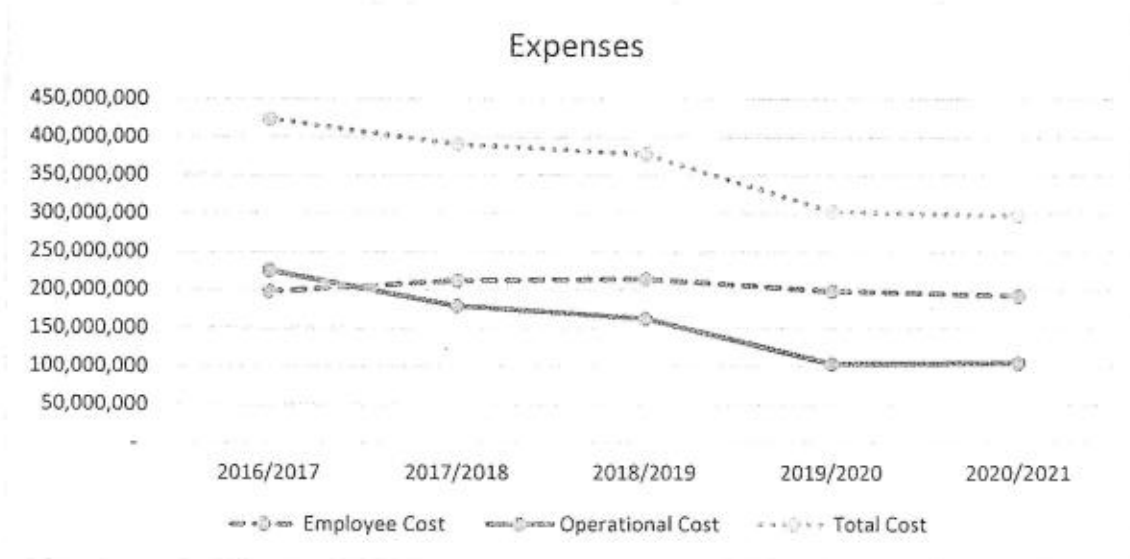


Commission for University Education
Annual Reports and Financial Statements for the Year Ended 30 June, 2021

Expenses

The Commission's expenses are as illustrated in Table 5. Over the last 4 years the Commissions' total expenses have reduced from Kshs.424 million in 2016/2017 to Kshs.298 million in 2020/2021

Table 5



The Commission will continue to steer the agenda of university education in Kenya to produce Manpower required to drive the Big 4 Agenda.

Commission for University Education
Annual Reports and Financial Statements for the Year Ended 30 June, 2021

Environmental and Sustainability Reporting

The mandate of the Commission is to ensure maintenance of standards, quality and relevance in all aspects of university education, training and research. This is achieved through execution of the functions of the Commission as stipulated in section 5 (1) of the Act. These functions include: Promoting the objectives of university education; setting standards relevant to quality of university education; monitoring and evaluating the state of university education in relation to the national development goals; licensing student recruitment agencies; developing and advising on policy relating to university education; recognizing and equating foreign qualifications; inspecting and accrediting universities and programmes; and promoting quality research and innovation.

Through these functions, the Commission is guided to deliver on its strategy which is founded on six core values: Professionalism, Integrity, Equity, Teamwork, Accountability and Responsiveness.

Here is a brief highlight of CUE's achievements in the following four sustainability pillars:

1. Employee welfare


The Commission has a clear HR policy, which subscribes to the tenets of Public Service Values and Principles in the recruitment of staff, as provided in Article 232 of the Constitution. Staff members are subjected to a fair performance appraisal system whose output, amongst other aspects, is the identification of areas of improvement and training. The Commission managed to build capacities for over 80 staff through trainings.

In the period under review, the Commission embarked on granting employees staff car loan and mortgage scheme loans as approved in the Staff Loan Scheme Manual. This commenced on 20th February 2020. It is worth noting that half of the Commission staff applied and successfully secured the loans.

The Commission management also increased the staff salaries by a percentage during the Covid-19 pandemic season.

2. Environmental performance

The Commission embarked on the process of digitizing its work processes by setting up an intranet system, which has substantially reduce the use of paper-based processes. The Commission commenced the process working closely with Dynasoft Ltd to automate the various processes that underpin our operation. The project, which is a priority for the Commission, was initiated in October 2018 and tremendous progress has already been made.



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In Addition, the Commission came up with initiatives to ensure that its environmental activities remain sustainable in the long run. This effort is demonstrated by policies relating to disposal of electronic waste, pooling of water dispenser units, sharing of printer services, preference to soft copies of documents as opposed to hard copies, just in time replenishment of store items (minimizes storage of large stocks), and printing on both sides of paper documents.

3. Sustainability Strategy and Profile

During the period under review, the Commission continued with the effective and efficient utilization of available resources bearing in mind the effects of the economic effects of the Corona virus disease pandemic. The Commission Management placed a request to any willing staff who can voluntarily take salary pay cut so that for support to government initiatives affected by the Covid-19 pandemic. I want to commend the staff who willingly extended their support to our brothers and sisters affected by the pandemic.

The Commission also deployed resources in the implementation of Risk Management programmes, which ensures that risk management is effectively carried out by senior management with appropriate oversight. The implementation of business continuity programmes are continuous and will be enhanced in the FY 2021/2022 to ensure the Commission's sustainability.

4. Community engagements

The Commission undertook activities that assisted the University sub-sector community survival during the Covid-19 pandemic period. Some of the key activities involved distributing branded pagoda tents and reflector jackets to universities. Approximately 10 universities benefited from the donations that was carried out between July 2020 and January 2021. The beneficiaries included Jomo Kenyatta University of Agriculture and Technology (JKUAT), Maseno University, Masinde Muliro University of Science and Technology, Dedan Kimathi University of Technology (DEKUT), Machakos University. The Commission will continue to participate in designated activities in corporate social responsibility.

Commission for University Education
Annual Reports and Financial Statements for the Year Ended 30 June, 2021

REPORT OF THE COMMISSIONERS

The Commissioners submit their report together with the audited financial statements for the year ended June 30, 2021 which shows the state of the Commission's affairs.

Principal activities

The principal activities of the Commission are to regulate and assure quality university education by setting standards & guidelines and monitoring compliance to achieve global competitiveness.

Results

The results of the entity for the year ended June 30, 2021 are set out on page 1.

Directors

The members of the Board of Directors who served during the year are shown on page vii to viii.

Dividends/Surplus remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. During the financial year 2020/2021 the Commission has recorded a surplus of Kshs. 11,807,479. This Surplus outcome was as a result of greatly reduced activities for the financial year due to the effects of the world Pandemic (COVID19). The Commission has planned to re-schedule the work-plan to enable it accomplish the pending activities of the last FY 2020/2021 and also meet the target for the planned activities of the current FY 2021/2022.

Auditors

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

By Order of the Commission.



Prof. Mwenda Ntarangwi
Commission Secretary
Nairobi
Date

(1)

Commission for University Education
Annual Reports and Financial Statements for the Year Ended 30 June, 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Universities Act, 2012 section 33, Section 81 of the Public Finance Management Act, 2012 and section 14(2) of the State Corporations Act, require the Commissioners to prepare financial statements in respect of the Commission, which give a true and fair view of the state of affairs of the Commission at the end of the financial year/period and the operating results of the Commission for that year/period. The Commissioners are also required to ensure that the Commission keeps proper accounting records which disclose with reasonable accuracy the financial position of the Commission. The Commissioners are also responsible for safeguarding the assets of the Commission.

The Commissioners are responsible for the preparation and presentation of the Commission's financial statements, which give a true and fair view of the state of affairs of the Commission 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 entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Commission; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Commissioners accept responsibility for the Commission's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Commissioners are of the opinion that the Commission's financial statements give a true and fair view of the state of Commission's transactions during the financial year ended June 30, 2021, and of the Commission's financial position as at that date. The Commissioners further confirm the completeness of the accounting records maintained for the Commission, which have been relied upon in the preparation of the Commission's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Commission 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 Commission's financial statements were approved by the Commission on 30th September 2021 and signed on its behalf by:

Prof. Chacha Nyaigotti-Chacha
Chairman



Prof. Mwenda Ntarangwi
Commission Secretary

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 COMMISSION FOR UNIVERSITY EDUCATION FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Commission for University Education set out on pages 1 to 31, which comprise the statement of financial position as

at 30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows, statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Commission for University Education as at 30 June, 2021, 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 Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The financial statements presented for audit had the following inaccuracies:

- i. The statement of financial performance reflects donor funds-NICHE comparative amount of Kshs.10,067,686 that has no explanatory Note;
- ii. Note 5 to the financial statements on page 15 reflects a surplus of Kshs.10,979,479 as at 30 June, 2020 instead of a surplus of Kshs.10,368,968 reported on the statement of financial performance resulting to an unexplained variance of Kshs.610,511;
- iii. The statement of comparison of budget and actual amounts reflects a nil adjustment for total income and expenditure. However, a recast of the adjustments results to an amount of Kshs.6,041,444 and negative Kshs.44,935,483 respectively;
- iv. The statement of comparison of budget and actual amounts reflects original and final budget in respect of rendering of services amounting to Kshs.198,000,000 and Kshs.122,400,000 respectively. However, the adjustment column indicates a nil adjustment to the budget and the difference of Kshs.75,600,000 was not explained or reconciled;
- v. The statement of comparison of budget and actual amounts reflects original budget deficit of Kshs.47. However, a recast of the amounts results to a nil balance;
- vi. The statement of financial position reflects cash and cash equivalents balance of Kshs.431,708,635. However, Note 18 to the financial statements reflects a balance of Kshs.431,873,335 for the same items resulting to an unexplained and an unreconciled variance of Kshs.164,700.
- vii. Note 4 to the financial statements on page 10 indicates the financial year as 2019/2020 instead of 2020/2021 under the budget information.

In the circumstances, the accuracy and completeness of the above balances included in financial statements for the year ended 30 June, 2021 could not be confirmed.

2. Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment of Kshs.440,931,781. However, the property, plant and equipment balance includes land and buildings that have been carried at revalued amounts of Kshs.314,000,000 and Kshs.168,550,821 respectively with the last revaluation having been done in the year 2010. However, the Commission's accounting policy does not support revaluation model of accounting for assets. The property, plant and equipment balance also includes an amount of Kshs.3,958,002 in respect of motor vehicles whose individual values differed materially from one year to another but was not supported by any revaluation hence a contravention of IPSAS 17 paragraph 44 on use of revaluation model.

Further, Note 21 to the financial statements reflects work in progress balance of Kshs.7,447,200 relating to undefined project for which no supporting documents were provided for audit review.

In the circumstances, the accuracy of the property, plant and equipment balance of Kshs.440,931,781 as at 30 June, 2021 could not be confirmed.

3. Trade and Other Payables from Exchange Transactions

The statement of financial position reflects trade and other payables from exchange transactions balance of Kshs.60,159,839 as detailed in Note 27 to the financial statements. However, the balance has not been supported by a listing of the payables indicating names, amounts due to each supplier and verifiable documentation to support the payables balance. In addition, as disclosed in Note 27 to the financial statements, the balance includes an amount of Kshs.11,045,195 in respect of research funds which has been outstanding for over three years.

In the circumstances, the completeness of the trade and other payables from exchange transactions balance of Kshs.60,159,839 as at 30 June, 2021 could not be confirmed.

4. Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.1,057,929,772 as detailed in Note 19 to the financial statements. Included in this balance is an amount of Kshs.952,809,329 which has been outstanding for over two years. The debts have also increased by an amount of Kshs.52,135,962 in the year under review. However, there was no evidence to indicate that proper mechanism had been put in place to recover these long overdue debts.

Further, no provision for doubtful debts has been made in the financial statements.

In the circumstances, the accuracy and recoverability of receivables from exchange transactions of Kshs.1,057,929,772 as at 30 June, 2021 could not be confirmed.

5. Unsupported General Expenses

The statement of financial performance for the year ended 30 June, 2021 reflects general expenses amounting to Kshs.53,645,658 as detailed in Note 17 to the financial statements. However, expenses totalling to Kshs.46,284,531 were not supported by a schedule or ledger.

In the circumstances, the accuracy and completeness of general expenses totalling to Kshs.46,284,531 for the year ended 30 June, 2021 could not be confirmed.

6. Repairs and Maintenance

The statement of financial performance and Note 15 to the financial statements reflects repairs and maintenance expenditure of Kshs.3,718,294. However, the supporting schedule provided for audit review did not have identity of the service provider and it was not possible to review the selection and award of the supplier. Further, included in this expenditure is amount of Kshs.251,195 for purchase of sanitizers which was wrongly charged to repairs and maintenance expenses.

In addition, an amount of Kshs.1,356,942 was spent on construction of perimeter wall for Loresho House while another amount of Kshs.468,896 was spent for renovation of the same house. The ownership and proof of use of the house for the benefit of the Commission could not be ascertained as the land ownership documents were not provided for audit review.

In the circumstances, the accuracy and regularity of repairs and maintenance expenditure of Kshs.3,718,294 for the year ended 30 June, 2021 could not be confirmed.

7. Cash and Cash Equivalents

The statement of financial position as at 30 June, 2021 reflects cash and cash equivalents balance of Kshs.431,708,635 as detailed in Note 18 to the financial statements. However, the bank reconciliation statements reflect unpresented cheques totalling Kshs.15,914,679 that includes payments to banks of Kshs.6,403,044 whose particulars and dates cleared by the banks were not disclosed. In addition, unbanked receipts reflected on the bank reconciliation statements amounting to Kshs.320,000 did not have details of when they were banked and could not be traced to the bank statement.

Further, Note 18 to the financial statements reflects an opening fixed deposit account balance of Kshs.11,408,093 and a nil closing balance. Although, the Management indicated that the account was closed with the approval of The National Treasury, the approval and evidence of transfer of the account balance was not provided for audit review.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.431,708,635 as at 30 June, 2021 could not be confirmed.

8. Mortgage and Car Loan Deposit

The statement of financial position as at 30 June, 2021 reflects mortgage and car loan deposit of Kshs.84,515,037. However, no supporting documents have been provided to support creation and operation of the mortgage and car loan scheme by the Commission. Further, details of loans issued by the Scheme, interest earned if any were not provided for audit review. The Management did not also provide any approved regulations governing the operation of the Scheme to justify the transfer of the amount to deposit account.

In the circumstances, the accuracy and regularity of the mortgage and car loan deposit of Kshs.84,515,037 as at 30 June, 2021 could not be confirmed.

9. Remuneration of Commissioners

The statement of financial performance and Note 13 to the financial statements reflects remuneration of Commissioners amounting to Kshs.5,544,258 for the year ended 30 June, 2021. Included in the expenditure are sitting allowances totalling to Kshs.3,060,000 out of which payments amounting to Kshs.2,020,000 were not supported by minutes detailing attendance and deliberations of the meetings.

In the circumstances, the regularity of the remuneration of the Commissioners expenditure of Kshs.2,020,000 for the year ended 30 June, 2021 could not be confirmed.

10. Rendering of Services Income

The statement of the financial performance for the year ended 30 June, 2021 and as detailed in Note 7 to the financial statements reflects rendering of services income of Kshs.161,779,175 which includes quality assurance charge of Kshs.124,889,000. However, the revenue increased from an amount of Kshs.45,455,000 in the financial year 2019/2020 to Kshs.124,889,000 in the current year or an increase of 274% which has not been explained and the basis of charging the various institutions was not provided for audit review.

In addition, the program accreditation revenue dropped from Kshs.39,601,665 to Kshs.26,561,250 for which no explanation and verifiable documents have been provided while invoices amounting to Kshs.62,911,240 for the year 2018/2019 have been included as revenue for the year.

Further, the basis of charging equation of qualification revenue amounting to Kshs.10,328,926 reporting in the financial statements was not provided for audit review.

In the circumstances, the accuracy and completeness of rendering of services income of Kshs.161,779,176 for the year ended 30 June, 2021 could not be confirmed.

11. Contracted Services

The statement of financial performance for the year ended 30 June, 2021 reflects contracted services expenditure of Kshs.26,622,593 as detailed in Note 16 to the financial

statements. This expenditure in turn includes payments to resource persons amounting to Kshs.13,894,076. However, the resource persons payments which includes accommodation, honoraria and sitting allowances amounting to Kshs.1,560,000, Kshs.9,627,300 and Kshs.2,045,240 respectively have not been supported by any legal or statutory documentation on basis of the rates used.

In the circumstances, the accuracy and regularity of the contracted services expenditure of Kshs.13,894,076 could not be confirmed.

12. Professional Fees

The statement of financial performance and Note 16 to the financial statements reflects contracted services expenditure of Kshs.26,622,593 which includes conveyance fees for land amounting to Kshs.270,000. Although the Management indicated that the fees was in respect of transfer of Commission's land from the predecessor Commission, no documentary evidence was provided for audit verification.

Further, justification of an expenditure of Kshs.2,720,000 in respect of a court case where the Commission does not appear as a respondent was not provided for audit and no contingent liability has been disclosed in the financial statements for matters before courts.

In the circumstances, the accuracy and regularity of professional fees of Kshs 5,594,900 for the year ended 30 June, 2021 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Commission for University Education 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 were no key audit matters to report in the year under review.

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects revenue budget of Kshs.291,491,931 against actual revenue of Kshs.301,052,351 resulting in an over collection of Kshs.18,560,420 or 6%. Similarly, the statement reflects an actual expenditure of Kshs.298,173,332 against a budget of Kshs.316,115,004 resulting to an under-expenditure of Kshs.17,941,672 or 43%. Management has not provided any

explanation for the under expenditure which affected the planned activities and may have impacted negatively on service delivery to the public.

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. Management of Imprests

The Commission issued imprests totalling Kshs.552,152 to staff before the previous ones were surrendered. This was contrary to Regulation 93(8) of the Public Finance Management (National Government) Regulations, 2015 which states that in order to effectively and efficiently manage and control the issue of temporary imprests, an Accounting Officer or AIE holder shall ensure that no second imprest is issued to any officer before the first imprest is surrendered or recovered in full from his or her salary.

In the circumstances, the Commission was in breach of the law.

2. Ethnic Diversity

Available records at human resource department indicated that the dominant ethnic community employed by the Commission constituted 35% (consisting of 29 employees in permanent and pensionable terms). The Commission had contravened Section 7(2) of the National Cohesion and Integration Commission Act, 2008 which states that no public establishment shall have more than one third of its staff from the same ethnic community.

3. Procurement of Integrated Management Information System

The Commission engaged a company for the provision of Integrated Management Information System at a contractual sum of Kshs.45,760,840 inclusive of VAT with a commencement date of 19 October, 2018. The contract document provides the duration of various planned activities and one-year support period. A total of Kshs.15,868,800 had been paid to the contractor as at the time of audit. However, there was no expected date of completion in the contract and the committee for the implementation formed did not prepare reports as prescribed by the Regulation 137 of the Public Procurement and Assets Disposal Regulations, 2020. The contract implementation documents were not complete, up to date and key milestones were not achieved as required by the contract agreement. In addition the contractor had not provided the latest online Microsoft downloaded training materials and learning plans as provided for in the contract agreement.



Further, the revised project plan which was necessitated by the extension of work through circular reference CUE/10/7/VOL.13/8 was not provided for audit review thus raising doubt as to whether they were actually prepared after the extension of the contract period.

In the circumstances, the regularity of the expenditure of Kshs.15,868,800 for the year ended 30 June, 2021 could not be confirmed.

4. Related Party Transaction - Motor Vehicle

Review of the Commission's assets indicated that motor vehicle registration number KCE 614D Chevrolet trailblazer registered under the Commission for University Education had not been released to the Commission by the State Department for University Education. This is despite communications vide letters dated 15 February, 2021 and 28 July, 2021 to the State Department to release the vehicle.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements, 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 governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. 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 the Board of Directors

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 Commission's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Commission or 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.

The Board of Directors is responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Commission 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 applicable 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 Commission's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Commission to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Commission 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.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

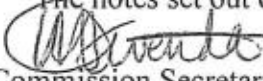
27 July, 2022

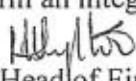
Commission for University Education
Annual Reports and Financial Statements for the Year Ended 30 June, 2021

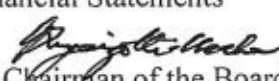
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2020-2021	2019-2020
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments – gifts and services-in-kind	6	143,050,487	181,170,487
Donor Funds-NICHE		-	10,067,686
		143,050,487	191,238,173
Revenue from exchange transactions			
Rendering of services	7	161,779,175	96,366,138
Rental revenue from facilities and equipment	8	2,734,440	2,032,800
Finance income - external investments	9	2,360,378	23,495,846
Other income	10	127,871	466,716
		167,001,864	122,361,500
Total revenue		310,052,351	313,599,673
Expenses			
Use of goods and services/Bulk purchases of water & electricity	11	2,766,409	2,778,391
Employee costs	12	193,115,329	198,733,517
Remuneration of Commissioners	13	5,544,258	10,982,498
Depreciation and amortization expense	14	12,760,791	13,001,408
Repairs and maintenance	15	3,718,294	2,660,149
Contracted services	16	26,622,593	27,281,794
General expenses	17	53,645,658	47,774,948
Total expenses		298,173,332	303,212,705
Surplus/(deficit) for the period		11,879,019	10,386,968

The notes set out on pages 6 to 29 form an integral part of these Financial Statements


 Commission Secretary/CEO
 Prof. Mwenda Ntarangwi


 Head of Finance
 Linah Kiptoo
 ICPAK Member No: 4426


 Chairman of the Board
 Prof. Chacha Nyaigotti Chacha

Date.....

Date.....


Date.....

Commission for University Education
Annual Reports and Financial Statements for the Year Ended 30 June, 2021

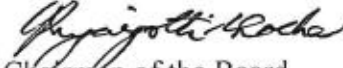
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	2020-2021	2019-2020
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	18	431,708,635	491,341,794
Receivables from exchange transactions	19	1,057,929,772	1,005,793,810
		1,489,638,407	1,497,135,604
Non-current assets			
Property, plant and equipment	21	440,931,781	454,962,781
Mortgage & Car Loan Deposit	18A	84,515,037	-
Total assets		2,015,085,225	1,952,098,385
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	27	60,159,839	49,377,677
Total liabilities	27	60,159,839	49,377,677
Net assets		1,954,925,386	1,902,720,708
Capital Funds	24	197,449,724	197,449,724
Accumulated surplus	23	1,473,915,958	1,418,933,199
Revaluation Reserves	22	283,559,704	286,337,785
Total net assets and liabilities		1,954,925,386	1,902,720,708

The Financial Statements set out on pages 1 to 4 were signed on behalf of the Board of Directors by:


 Commission Secretary/CEO
 Prof. Mwenda Ntarangwi


 Head of Finance
 Linah Kiptoo
 ICPAK Member No: 4426


 Chairman of the Board
 Prof. Chacha Nyaigotti Chacha

Date.....

Date.....

Date.....

Commission for University Education
Annual Reports and Financial Statements for the Year Ended 30 June, 2021

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Capital Funds	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs	Kshs
Balance as at 1 July 2019	23	197,449,724	289,851,366	1,608,546,231	2,095,847,321
Surplus/(Deficit) for the period	23			10,386,968	10,386,968
Transfer to National Treasury				(200,000,000)	(200,000,000)
Depreciation on revaluation	22		(3,513,581)		(3,513,581)
Balance as at 30 June 2020	23	197,449,724	286,337,785	1,418,933,199	1,902,720,708
Balance as at 1 July 2020		197,449,724	286,337,785	1,418,933,199	1,902,720,708
Surplus/(Deficit) for the period	23			11,879,019	11,879,019
Prior Year Adjustment	23			43,103,740	43,103,740
Depreciation on revaluation	22		(2,778,081)		(2,778,081)
Balance as at 30 June 2021	23	197,449,724	283,559,704	1,473,915,958	1,954,925,386

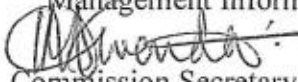
Commission for University Education
Annual Reports and Financial Statements for the Year Ended 30 June, 2021

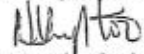
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

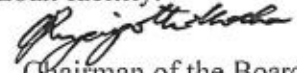
		2020-2021	2019-2020
	Notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	6	143,050,487	181,170,487
Rendering of services	7	161,779,176	96,366,138
Rental revenue from facilities and equipment	8	2,734,440	2,032,800
Finance income	9	2,360,378	23,495,846
Other income	10	127,871	10,534,402
Prior Year Adjustment		43,103,740	
Total Receipts		353,156,092	313,599,673
Payments			
Use of goods and services	11	2,766,409	2,778,391
Employee costs	12	193,115,329	198,733,517
Remuneration of directors	13	5,544,258	10,982,498
Repairs and maintenance	15	3,718,294	2,660,149
Contracted services	16	26,622,593	27,281,794
General Expenses	17	53,645,658	47,774,948
Total Payments		285,412,541	290,211,297
Net cash flows from/(used in) operating activities		67,743,551	23,388,376
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	21	(1,507,869)	(3,813,707)
Proceeds from sale of property, plant and Equipment			
Decrease/(Increase) in non-current receivables	19	(52,135,962)	50,157,052
(Decrease)/(Increase) in Payables	27	10,782,162	(17,929,323)
Net cash flows from/(used in) investing activities		(42,861,669)	28,414,022
Cash flows from financing activities			
Proceeds from borrowings		-	-
Transfer to Family Bank- Mortgage	18A	(84,515,037)	
Transfer to The National Treasury		-	(200,000,000)
Net cash flows from /(used in) financing activities		(84,515,037)	(200,000,000)
Net increase/(decrease) in cash and cash equivalents		(59,633,155)	(148,197,602)
Cash and cash equivalents at 1 JULY	18	491,341,796	639,539,398
Cash and cash equivalents at 30 JUNE	18	431,708,641	491,341,796

Commission for University Education
Annual Reports and Financial Statements for the Year Ended 30 June, 2021

The available cash and cash equivalent are already committed towards implementation of Integrated Management Information Systems (IMIS) and Mortgage and Car Loan facility.


Commission Secretary/CEO
Prof. Mwenda Ntarangwi


Head of Finance
Linah Kiptoo
ICPAK Member No: 4426


Chairman of the Board
Prof. Chacha Nyaigotti Chacha

Date.....

Date.....

Date.....

Commission for University Education
Annual Reports and Financial Statements for the Year Ended 30 June, 2021

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Percentage utilisation
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Government grants and subsidies	163,050,487	(20,000,000)	143,050,487	143,050,487	-	
Donor Funding	-	-	-	-	-	
Other Funds	-	24,142,620	24,142,620	-	24,142,620	
Rendering of services	198,000,000	-	122,400,000	164,641,486	42,241,486	
Finance Income	-	1,898,824	1,898,824	2,360,378	461,554	
Total income	361,050,487	-	291,491,931	310,052,351	18,560,420	
Expenses						
Compensation of employees	245,150,600	(39,153,290)	205,997,310	193,115,329	12,881,981	93.75%
Goods and services	115,899,887	(5,782,193)	110,117,694	105,058,003	5,059,691	95.41%
Finance Cost	-	-	-	-	-	
Total expenditure	361,050,487	0	316,115,004	298,173,332	17,941,672	94.32%
Surplus/(Deficit) for the period	-47	0	(24,623,073)	11,879,019	(36,502,092)	

Commission for University Education
Annual Reports and Financial Statements for the Year Ended 30 June, 2021

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Commission is established by and derives its authority and accountability from Universities Act, No. 42 of 2012. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to regulate, coordinate and assure quality university education in Kenya.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2019

Standard	Impact
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019 The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations. The standard has no impact on the Commission

Commission for University Education
Annual Reports and Financial Statements for the Year Ended 30 June, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2019

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p>The standard has no impact on the Commission</p>

Commission for University Education
Annual Reports and Financial Statements for the Year Ended 30 June, 2021

Standard	Effective date and impact:
IPSAS 42: Social Benefits	Applicable: 1st January 2022 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess: (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. The standard has no impact on the Commission

iii. Early adoption of standards

The Commission did not early-adopt any new or amended standards in year 2019.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees & Charges

The Commission recognizes revenues from fees and charges 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.

Transfers from other government entities

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

ii) Revenue from exchange transactions

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Rendering of services

The Commission recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably.

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

Sale of goods

The Commission does not engage in the sale of goods. Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Commission.

Interest income

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

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue. The Commission does not have investment properties.

b) Budget information

The original budget for FY 2019-2020 was approved by the National Assembly.

The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income.

Commission for University Education
Annual Reports and Financial Statements for the Year Ended 30 June, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

d) Property, plant and equipment

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

e) Financial instruments

Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

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

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

f) Provisions

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Contingent liabilities

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

Contingent assets

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

g) Changes in accounting policies and estimates

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

h) Employee benefits

Retirement benefit plans

The Commission provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which the Commission pays fixed contributions into a separate CHE Staff Retirement Benefit Scheme 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.

Commission for University Education
Annual Reports and Financial Statements for the Year Ended 30 June, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

i) 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.

j) 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.

k) Related parties

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

l) Service concession arrangements

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



Commission for University Education
Annual Reports and Financial Statements for the Year Ended 30 June, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

m) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

n) Stocks

The Commission stock is made up of consumables, largely in form of stationeries and as such stocks are expensed in the year of purchase

o) Subsequent events

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

p) Depreciation

Assets of the Commission are maintained at cost and depreciated using straight line method using the following rates:

Asset Type	Depreciation Rates
Motor Vehicles	25%
Equipment	12.5%
Furniture	12.5%
Buildings	2.5%
Computers	30%

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Commission'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.

Commission for University Education
Annual Reports and Financial Statements for the Year Ended 30 June, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Financial Performance

The Commission's financial statements have been prepared on a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. As of 30 June 2020, the Commission had a surplus of Kshs.10,979,497, largely attributable to donor funding by NICHE on capacity building of the Commission. There were also challenges of collecting quality assurance charges brought about by the transition from the 2014 gazette notice to 2016 gazette notice on fees collected by the Commission. The revision of the gazette notice reduced most charges by half since the Universities had raised the concern of the high charges in the 2014 gazette notice.

However, the Commission has now embarked in quality charges collection in 2018/2019 financial year following the development and implementation of Commission for University Education fee collection strategy and face to face engagement with the Universities

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

Commission for University Education
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

Provisions

Provisions were raised and management determined an estimate based on the information available. Provision of Kshs 1,450,000 has been made in relation to Loresho unpaid rent by the previous tenant dating back to the period prior to the year 2011, the matter is a court case.

6. TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount recognised in capital fund. KShs	Total grant income during the year KShs	2020-2021	2019-2020
				KShs	KShs
MOE Ministry/State Department of University Education	143,050,487	-	143,050,487	143,050,487	181,170,487
Total	143,050,487	-	143,050,487	143,050,487	181,170,487

DONATIONS	2020-2021	2019-2020
NICHE	-	10,067,686

7. RENDERING OF SERVICES

The Commission renders services to universities, agencies, and to those who seek Equation of Qualification

Description	2020-2021	2019-2020
	Kshs	KShs
Quality Assurance Charge	124,889,000	45,455,000
Equation of Qualification	10,328,926	11,309,473
Programme Accreditation & Student Recruitment Agency charge	26,561,250	39,601,665
Total revenue from the rendering of services	161,779,176	96,366,138

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. RENTAL REVENUE FROM FACILITIES AND EQUIPMENT

The Commission Rents out space to other parties

Description	2020-2021	2019-2020
	KShs	KShs
Rent from leasing residential house	2,734,440	2,032,800

9. FINANCE INCOME - EXTERNAL INVESTMENTS

Description	2020-2021	2019-2020
	KShs	KShs
Cash investments and fixed deposits	2,360,378	23,495,846

10. OTHER INCOME

Description	2020-2021	2019-2020
	KShs	KShs
Miscellaneous	127,871	466,716
Total other income	127,871	466,716

11. USE OF GOODS AND SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Electricity	2,525,361	2,669,815
Water	241,048	108,576
Total good and services	2,766,409	2,778,391

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE COSTS

	2020-2021	2019-2020
	KShs	KShs
Salaries and wages	94,910,875	100,213,467
Employee related costs - contributions to pensions	18,540,395	19,588,700
Gratuity	1,882,320	1,882,320
Transport Allowance	14,697,869	13,487,079
Housing benefits and allowances	38,725,201	38,843,146
Medical Expense	16,999,102	16,024,909
Other Allowances- Leave/Entertainment	7,359,567	8,693,897
Employee costs	193,115,329	198,733,517

13. REMUNERATION OF COMMISSIONERS

Description	2020-2021	2019-2020
	KShs	KShs
Chairman's Honoraria	847,398	960,000
Commission sitting Allowance	3,060,000	4,640,000
Mileage allowances	106,009	183,147
Lunch Allowance	74,000	170,000
Air Tickets	145,160	679,864
Per Diem- (Board Accommodation)	418,600	3,093,233
Telephone/Internet	298,410	360,018
Medical Insurance	434,681	466,236
Training	160,000	430,000
Total director emoluments	5,544,258	10,982,498

14. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2020-2021	2019-2020
	KShs	KShs
Property, plant and equipment	12,760,791	13,001,408
Total depreciation and amortization	12,760,791	13,001,408

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. REPAIRS AND MAINTENANCE

Description	2020-2021	2019-2020
	KShs	KShs
Property	2,546,954	1,518,197
Equipment	1,171,340	1,141,952
Total repairs and maintenance	3,718,294	2,660,149

16. CONTRACTED SERVICES

Description	2020-2021	2019-2020
	KShs	KShs.
Resource Persons	13,894,076	20,168,188
Professional fees	12,728,517	7,113,606
Total contracted services	26,622,593	27,281,794

17. GENERAL EXPENSES

Description	2020-2021	2019-2020
	KShs	KShs
Travelling & accommodation	22,094,945	17,184,875
Transport & Generator operating costs	5,012,308	4,324,589
Audit fees	1,000,000	1,000,000
Conferences and Seminars	2,340,170	3,397,410
Insurance(Property& staff)	2,131,682	896,493
Advertising	366,559	292,020
Library Expense	423,780	423,780
Hiring charges	437,189	437,049
Postage	135,915	111,845
Printing, photocopying & stationery	1,889,276	1,647,664
Office expenses	2,705,027	5,155,145
Rent & Rates	217,750	217,750
Telephone & Internet	6,976,719	5,655,915
Training (staff Development)	7,236,541	6,811,729
Other	677,798	218,684
Total general expenses	53,645,658	47,774,948

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. CASH AND CASH EQUIVALENTS

Description	2020-2021	2019-2020
	KShs	KShs
Main Account-KCB A/C No. 1108031625	431,815,335	479,933,701
Fixed Deposit KCB-Car loan KCB- Moi Avenue Branch	-	11,408,093
Total cash and cash equivalents	431,873,335	491,341,794

18A.

Description	2020-2021	2019-2020
	KShs	KShs
Family Bank – Westlands Branch	84,515,037	-
Total	84,515,037	

19. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Current receivables		
Staff Debtors/Imprest	-	642,949
Prepayments	3,341,604	3,134,242
Exchange Receivables	1,052,758,168	1,000,186,619
Accrued Dues	1,830,000	1,830,000
Total current receivables	1,057,929,772	1,005,793,810

Exchange receivables relate to invoicing of quality assurance charges from FY2014/2015 to date, the Commission has a challenge in collecting the receivables as Universities are facing cashflow problem

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. INVESTMENTS

Description	2020-2021	2019-2020
	KShs	KShs
a) Investment in Treasury bills and bonds		
-Financial institution		
CBK	-	-
CBK		
Sub- total		
b) Investment with Financial Institutions/ Banks		
KCB-Moi Avenue	-	-
Sub- total	-	-
c) Equity investments (specify)		
Equity/ shares	-	-
Sub- total		-
Grand total	-	-

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21. PROPERTY, PLANT AND EQUIPMENT

Cost	land Shs	Buildings Shs	Furniture and fittings Shs	Equipment Shs	Motor vehicles Shs	Computers Shs	Intangible Assets Shs	WIP Shs	Total Shs
At 1 July 2019	49,380,000	144,927,570	28,021,966	15,825,906	47,815,878	32,124,740	7,935,515		326,031,575
Revaluations-2009/2010	264,620,000	23,623,251	-	-	-	-	-	-	288,243,251
Additions	-	-	1,381,050	-	-	2,095,157	337,500	7,447,200	11,260,907
Disposals	-	-	-	-	-	-	-	-	-
At 30 th June 2020	314,000,000	168,550,821	29,403,016	15,825,906	47,815,878	34,219,897	8,273,015	7,447,200	625,535,733
Additions	-	-	-	-	-	1,507,869	-	-	1,507,869
At 30 th June 2021	314,000,000	168,550,821	29,403,016	15,825,906	47,815,878	35,727,766	8,273,015	7,447,200	627,043,602
Depreciation									
At 1 July 2019	-	53,957,824	19,608,528	12,114,568	31,807,576	28,729,980	7,776,488		153,994,964
Depreciation	-	3,623,189	2,350,862	852,306	3,469,900	2,492,901	212,250		13,001,408
Disposal	-	-	-	-	-	-	-		-
Depreciation on Revaluation	-	590,581	-	-	2,923,000	-	-		3,513,581
At 30 June 2020	-	58,171,594	21,959,390	12,966,874	38,200,476	31,285,881	7,988,738	-	170,572,953
Depreciation	-	3,623,189	2,245,962	678,912	3,469,900	2,493,578	249,250		12,760,791
Depreciation on Revaluation	-	590,581	-	-	2,187,500	-	-		2,778,081
At 30 th June 2021	-	62,385,364	24,205,352	13,645,786	43,857,876	33,779,459	8,237,988	-	186,111,825
Net book values									
At 30 th June 2021	314,000,000	106,165,457	5,197,664	2,180,120	3,958,002	1,948,307	35,027	7,447,200	440,931,781
At 30 th June 2020	314,000,000	110,379,226	7,443,626	2,859,032	9,615,402	2,934,016	284,277	7,447,200	454,962,779

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. REVALUATION RESERVES

	2020-2021	2019-2020
Kshs	Kshs	
Balance B/F	286,337,785	289,851,366
Depreciation	(2,778,081)	(3,513,581)
Revaluations	-	-
Balance C/F	<u>283,559,704</u>	<u>286,337,785</u>

23. ACCUMULATED SURPLUS

	2020-2021	2019-2020
	Kshs	Kshs
Balance B/F	1,418,933,199	1,608,546,231
Transfer to NT	-	(200,000,000)
Prior year adjustment	43,103,740	
Surplus for the year	11,879,019	10,386,968
Balance C/F	<u>1,473,915,958</u>	<u>1,418,933,199</u>

24. Capital Funds

	2020-2021	2019-2020
	Kshs	Kshs
Balance	197,449,724	197,449,724

25. PROVISIONS

The commission did not set any provision for bad debts during the year

26. TAXATION

The Commission has no payable taxes.

Commission for University Education
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

27. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	Kshs	KShs
Research Funds	11,045,195	11,045,195
Other Funds-Needs Assessment/PEBL	10,557,812	10,864,197
Biennial Conference	1,404,814	3,150,801
Exhibition by Kenyan Universities	-	2,662,905
Sundry Creditors-Gratuity	31,978,638	5,191,928
Creditors Control	4,566,617	4,602,069
Payroll Liability	113,243	3,017,219
University Fee Prepayment/Other Creditors/Claims	493,520	4,291,363
Total Trade and Other Payables	60,159,839	49,377,677

28. FINANCIAL RISK MANAGEMENT

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

(i) **Credit risk**

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the

Company's management based on prior experience and their assessment of the current economic environment.

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts

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that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The Commissioners sets the Commission's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the entity's directors, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Commission under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2021				
Trade payables	2,501,120	-	2,065,497	4,566,617
Total	2,501,120	-	2,065,497	3,688,844
At 30 June 2020				
Trade payables	3,332,401	252,292	1,017,376	4,602,069
Total	3,332,401	252,292	1,017,376	4,602,069

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

Capital Risk Management

The objective of the entity's capital risk management is to safeguard the Body's ability to continue as a going concern. The entity capital structure comprises of the following funds:

	2020-2021	2019-2020
	Kshs	Kshs
Revaluation reserve	283,559,704	283,559,704
Retained earnings	1,473,915,958	1,449,717,248
Capital reserve	197,449,724	197,449,724
Total funds	1,954,925,386	1,930,726,676
Total borrowings	-	-
Less: cash and bank balances	431,708,635	491,341,796
Net debt/(excess cash and cash equivalents)	(431,708,635)	(491,341,796)
Gearing	100%	100%

29. RELATED PARTY BALANCES

Nature of related party relationships

Entities and other parties related to the entity include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the Commission, holding 100% of the Commission's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

RELATED PARTY BALANCE (Continued)

Government of Kenya (Continued)

- i) The National Government;
- ii) Ministry of Education;
- iii) Key management;
- iv) Commissioners;

	2021-2020	2019-2020
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of goods to related parties	-	-
Sales of services to related parties	-	-
Total	-	-
b) Grants from the Government		
Grants from National Govt	143,050,487	181,170,487
Grants from County Government	-	-
Donations in kind	-	-
Total	143,050,487	181,170,487
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	-	-
Payments for goods and services	-	-
Total	-	-
d) Key management compensation		
Commissioners' emoluments	5,544,258	10,982,498
Compensation to the CEO	7,752,000	7,752,000
Compensation to key management(DCS)	6,375,648	6,375,648
Total	19,671,906	25,110,146

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

30. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Commission had the following court cases.

CASE NUMBER AND NAME	FIRM AWARDED	COMENCE MENT DATE	STATUS	PRINCIPAL AMOUNT OF AWARD (KSHS.)	LEGAL FEES PAID	REMARKS
NAIROBI ELRC NO. 118 OF 2021 UNIVERSITIES ACADEMIC STAFF UNION V UNIVERSITY OF NAIROBI, CS, MINISTRY OF EDUCATION & OTHERS	MATTER FORWADED TO AG FOR HANDLING	JULY 2021	ONGOING	-	-	
NAIROBI ELRC NO. 118 OF 2021 UNIVERSITIES ACADEMIC STAFF UNION V KENYATTA UNIVERSITY & COMMISSION FOR UNIVERSITY EDUCATION	MATTER AWARDED TO THE FIRM OF B. M. MUSAU & COMPANY ADVOCATES	MAY 2021	ONGOING	100,000/-	-	
NAIROBI ELRC NO. 118 OF 2021 COMMISSION FOR HUMAN RIGHTS AND JUSTICE V ENG. KUNGU NDUNGU & OTHERS	MATTER AWARDED TO THE FIRM OF B. M. MUSAU & COMPANY ADVOCATES	MAY 2021	ONGOING	100,000/-	-	
NAIROBI COURT OF APPEAL NO. 190 OF 2020 KMPDU & 7 OTHERS V COMMISSION FOR UNIVERSITY EDUCATION & OTHERS	PROF. TOM OJENDA & ASSOCIATES	JULY 2020	FINALISED	690,000/-		APPEAL DISMISSED
NAIROBI HCPT NO. 213 OF 2020 DANIEL CHEGE KAMAU & OTHERS V UNIVERSITY OF NAIROBI & 3 OTHERS	MATTER FORWADED TO AG FOR HANDLING	JULY 2020	ONGOING	-	-	
NAIROBI HCPT NO. 30 OF 2020 BEVERLYNE BIEGON CHERONO V KABARAK UNIVERSITY & OTHERS	MATTER FORWADED TO AG FOR HANDLING	FEB 2020	ONGOING	-	-	
NAIROBI ELRC NO. 144 OF 2019 UNIVERSITIES ACADEMIC STAFF UNION V CS, MINISTRY OF EDUCATION & OTHERS	MATTER FORWADED TO AG FOR HANDLING	JULY 2018	ONGOING	-	-	
NAIROBI COURT OF APPEAL C.A. NO. 55 OF 2019 KELVIN MBWAYA & OTHERS V COMMISSION FOR UNIVERSITY EDUCATION & OTHERS	MATTER FORWADED TO AG FOR HANDLING	JUNE 2019	ONGOING	-	-	
NAIROBI HCCC NO. 192 OF 2019 ROBINSON KIOKO V CS, MINISTRY OF EDUCATION & OTHERS	MATTER FORWADED TO AG FOR HANDLING	JUNE 2019	ONGOING	-	-	
NAIROBI ELRC NO. 43 OF 2019 UNIVERSITIES ACADEMIC STAFF UNION V MACHAKOS UNIVERSITY & ANOTHER	KARANJA-NJENGA ADVOCATES	FEB 2019	ONGOING	430,000	430,000	
NAIROBI HCCC NO. 69 OF 2019 ADRIAN KAMOTHO V C.S MINISTRY OF EDUCATION & ANOTHER	KARANJA-NJENGA ADVOCATES	FEB 2019	ONGOING	275,000	275,000	
NAIROBI HCPT NO. 387 OF 2018 ADAN MUKHTARE	MUHORO & GITONGA ADVOCATES	DEC 2018	ONGOING	178,000	178,000	

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BARE V ALI BUNOW KORANE & OTHERS						
NAIROBI COURT OF APPEAL NO. 119 OF 2018 KELVIN MBWAYA & OTHERS V COMMISSION FOR UNIVERSITY EDUCATION & OTHERS	GITONGA MUREITH & CO. ADVOCATES	MAY 2018	ONGOING	145,000	-	
NAIROBI HCPT NO. 116 OF 2018 THOMAS NZIOKA KIVASU & OTHERS V COMMISSION FOR UNIVERSITY EDUCATION & OTHERS	GITONGA MUREITH & CO. ADVOCATES	APRIL 2018	ONGOING	400,000	400,000	The Court allowed the Petition and issued no with no orders as to cost
NAIROBI HCPT NO. 596 OF 2017 VICTOR ANDOLLA OBOCK & 74 OTHERS V ATTORNEY GENERAL & 5 OTHERS	MUHORO & GITONGA ADVOCATES	DECEMBE R 2017	ONGOING	150,000	150,000	The Court allowed the Petition and issued no with no orders as to cost
NAIROBI HCPT NO. 49 OF 2017 COUNCIL OF LEGAL EDUCATION V ATTORNEY GENERAL & 2 OTHERS	TOM OJIENDA & ASSOCIATES	FEBRUAR Y 2017	ONGOING	680,000	680,000	
NAIROBI HCPT NO. 37 OF 2017 KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGIES BOARD & 5 OTHERS V ATTORNEY GENERAL & 2 OTHERS	TOM OJIENDA & ASSOCIATES	FEBRUAR Y 2017	ONGOING			
NAIROBI HCPT NO. 106 OF 2017 ENGINEERS BOARD OF KENYA V ATTORNEY GENERAL & ANOTHER	PROF. TOM OJIENDA & ASSOCIATES	MARCH 2017	ONGOING	484,000	484,000	
NAIROBI HCPT NO. 511 OF 2016 KIRWA BITOK & 4 OTHERS V COMMISSION FOR UNIVERSITY EDUCATION & ANOTHER	PATRICK TEDDY & COMPANY ADVOCATES	DECEMBE R 2016	ONGOING	900,000	450,000	
NAIROBI HCPT NO. 117 OF 2016 V COUNCIL FOR LEGAL EDUCATION & ANOTHER V MOUNT KENYA UNIVERSITY	TOM OJIENDA & ASSOCIATES	MAY 2016	ONGOING	680,000	680,000	The firm has billed the Commission Ksh. 2,520,000.00 as legal fees

31. EVENTS AFTER THE REPORTING PERIOD

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

32. ULTIMATE AND HOLDING ENTITY

The Commission is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

33. CURRENCY

The financial statements are presented in Kenya Shillings (Kshs).

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APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The Commission is following up payment of quality assurance fee.

APPENDIX II: PROJECTS IMPLEMENTED BY THE COMMISSION

Projects

Projects implemented by the Commission partially funded by development partners-NICHE

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1. MIS		NICHE	18/10/2018	Partial	Yes	Yes

Status of Projects completion

Summary of the Project Completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	MIS	45,761,000	7,445,000	30%	38,317,000		Donor & A-in-A

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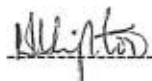
APPENDIX III: INTER-ENTITY TRANSFERS

	ENTITY NAME:	Commission For University Education		
	Break down of Transfers from the State Department of University Education			
	FY 20/21			
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		08/08/2020	40,762,621	FY 20/21
		06/01/2021	40,762,622	FY 20/21
		15/02/2021	40,762,622	FY 20/21
		19/05/2021	20,762,622	FY 20/21
		Total	143,050,487	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total	-	
c.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total	-	
d.	Donor Receipts			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total	-	

The above amounts have been communicated to and reconciled with the parent Ministry

Head of Finance
 Commission for University Education

Sign



Head of Accounting Unit
 Ministry of Education

Sign-----

Commission for University Education
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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Donor Fund/Direct Payment	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Education	Various	Recurrent	143,050,487	-	-	-	-	-	143,050,487
Ministry of Planning and Devolution	-	Development	-	-	-	-	-	-	-
USAID	-	Donor Fund	-	-	-	-	-	-	-
Ministry of Planning and Devolution	-	Direct Payment	-	-	-	-	-	-	-
Total			143,050,487	-	-	-	-	-	143,050,487