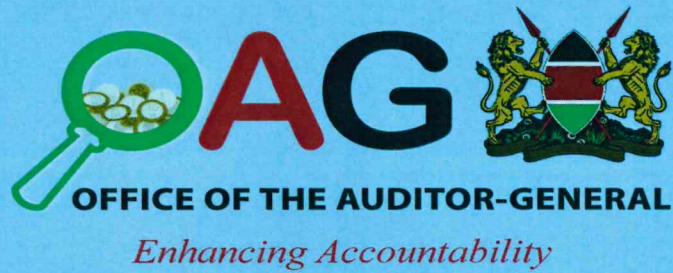


REPUBLIC OF KENYA



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**UNIVERSITY OF NAIROBI**

**FOR THE YEAR ENDED  
30 JUNE, 2019**



# **UNIVERSITY OF NAIROBI**



## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

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

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## **I. KEY UNIVERSITY INFORMATION AND EXECUTIVE BOARD**

### **a) Background information**

The inception of the University of Nairobi is traced back to 1956, with the establishment of the Royal Technical College. On 20<sup>th</sup> May 1964, the Royal College Nairobi was renamed University College Nairobi as a constituent college of inter-territorial, Federal University of East Africa. In 1970, the University College Nairobi transformed into the first National University in Kenya and was renamed the University of Nairobi. Following the enactment of the Universities Act, 2012, the University of Nairobi was awarded its charter on 1<sup>st</sup> March 2013. The University of Nairobi is domiciled in Kenya.

The University of Nairobi is the oldest University in Kenya, and the largest university in the East and Central Africa Region. From its humble beginnings with 215 students in 1956 (62 years ago) when it started as the Royal Technical College, it has an enrolment of over 65,000 students today. It offers a wide range of academic programmes in its seven colleges spread over 10 campuses in which there are 29 faculties, schools and institutes.

The programmes fall under the broad areas of humanities and social sciences, natural sciences and mathematics, engineering and the built environment, arts and design, computing and informatics, law and business, medicine and health sciences, agriculture and food sciences, veterinary and animal sciences, and education. The diversity of programmes, promoting multidisciplinary teaching, research and community service, are backed up by a newly established Open, Distance Education and e-learning centre (ODEL Campus).

The University currently has the largest concentration of scholars and about 50% of all the professors in the country. It has continued to be a centre of intellectual life, a locus of research activity extending the frontiers of knowledge, a resource for professional development, and a key player in the growing global network of scholarship. For greater attention and proper management of post graduate programmes, the University in 2017 opened the newly approved Graduate School, picking from the former Board of Postgraduate Studies.

The overall performance of the University has been good, since its score in the government performance contract evaluation has been consistently rated as excellent, and its position in the global Webometrics ranking in July 2018 was 621 in the world-making it the number one University in the country and taking position 5 in Africa. On the whole, the University has maintained a leadership position nationally and regionally.

The operational environment for the Higher Education sector in the country is highly dynamic such that the University needs to understand and align itself to changes taking place in the University sub sector for it to adequately cope with the new environmental realities. These changes are captured in the Legal Framework with the implementation of the Constitution of Kenya 2010, the enactment of the Universities Act. No. 42 in 2012, the establishment of the Commission for University Education and the award of charters to 75 private and public universities, which have led to increased competition among universities.

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Even as it operates in this environment, the University has a duty to maintain its leadership position and grow it further. It has to continue to be the best and retain its leadership position in the higher education sector. Further, it has to embrace quality, retain the best staff and mobilize additional resources to maintain this leadership position.

**b) Principal Activities**

The Mandate of the University of Nairobi is Teaching and Learning, Research and Innovation, Consultancy and Community Service. The objectives and functions of the University are given in detail in the University of Nairobi Charter 2013.

**Our Vision**

A world-Class University Committed to scholarly excellence

**Our Mission**

To provide quality university education and training and to embody the aspirations of the Kenyan people and the global community through creation, preservation, integration, transmission and utilization of knowledge

**Slogan**

The slogan of the University is: Leading with excellence

**Our Core Values**

The University shall be bound by the National Values and Principles of Governance in Articles 10 and 232 of the Constitution. The University shall be further guided by the following core values:

- **Freedom of thought and expression:** We shall promote and defend freedom of thought and expression in all our academic inquiry and activities.
- **Innovativeness:** We shall be innovative in solving our day-to-day problems and carry out our activities in order to deliver new value to our customers.
- **Commitment:** We are committed to the mission of the University and always act in the best interests of the University.
- **Trust:** We trust the good intentions of others, view conflicts as positive and resolve them creatively and effectively to meet the vision and mission of the University.
- **Care:** We foster a leadership culture that cares, is people-focused, that connects to and is responsive to the needs of internal and external customers, and promotes stewardship over University resources.
- **Teamwork:** We work together as a team to realize the collective results that the University wishes to achieve.

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**c) Key Management**

The University's day-to-day management is under the following key organs:

- Council
- University Executive Board
- Senate
- Deans' Committee
- College Mangement Board
- College Academic Board
- Faculty / School Board and
- Departmental Board

**d) Fiduciary Management**

The key management personnel who held office during the period ended 30 June 2019 and who had direct fiduciary responsibility were:

No.	Name	Designation
1	Prof.Peter.M.F.Mbithi	Vice-Chancellor
2	Prof.I.M.Mbeche	Deputy Vice-Chancellor (Student Affairs) & Deputy Vice-Chancellor (Finance, Planning & Development) (Ag)
3	Prof.J.A.Ogeng'o	Deputy Vice-Chancellor (Academic Affairs)
4	Prof.Madara Ogot	Deputy Vice-Chancellor (Research, Innovation & Enterprise) (Ag)
5	Prof. S.G Kiama	Deputy Vice-Chancellor (Human Resource & Administration) (Ag)
6	Prof. R.A Nyikal	Principal, College of Agriculture and Veterinary Science (Ag)
7	Prof. Peter M.Ngau	Principal, College of Architecture and Engineering
8	Prof.B.O.C.Aduda	Principal, College of Biological and Physical Sciences
9	Prof.I.O.Jumba	Principal, College of Education and External Studies
10	Prof.J.M'IMunya	Principal, College of Health Sciences
11	Prof.E.H.N.Njeru	Principal, College of Humanities and Social Sciences
12	Prof. Lydia Njenga	Director, Graduate School
13	Prof. C. Gakuu	Director,Open,Distance and e- Learning ( ODel) Campus
14	Prof.P.O.K'obonyo	Deputy Principal, College of Humanities and Social Sciences
15	Prof. M. A Jama	Deputy Principal, College of Humanities and Social Sciences
16	Prof.H.Ochanda	Deputy Principal, Kenya Science Campus
17	Prof. L. D.E. Ikamari	Deputy Director, Graduate School
18	Prof. Charles M.Mulei	Deputy Director, Graduate School
19	Prof. Harriet Kidombo	Deputy Director ODel Campus

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**e) Fiduciary Oversight Arrangement**

- Council's Finance and Strategy Committee
- Council's Audit Committee
- Commission for University Education
- Ministry of Education
- The National Treasury
- Office of the Auditor General
- Office of the Controller of Budgets
- The Universities Funding Board

**f) University of Nairobi Headquarters**

Harry Thuku Road  
P.O. Box 30197-00100  
Main Campus  
Nairobi, Kenya

**g) University of Nairobi Contacts**

Telephone: (254)020-318262  
E-mail:vc@uonbi.ac.ke, dvcaf@uonbi.ac.ke, fo@uonbi.ac.ke  
Website: [www.uonbi.ac.ke](http://www.uonbi.ac.ke)

**h) University of Nairobi Bankers**

1. **Barclays Bank of Kenya**  
Market Branch  
P.O Box 30018-00100  
Nairobi, Kenya
2. **Kenya Commercial Bank**  
University Way Branch  
P.O. Box 7206-00300  
Nairobi, Kenya
3. **Standard Chartered Bank Koinange**  
Street Branch P.O Box 30003-00100  
Nairobi, Kenya

**i) Independent Auditor**

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

**j) Principal Legal Adviser**

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

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**II. THE UNIVERSITY COUNCIL**

NO	NAME	DESIGNATION
1.	Prof. Julia Auma Ojiambo, PhD, CBS, EBS, MBS	Chairperson
2.	Flora Mtuweta Mtighulo Maghanga	Member
3.	Dr. Jocelyn Marie Rarieya	Member
4.	Hassan Abdi Mohamud	Member
5.	Isaac Chebon Kiprop	Member
6.	Eng. Kariuki Muchemi	Member
7.	Mr. Samuel Kiiru	Rep. PS. The National Treasury
8.	Dr. Eric Mwangi	Rep. PS. Ministry of Education
9.	Prof. Peter M.F. Mbithi	Vice-Chancellor

**Council Members Profile**

**Prof. Julia A. Ojiambo is the Chairperson of Council**



**Prof. Julia A. Ojiambo, PhD.,  
CBS., EBS., MBS**

Prof. Julia Ojiambo is an eminent scholar, researcher and an opinion leader. Currently she sits at the helm of the University of Nairobi as the Chairperson of Council, the supreme governance organ of the University.

Prof. Ojiambo is a graduate of various renowned world universities including University of Nairobi, University of London and Harvard University. She is a holder of a PhD. in Human Nutrition, a degree jointly examined and awarded by the University of Nairobi and McGill universities.

As a scholar and researcher, Prof. Ojiambo rose through ranks in teaching & research to become a Professor of Human Nutrition. She has written several scientific papers which have been published in various scientific journals of global repute. Besides, Prof. Ojiambo is a recipient of the UN Ceres medal for her contribution in the field of human nutrition and advancement of women in Kenya.

Having served as a legislator in the National Assembly of the Republic of Kenya, Prof. Ojiambo's contribution saw the establishment of the Kenya Institute of Special Education. She also authored and sponsored the following legislations: Kenya Nutritionist and Dietitians Act of 2007, Supplies Practitioners Management Act of 2007 and the Public Procurement Disposal Act of 2005.

She has chaired and served on Boards of various State Corporations including the Kenya Plants Health Inspectorate (KEPHIS) and National Fund for the Disabled in Kenya.



**Dr. Marie Jocelyn Rarieya is a member of Council**



**Dr. Marie Jocelyn Rarieya**

Dr. Marie Rarieya holds a PhD in Science and Technology Studies (STS) from Rensselaer Polytechnic Institute, New York; Master's in Computer Based Information Systems from University of Sunderland, UK; a Post-graduate Diploma in Curriculum Development, and a Bachelor's Degree in Education (Biological Sciences) from the University of Nairobi. She is currently the Vice President for Evaluation Capacity Building and Professional Development at the International Centre for Evaluation and Development (ICED), Nairobi. She has published a number of peer-reviewed journal articles and book chapters, including conference proceedings on issue pertaining to Agriculture, Climate Change, and Education and Training.

**Mr. Abdi Mohamud Hasssan is a member of Council**



**Mr. Abdi Mohamud Hassan**

Abdi Mohamud Hassan is an Advocate of the High Court of Kenya, and a transformational leader with vast experience in the management of state bodies, directing their strategy formulation and execution processes, and supervising financial and administrative management of the organizations to guarantee attainment of their mandates and objectives. Mr. Hassan has distinguished himself in leadership as an agent of positive change by ensuring high levels of professionalism, ethical standards, and fairness in the discharge of public duties.

**Mrs. Flora M. Maghanga-Mtuweta is a member of Council**



**Mrs. Flora M. Maghanga-Mtuweta**

Mrs. Flora M. Maghanga-Mtuweta is a seasoned, accomplished Finance and Administration professional with over 25 years experience; having held various senior management positions in private and public sector. She has an MBA in Strategic Management from the University of Nairobi and A Bachelors in Economics and Business from Kenyatta University. She is a Certified Public Accountant of Kenya and a member of The Institute of Certified Public Accountant of Kenya. She has vast experience in financial management, Micro Finance and Fundraising having worked as a pioneer County Executive Committee Member in the devolved system of government and Involved in the startup of two Micro Finance Institutions one of which is a bank now. She is a Board Member of The Centre For Public Finance and Tax, Association of Women Accountants of Kenya and a Council Member of The University of

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Nairobi.



**Mr. Samuel Kiiru**

**Mr. Samuel Kiiru is a member of Council**

Mr. Samuel Kiiru is a member of Council representing the Principal Secretary, The National Treasury. He is the Chief Economist & Head Budgetary Policy Unit at the National Treasury. He holds a Masters Degree in Economics from the Carleton University, Ottawa, Canada and a Bachelor Degree in Economics from the University of Nairobi.



**Eng. Kariuki Muchemi**

**Eng. Kariuki Muchemi is a member of Council**

Eng. Kariuki Muchemi is a practicing Civil Engineer with over thirty(30) years' experience in both public and private sector. He holds a BSc. Degree in Civil Engineering from the University of Nairobi, a MSc. Degree from the University of Birmingham UK, LLM from Mt. Kenya University and Post Graduate Diploma from the Kenya School of Law. He is also a member of the Institute of Directors, Kenya. He has served as a Board member of Geothemol Development Company, as Trustee of the Water Services Trust Fund and a member of Keyatta University Council.



**Prof. Peter M.F. Mbithi,  
PhD, EBS**

**Prof. Peter M.F. Mbithi**

Prof. Peter M.F. Mbithi is a member of Council. He is currently the Vice Chancellor. He is a Professor of Veterinary Surgery, University of Nairobi. He was Chairman, Department of Clinical Studies in 2003, he served as the Principal, College of Agriculture and Veterinary Sciences and Deputy Vice-Chancellor (Administration and Finance), a position he held till his appointment as the Vice Chancellor.

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III. CHANCELLOR ,COUNCIL CHAIR AND PRINCIPAL OFFICERS OF THE UNIVERSITY



Dr. Vijoo Ratansi



Prof. J.A Ojiambo



Prof. P.M.F.Mbithi



Prof. I. M. Mbeche



Prof. S. Kiama



Prof. J.A. Ogeng'o



Prof. Madara Ogot



Prof. P.M. Ngau



Prof. B.O.C Aduda



Prof. E.H. N. Njeru



Prof. I. O. Jumba



Prof. J. M'Imunya



Prof. R. Nyikal



Prof. L. Njenga



Prof. C. Gakuu



Prof. L. Ikimari



Prof. M. A. Jama



Prof. H. Kidombo



Prof. H. Ochanda



Prof. P.O. K'obonyo



Prof. C. M. Mulei



Mr. P. Muturi



Mr. J. Kenduiwo



Mr. B. M. Waweru



Mr. P.K. Busienei

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**Chancellor:**

V. RATTANSI, D.Litt . (Hon ),(Nairobi), , D.Litt (Moi )

**Chairperson of the University Council:**

JULIA AUMA OJIAMBO,PhD,CBS,EBS,MBS

**Vice-Chancellor:**

P.M.F. MBITHI, EBS, IOM, B.V.M.,M.Sc.(Nairobi ), M.V.Sc.(Saskatchewan ), PhD(Nairobi )

**Deputy Vice-Chancellor (Finance, Planning & Development)(Ag):**

ISAAC M.MBECHE, B.Ed.,M.A.(Nairobi) PhD(Lancaster )

**Deputy Vice-Chancellor (Academic Affairs):**

J.A.OGENGO,BSc,MBCh,PhD,MD,(Nairobi)

**Deputy Vice-Chancellor (Student Affairs):**

I.M.MBECHE.,B.Ed.,M.A.(Nairobi) PhD(Lancaster )

**Deputy Vice-Chancellor (Research, Innovation and Enterprise) (Ag):**

MADARA OGOT, BSE (Princeton), MSc, PhD (Penn State), MBA (Rutgers), PhD (Nairobi)

**Deputy Vice-Chancellor (Human Resource & Administration) (Ag):**

KIAMA, S.G., BVM, MSc (Nairobi), PhD,(Bern)

**Principal, College of Agriculture and Veterinary Sciences (Ag):**

NYIKAL R.A.,BSc,MSc,PhD,(Nairobi)

**Principal, College of Architecture and Engineering:**

P.M. NGAU, BEd,( KU), MA (Nairobi) PhD,( UCLA)

**Principal, College of Biological and Physical Sciences:**

B. O. C. ADUDA, BEd, M.Sc Nairobi , PhD, DIC (London )

**Principal, College of Education and External Studies:**

I.O.JUMBA, B.Sc., M.Sc., PhD. (Nairobi).

**Principal, College of Health Sciences :**

J.M M'IMUNYA, MBChB, MMed Obstetrics & Gynecology (Nairobi)

**Principal, College of Humanities and Social Sciences:**

E. H. N. NJERU, BA, MA (Nairobi), PhD(California )

**Director, Graduate School:**

PROF. LYDIA NJENGA ,B.Sc.,M.Sc.,PhD.(Nairobi)

**Director, Open, Distance and Electronic Learning ( ODel) Campus:**

PROF. CHRISTOPHER GAKUU MWANGI,BED.,(Ku),MBA.,(Usiu),PhD.,(NairobiI)

**Deputy Principal, College of Humanities and Social Sciences: Main Campus:**

PROF. MOHAMUD ABDI JAMA, B.A., B.Com.,(Nairobi),PhD (Washington)

**Deputy Principal, College of Humanities and Social Sciences:Lower Kabete Campus:**

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P.O.K'OBONYO, B.A.,(Makerere ),MBA (Nairobi ), P.G.Dip .(ESAMI), Ph.D.,(South Carolina )

**Deputy Principal, Kenya Science Campus:**

H. OCHANDA, M.Sc.(Nairobi ), Ph.D(Warwick ).

**Deputy Director, Graduate School:**

PROF. L. D.E. IKAMARI, B.A., M.A.,(Nairobi),PhD.,(Australia)

**Deputy Director, Graduate School:**

PROF. CHARLES M. MULEI, B.V.M., PhD.,(Nairobi)

**Deputy Director (ODEL Campus):**

PROF. HARRIET KIDOMBO, B.A.,(Nairobi),M.Sc.,(UK),PhD.,(Nairobi)

**Registrar, Administration (Ag.):**

MR.PETER M.MUTURI, B.A, M.A.Comm.Studies,(Nairobi)

**Registrar, Academic (Ag.):**

B. M. WAWERU, B.A. (Nairobi)

**Director, Library and Information Services (Ag.):**

MUMO ANGELA MBULA, BA, (Nairobi), MA. Lib & Inf.Sc.,(KU)

**Registrar, Planning:**

B.D. NJUGUNA, BA (Hon) PGDipMC, MA, (Nairobi), MPRSK,MKIM

**Finance Officer:**

P.K. BUSIENEI, B.Com, MBA, (Nairobi), C.P.A.(K)

**Chief Internal Auditor:**

PATRICK O.AGUTU,BSc,USIU,MBA,Nairobi,CPAK,AMKIM

#### IV. CHAIRPERSON'S STATEMENT



I am pleased to submit the University of Nairobi Annual Report and Financial Statements for the year ended 30 June 2019. Among other key areas, the University was able to promote the research function, which is a core business through realization of Kshs 1.93 billion from our research partners. The University also continued with its main teaching functions where the student enrolment recorded an all time high of over 80,000 students.

##### **Financial Performance**

During the FY 2018/2019, the University registered a deficit of Kshs 1.29 billion compared to a deficit of Kshs 1.41 billion registered in FY 2017/2018 resulting into accumulated deficit of Kshs 1.80 billion compared to accumulated revenue deficit of Kshs 496.79 million in FY 2017/2018. In FY 2018/2019 total revenue amounted to Kshs 12.28 billion compared to Kshs 13.75 billion in FY 2017/2018, where as total expenditure amounted to Kshs 13.58 billion compared to Kshs 15.16 billion in FY 2017/2018.

##### **Strategic Direction**

The University's remains "a world class University committed to scholarly excellence" as postulated in the 2018-2023 Strategic Plan. This is achieved through the following Strategic Objectives: managing the University efficiently; efficiently offering quality academic programmes; contributing to scientific and technological innovations; and enhancing the competitiveness of the University. The 2018-2023 Strategic Plan will continue to guide the University's strategic direction for the next five years.

To this end therefore, the University has managed to enhance its visibility and competitiveness both locally and internationally. In July 2019 Webometric ranking, the University emerged position 1 in Kenya, position 10 in Africa and position 987 in the world.

##### **Future Outlook**

The University will continue to implement its Strategic Plans, whose thrust continues to address the "Big Four" Initiatives and other national priorities in order to improve the quality of lives of Kenyans and make Kenya globally competitive. The University signed the FY 2018/2019 Performance Contract whose purpose was to establish the basis for ensuring that efficient and effective services are delivered to Kenyans in line with the provisions of the Constitution and by requiring the University of Nairobi to adapt systems that enable innovativeness and adaptability of public services to the needs of users.

Further, the University continues to revamp and consolidate its core income generating activities with a view to sustaining its financial performance. As for physical infrastructure, the completion of the University of Nairobi Towers at the main Campus ,the Kisumu Campus Complex,Wangari

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Mathai Institute, the Confucius Institute and the acquisition of Uniplaza building at our Mombasa Campus eased the pressure on physical facilities. The eLearning strategy has been actualized through the establishment of ODeL Campus to respond to the growing demand for virtual learning in the Country.

Finally, I would like to thank the Government for the support it has continued to give in realization of the University's mandate. Allow me to take this opportunity to thank our research partners, alumni and other stakeholders for their support in steering the University through another successful year.



**PROF. JULIA AUMA OJIAMBO, PhD, CBS, EBS, MBS**  
**Chairperson**  
**University of Nairobi Council**  
**April 24, 2020**

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**V. REPORT OF THE VICE CHANCELLOR**



It gives me much pleasure in presenting the Annual Report and Financial Statements of the University of Nairobi for the year ended 30 June 2019.

The University continues to review its strategy as detailed in its Strategic Plans to better match capacity to demand. The University will work towards capturing growth opportunities in the market, despite the current not so favorable global economic outlook. The on-going renewal programmes aimed at maintaining a top ranked sustainable University with attributes of world class-ness will go a long way in sustaining an enduring and valuable scholarly excellence.

The University has embarked on a number of initiatives aimed at enhancing learners' experience on campus. Improving efficiency and customer service has not been overlooked. The students' total population, which forms the bulk of its clientele, is currently in excess of 80,000. Indeed, with 164 Professors, 264 Associate Professors and a research portfolio of Kshs 4 billion, the University of Nairobi is the incubation point of knowledge for scholars and students. The University has graduated over 200,000 graduates since inception in 1970.

During the financial year 2018/2019, the University reported a deficit of Kshs 1.29 billion compared to a deficit of Kshs 1.41 billion in FY 2017/2018. The cumulative deficit as at 30 June 2019 was Kshs 1.80 billion against cumulative deficit of Kshs 496.79 million in 2017/2018. The financial performance in the current year was realized in an environment of increased costs of academic programmes, as well as enhanced personal emoluments based on improved terms and conditions of service against reduced Government Capitation due to reforms in the education sector.

The University continues to prudently manage its financial resources. However, as in the previous years, the budget was not matched by Government funding. Expenditure on personal emoluments stood at KShs 10.11 billion while the total Government funding for recurrent expenditure was Kshs 5.55 billion, resulting to a shortfall of Kshs 4.56 billion for personal emoluments. This shortfall was bridged by enhanced module II fees generated in various campuses .

At the same time, the University received research grants to the tune of Kshs 1.93 billion during the year. This went a long way in the realization of the University's mission of teaching and research.

The University has over years steadily sustained its ranking among the best Universities in Africa and in the World.



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**UoN's Webometrics ranking**

<b>Ranking Period</b>	<b>Africa Rank</b>	<b>World Rank</b>
Jan-2012	17	1,367
Jul-2012	14	1,435
Jan-2013	12	1,326
Jan-2014	9	1,167
Jan-2015	7	855
Jan-2016	6	697
Jul-2018	5	621
Jul-2019	10	987

The combined impact of the University's performance is reflected in the recent steady improvements in the University's global ranking. On the whole, the University has maintained a leadership position nationally and regionally.

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



**PROF. STEPHEN G. KIAMA,**  
**BVM, MSC(Nbi), PhD(Bern)KNAS**  
**Vice Chancellor**  
**April 24, 2020**

## **VI. CORPORATE GOVERNANCE STATEMENT**

The University of Nairobi Council is responsible for the overall management and governance of the institution and is accountable to the stake-holders for ensuring that the institution complies with the law and the best practices in Educational Governance and Business Ethics. The Council members are committed to the need to conduct the business and operations of the University with integrity and in accordance with Generally Accepted Standards and endorse the internationally developed principles of good governance.

### **COUNCIL MEMBER**

The Council is appointed in accordance with the Universities Act, 2012 (No. 42 of 2012) by the Cabinet Secretary as follows— (a) Chairperson; (b) the Principal Secretary in the Ministry for the time being responsible for the university education; (c) the Principal Secretary in the Ministry for the time being responsible for Finance; (d) five members appointed by the Cabinet Secretary through an open process; and (e) the Vice-Chancellor who shall be an ex officio member and secretary of the Council. The full Council meets at least four times a year. The members receive all information relevant to the discharge of their obligations in an accurate, timely and clear manner so that they can guide and maintain full and effective control over strategic, financial, operational and compliance issues. Except for direction and guidance on general policy, the Council has delegated authority for conduct of day- to-day business to the Vice Chancellor and the University Executive Board (UEB).The Council nonetheless retains responsibility for establishing and maintaining the institution’s overall control of financial, operational and compliance issues as well as implementing strategies for the long term success of the University.

### **COMMITTEES OF THE COUNCIL**

The main standing committees of the Council include;

#### **Finance and Strategy Committee**

Terms of Reference:

- i. To act on behalf of the Council except so far as the Council may wish to limit the powers of the Finance and Strategy Committee in any respect.
- ii. Shall pay due regard to the necessity to refer matters of major importance to the Governing Council for final approval.
- iii. Shall not have the power to approve the Annual Estimates and Expenditure.

#### **Building Committee**

Terms of Reference:

- i. To take charge of all arrangements for the erection of new buildings once the finances have been made available, to appoint executive architects and to award contracts on such projects.
- ii. To be responsible for authorizing expenditure for all maintenance work with the provision that the Committee will have authority to delegate the very minor maintenance work to the executive officer of the University.

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- iii. To take charge of all work under the minor works and maintenance programme which exceed £200 in cost.
- iv. To report progress to Council or the Finance and General Purpose Committee of the Council.

**Audit and Risk Committee**

**Statutes Committee**

**INTERNAL CONTROLS**

The University has defined procedures and financial controls to ensure the reporting of complete and accurate accounting information. These cover systems for obtaining authority for major transactions and for ensuring compliance with laws and regulations that have significant financial implications. Procedures are also in place to ensure that assets are subject to proper physical controls and that the institution remains structured to ensure appropriate segregation of duties.

The University is exposed to a variety of risks that can have financial, operational and compliance impacts on our performance, reputation and legitimacy to operate.

The effective management of risk is therefore critical to supporting the delivery of the University's strategic objectives.

The University's approach to risk management is aimed at embedding a risk-aware culture in all decision-making, and a commitment to managing risk in a proactive and effective manner. This includes the early identification and evaluation of risks, the management and mitigation of risks before they materialize, and dealing with them effectively in the event they do materialize. Major risks such as natural disasters, which cannot be managed using internal controls, are transferred to third parties in the insurance markets, to the extent considered appropriate or possible.

The design, implementation and monitoring of the process of risk management is the responsibility of the University. In this regard, management is accountable to the University Council.

An Internal Audit Department headed by the Chief Internal Auditor and the Audit Committee, chaired by a council member, evaluates and coordinates the management of identified strategic risks, financial and non-financial, faced by the University. Risk management processes are reviewed regularly for continuing relevance and effectiveness. The Strategic Internal Audit Department reports to the Vice Chancellor and the Audit Committee. The Audit Committee reports to the Council.

A report on the risk management process that is being followed, as well as a summary of the risk register and appropriate risk treatment plans, is presented to the Audit and Risk Management Committee and to the Council of the University on a regular basis.

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**COMMUNICATION WITH COUNCIL**

The University is committed to ensuring that stakeholders and the general public are provided with full and timely information about its performance. This is achieved by the distribution of the University's annual report and the release of notices in the press.

Periodically, there are press releases announcing other major University developments which could be considered important. The Annual Report and Financial Statements are published each year and distributed to the National Assembly.

**COUNCIL MEMBERS EMOLUMENTS**

The Council Members are paid sitting allowance which is included in the Council expenses in the Annual Report and Financial Statements.

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**VII. MANAGEMENT DISCUSSION AND ANALYSIS**

**University’s Operational and Financial Performance**

During the period ended 30 June 2019, the University registered a deficit of Kshs 1.29 billion compared to a deficit of Kshs 1.41 billion registered in a similar period in the previous financial year 2017/2018. The accumulated deficit as at 30 June 2019 was Kshs 1.80 billion compared to accumulated deficit of Kshs 496.79 million in fiscal year 2017/2018. This was derived from total revenue of Kshs 12.28 billion in the period ended 30 June 2019 compared to Kshs 13.75 billion in fiscal year 2017/2018.

The decrease in revenue performance for the period ended 30 June 2019 was due the reduction of the recurrent capitation by 30% in FY 2017/2018 which continued in FY 2018/2019.

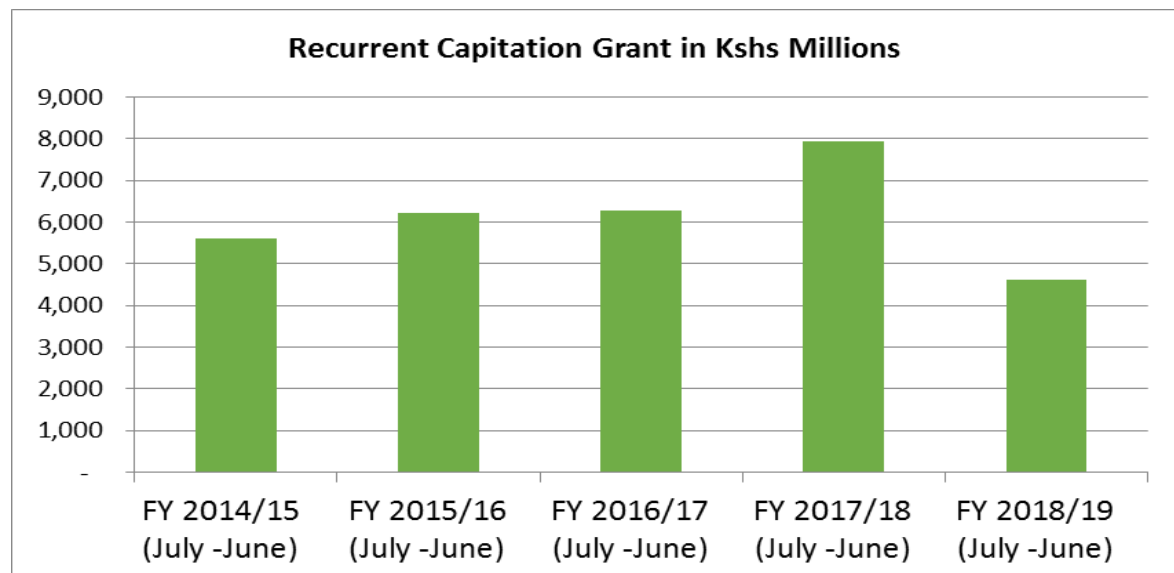
**Revenues**

**Government Capitation**

The University of Nairobi being a Government owned entity is allocated Recurrent and Development Capitation to finance its operations each year.

Government funding in the FY 2018/2019 was insufficient to finance university activities and catered for 26% of the budget, and covers only 44% of the payroll costs. The sharp rise in Government Capitation in FY 2017/2018 is due to a receipt of Kshs 1.96 billion to cater for the payment of CBA 2013-2017 Salary arrears and another receipt of Kshs 1.46 billion being recurrent and support capitation for CBA 2013-2017 enhanced Salaries.

GoK Capitation in the current fiscal year 2018/2019 finances 44% of the payroll costs.



The recurrent Capitation grant allocation to the University was reduced by 30% (i.e. kshs 1.7 billion) in FY 2017/2018 due to the implementation of the Differentiated Unit Cost (DUC) and this short fall has continued into the current FY 2018/2019. Further remittance towards the

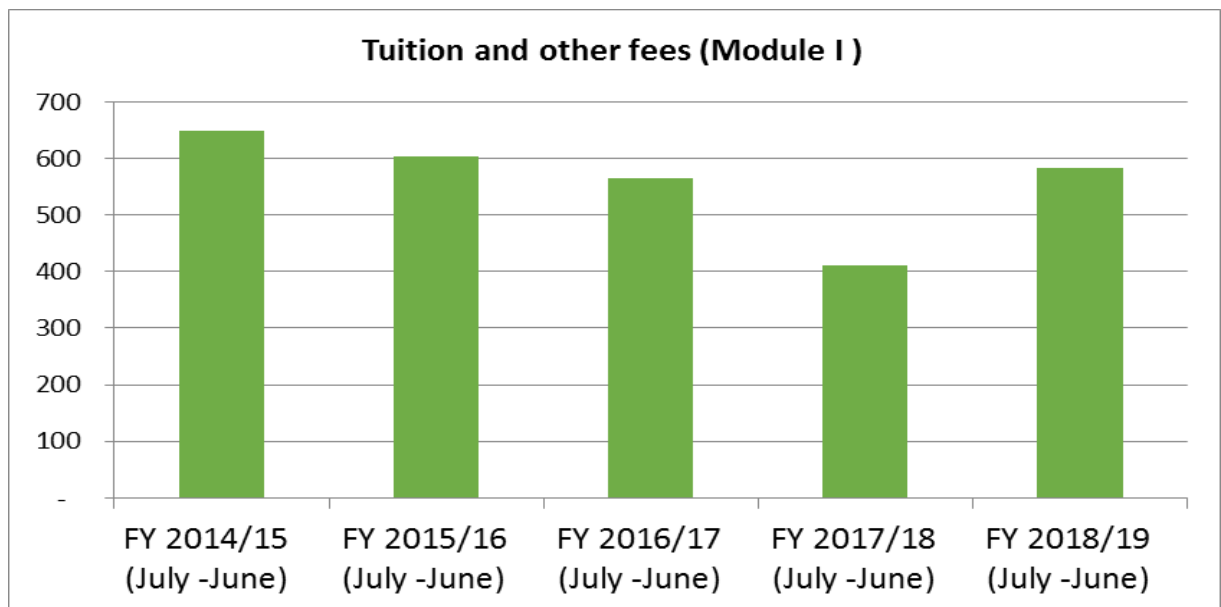
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sustenance of the CBA 2013-2017 of Kshs 80 million monthly was not disbursed to the University.

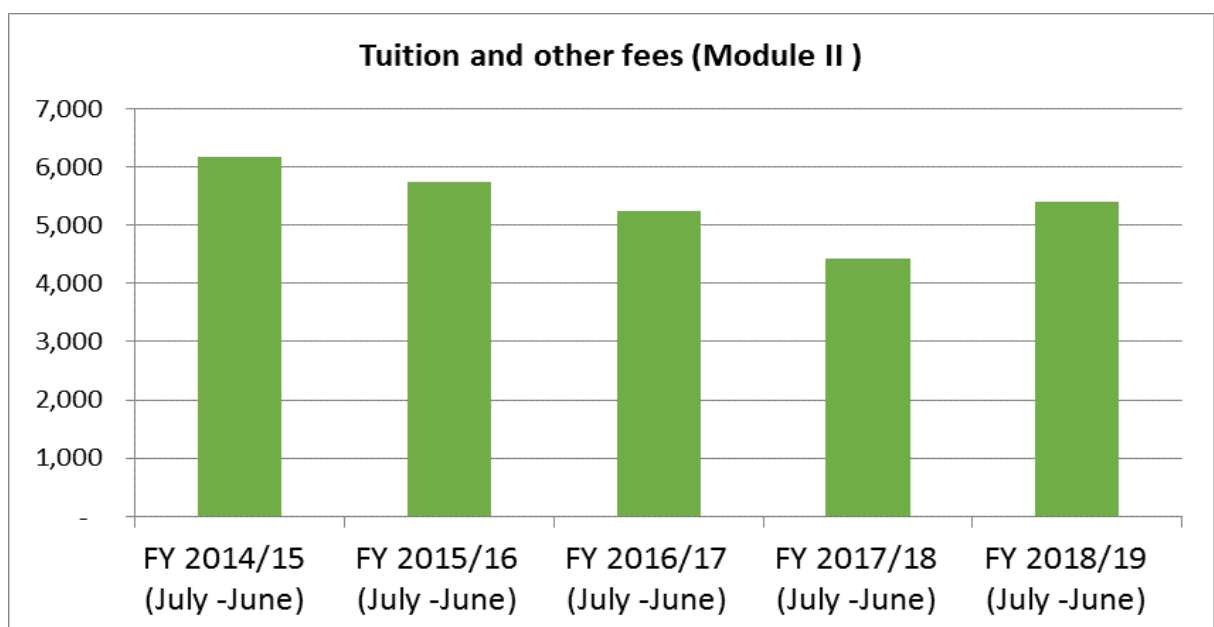
**Student Fees**

These comprise of fees from Government sponsored students and Self sponsored Students (Module II) and accounts for about 48% of the total Revenue.

The improved collection of fees is due to the aggressive admission campaign of Module II students by management despite the drop in performance of the 2016, 2017 and 2018 KSCE candidates.



Generally, the fee from Module II students has been on the decline.

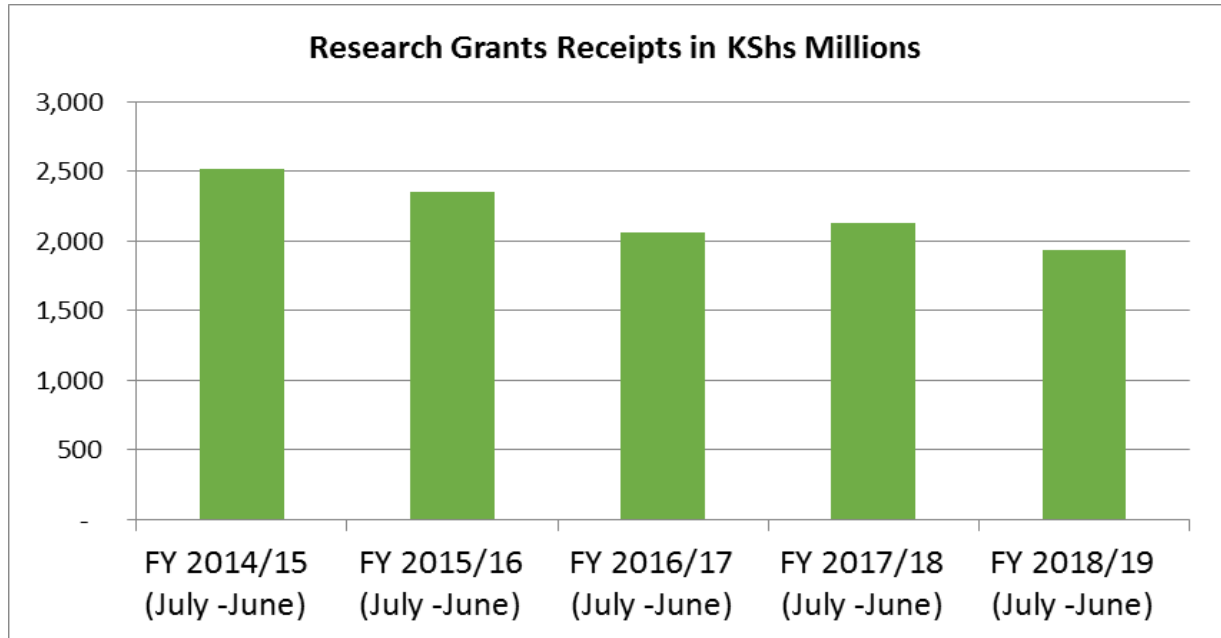


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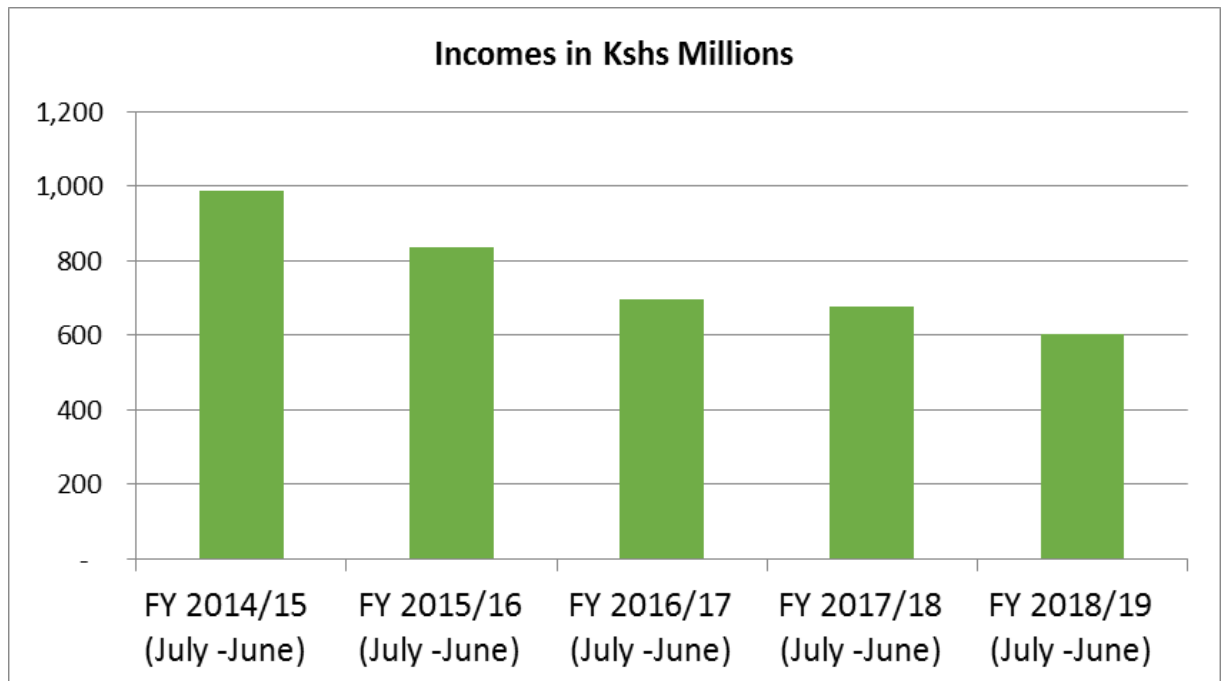
The decline of Module II fees revenue in FY 2017/2018 is attributed to the closure of the University due to the industrial action by the academic staff and the prolonged contested General elections.

**Research Grants**

The University has a vibrant Research culture, providing leadership in creativity and innovation. The University continues to attract Research grants and in the period ended 30 June 2019, Research grants received amounted to Kshs 1.93 billion.



**Income from Students Accommodation, Catering, UNES, Staff House Rent and other miscellaneous sources**

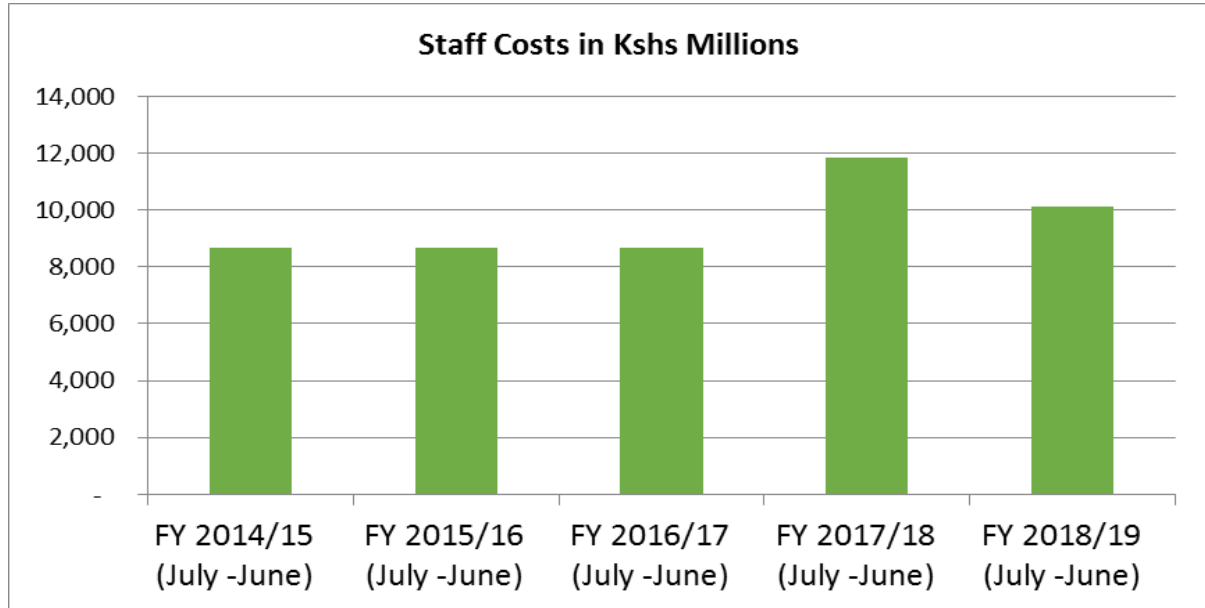


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**Expenses**

**Staff Costs**

Capitation from Government finances about 44% of the payroll costs.



**Operating and Administrative Expenses**

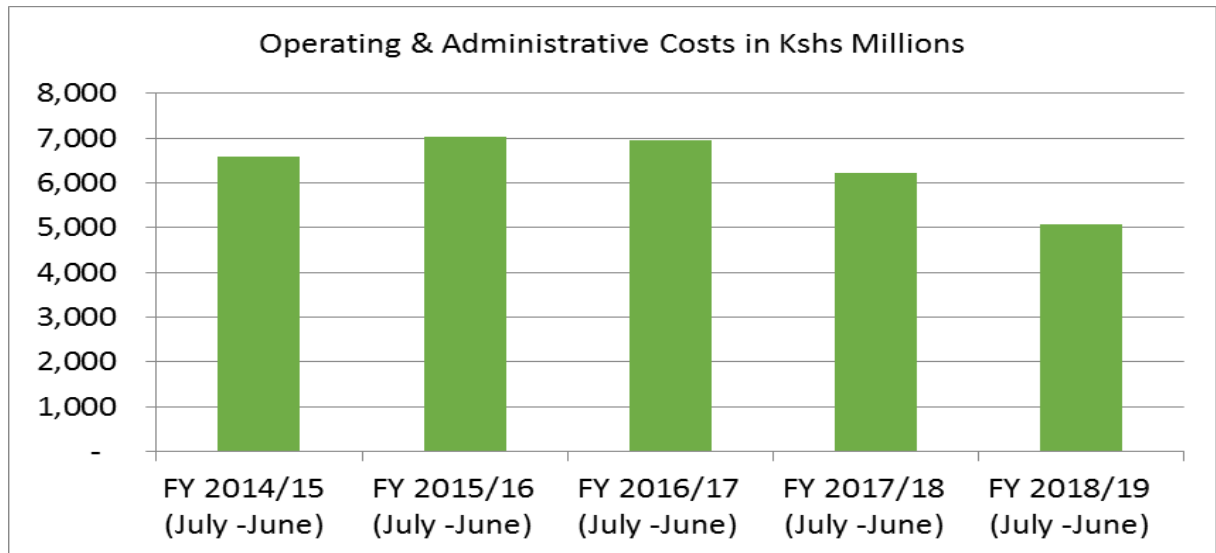
This accounts for about 30% of the total expenditure. Included under this category are:

- i. Expenditure relating Research grants Projects
- ii. Expenditure on Income Generating Activities
- iii. Repair and Maintenance Expenses
- iv. Teaching and Office running expenses.
- v. Transport and travel
- vi. ICT expenditure

From the fiscal years 2017/18 to 2018/19, expenditure reduced drastically due to austerity measures implementation by management following the University's budget cut.



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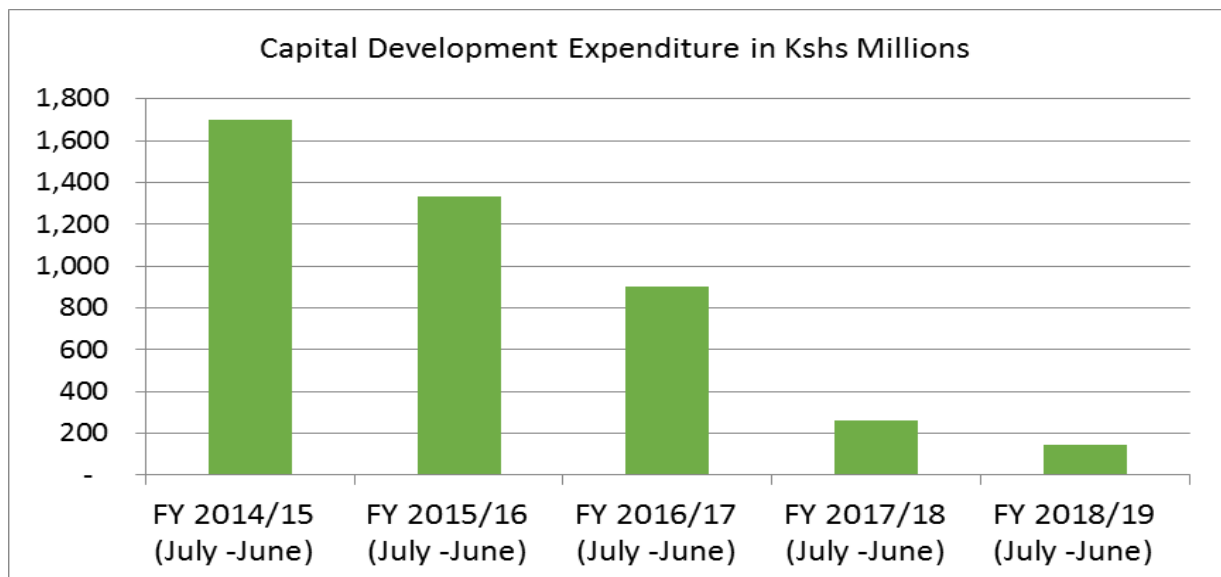
**Direct Service Providers Payments.**

This relates to payments made to faculty who do extra teaching load to Module II and III students attending classes in the evenings including weekends as well as science based students who are integrated with Government sponsored students. The payment is pegged on the actual fees collections from self-sponsored students which have dropped.

The direct service providers’ payments dropped from FY 2014/2015 due to reduced payment rates for DSPs coupled with an overall decline in self-sponsored student revenues.

**Capital Development Expenditure.**

The growth in capital expenditure in the previous years was as a result of the development and acquisition of teaching facilities: the Uni-Plaza Mombasa Campus, the University of Nairobi Towers, the Kisumu Campus Complex, and the School of Pharmacy Building among others.

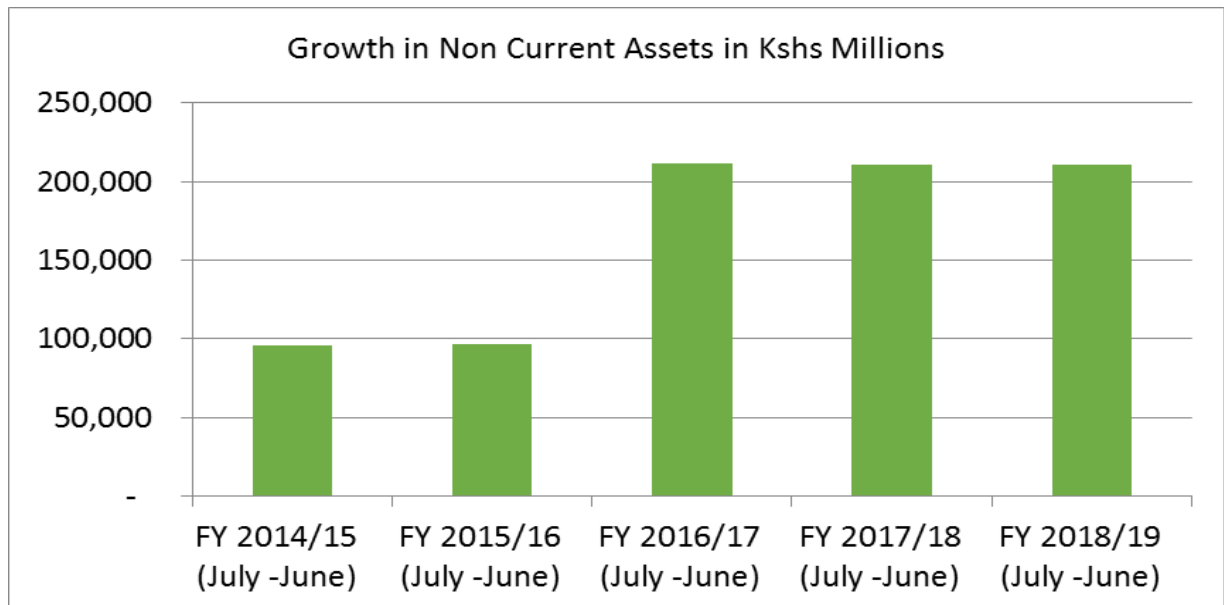


Due to the decline in the internally generated revenues and inadequate Government Capitation, most of the projects scheduled for construction have been put on hold.

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**Assets Base**

The Campuses of the University are strategically located within the City of Nairobi and in the Satellite locations. There is a well-developed state of the art physical infrastructure that includes lecture halls, teaching and research laboratories, demonstration farms, student amenities as well as sports and health facilities. There is also an established network of extra mural centers countrywide.



The revaluation of Land and Buildings in June 2017 has seen the University’s Non-Current Asset move from Kshs.97.42 billion to over Ksh.200 billion.

**Compliance with Statutory Requirements**

The University endeavors to ensure full compliance with statutory requirements and other Government regulations.

The University prepares its financial statements in accordance with the Public Financial Management Act (PFM) 2012, the PFM Act Regulations, the State Corporations Act, the University Act and the International Public Sector Accounting Standards (IPSAS).

Statutory deductions are effected and remittances done as per the governing statutory requirements.

The major non-compliance issues that may expose the University to potential contingent liabilities are outstanding remittances of Kshs 2.28 billion to Kenya Revenue Authority and Kshd 2.40 billion to Retirement Benefit Authority.

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

The University of Nairobi Towers, Kisumu Campus Complex, Wangari Mathai Institute and the Confucious Institue are among the infrastructural projects recently undertaken by the University and were expected to further smoothen the business of teaching, learning and conducting research.

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**Major risks facing the University**

**Challenges**

Several changes have happened in the external and internal environments of the University, which may influence this short-term implementation plan. These are outlined below.

**External Environment**

This is a summary of significant changes in the external environment.

**Competition**

There are 22 public universities, 14 Chartered private universities and 13 universities with Letters of Interim Authority in the country. This has raised intense competition in the higher education sector in the country particularly in the recent past due to drop in performance in KCSE. Placement of regular students by KUCCPS has seen the University of Nairobi being allocated students below its capacity in 2017, 2018 and 2019.

**Regulatory environment**

Regulations of the higher education sector have changed. Universities are now required to operate within guidelines set by the regulators. Conforming to these regulatory requirements often has meant heavy capital expenditure, which is putting additional strain on the universities' budgets. A failure to meet regulatory requirements has led to closing some universities' campuses or to halting students' intake. This trend of increased regulation is expected to continue.

**Quality, relevant education and more research**

The demand for quality and relevant University education has become more persistent, while there has been a mounting feeling that universities are not undertaking enough research. Consequently, more research output is expected from these institutions.

**Funding**

Funding from the Government has consistently fallen below the requirements of the universities, which are under pressure to raise resources to finance their operations. The situation is serious in the University of Nairobi where the monthly Exchequer subvention covers only 44% of the monthly wage bill. As a result, salaries are paid only after mobilizing additional money from internal sources, leaving very little income to finance operations. There is an urgent need to rethink financing the University as austerity measures and cost-cutting containment may not fully solve the problem.

**KCSE results**

The 2016, 2017 and 2018 KCSE results saw a drop in performance for candidates scoring C+ and above. This has adverse implications on admissions, especially for the Module II Programmes.

**Internal Environment**

This is a summary of significant changes in the internal environment.

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**Unplanned University closures**

It is essential that University operations continue without interruptions, but closures of the University occasioned by staff or student indiscipline do occur, though they should not occur, as they disrupt academic programmes, dent the image of the University and interrupt revenue inflows.

**Ageing staff**

With the implementation of the Government's circular on retention in service of officers beyond the mandatory retirement age, the University is likely to experience a challenge of retaining services of experienced Academic Staff.

**Human resources issues**

To address the challenge of a huge wage bill that is not matched by Government funding, the University management operationalized the Government circular on post retirement contract.

**The University of Nairobi Strategic Direction**

In order to address the above challenges, the University in its 2018-2023 Strategic Plan has purposed to pursue the following strategic objectives;

1. To design and implement relevant and innovative teaching and learning programmes.
2. To be a leading Institution in scholarly, research and creative productivity in Africa.
3. To improve student welfare services through development and implementation of appropriate minimum standards.
4. To build a sustainable resource base.
5. To enhance the competitiveness and image of the University.
6. To institutionalize governance mechanisms and leadership culture that facilitates the realization of the University's vision and mission.

**VIII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

**HIV/AIDS and Drug Abuse Sensitization**



The Office of the Dean of Students, Mombasa in conjunction with the University Health Service held HIV/AIDS, Alcohol & Drug Abuse sensitization at the Mombasa campus from 27th to 28 June 2019. The sensitization focused on HIV/AIDS and comprehensive Alcohol and Drug Abuse knowledge



On 24th October, 2018, The University of Nairobi Students' Association Mombasa (UNSA) and University of Nairobi, Mombasa Campus in partnership with Pandya Memorial Hospital organized an event to offer free breast cancer screening for free. Many students and staffs

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overcame their fear and ignorance and came out in large numbers too. The event was very successful.

October is breast cancer awareness month and many initiatives take place in different part of the world to draw attention to the breast cancer disease and raise awareness of the importance of going for breast cancer screening.

**IDADA 2019: International Day Against Alcohol and Drug Abuse and Illicit trafficking**



Wednesday, June 26, 2019 saw The University of Nairobi join the world in marking the International Day Against Alcohol and Drug Abuse and Illicit trafficking (IDADA). This year's theme was, '*Justice for health and health for justice*' emphasizing that justice and health go hand in hand in addressing drug problems. This year, the campaign focused more on a call for a more comprehensive approach to drug prevention and treatment.

The University management, staff and students participated in an organized match on the Main Campus grounds, sporting activities and various presentations like skits, poems and songs. The official opening ceremony was conducted by Prof. Kiama, the Deputy Vice Chancellor; Human Resource and Administration. While speaking at the event, Prof. Kiama noted that the University of Nairobi ADA/HIV policy does not discriminate or stigmatize people abusing alcohol/drugs or living with HIV. Instead the institution cares and encourages them to seek treatment and support from the University Health Services. This is an effective alternative to punishment or suspension in line with the University's policies.

Eng. Mike Mutungi, CEO, I choose Life Africa also spoke at the event; he focused on the Best ideas to sort out Drug Abuse issues on campus; Finding out why students are taking drugs, train students to know who they are, know challenges being faced by the students, work to sort out the issues, follow up on current addicts and support, Incorporate Drug Abuse into the curriculum as they have for HIV AIDS, engage addicts to get the trigger. There are many programs but they're

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not effective, find out the real problem to drive the strategy and create an empowerment program for the students. There's some idle time that should be utilized, to keep the students busy.

Vibrant wellness village, ADA screening, HIV testing and counseling, NCD Screening, Sexual Reproductive Health (free contraceptives), Prostate, Cervical and Breast Cancer screening, TB Screening, Eye Check up and fun games were among the activities undertaken.

**Donation of Sports Equipments to Kenya Science Campus By Soka Talent Academy**



The Kenya Science Campus was privileged to receive sports equipment donated by Soka Talent Academy on Friday, September 7 2018 at the Basketball Court behind Uhuru Hall.

The event was graced by the Deputy Principal, Prof. Horace Ochanda who appreciated the relationship the campus has had with the academy going back several years. The event was also attended by the University of Nairobi Students Association (UNSA) student leadership led by the Chairman, Mr. Geoffrey Kosgey Kibet, the Director, Soccer Talent Academy, Mr. Glyde Aswani, the Senior ICT Officer and the Administrative Assistant, KSC.

The Deputy Principal took cognizance of the impact the academy had had in inspiring young children to be successful in sports activities especially soccer. It was imperative for the campus to be active as well in all sports activities going forward.

**Support the training of Future workforce on Community based One Health Intervention.**

The 2019 training of future workforce on one health approach was conducted in Amboseli Ecosystem where 30 multidisciplinary groups of learners were equipped with practical skills on how to address complex challenges with practical exposure at communities living in human-livestock-wildlife interphases. The training was necessitated by the recognition that past training of several key professionals in facilitating achievement of “One Health” (OH) has been largely segmented and has led to the production of professionals who are only good at approaching problems in a narrow way. However, One Health approach requires multispectral and

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multidisciplinary collaborative approaches that utilize systems thinking approach and partnerships. To counter this challenge therefore University of Nairobi in collaboration with OHCEA- Kenya and Moi University conducts field based training in approaches to addressing one health issues within selected community through learning/demo-sites where students are exposed to multidisciplinary one health interventions.



Group photo taken during the final stakeholder meeting held on Thursday 4th April 2019

**Pilot Plant Visit by High School Students**



On 26th June 2019 students visited the Pilot plant housed at the Department of Food Science, Nutrition and Technology. The students were taken through the entire value addition process through meat and milk value chains. Beginning from raw materials acquisition and raw materials



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quality requirements, processing and process control requirements, product packaging and branding, nutritional value of animal and crop products. The enthusiasm and eagerness shown by the students was highly commendable.

**Mentorship and Outreach Activity at Precious Blood Girls High Riruta**



The Chairman of the Department of Food Science, Nutrition and Technology led a group of staff and post graduate students for an outreach activity, Precious Blood Girls High School Riruta on 21st June 2019. Staff members who attended the great event included Jane Njenga (a renowned mentor of students), Caroline Muthike (Nutrition and Dietician), Bernard Aliwa (Clinical technologist), Paul Ongaro (Pilot Plant Processing Manager), Joshua Ombaka (PhD Student, Food Safety and Quality) and Mercy Kirui (MSc. Applied Human Nutrition). The team was given a warm welcome by the Chief Principal accompanied by Mrs Grace Kinyanjui. The activity involved 274 students who are in their last year of study and who were eager to discuss issues of life with the team. The main activities that took place included an introduction of who the UoN and department are, selected courses of interest and requirements to join the University of Nairobi.

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**X. STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2012, section 47 of the Universities Act, No 42 of 2012 and section 27 of the University of Nairobi Charter require the University of Nairobi Council to prepare financial statements, which give a true and fair view of the state of affairs of the University at the end of the financial year and the operating results of the University for that year. The Council is also required to ensure that the University keeps proper accounting records which disclose with reasonable accuracy the financial position of the University. The Council is also responsible for safeguarding the assets of the University.

The Council is responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year ended on 30 June 2019. This responsibility includes:

- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting year;
- (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 entity;
- (v) selecting and applying appropriate accounting policies; and
- (vi) making accounting estimates that are reasonable in the circumstances.


The Council accepts responsibility for the University's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Universities Act No. 42 of 2012.

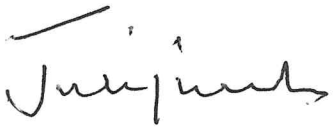
The Council is of the opinion that the University's financial statements give a true and fair view of the state of University's transactions during the financial year ended June 30, 2019, and of the University's financial position as at that date. The Council further confirms the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University's financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The University's financial statements were approved by the Council on 23<sup>rd</sup> September 2019 and signed on its behalf by:

  
**PROF. STEPHEN G. KIAMA,**  
**BVM, MSC (Nbi), PhD(Bern) MKNAS**  
**Vice Chancellor**  
**University of Nairobi**  
**April 24, 2020**

  
**PROF. JULIA AUMA OJIAMBO,**  
**PhD, CBS, EBS, MBS**  
**Chairperson**  
**University of Nairobi Council**  
**April 24, 2020**

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**IX. REPORT OF THE UNIVERSITY COUNCIL**

The University Council submits its report together with the financial statements for the year ended 30 June 2019, which show the state of the University's affairs.

**Core business of the University of Nairobi**

The Core business of the University is provided for in the Universities Act, 2012. The functions and objects of the University are:

- a. To provide directly or in collaboration with other institutions of higher learning, facilities for University education, including technological and professional, education and for research;
- b. To participate in the discovery, transmission and preservation of knowledge and to stimulate the intellectual life and cultural development of Kenya;
- c. To conduct examinations for and to grant such academic awards as may be provided for in statutes;
- d. Subject to the Universities Act, to cooperate with the Government in planned development of university education and, in particular, to examine and approve proposals for new faculties, new departments, new degree courses, or new subjects of study submitted to it by any constituent college or other post-secondary institution; and
- e. To determine who may teach and what may be taught and how it may be taught in the University.

**Results**

The results for the year ended 30 June 2019 are set out on pages 1 to 56.

**Council Members**

The members of the University Council who served during the year are shown on page vi.

**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. The University made a deficit during the year 2018/2019 and hence no remittance to the Consolidated Fund.

**Auditors**

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

By Order of the University Council



**PROF. JULIA AUMA OJIAMBO, PhD, CBS, EBS, MBS**  
**Chairperson**  
**University of Nairobi Council**  
**April 24, 2020**

# REPUBLIC OF KENYA

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*Enhancing Accountability*

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

## REPORT OF THE AUDITOR-GENERAL ON UNIVERSITY OF NAIROBI FOR THE YEAR ENDED 30 JUNE, 2019

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of University of Nairobi set out on pages 1 to 49, which comprise the statement of the financial position as at 30 June, 2019, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the 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 University of Nairobi as at 30 June, 2019, 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 and the Universities Act, 2012.

#### Basis for Qualified Opinion

##### 1. Going Concern Uncertainty

The University reported a deficit of Kshs.1,299,488,000 (2018: Kshs.1,405,315,000) increasing the accumulated deficit from Kshs.496,794,000 as at 30 June, 2018 to Kshs.1,796,281,000 as at 30 June, 2019. Further, the statement of financial position reflects current liabilities amounting to Kshs.7,368,350,000 while the current assets amounted to Kshs.5,457,850,000 resulting to a negative working capital of Kshs.1,910,500,000 (2018: Kshs.1,435,749,000). The University was therefore, unable to meet its financial obligations when due.

In addition, as reflected in Note 52 to the financial statements, the University was unable to remit statutory deductions amounting to Kshs.4,692,423,000 which included Pay As You Earn (PAYE) and Value Added Tax (VAT) of Kshs.2,283,357,000; National Hospital

Insurance Fund Kshs.7,020,000; National Social Security Fund Kshs.2,287,000; University of Nairobi pensions contributions Kshs.2,399,027,000 and Higher Education Loans Board Kshs.732,000. Tax offences and non-remittance of statutory deductions attract punitive penalties and interest.

In the circumstances, the University is technically insolvent and its continued operations as a going concern will depend on the support from the Government, donors and creditors. The material uncertainty relating to going concern has not been disclosed in the financial statements.

## **2. Property, Plant and Equipment**

As previously reported, the property, plant and equipment balance of Kshs.210,385,292,000 reflected in the statement of financial position includes two parcels of land, LR. No. 11645 at Kenya Science Campus and LR. No. 22378 in Upper Kabete, all valued at Kshs.1,412,500,000 and whose ownership documents were not availed for audit verification. Although Management indicated that the title documents for the two parcels of land were being pursued with the relevant Ministry, the documents had not been obtained as at 30 June, 2019.

In the circumstances, the accuracy, and ownership status of the reported property, plant and equipment balance of Kshs.210,385,292,000 could not be confirmed.

## **3. Trade and Other Receivables**

The statement of financial position reflects a balance of Kshs.4,383,186,000 under trade and other receivables. As disclosed in Note 30 to the financial statements, the balance includes an amount of Kshs.951,718,000 in respect of student's debtors. However, as previously reported, the ageing schedule of debtors availed for audit revealed that a balance of Kshs.746,499,602 of the student debtors were outstanding for more than one year. This, is contrary to Section 8.1 (d) of the University's Financial Regulations which states that the University shall withhold any and all services, examination results, conferment of any degree, certificate or award until all outstanding fees are settled and further reserve the right to institute other legal recovery proceedings against students with outstanding fees and also surcharge an interest at a rate to be determined by the Council. However, there was no evidence of the measures taken to recover the debts.

In the circumstances, the accuracy and recoverability of the student debtors balance of Kshs.746,499,602 could not be confirmed.

## **4. Investment in CMC Holdings**

As previously reported and as disclosed in Note 33 to the financial statements, the statement of financial position reflects a balance of Kshs.22,182,000 under investments which includes an amount of Kshs.1,700,000 representing investments in CMC Holdings Limited of 125,920 Ordinary shares valued at Kshs.0.5 each in 1988/1989. However, CMC was delisted from the Nairobi Securities Exchange with effect from

11 February, 2015, after takeover by Alfar Motors and hence ceased trading thereof. Although Management had obtained a police abstract to facilitate the process of obtaining ownership documents for the shares through the Registrar of Companies, their efforts to liquidate the shares and re-invest have not been successful as Custody and Registrars Services Limited require proof of ownership by production of the share certificates as a pre-condition to transact. As a result, the University has not sold off or disposed their rights considering that CMC Holdings Limited Management had been taken over by a private entity.

In the circumstances, the accuracy and ownership of the investment of Kshs.1,700,000 in CMC Holdings Limited could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the University of Nairobi 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. I have determined that there are no key audit matters to communicate in my report.

### **Other Matter**

### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final revenue budget and actual revenue on comparable basis of Kshs.17,988,437,000 and Kshs.14,639,249,000 respectively resulting to an under-funding of Kshs.3,349,188,000 or 19% of the budget. Similarly, the University had an expenditure budget of Kshs.17,988,437,000 against actual expenditure of Kshs.16,287,406,000 resulting in net under-expenditure of Kshs.1,701,031,000 or 10%. The under-performance 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 sections, 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. Stalled Students Accommodation Hostels at Lower Kabete Campus**

As previously reported, the Project for construction of a students' accommodation hostel at Lower Kabete Campus undertaken by a contractor in 1990 stalled in 1992 after the Government budgetary allocation ceased. The initial contract was mutually terminated in 2000. At the time, the University owed the contractor a balance of Kshs.50,000,000 which has remained unpaid to date. The contractor sued the University claiming the outstanding payment of Kshs.50,000,000 plus interest and costs. Although the University Management indicated that they had requested for funding amounting to Kshs.450,000,000 to finance completion of the stalled Project, audit inspection of the Project in the previous financial year had revealed visible cracks in the columns and beams, chemical and physical damage on the stalled building. Further, Management has not made any provision for the contingent liability which may result in additional costs on the unpaid amount. Completion of the hostels would provide secure accommodation for university students who are currently seeking accommodation in the surrounding areas.

In the circumstances, value for money may not be obtained if the project is not completed and put to the intended use.

### **2. Stalled Construction of School of Pharmacy**

The University engaged a construction company under tender No. UON/51/2010-2011 on 1 October, 2010 for the construction of the proposed School of Pharmacy Building at the College of Health Services at a cost of Kshs.152,903,393. As per the Internal Audit report of 12 April, 2018, the Project period was set for ninety-seven (97) weeks with the expected completion date being in August, 2012. The report further revealed that the construction had been carried out on the basement, ground and first floors and that the building was 90% complete. However, the building could not be occupied as the sewerage system had not been connected due to lack of an appropriate way leave.

Further, with the completion of the construction works having been delayed by eight (8) years, the handing over report and the practical completion certificate for the works done was not provided. Further, evidence of the extension of contract period and renewal of the performance bonds which have since expired was not provided.

In the circumstances, value for money may not be obtained if the Project is not completed and put to the intended use.

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

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and 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 governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

  
**Nancy Gathungu**  
**AUDITOR-GENERAL**

**Nairobi**

**22 February, 2021**



**XII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR  
ENDED 30 JUNE 2019**

	Note	2018/2019 Kshs'000	2017/2018 Kshs'000
<b>Revenue from non-exchange Transactions</b>			
Capitation Grant-Recurrent	5	4,607,257	4,514,536
CBA 2013-2017 Salary Arreas	6	-	1,960,053
CBA 2013-2017 -Recurrent Capitation	7	944,252	1,460,264
Deffered Income	8	-	153,991
CBA 2010-2013 Accrued Income	9	151,302	151,302
		<b>5,702,811</b>	<b>8,240,146</b>
<b>Revenue from exchange Transactions</b>			
Tuition and other fees module 1	10	604,047	411,820
Tuition and other fees module 11	11	5,401,523	4,423,577
Accreditation fees	12	550	900
Other services rendered	13	1,526	266
Accomodation ,Catering and other income	14	538,509	612,240
Miscellaneous Incomes	15	62,068	63,801
		<b>6,608,223</b>	<b>5,512,604</b>
<b>Total Revenue</b>		<b>12,311,034</b>	<b>13,752,750</b>
<b>Expenses</b>			
Salaries and Wages	16	10,040,187	11,832,378
<b>Other Operating Expenses</b>			
Academic Departments	17	153,533	139,175
Administration and Central Services	18	1,171,247	1,095,939
Academic services	19	31,666	16,944
General educational services	20	93,471	61,337
Maintenance of premises	21	483,761	457,832
Staff and students facilities and welfare	22	322,667	331,223
Student Welfare authority (Catering services)	23	192,467	192,967
Miscellaneous expenditure	24	19,997	20,528
Council Expenses	25	26,332	18
Centre for Self Sponsored Programs(CESSP)	26	1,081,500	1,009,724
<b>Total Expenses</b>		<b>13,616,828</b>	<b>15,158,065</b>
<b>Other gains/losses</b>			
Gain/(Loss ) in Foreign Currency Translation	27	6,306	-
<b>(Deficit)/Surplus for the period</b>		<b>(1,299,488)</b>	<b>(1,405,315)</b>
Accumulated Deficit brought forward		(496,794)	908,521
Accumulated Deficit Carried forward		<b>(1,796,282)</b>	<b>(496,794)</b>

The notes set out on pages 12 to 48 form an integral part of the Financial Statements

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**XIII. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019**

		2018/2019 Kshs'000	2017/2018 Kshs'000
<b>ASSETS</b>	Note		
<b>Current Assets</b>			
Cash and Cash Equivalents	28	842,860	415,951
Short Term Deposits	29	385	125,343
Trade and Other Receivables	30	4,383,186	3,492,573
Inventories	31	231,419	254,761
		<b>5,457,850</b>	<b>4,288,628</b>
<b>Non Current Assets</b>			
Property, Plant and Equipment	32	210,385,292	210,775,200
Investments	33	22,182	117,153
Intangible Assets	34	463	68
		<b>210,407,937</b>	<b>210,892,421</b>
<b>Total Assets</b>		<b>215,865,787</b>	<b>215,181,049</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	35	5,868,990	3,719,075
Bank OverDraft	36	1,499,360	2,005,302
		<b>7,368,350</b>	<b>5,724,377</b>
<b>Non-Current Liabilities</b>			
Special Accounts and Grants	37	1,493,111	1,508,515
Trust and Endowment funds	38	227,570	233,287
Endowment for General Purposes	39	16,181	16,181
Barclays Bank Term Loan	40	950,000	-
		<b>2,686,862</b>	<b>1,757,983</b>
<b>Total Liabilities</b>		<b>10,055,212</b>	<b>7,482,360</b>
<b>Net assets</b>		<b>205,810,575</b>	<b>207,698,689</b>
General Fund	41	16,063,365	16,101,486
Net funds from IGUs	42	(765,090)	(557,673)
Capital Reserves	43	191,792,708	192,233,775
Special Capital Development	44	25,378	25,378
Revenue Reserves	45	(1,796,281)	(496,794)
Koitalel Samoei Fund	46	490,495	392,517
		<b>205,810,575</b>	<b>207,698,689</b>
<b>Total Assets and Liabilities</b>		<b>215,865,787</b>	<b>215,181,049</b>

The Financial Statements set out on pages 1 to 53 were signed on behalf of the Council on April 24, 2020 by:



**PROF. STEPHEN G. KIAMA,**  
BVM, MSC(Nbi), PhD(Bern)KNAS  
Vice Chancellor



**CPA DAMARIS KAVOI**  
B. Com, MBA (Nbi), CPA(K)  
ICPAK Member Number 4468  
Ag. Finance Officer



**PROF. JULIA A OJIAMBO,**  
PhD, CBS, EBS, MBS  
Chair of Council  
University of Nairobi

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**XIV. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2019**

	<b>IGU'S and UNES Funds Kshs'000</b>	<b>General Fund Kshs'000</b>	<b>Koitalel Samoei University Funds Kshs'000</b>	<b>Special Capital Development Fund Kshs'000</b>	<b>Capital Reserve Kshs'000</b>	<b>Revenue Reserve Kshs'000</b>	<b>Total Kshs'000</b>
<b>Balance as at 1/7/2017</b>	<b>(290,500)</b>	<b>16,277,508</b>	<b>316,565</b>	<b>25,378</b>	<b>192,659,388</b>	<b>908,522</b>	<b>209,896,860</b>
Special Capitation Receipt	-	-	121,702	-	-	-	121,702
Surplus/(Deficit) for the year	-	-	-	-	-	(1,405,315)	(1,405,315)
Transfer to Income	-	(153,991)	-	-	-	-	(153,991)
Capital Grants from Donors	-	42,567	-	-	-	-	42,567
Depreciation on Donated Assets	-	(31,437)	-	-	-	-	(31,437)
Depreciation on Research Grants Assets	-	(33,161)	-	-	-	-	(33,161)
Decrease in IGU Fund Expenditure	(267,174)	-	(45,750)	-	-	-	(267,174)
Depreciation on Buildings	-	-	-	-	(425,613)	-	(425,613)
<b>Balance as at 30/6/2018</b>	<b>(557,673)</b>	<b>16,101,486</b>	<b>392,517</b>	<b>25,378</b>	<b>192,233,775</b>	<b>(496,794)</b>	<b>207,698,689</b>

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	IGU'S and UNES Funds Kshs'000	General Fund Kshs'000	Koitalel Samoei University Funds Kshs'000	Special Capital Development Fund Kshs'000	Capital Reserve Kshs'000	Revenue Reserve Kshs'000	Total Kshs'000
<b>Balance as at 1/7/2018</b>	<b>(557,673)</b>	<b>16,101,486</b>	<b>392,517</b>	<b>25,378</b>	<b>192,233,775</b>	<b>(496,794)</b>	<b>207,698,689</b>
Special Capitation Receipt	-	-	166,752	-	-	-	166,752
Surplus/(Deficit) for the year	-	-	-	-	-	(1,299,487)	(1,299,487)
Capital Grants from Donors	-	8,373	-	-	-	-	8,373
Depreciation on Donated Assets	-	(23,436)	-	-	-	-	(23,436)
Depreciation on Research Grants Assets	-	(23,058)	-	-	-	-	(23,058)
Decrease in IGU Fund Expenditure	(207,417)	-	-	-	-	-	(207,417)
Depreciation on Buildings	-	-	(68,774)	-	-	-	(68,774)
					(441,067)	-	(441,067)
<b>Balance as at 30/6/2019</b>	<b>(765,090)</b>	<b>16,063,365</b>	<b>490,495</b>	<b>25,378</b>	<b>191,792,708</b>	<b>(1,796,281)</b>	<b>205,810,575</b>

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**XV. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE  
2019**

		<b>2018/2019</b>	<b>2017/2018</b>
		<b>Kshs'000</b>	<b>Kshs'000</b>
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
	<b>Note</b>		
Capitation Grant	5	4,607,257	4,514,536
Capitation-CBA 2013-2017 Salary Arrears	6	-	1,960,053
Recurrent Capitation-CBA 2013-2017	7	944,252	1,460,264
Deffered Income	8	-	153,991
CBA 2010-2013 Accrued	9	151,302	151,302
Tuition and other fees	10	604,047	411,820
Module 11 fees and Other incomes	11	5,401,523	4,423,577
Accreditation fees	12	550	900
Other services rendered	13	1,526	266
Accomodation , Catering and other income	14	538,509	612,240
Other Income	15	62,068	63,801
		<b>12,311,034</b>	<b>13,752,750</b>
<b>Payments</b>			
Salaries and Wages	16	10,040,187	11,832,379
Academic Departments	17	153,533	139,175
Administration and Central Services	18	1,022,624	1,095,939
Academic services	19	31,666	16,944
General educational services	20	93,471	61,337
Maintenance of premises	21	483,761	457,832
Staff and students facilities and welfare	22	322,667	331,223
Students Welfare authority (Catering services)	23	192,467	192,967
Miscellaneous expenditure	24	19,997	20,528
Council Expenses	25	26,332	18
Centre for Self Sponsored Programmes	26	1,081,500	1,009,724
		<b>13,468,205</b>	<b>15,158,065</b>
<b>Net cash flows from operating activities</b>		<b>(1,157,171)</b>	<b>(1,405,315)</b>
<b>Cash flows from investing activities</b>			
Gain on foreign currency exchange	27	6,306	-
(Increase)/Decrease in receivables	30	(913,079)	(468,833)
(Increase)/Decrease in inventories	31	23,342	110,116
Purchase of property, plant, equipment	54	(128,470)	(264,099)
(Increase)/Decrease in investments	33	94,972	(18,173)
<b>Net cash flows used in investing activities</b>		<b>(919,929)</b>	<b>(640,989)</b>
<b>Cashflows from financing activities</b>			
Increase/(Decrease) in payables	35&36	1,469,382	1,642,033
Increase/(Decrease) in Funds	37-46	906,670	248,691
<b>Net cashflows used in financing activities</b>		<b>2,376,052</b>	<b>1,890,724</b>



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<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>301,952</b>	<b>(155,579)</b>
<b>Analysis of Balances of Cash and Cash Equivalents</b>			
Cash and cash equivalent at start of the period		541,294	696,873
Increase(Decrease) in cash and cash equivalents		301,952	(155,579)
<b>Cash and cash equivalents at end of period</b>		<b>843,246</b>	<b>541,294</b>
<b>Analysis of Cash and Cash Equivalents</b>			
Cash in Hand and Cash at Bank	28	842,861	415,951
Short Term Deposits	29	385	125,343
<b>Cash and cash equivalents at end of period</b>		<b>843,246</b>	<b>541,294</b>

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**XVI. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2019**

	Original Budget for the period	Adjustments	Final Budget for the period	Actual	Variance
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
<b>Revenue</b>					
Internally Generated Revenue	7,833,020	(944,252)	6,888,768	6,005,571	(883,197)
Government Grants - Recurrent	4,701,282	(94,026)	4,607,257	4,607,257	-
Government Grants - Development	-	630,000	630,000	-	(630,000)
CBA 2013-2017 -Recurrent Capitation	-	944,252	944,252	944,252	-
Development Grants (Devpt Partners)	400,000	-	400,000	-	(400,000)
Innovation Week-Fundraising	20,000	-	20,000	-	(20,000)
External Research Grants	2,735,178	-	2,735,178	1,931,712	(803,466)
Government Grants - Koitalel Samoei University College	214,148	18,829	232,977	166,751	(66,226)
Other Incomes Recurrent (IGUs, Agency fees, Press, Rentals)	1,530,006	-	1,530,006	983,706	(546,300)
<b>Total Revenue</b>	<b>17,433,634</b>	<b>554,804</b>	<b>17,988,437</b>	<b>14,639,249</b>	<b>(3,349,188)</b>
<b>Expenses</b>					
Personnel Emoluments	10,578,012	(343,037)	10,234,975	10,040,187	194,788
Direct Service Providers(DSP) Module II	1,183,191	-	1,183,191	946,749	236,441
Other Recurrent Expenses -IGUs	148,811	-	148,811	526,219	(377,408)
Boards Expenses	11,900	16,400	28,300	26,332	1,968
Operating/ Administrative Expenses	2,274,939	36,283	2,311,222	2,190,644	120,577
External Research Grants	1,831,662	-	1,831,662	1,947,117	(115,455)
Repairs and Maintenance	70,000	(10,000)	60,000	41,963	18,037

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Finance charges	100,000	72,823	172,823	177,647	(4,824)
Depreciation	125,000	-	125,000	126,156	1,156
Purchase of Motor Vehicles	25,000	-	25,000	6,300	18,700
Purchase of Plant and Equipment	70,000	20,800	90,800	19,090	71,710
Capital Development-WIP	700,971	639,000	1,339,971	67,631	1,272,340
Purchase of Computers	50,000	-	50,000	35,449	14,551
STIP Flagship Projects	50,000	103,705	153,705	67,148	86,556
Koitalel Samoei University College	214,148	18,829	232,977	68,774	164,204
<b>Total Expenses</b>	<b>17,433,634</b>	<b>554,803</b>	<b>17,988,437</b>	<b>16,287,406</b>	<b>1,701,031</b>

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**1. Explanation of Material Variances on the Statement of Comparison of Budget and Actual Performance**

**Revenue**

Revenue generation for the year ended 30 June 2019 was below target by Ksh 3.35 billion due to the following reasons:

**i. Internally Generated Revenue**

Academic revenue was below target by Kshs 883.20 million. This reduction in fees is due to declining student admission for the self-sponsored programmes following the drop in performance of the 2016, 2017 and 2018 KSCE candidates.

**ii. GoK Development Grants**

Government did not remit Capitation Grants for Capital Development.

**iii. Development Grants from Development Partners**

The Confucius institute is funded directly by the China Government through the Government of Kenya.

**iv. Research Grants**

The University had projected to receive Kshs 2.74 billion through Research Grants but Kshs 1.93 billion was received. Generally, the US reduced its funding to Kenya and this reduction affected some of the University's US funded projects in the current financial period.

**v. GOK Recurrent Capitation**

The Capitation for FY 2018/2019 for the University was reduced by Kshs 94 million through budget cut and this impaired the capacity of the University to generate revenue.

**vi. CBA 2013-2017 Capitation from GOK**

The Government released capitation to cater for the impact of CBA 2013-2017 enhanced salaries amounting to Kshs 944 million towards the end of the financial year.

**vii. Capitation for Koitalel Samoei University mentorship**

Kshs 232.98 million was expected from GoK for Koitalel Samoei University but only 166.75 million was released to the University in the year ended 30 June 2019.

**viii. Other Incomes.**

Incomes from College based Income Generating Activities, Accommodation, Catering UON Press and Research Grants Administrative Charges combined were below the target by Kshs 544.74 million due to the effect of implementation of CUE requirements which reduced the number of students accommodated per cubicle as well as the continued provision of subsidized catering services to students.

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**Expenses**

Actual total expenditure was below the budget for the year by Kshs 1.71 billion due to austerity measures implemented following the budget cut.

**i. Personnel Emoluments.**

The personnel emoluments were below the budget by 194.79 million due to the austerity measures implemented by Management to control the wage bill that is not matched by government funding:

- Reduction on staff on post retirement Contracts
- Freeze on employments
- Non-renewal of contracts for staff except in critical areas.

**ii. Direct Service Provider**

The Direct Service Provider expenditure was below the budget by Kshs 236.44 million since it is pegged on the actual fees collections from self-sponsored students which were also below target.

**iii. Expenditure on Income Generating Activities**

IGU Expenses were higher than the budget by Kshs 377.41 million due to expenditure incurred by Colleges awaiting reimbursement from Centre for Self Sponsored Programmes(CESSP).

**iv. Operating/ Administrative Expenses**

The operating and administrative expenses were below budget by Kshs 120.58 million due to austerity measures put in place by Management following the budget cut.

**v. Expenditure on External Research Grants**

The expenditure on external research grants was above target by Kshs 115.46 million because the projects expenditure depends on the funding by the donor, the work plan as per the signed MOUs and donor budget.

**vi. Finance Charges**

Finance charges were above target due to the interest on bank overdraft charged to address the timing difference between capitation remittance and payment of salaries, as well as to bridge the funding gap created by reduction of capitation.

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**vii. Capital Development-Work in Progress**

The actual expenditure on capital development –work in progress was below the budget by Kshs 1.27 billion due to austerity measures implemented following GoK failure to allocate capitation for Capital Development in this financial year.

**viii. Expenditure on STIP Flagship Projects**

The expenditure on STIP flagship projects was below the budget by Kshs 86.56 million due to austerity measures implemented.

**2. Reconciliation of the Statement of Comparison of Budget and Actual Amount and the Statement of Financial Performance**

	Note	2018/2019 Kshs'000	2017/2018 Kshs'000
<b>Revenue</b>			
Total Revenue as per Statement of Financial Performance		<b>12,311,034</b>	<b>13,752,749</b>
Less Deferred Income	8	-	153,991
CBA 2010-2013 Accrued	9	151,302	151,302
		<b>12,159,732</b>	<b>13,447,456</b>
<b>ADD Revenues accounted for under Funds</b>			
External Research Grants Receipts	37	1,931,712	2,128,881
College Based IGA -Incomes	42	381,053	603,558
Grants for Koitalel Samoei University	46	166,751	121,702
		<b>2,479,516</b>	<b>2,854,141</b>
Total Revenue as per Statement of Comparison of Budget and Actual Amount		<b>14,639,248</b>	<b>16,301,597</b>
<b>Expenses</b>			
Total Expenses as per Statement of Financial Performance		<b>13,616,828</b>	<b>15,158,064</b>
<b>ADD Development Expenditure</b>			
External Research Grants Expenses	37	1,947,117	2,176,319
College Based IGA -Expenses	42	526,219	669,668
Expenditure for Koitalel Samoei University	46	68,774	45,752
Purchase of Motor Vehicles	54	6,300	49,661
Purchase of Plant and Equipment	54	19,090	83,181
Capital Development-WIP	54	67,631	66,077
Purchase of Computers	54	35,449	65,180
		<b>2,670,579</b>	<b>3,155,838</b>
Total Expenditure as per Statement of Comparison of Budget and Actual Amount		<b>16,287,407</b>	<b>18,313,902</b>

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

### **1. General Information**

The University of Nairobi is established by and derives its authority and accountability from the Universities Act 2012. The University is wholly owned by the Government of Kenya and is domiciled in Kenya. The University's principal activity is to provide University Education and training in addition to participation in discovery, transmission and preservation of knowledge.

### **2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with international Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the University of Nairobi's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are appropriately disclosed.

The financial statements have been prepared and presented in Kenya Shillings which is the functional and reporting currency of the University of Nairobi and all values are rounded to nearest thousand (Kshs'000) .

The financial statements have been prepared in accordance with the Public Financial Management Act (PFM) , the State Corporations Act, the University Act and the International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

The cash flow statement is prepared using the direct method.

### **3. Adoption of New and Revised Standards**

#### **i. IPSAS 39: Employee Benefits**

The University has over the years been operating a defined Contribution Retirement Benefit Scheme for its employees, the assets of which are held, managed and administered by the UoN Pension Scheme, a separate trustee scheme as per the RBA requirements. The University's obligation to the scheme is the contribution of 20% of basic Salary whereas the employees contribute 10% of their basic Salary. The University also contributed to NSSF Kshs. 200 per employee per month for the year under review. The University's contributions to the schemes are charged to the statement of financial performance in the year to which they relate, thus the application of IPSAS 39 does not affect the University's financial statements.

## NOTES TO THE FINANCIAL STATEMENTS cont'd

### Adoption of New and Revised Standards cont'd

#### ii. IPSAS 40: Public Sector Combinations

The University of Nairobi has not had any acquisitions and so IPSAS 40 does not apply.

#### iii. Early adoption of standards

The University did not early – adopt any new or amended standards in year 8018/2019

### 4. Summary of Significant Accounting Policies

#### i. Changes in accounting policies and estimates

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

Accounting policies are changed only if the change is required by a standard or interpretation or otherwise provides more reliable and more relevant information. These accounting policies have been applied consistently to all years presented in these financial statements.

When presentation or classification of items in the financial statements is amended or accounting policies are changed voluntarily, comparative figures are restated to ensure consistency with the current year unless it is impracticable to do so.

#### ii. Revenue recognition

##### a. Revenue from non-exchange transactions

Revenue from non exchange transactions are mainly Government of Kenya grants for both the recurrent and development expenditure. Revenue is recognized when it becomes due and the transfers are free from conditions and it is probable that the economic benefits or service potential related to the asset will flow the University and can be measured reliably.

##### b. Revenue from exchange transactions

### Student Income

Income derived from rendering services includes fees from graduate and undergraduate programs, mandatory students' fees, fees from accommodation and catering services.

Tuition revenue is recognized over the course of the semester for which it is earned, regardless of when it is received.

Mandatory fees such as registration fees, Lab fees, Activity fees, SONU fees and Computer fees relate to services provided by the University over the Course of the semester and similar to tuition, are recognized over the course of semester to which they apply.



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**Summary of Significant Accounting Policies cont'd**

Accommodation and Catering services Revenue is recognized during the year in which the students reside on campus and make use of campus residences and dining facilities.

Students' Caution Monies are recognized as liability and separated under Current and Non Current portions in the Statement of Financial Position.

**Sales and Services of related Enterprises**

Sales and Services of related enterprises such as UNES Ltd and UoN Press are limited to revenues directly from operations of the enterprises.

Sales and Services revenue is recognized when earned, that is, at the time goods or services are provided.

**Research Grants**

Payments received in advance from sponsors of research projects are reported as deferred income on the statement of financial position until such times as the revenue has been earned, which is when the expense is incurred.

**Interest income**

Interest Income is recognized when earned using the applicable rate.

**Dividends**

Dividends or a similar distribution from subsidiary company such as UNES Ltd is recognized when the University's right to receive payments is established.

**Rental income**

Rental income arising from staff houses and other University premises are recognized when earned arising from occupancy and on a pro rata basis.

**Disposal Gains and Losses**

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

**Revaluation gains and Surpluses**

Revaluation decreases are debited first against the revaluation surplus related to the same class of assets and any excess against surplus or deficit. When the revalued asset is disposed of, the revaluation surplus is transferred directly to accumulated surpluses or deficits.

## NOTES TO THE FINANCIAL STATEMENTS cont'd

### Summary of Significant Accounting Policies cont'd

#### iii. Taxes

The University is exempt from taxation under the PFM Act Regulation No.34, Section 219. This regulation requires corporations exempted from Income Tax to remit 90 percent of surplus to the National Treasury.

#### iv. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost or revalued amount. The valuation is carried out after every five years. Valuation was last done in the year 2016/2017 by registered, licensed and practicing valuers from the Department of Real Estate and Construction Management of the University of Nairobi.

Revaluation is carried out for land and buildings to reflect the service potential or economic benefit obtained through control of the asset. Revaluation is based on the fair value of the asset, with changes reported by class of asset. Accumulated depreciation at revaluation date is eliminated against the gross carrying amount so that the carrying amount after revaluation equals the revalued amount.

Revaluation decreases are debited first against the revaluation surplus related to the same class of assets and any excess against surplus or deficit. When the revalued asset is disposed of, the revaluation surplus is transferred directly to accumulated surpluses or deficits.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of item of property, plant, and equipment over its estimated useful life. Typically, the estimated useful lives of different classes of property, plant, and equipment are as follows:

- Furniture and Equipment - 10% on straight line basis
- Motor Vehicles - 20% on straight line basis
- Academic gowns - 5% on straight line basis
- Buildings - 2% on straight line basis
- Computers and software development – 33.3% on straight line basis

#### v. Leases

The University has entered into several operating leases with owners of premises for provision of teaching spaces. Since these contracts do not transfer substantially all the risks and benefits incidental to ownership of the leased premises to the University, lease payments are recognized as an operating expense in the statement of performance on a straight-line basis over the lease term.

## NOTES TO THE FINANCIAL STATEMENTS cont'd

### Summary of Significant Accounting Policies cont'd

#### **vi. Intangible assets**

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

The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets are amortized at 20% on a straight line basis.

#### **vii. Research Grants**

These are donor funds received for research purposes. The funds are accounted for in a separate special fund account.

The Deans Committee Research Grants are funds set aside from University revenue. The uncommitted balance on each research is carried forward until the related research project is completed.

#### **viii. Endowment and Trust Fund**

Endowment and Trust Fund are funds set-up through special donations, the principal amount being invested and the income accruing being applied to scholarships, academic research, and academic chairs.

The responsibility for accepting, preserving, and managing the funds entrusted to the University rests with the Council; however, the Council has delegated authority for investment decisions to the Investment Committee of the University. The Committee determines investment objectives and guidelines, including allocation of assets between classes of investments.

The University's investment objective for its endowment assets is to maximize total return within reasonable risk parameters. The achievement of favourable investment returns enables the University to distribute increasing amounts from the endowment over time so that present and future needs can be treated equitably. Diversification is a key component of the University's standard for managing and investing endowment funds, and asset allocation targets are subject to ongoing reviews by the Investment Committee.

Investments are stated at market value in accordance with performance of securities in market and advice from relevant professionals.

## **NOTES TO THE FINANCIAL STATEMENTS cont'd**

### **Summary of Significant Accounting Policies cont'd**

#### **ix. Financial instruments**

##### **Financial assets and Liabilities**

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

The University recognizes Receivables on the date when they are originated and derecognizes a financial asset when the contractual rights to the cash flows of the asset expire.

The University derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

##### **Financial assets**

##### **Receivables**

These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these assets are measured at amortized cost.

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

At each reporting date the University assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss has occurred after the initial recognition of the asset and that the loss event has an impact on the future cash flows of the asset that can be estimated reliably. Objective evidence that financial assets including equity securities are impaired can include:

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

##### **Short-term deposits**

Short-term deposits are made for varying periods depending on the immediate cash requirements of the University. Interest rates are negotiated with the financial institutions to fetch the University the best available returns in the market. Interest earned thereof are recognized in the statement of financial performance.

## **NOTES TO THE FINANCIAL STATEMENTS cont'd**

### **Summary of Significant Accounting Policies cont'd**

#### **Financial liabilities**

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

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

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

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

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

##### **x. Inventory Valuation**

Inventories are measured at the lower cost and net realizable value.

The cost of Library books is written off to expenditure as incurred. Cost of work in progress and finished goods includes raw materials and direct labour costs.

##### **xi. Employee benefits**

###### **Retirement Benefits**

The University currently operates a defined contribution scheme for its employees.

The University obligation to the scheme is the contribution of 20% of basic Salary whereas the employees contribute 10% of their basic Salary. The University also contributed to NSSF Kshs. 200 per employee per month for the year under review. The University's contributions to the above schemes are charged to the Statement of Financial Performance in the year to which they relate.

##### **xii. Foreign Currency Conversion**

Assets and Liabilities in foreign currencies are converted into Kenya shillings at the rates of exchange ruling at the Statement of Financial Position date. Conversion differences are accounted for in the appropriate fund accounts.

##### **xiii. Provisions**

###### **Bad Debt Provision**

Provision for bad debt has been made at 5% on sundry debtors which include sundry receivables and receivables arising from non exchange transactions such as from GoK and other Public Institutions.

## **NOTES TO THE FINANCIAL STATEMENTS cont'd**

### **Summary of Significant Accounting Policies cont'd**

#### **Other liabilities and provisions**

Other liabilities and provisions are recognized for future expenditure of uncertain amount or timing. When there is a present obligation as a result of a past event and it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **Contingent liabilities**

Contingent liabilities are recorded in the Financial Statements at the point at which the contingency is evident. Contingent liabilities are disclosed if the possibility that they will crystallize is not remote.

#### **Current employee obligations**

Employee benefits expected to be settled within 12 months are measured at nominal values based on accrued entitlements at current rates of pay.

These are accrued gratuities earned but not yet paid for staff on contractual terms of employment.

#### **Non-Current employee obligations**

Employee benefits expected to be settled beyond 12 months are measured at nominal values based on accrued entitlements at current rates of pay.

These are accrued gratuities earned but not yet paid for staff on contractual terms of employment

Employee benefits are calculated at thirty one percent of the basic pay for staff on contract and twenty seven days basic pay per year worked for members of staff on auxiliary grades.

#### **xiv. Nature and purpose of reserves**

The University creates and maintains reserves in terms of specific requirements. The following reserves are maintained University:

#### **IGU'S and UNES Funds**

The IGU's and UNES Fund are created out of revenue surpluses from the financial performance of the college based income generating activities and UNES limited. This fund represents the financing contribution of IGUs and UNES to the University. The IGU'S and UNES Limited surplus/(deficit) is charged to this fund.

## **NOTES TO THE FINANCIAL STATEMENTS cont'd**

### **Summary of Significant Accounting Policies cont'd**

#### **General Fund**

The general fund caters for capital development receipts as well as capital grant donations in form of assets from government and development partners eg research projects. The depreciation of such donated assets is charged to this fund and expenditure incurred for the capital development receipts from government is transferred from this fund as deferred income to the statement of performance.

#### **Koitalel Samoei University Fund**

This fund represents the money the University of Nairobi holds on behalf of the proposed Koitalel Samoei University. The University of Nairobi was appointed to mentor the proposed Koitalel Samoei University. The Government allocates and releases funds for the recurrent and capital development expenditure for proposed Koitalel Samoei University through the University of Nairobi.

#### **Special Capital Development Fund**

This fund holds funds set aside for special capital development in the University.

#### **Capital Reserve**

The capital reserve was created to cater for the increases of the revaluations of property, plant and equipment carried out after every five years. The revaluation decreases and depreciation of the revalued property, plant and equipment are first charged to this reserve and any excess charged to the statement of financial performance.

#### **Revenue Reserve**

The Revenue reserve is created out of revenue surpluses, which arise out of the normal business activities of the University and is used to meet future expenses or deficits.

#### **xv. Cash and Cash Equivalents**

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

## **NOTES TO THE FINANCIAL STATEMENTS cont'd**

### **Summary of Significant Accounting Policies cont'd**

#### **xvi. Budget information**

The original budget for FY 2018-2019 was approved by the Ministry of Education through circular Ref.MOEST/FIN/11/21 Vol.XIII(125) dated 13 July 2018. Subsequent revisions or additional appropriations were made to the approved budget in accordance with the specific approvals from the Ministry Education and the National Treasury. The revisions to appropriations are made to the original budget by the University upon receiving the respective approvals in order to conclude the final budget. Accordingly, the University made additional appropriations of Kshs 554,804,000 on the 2018-2019 budget.

The University's budget is prepared on a different basis to the actual statement of performance disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the functions with nature of expenses disclosed for each functional unit in the the statement of financial performance , whereas the budget is prepared on a commitment (cash) basis using nature of expenses. The amounts in the financial statements were recast from the accrual basis to the commitment (cash) basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actual as per the statement of financial performance has been presented under XVI(2) of these financial statements.

#### **xvii. Comparative figures**

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

#### **xviii. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30 June 2019.



## **NOTES TO THE FINANCIAL STATEMENTS cont'd**

### **Summary of Significant Accounting Policies cont'd**

#### **Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the University's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting year. 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 years.

#### **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 University 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 University. 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 University
- 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

#### **Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 47.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

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<b>INCOME</b>	<b>2018/2019</b>	<b>2017/2018</b>
<b>5. Capitation Grant</b>	<b>Kshs'000</b>	<b>Kshs'000</b>
Jul-2018	391,774	376,212
Aug-2018	391,774	376,212
Sep-2018	391,774	376,212
Oct-2018	391,774	376,212
Nov-2018	368,266	376,211
Dec-2018	368,266	376,211
Jan-2019	383,938	376,211
Feb-2019	383,938	376,211
Mar-2019	360,431	376,211
Apr-2019	391,774	376,211
May-2019	391,774	376,211
Jun-2019	391,774	376,211
	<b>4,607,257</b>	<b>4,514,536</b>
<b>6. CBA 2013-2017- Salary Arrears</b>		
Ist Tranche	-	935,925
2nd Tranche	-	1,024,128
	-	<b>1,960,053</b>
<b>7. CBA 2013-2017-Recurrent Capitation</b>		
Jul to Nov Arrears	-	400,110
Dec-2018	-	80,022
Jan-2019	-	80,022
Feb-2019	-	80,022
Mar-2019	-	80,022
Apr-2019	-	80,022
May-2019	-	80,022
Jun-2019	-	80,022
Jun-2019	944,252	500,000
	<b>944,252</b>	<b>1,460,264</b>
<b>8. Deffered Income</b>		
Capital Development (Receipts from GoK)	-	52,524
Special Donations(From High Commission of India)	-	101,467
Prior year Development capitation receipts and Donations whose expenditure is incurred in the current year.	-	-
	-	<b>153,991</b>
<b>9. CBA 2010-2013 Accrued</b>		
Accrued CBA 2010-2013 portion for FY 2017/2018	151,302	151,302

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	<b>2018/2019</b>	<b>2017/2018</b>
	<b>Kshs'000</b>	<b>Kshs'000</b>
<b>10. Tuition and other fees Module 1</b>		
Student Finance-Tuition Fees &Other Charges	135,268	81,121
CAVS- Tuition Fees &Other Charges	52,292	56,554
CHSS Tuition Fees &Other Charges	165,248	87,471
CHS Tuition Fees &Other Charges	42,392	30,833
CAE Tuition Fees &Other Charges	49,982	41,168
CEES Tuition Fees &Other Charges	35,220	33,916
CBPS Tuition Fees &Other Charges	101,633	66,027
KCS Tuition Fees &Other Charges	22,012	14,729
	<b>604,047</b>	<b>411,820</b>
<b>11. Modulue11 Tuition Fees and other charges</b>		
Tuition 2	2,452,006	1,454,490
1st Attempt Fees	2,281,741	2,429,028
Registration Fees	48,092	39,217
Medical Fees	105,340	98,136
ID Card Fees	12,435	9,955
Exam Fees	47,543	40,952
Application Fees	15,842	10,568
Library Fees	51,219	47,683
Computer Fees	119,267	109,189
Project Fees	125,037	68,813
Activity Fees	42,961	38,606
Practicum Fees	1,974	854
Field Work Fees	4,589	4,472
Lab Fees	19,724	16,835
Workshop Fees	720	640
Practical Fees	874	900
Project Supervition Fees	12,535	3,791
Organisation Fees	16,060	14,173
Electronic Material Devt	986	951
Teaching Practice Fees	497	303
Re-Sit Fees	2	-
Retake Fees	34,222	28,510
Thesis Fees	4,995	2,123
Special Exams Fees	9	12
Program Development Fees	140	200
French Lab Fees	276	200
Hospitality Lab Fees	747	1,016
Simulation Excercise Fees	1,690	1,960
	<b>5,401,523</b>	<b>4,423,577</b>

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	<b>2018/2019</b>	<b>2017/2018</b>
	<b>Kshs'000</b>	<b>Kshs'000</b>
<b>12. Accreditation Fees</b>		
Accredited Institutions fees	550	900
<b>13. Other Services Rendered</b>		
University of Nairobi Press	1,526	266
<b>14. Accomodation , Catering and other income</b>		
House Rents	143,163	143,299
Sale of Tender Documents	463	14
Income from endowment fund	2,310	12,092
Agency fees (Insurance & Hire purchase)	14,693	2,386
Staff Education Support Fund	5	66
Certificate Storage	4	5
Reimbursement (Emoluments)	8,921	26,973
Rental Income - Commercial & Billboards	26,516	28,166
Lease Income	1,802	2,189
Miscellaneous Income	37,463	17,741
Business Centre	13,474	161,849
Accomodation and Catering	289,695	217,460
	<b>538,509</b>	<b>612,240</b>
<b>15. Miscellaneous Income</b>		
Income from Grants Overheads Charges	62,068	63,801

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<b>EXPENDITURE</b>	<b>2018/2019</b>	<b>2017/2018</b>
	<b>Kshs'000</b>	<b>Kshs'000</b>
<b>16. Salaries and Wages</b>		
<b>Academic Departments</b>		
Basic pay	4,959,781	6,802,590
Clinical Allowance	599,238	539,141
House allowance	1,619,763	1,856,067
	<b>7,178,782</b>	<b>9,197,798</b>
<b>Administration and Central Services</b>		
Basic pay	1,129,822	1,078,087
Management and support services	139,541	140,020
House Allowance	368,978	294,152
	<b>1,638,341</b>	<b>1,512,259</b>
<b>Academic Services</b>		
Library: Basic pay	149,803	197,809
<b>Computer Services:</b>		
Basic pay	67,928	86,493
	<b>217,731</b>	<b>284,302</b>
<b>General Educational expenditure</b>		
House to Office Transport Allowance	828,887	783,872
Passages and Leave Travelling Expenses	176,446	54,147
	<b>1,005,333</b>	<b>838,019</b>
<b>Total Salaries &amp; Wages</b>	<b>10,040,187</b>	<b>11,832,378</b>
<b>Other Operating Expenses</b>		
<b>17. Academic Departments</b>		
Teaching Practice C.E.E.S. Kikuyu	28,388	1
Teaching and Office Expenses	92,846	105,293
Travelling and Transport	30,835	32,095
Expenditure from service units	1,464	1,786
	<b>153,533</b>	<b>139,175</b>

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<b>18. Administration and Central Services</b>	<b>2018/2019</b>	<b>2017/2018</b>
	<b>Kshs'000</b>	<b>Kshs'000</b>
Travelling and Transport	12,134	14,418
Publishing and Printing	3,252	4,459
Purchase of Uniforms	2,173	9,850
Purchase of Stationery	48,956	42,464
Postal Expenses	453	447
Telephones	25,405	11,161
Computer Charges	113,492	115,797
Insurances	89,376	81,759
Senate Expenses	2,406	2,808
Placement fees	39,119	-
Tender Committee Members Expenses	2,746	6,073
Conference and Seminars	11,823	12,191
Membership Subscriptions	2,024	2,943
Bank Charges	177,647	168,047
Provision for Audit Fees	5,250	4,640
Fees, Commission & Honoraria	949	97
Official Entertainment	343	1,330
Transport Operating Expenses	41,750	37,457
Graduation Expenses	14,815	10,695
University Choir Expenses	1,952	1,931
Funeral Expenses	3,063	3,351
Legal Fees	62,325	37,120
Contracted Security Services	185,179	176,900
Performance Contracting activities	7,108	8,739
ISO Expenses	1,944	2,151
Depreciation	126,156	243,996
Alumni	-	445
Provision for Bad Debts	22,466	5,715
Public relations expenses	3,832	4,410
Integrity Programs	1,939	1,296
UON Advancement	4,308	8,173
Environmental Management	78,619	39,276
Other Expenses	5,789	35,797
Intellectual Property Expenses	120	-
Industrial Relations	1,174	-
Revaluation of Fixed Assets	50	-
National Values and Cohesion	3,962	-
STIP Flagship Projects Expenses	67,148	-
	<b>1,171,247</b>	<b>1,095,939</b>

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<b>Administration and Central Services cont'd</b>	<b>2018/2019</b>	<b>2017/2018</b>
	<b>Kshs'000</b>	<b>Kshs'000</b>
<b>Depreciation for the year</b>	613,716	734,207
<b>Less:</b> Grants Assets depreciation	(46,493)	(64,598)
: Buildings depreciation	(441,067)	(425,613)
	<b>126,156</b>	<b>243,996</b>
<b>19. Academic Services</b>		
Books and Periodicals	25,723	12,271
Sundry Charges	5,611	4,461
<b>Computer Services:</b>		
Consumables	332	212
	<b>31,666</b>	<b>16,944</b>
<b>20. General Educational expenditure</b>		
Examinations stationery	34,803	22,544
External Examiners	27,174	16,744
Postgraduate Programmes	5,772	8,867
Research and Publications	19,673	5,531
Staff Development	6,049	7,651
	<b>93,471</b>	<b>61,337</b>
<b>21. Maintenance of Premises</b>		
Rents and Rates	8,869	8,685
Electricity, Water and Conservancy	450,289	414,564
Maintenance of Buildings	24,603	34,583
	<b>483,761</b>	<b>457,832</b>
<b>22. Staff and Students facilities and welfare</b>		
University Medical Scheme	259,568	272,964
Recruitment Expenses	26,877	22,414
Travelling outside Kenya	5,725	7,643
Staff Education Support	-	-
Sports and Games (Inter-University)	1,714	3,136
Needy Students	38	60
Students Associations	28,745	25,006
	<b>322,667</b>	<b>331,223</b>

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	<b>2018/2019</b>	<b>2017/2018</b>
	<b>Kshs'000</b>	<b>Kshs'000</b>
<b>23. S.W.A (Catering &amp; Accomodation Services)</b>		
Purchase of Food stuff	76,028	67,643
Gas and Fuel	14,421	13,650
Transport Operating Expenses	1,465	1,102
Travelling and Accommodation expenses	1,885	2,256
Telephones	1,497	1,432
Publishing and Printing Expenses	927	715
Purchase of Uniforms and Clothing	7,571	5,938
Purchase of Stationery & Office expenses	6,597	8,086
Miscellaneous Other Charges	6,430	4,655
Bank Charges	2,671	1,982
Staff Development	970	853
University Medical Scheme	5,568	6,860
Performance Contracting Expenses	579	644
Maintenance of plant, Machinery and Equipment	180	1,134
Maintenance of Buildings and Station	64,060	66,803
Halls Expenses	663	8,586
Cleaning Materials	955	628
	<b>192,467</b>	<b>192,967</b>
<b>24. Miscellaneous Expenditure</b>		
Maintenance of Equipment	17,360	16,694
Nairobi A.S.K. Show	2,637	3,834
	<b>19,997</b>	<b>20,528</b>
<b>25. Council Expenses</b>		
Audit Committee Members Exps.	855	-
Committee Members GPA	39	-
Council Expenses	25,438	18
	<b>26,332</b>	<b>18</b>



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	<b>2018/2019</b>	<b>2017/2018</b>
	<b>Kshs'000</b>	<b>Kshs'000</b>
<b>26. Centre for Self Sponsored Programmes(CESSP)</b>		
Direct Service Provider(DSP)	946,750	822,506
Teaching practice	-	34,113
Staff Training and Development	740	752
Staff Medical Expenses	1,476	1,144
Staff Travelling & Accommodation	989	994
Seminars & Workshops	982	657
Outsourced Services	2,710	2,807
Subscriptions to Professional Bodies	147	152
Transport Operating Expenses	574	659
Telecommunication	973	899
Water	81	80
General Office consumables	6,946	6,873
Bank charges	191	360
Maintenance of Motor vehicles	118	151
Repair & Maintenance of equipment	163	205
Maintenance of Buildings & Grounds	269	1,168
Promotion and Marketing	53,530	44,663
Security expenses	1,549	1,792
ICT Services	446	151
ISO 9001:2008	98	-
Performance Contracting	356	147
Anti - Corruption Activities	-	5
Salaries and Wages	60,849	76,366
Electricity	563	751
CUE-Expenses	1,000	12,329
	<b>1,081,500</b>	<b>1,009,724</b>
<b>27. Other Gains</b>		
Increase/(Decrease) in Value of Dental Materials	4,646	-
Gain/(Loss ) in Foreign Currency Translation	1,660	-
	<b>6,306</b>	<b>-</b>
<b>28. Cash and Cash Equivalents</b>		
Central Cash at Bank	512,048	209,689
Cash in Hand	541	147
University Press Cash at Bank	5,756	7,525
SWA Cash at Bank	39,755	20,793
Colleges Cash at Bank	229,591	140,233
CESSP Cash at Bank	34,548	29,635
UNES Cash at Bank	20,621	7,929
	<b>842,860</b>	<b>415,951</b>

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	<b>2018/2019</b>	<b>2017/2018</b>
	<b>Kshs'000</b>	<b>Kshs'000</b>
<b>29. Short Term Deposits</b>		
Recurrent Grants	-	1,933
University of Nairobi Press	-	3,740
Specific purposes revenue grants	-	44,310
Trust and Endowment funds	385	360
UNES Short term Deposit	-	75,000
	<b>385</b>	<b>125,343</b>
<b>30. Trade and other Receivables</b>		
<b>Current Receivables</b>		
Sundry Debtors	470,513	172,485
GOK 2010-2013 CBA	1,232,934	1,081,632
Other Public Universities	194,758	194,758
UON June Capitation	-	-
GOK 2013-2017 CBA Supplementary Capitation	944,252	500,000
Koitalel Samoei University Supplementary Capitation	21,112	-
Deans Committee Research Grants	25,301	25,092
Bank Guarantees	17,848	11,076
Program and Projects Balance -UNES	230,992	224,532
CESSP Receivables	-	-
UNES Receivables	388,110	355,929
UON PRESS Receivables	558	769
Student Debtors	951,718	998,744
	<b>4,478,096</b>	<b>3,565,017</b>
Less: Provision for bad & doubtful debts	(94,910)	(72,444)
	<b>4,383,186</b>	<b>3,492,573</b>
<b>31. Inventories</b>		
General Stocks	112,985	137,561
Dental Materials	36,524	31,893
UNES Pharmacy & Cafeterias	5,762	4,048
UNES Bookstore	46,027	49,948
UON PRESS Stocks	19,423	19,256
SWA Stocks	10,698	12,055
	<b>231,419</b>	<b>254,761</b>

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**32. Property, Plant And Equipment - 2018/2019**

	Land	Buildings	Work in Progress	Furniture and Equipment	Computers	Motor Vehicles	Academic Gowns	Totals
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
<b>Cost Valuation</b>								
<b>July 1,2018</b>	<b>186,447,265</b>	<b>21,280,653</b>	<b>2,624,745</b>	<b>2,459,322</b>	<b>1,297,879</b>	<b>713,596</b>	<b>60,200</b>	<b>214,883,660</b>
Additions	-	-	67,631	19,090	35,449	6,300	-	128,470
Completed Projects	-	772,693	(772,693)	-	-	-	-	-
<b>30 June 2019</b>	<b>186,447,265</b>	<b>22,053,346</b>	<b>1,919,683</b>	<b>2,478,412</b>	<b>1,333,328</b>	<b>719,896</b>	<b>60,200</b>	<b>215,012,130</b>
Depreciation								
July 1,2018	-	425,613	-	1,767,295	1,142,146	660,984	32,843	4,028,881
Charge for the year	-	441,067	-	111,916	34,898	22,825	3,010	613,716
<b>30 June 2019</b>	<b>-</b>	<b>866,680</b>	<b>-</b>	<b>1,879,211</b>	<b>1,177,044</b>	<b>683,809</b>	<b>35,853</b>	<b>4,642,597</b>
<b>30 June 2019</b>	<b>186,447,265</b>	<b>21,186,666</b>	<b>1,919,683</b>	<b>599,201</b>	<b>156,284</b>	<b>36,087</b>	<b>24,347</b>	<b>210,369,533</b>
UNES Balances	-	-	-	8,820	345	5,835	-	15,000
UoN Press	-	-	-	636	125	-	-	760
<b>Fully Depreciated Assets</b>								
At Cost	-	-	-	157,311	472,932	114,624	-	744,867
Less Acc Depreciation	-	-	-	157,311	472,932	114,624	-	744,867
<b>NBV</b>	<b>186,447,265</b>	<b>21,186,666</b>	<b>1,919,683</b>	<b>608,657</b>	<b>156,753</b>	<b>41,922</b>	<b>24,347</b>	<b>210,385,293</b>
<b>30 June 2018</b>	<b>186,447,265</b>	<b>20,855,040</b>	<b>2,584,744</b>	<b>703,114</b>	<b>97,564</b>	<b>60,116</b>	<b>27,357</b>	<b>210,775,200</b>

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Property, Plant And Equipment -2017/2018

	Land	Buildings	Work in Progress	Furniture and Equipment	Computers	Motor Vehicles	Academic Gowns	Totals
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
<b>Cost Valuation</b>								
<b>July 1,2017</b>	<b>186,447,265</b>	<b>21,588,243</b>	<b>2,518,667</b>	<b>2,376,155</b>	<b>1,232,724</b>	<b>662,879</b>	<b>60,200</b>	<b>214,886,133</b>
Additions	-	-	66,077	83,181	65,180	49,661	-	264,099
Prior year Adjustments	-	(307,590)	-	-	-	-	-	(307,590)
<b>30 June 2018</b>	<b>186,447,265</b>	<b>21,280,653</b>	<b>2,584,744</b>	<b>2,459,336</b>	<b>1,297,904</b>	<b>712,540</b>	<b>60,200</b>	<b>214,842,642</b>
<b>Depreciation</b>								
July 1,2017	-	-	-	1,641,718	1,053,274	628,950	29,833	3,353,775
Charge for the year	-	425,613	-	125,577	147,972	32,034	3,010	734,206
30 June 2018	-	425,613	-	1,767,295	1,201,246	660,984	32,843	4,087,981
<b>30 June 2018</b>	<b>186,447,265</b>	<b>20,855,040</b>	<b>2,624,745</b>	<b>692,027</b>	<b>96,632</b>	<b>52,612</b>	<b>27,357</b>	<b>210,754,661</b>
UNES Balances	-	-	-	10,367	728	8,560	-	19,655
University Press	-	-	-	706	178	-	-	884
<b>Fully Depreciated Assets</b>								
At Cost	-	-	-	64,724	119,101	62,277	-	246,102
Less Acc Depreciation	-	-	-	64,724	119,101	62,277	-	246,102
<b>Net Book Value</b>	<b>186,447,265</b>	<b>20,855,040</b>	<b>2,584,744</b>	<b>703,114</b>	<b>97,564</b>	<b>60,116</b>	<b>27,357</b>	<b>210,775,200</b>
<b>30 June 2017</b>	<b>186,447,265</b>	<b>21,588,243</b>	<b>2,558,667</b>	<b>747,408</b>	<b>180,893</b>	<b>36,546</b>	<b>30,367</b>	<b>211,589,389</b>

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	<b>2018/2019</b>	<b>2017/2018</b>
	<b>Kshs'000</b>	<b>Kshs'000</b>
<b>Fully Depreciated Assets</b>		
Furniture and Equipment	157,311	64,724
Computers	472,932	119,101
Motor Vehicles	114,624	62,277
	<b>744,867</b>	<b>246,102</b>
<b>33. Investments</b>		
<b>Trust and Endowment Funds Investments</b>		
<b>Gandhi Memorial Academy Society</b>		
East Africa Breweries Limited		
33,380 Ordinary shares of Shs.2/- each	6,667	7,143
Car and General (Kenya) Limited		
15,222 Ordinary shares of Shs.5/- each	373	260
C.M.C. Holdings Limited*		
125,920 Ordinary shares of Shs.0.5/- each	1,700	1,700
Unga Limited		
28,782 Ordinary shares of Shs.5/- each	950	1,130
Kenya Power and Lighting Co. Limited		
8944 Ordinary shares of Shs.2.50 - each	35	61
	<b>9,725</b>	<b>10,294</b>
<b>Kamala Gold Memorial Fund</b>		
Kenya Power & Lighting Co. Limited		
7904 Ordinary shares of Shs.2.50 - each	31	54
<b>Tom Mboya Memorial Fund</b>		
East Africa Breweries Limited		
42,635 Ordinary shares of Shs.2/- each	8,516	9,124
<b>Total of Trust Fund Investments</b>	<b>18,272</b>	<b>19,473</b>
<b>Investment Not Attributable To Any Particular Fund</b>		
Investment in University of Nairobi Enterprises and Services Limited (UNES)	100	100
Guarantee for University Press	3,809	3,809
<b>Endowment Fund</b>		
Stg.£516800 Sasakawa Fellowship Fund *	-	93,771
<b>Total of Endowment Fund Investments</b>	<b>3,909</b>	<b>97,680</b>
<b>Total Trust and Endowment Fund Investments</b>	<b>22,182</b>	<b>117,153</b>

**Note**

Long term Investments in securities are stated at fair value as provided by University stock brokers. The resultant Gain/loss are recognized in the appropriate fund accounts.

\*The Value for CMC shares is historical after the takeover by Alfa Motors. The university is in the process of realizing the value of the investment.

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	<b>2018/2019</b>	<b>2017/2018</b>
	<b>Kshs'000</b>	<b>Kshs'000</b>
<b>34. Intangible Assets</b>		
July 01,2018	<b>114</b>	<b>114</b>
Additions	-	-
30 July,2018	<b>114</b>	<b>114</b>
Depreciation		
July 01,2018	46	23
Charge for the period	23	23
30 July,2018	<b>68</b>	<b>46</b>
<b>Net Book Value</b>	<b>45</b>	<b>68</b>
<b>UNES Ltd Balances</b>	<b>418</b>	<b>-</b>
	<b>463</b>	<b>68</b>

The Student Management Information System (SMIS), Human Resource Management Information System (HRMIS), University Management Information System (UMIS) and Hostel Accommodation Management Information System (HAMIS) were developed internally and their expenditure charged to the statement of performance in the period the expenditure was incurred.

The Sage module was acquired many years back in 2006, and its expenditure recognized together with ICT investment whose expenditure was capitalize to Computers. This module is now fully amortized and will be recognized separately as an intangible asset upon revaluation.

	<b>2018/2019</b>	<b>2017/2018</b>
	<b>Kshs'000</b>	<b>Kshs'000</b>
<b>35. Creditors and Other Payables</b>		
<b>Current Payables</b>		
Sundry Creditors	260,985	1,167,704
Statutory Deductions - Payroll	4,692,423	1,819,421
Provision for Gratuity	759,519	584,930
Refundable deposits to Customers	156,063	147,020
	<b>5,868,990</b>	<b>3,719,075</b>
<b>36. Bank Overdraft</b>		
UNES Overdraft	-	4,387
BBK-Queensway Branch	1,495,053	1,950,179
BBK - Central Stores	4,307	5,666
Central - Grants Accounts & Others	-	33,433
Colleges Balances	-	11,637
	<b>1,499,360</b>	<b>2,005,302</b>
	<b>7,368,349</b>	<b>5,724,378</b>

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**37. Special Accounts and Grants**

	<b>Balance as at July 01, 2018 Kshs'00</b>	<b>Received FY 2018/19 Kshs'000</b>	<b>Expenditure FY 2018/19 Kshs'000</b>	<b>Balance as at 30 June, 2019 Kshs'000</b>
Ford Foundation	42,641	20,160	15,359	47,442
Rockefeller Foundation	11,258	15,593	13,628	13,223
International Development Research Center	36,597	38,424	24,655	50,366
National Commission for Science and Technology	124,736	91,474	68,886	147,324
DAAD	-	-	-	-
World Health Organisation	63,666	12,161	15,749	60,078
VLIR	-	-	-	-
International Aids Vaccine Initiatives	28,520	118,554	116,997	30,077
World Trade Organization	5,346	6,077	7,121	4,302
CIAT	(540)	-	-	(540)
Centre for Disease Control (CDC)	206,141	787,390	786,251	207,280
African Economic Research Consortium (AERC)	11,334	24,905	19,190	17,049
National Institute of Health	38,090	183,731	157,141	64,680
Other Grants	940,726	633,243	722,139	851,830
	<b>1,508,515</b>	<b>1,931,712</b>	<b>1,947,116</b>	<b>1,493,111</b>

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**38. Trust and Endowment Funds**

	Balance As at	Increase/ (Decrease) in market		Balance As at	
	01 July ,2018 KShs'000	Receipts KShs'000	value KShs'000	Expenditure KShs'000	30 June, 2019 KShs'000
<b>Trust funds</b>					
Joint Admission Board	43,712	597	-	8,454	35,855
Gandhi Academic Society	21,172	49	(1,742)	659	18,820
Kenya Railways	663	-	-	-	663
A.C.I. De Souza Memorial	36	-	-	12	24
R.G. Amin Bursary	393	-	-	-	393
Kamala Gold Memorial	136	-	76	1	212
Tom Mboya Memorial	15,757	584	1,069	-	17,410
M.M. Bhatt Trust	104	-	-	-	104
UoN Alumni	39,352	15,660	-	13,795	41,216
UON Alumni Centre Project Funds	2,000	-	-	-	2,000
Eng.Carry Oregge - Civil Engineering Prizes	(838)	-	-	120	(958)
Meteorology CBPS - IGAD climate Prediction	325	-	-	-	325
Prof.J.O.Agumba-Therigenology Award	100	-	-	10	90
<b>Total Trust Funds</b>	<b>122,912</b>	<b>16,890</b>	<b>(597)</b>	<b>23,051</b>	<b>116,154</b>
<b>Endowment Funds:</b>					
Sasakawa Fellowship	98,266	791	-	334	98,723
Others	9,017	-	-	-	9,017
Non attributable Funds	3,092	601	-	17	3,676
<b>Total Endowment Funds</b>	<b>110,375</b>	<b>1,392</b>	<b>-</b>	<b>351</b>	<b>111,416</b>
<b>Total Funds</b>	<b>233,287</b>	<b>18,282</b>	<b>(597)</b>	<b>23,402</b>	<b>227,570</b>



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	<b>2018/2019</b>	<b>2017/2018</b>
	<b>Kshs'000</b>	<b>Kshs'000</b>
<b>39. Endowment for General Purposes</b>	<b>16,181</b>	<b>16,181</b>
Designated Funds set aside for applications as determined by the University e.g. Students' prices, Students' Scholarships		
<b>40. Barclays Bank Term Loan</b>		
<b>Principal Payable</b>	950,000	-
	<b>950,000</b>	-
<b>41. General Fund</b>		
Balance as at 01 July 2018	16,101,486	16,277,508
<b>Capital Receipts:</b>		
Research Grants	8,373	42,567
<b>Total Fund</b>	<b>16,109,859</b>	<b>16,320,075</b>
<b>Less:</b>		
Depreciation	46,494	64,598
Decrease/Transfer to deferred income	-	153,991
Balance as at 30 June 2019	<b>16,063,365</b>	<b>16,101,486</b>

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**42. Income Generating Activities**

**Income and Expenditure Account for the period ended 30 June 2019**

<b>Income Generating Activities - College Based</b>	<b>Surplus/ (Deficit) 2017/2018 Kshs'000</b>	<b>Income 2018/ 2019 Kshs'000</b>	<b>Expenditure 2018/ 2019 Kshs'000</b>	<b>Surplus/ (Deficit) 2018/2019 Kshs'000</b>
College of Agriculture & Veterinary Sciences	(6,361)	108,638	115,015	(6,376)
College of Architecture & Engineering	4,838	77,853	69,632	8,221
College of Biological & Physical Sciences	(36,501)	40,630	53,556	(12,926)
College of Education & External Studies	31,509	16,199	14,188	2,011
College of Health Sciences	(57,394)	48,203	102,964	(54,761)
College of Humanities & Social Sciences	(2,122)	77,023	162,405	(85,382)
Health Services - Students Medical	(79)	-	-	-
Open Distance & e-Learning	-	12,506	8,459	4,047
<b>Sub- Total</b>	<b>(66,110)</b>	<b>381,053</b>	<b>526,219</b>	<b>(145,166)</b>
<b>Income Generating Units -UNES</b>				
Chiromo Parlour	4,820	27,042	23,434	3,608
UNES Consultancy	30,559	326,828	302,454	24,374
Chiromo Conference and Arziki	(6,955)	47,588	50,383	(2,795)
Diagnostic Radiology	623	6,945	6,246	699
UNES Bookstore-Nairobi	(839)	71,972	70,899	1,073
UNES Bookstore-Kisumu	(1,137)	-	-	-
UNES Bookstore-Mombasa	(1,102)	5,077	6,817	(1,740)
Other IGUs	3,012	36,066	33,914	2,152
UNES Head Office	(230,044)	11,527	101,147	(89,620)
<b>Sub- Total</b>	<b>(201,063)</b>	<b>533,045</b>	<b>595,294</b>	<b>(62,249)</b>
<b>Grand Total</b>	<b>(267,173)</b>			<b>(207,417)</b>
Balance brought forward	<b>(290,500)</b>			<b>(557,673)</b>
Balance carried forward	<b>(557,673)</b>			<b>(765,090)</b>

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	<b>2018/2019</b>	<b>2017/2018</b>
	<b>Kshs'000</b>	<b>Kshs'000</b>
<b>43. Capital Reserves</b>		
Balance as at 01 July ,2018	192,233,775	192,659,388
Less Depreciation on bulidings	(441,067)	(425,613)
<b>Balance as at 30 June 2019</b>	<b>191,792,708</b>	<b>192,233,775</b>
<b>44. Special Capital Development Fund</b>	<b>25,378</b>	<b>25,378</b>
Funds Designated for a Special Capital Development in the University		
<b>45. Revenue Reserve (movement in the year)</b>		
Accumullated Surplus/(Deficit) brought forward	(496,794)	908,521
Surplus/(Deficit )for the period	(1,299,487)	(1,405,315)
Accumulated Surplus Reserves	<b>(1,796,281)</b>	<b>(496,794)</b>
<b>46. Koitalel Samoei University Grants Fund</b>		
<b>Balance as at 01 July ,2018</b>	<b>392,517</b>	<b>316,565</b>
GOK Capitation Recurrent		
Jul-2018	9,512	8,475
Aug-2018	9,512	8,475
Sep-2018	9,512	8,475
Oct-2018	9,512	8,475
Nov-2018	8,943	8,475
Dec-2018	9,512	8,475
Jan-2019	9,512	8,475
Feb-2019	8,943	8,475
Mar-2019	8,372	8,475
Apr-2019	9,512	8,475
May-2019	9,512	8,475
Jun-2019	9,512	8,475
Jun-2019	21,112	-
	<b>132,978</b>	<b>101,700</b>
Capital Development Capitation		
Arrears	12,850	8,333
Dec-2018	-	1,667
Jan-2019	-	1,667
Feb-2019	-	1,667
Mar-2019	-	1,667

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Apr-2019	-	1,667
May-2019	20,924	1,667
Jun-2019	-	1,667
	<b>33,774</b>	<b>20,002</b>
Total Available	<b>559,269</b>	<b>438,267</b>
Less Expenditure	68,774	45,750
<b>Balance as at 30 June,2019</b>	<b>490,495</b>	<b>392,517</b>

#### **47. Financial Risk Management**

The University's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The University's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The University's does not hedge any risks and has in place policies through its statute xxx which states among other things:

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

The University has endeavored to enforce the above statute in order to reduce the student debtors. The University secured a written undertaking from the Government of Kenya with respect to the outstanding debt relating to the Pension Component of the CBA.

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

##### **Credit risk**

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

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The carrying amount of financial assets recorded in the financial statements representing the University's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	<b>Total amount Kshs'000</b>	<b>Fully performing Kshs'000</b>	<b>Past due Kshs'000</b>	<b>Impaired Kshs'000</b>
<b>At 30 June 2019</b>				
Receivables from exchange transactions	2,085,989	2,085,989	-	23,525
Receivables from non exchange transactions-GoK	2,393,056	965,364	1,427,692	71,385
Inventories	251,764	251,620	-	-
Short Term Deposits	385	-	-	-
Bank balances	839,178	839,178	-	-
<b>Total</b>	<b>5,570,228</b>	<b>4,142,536</b>	<b>1,427,692</b>	<b>94,910</b>
<b>At 30 June 2018</b>				
Receivables from exchange transactions	1,788,627	1,780,003	-	8,624
Receivables from non exchange transactions-GoK	1,776,390	500,000	1,276,390	63,820
Inventories	254,761	254,761	-	-
Short Term Deposits	125,343	125,343	-	-
Bank balances	415,951	415,951	-	-
<b>Total</b>	<b>4,351,072</b>	<b>3,076,058</b>	<b>1,276,390</b>	<b>72,444</b>

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

The entity has significant concentration of credit risk on amounts due from students

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

**Liquidity risk management**

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

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**Liquidity risk management cont'd**

	<b>2018/2019</b>	<b>2017/2018</b>
	<b>Kshs'000</b>	<b>Kshs'000</b>
Trade payables	260,984	1,167,703
Payroll Deductions	4,692,423	1,819,422
Provisions	759,519	584,930
Refundable Deposits to Customers	156,063	147,020
Bank Overdraft	1,499,360	2,005,302
	<b>7,211,830</b>	<b>5,724,377</b>

**Market risk**

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the University's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The University's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day to day implementation of those policies.

There has been no change to the University's exposure to market risks or the manner in which it manages and measures the risk.

**Capital Risk Management**

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

	<b>2018/2019</b>	<b>2017/2018</b>
	<b>Kshs'000</b>	<b>Kshs,000</b>
IGUs Fund	(765,088)	(557,674)
General Fund	16,063,456	16,101,485
Koitalel Samoei University Fund	490,495	392,517
Special Capital Development Fund	25,378	25,378
Capital Reserve	191,792,708	192,233,775
Revenue Reserve	(1,796,281)	(496,794)

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Special Accounts and Grants	1,493,111	1,508,515
Trust and Endowment Fund	227,570	233,287
Endowment for General Purpose	16,181	16,181
Bank Term Loan	950,000	-
<b>Total Funds</b>	<b>208,497,530</b>	<b>209,456,671</b>
Total borrowings	7,222,821	5,724,377
Less: Cash and bank balances	843,279	541,294
Net debt/(Excess cash and cash equivalent)	<b>6,379,542</b>	<b>5,183,083</b>
<b>Gearing</b>	<b>3.06%</b>	<b>2.45%</b>

**48. Related Parties**

**Nature of Related Party Relationship**

The University of Nairobi is a related to:

- i. The National Government
- ii. The Ministry of Education
- iii. The University of Nairobi Enterprises (UNES)
- iv. University of Nairobi Press
- v. Key Management
- vi. The University Council

<b>Related party Balances</b>	<b>2018/2019</b>	<b>2017/2018</b>
	<b>Kshs'000</b>	<b>Kshs'000</b>
<b>Transfers from GoK</b>		
<b>University of Nairobi Capitation</b>		
Recurrent Capitation	4,607,257	4,514,536
CBA 2013-2017 Salary Arrears	-	1,960,053
CBA 2013-2017 Capitation	944,252	1,460,264
	<b>5,551,508</b>	<b>7,934,853</b>
<b>Koitalel Samoei University Capitation</b>		
Recurrent Capitation	111,865	101,700
Development Capitation	54,885	20,000
	<b>166,751</b>	<b>121,700</b>
<b>Amount Due from GoK</b>		
CBA 2013-2017 Supplementary Capitation	944,252	500,000
Koitalel Samoei Supplementary Capitation	21,112	-
CBA 2010-2013 Pension Arrears	1,232,934	1,081,632
CBA 2010-2013 Other Public Institutions	194,758	194,758
	<b>2,393,057</b>	<b>1,776,390</b>

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**Related party Balances cont'd**

	<b>2018/2019</b>	<b>2017/2018</b>
	<b>Kshs'000</b>	<b>Kshs'000</b>
<b>Amount Due from UNES</b>		
Bookstore taken over	23,472	23,472
Dividends Receivable	15,349	21,349
Amount held by UNES on behalf of UoN	230,992	224,532
	<b>269,813</b>	<b>263,353</b>
<b>Amount Due from UNES</b>		
Bookstore and Arziki	113,271	113,271
<b>Payments made on behalf of UNES</b>		
Salaries and Allowances		16,572
Rent and Utilities		3,470
Fuel and Petty Cash		415
		<b>20,457</b>
<b>Council Expenses</b>		
Remuneration of Chairperson	2,057	-
Remuneration of Council Members	21,724	-
Council Members GPA	39	-
Airticket	211	18
Office expenses and Catering	307	-
Training & Development	1,994	-
	<b>26,332</b>	<b>18</b>
<b>49. Provisions</b>		
Provision for Audit fees	5,250	4,640
Provision for leave days-UNES	-	3,472
Provision for Placement fees	39,119	-
Provision for leave days-UoN	196,967	73,636
Provision for Gratuity-UNES	-	34,901
Provision for Gratuity-UoN	518,184	468,282
	<b>759,519</b>	<b>584,930</b>



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**50. Refundable deposits to Customers**

UNIPLAZA-Rent deposits	868	868
CBPS- Module I Caution money	2,673	2,673
CHS -Module I Caution money	413	-
CAVS-Module I Caution money	176	1,414
CHSS-Module I Caution money	2,062	3,070
CAE-Module I Caution money	1,453	3,046
CEES- Module I Caution money	567	1,166
CESSP-Module II Caution money	147,852	134,784
	<b>156,063</b>	<b>147,020</b>

These are funds held on behalf of customers , mainly rent deposits and students caution money

**51. Legal Status**

The University of Nairobi is a body corporate established in Kenya under the Universities Act, 2012 (No. 42 of 2012).

**52. Contingent Liabilities**

There is a pending law suit against the University in the High Court of Kenya by former employees who were retrenched by the University in March 2001.The claim is for damages amounting to about Kshs 279 million.The University have entered its defense.

The University has accumulated pending bills due to contractors and consultants amounting to Kshs 532,436,805.00 as at 30-06-2006.One contractor N.K.Brothers have sued the University to recover the outstanding amount.

**53. Statutory Deductions payable**

	<b>2018/2019</b>	<b>2017/2018</b>
	<b>Kshs'000</b>	<b>Kshs'000</b>
Kenya Revenue Authority (Paye and VAT)	2,283,357	282,691
National Housing Insurance Fund	7,020	10,765
National Security Social Fund	2,287	3,372
UoN Pension	2,399,027	1,521,767
Higher Education Loans Board	732	828
	<b>4,692,423</b>	<b>1,819,422</b>

**54. Summary of service units income and expenditure for the period ended 30 June 2019**

	<b>Income</b>	<b>Expenditure</b>	<b>Surplus/ (Deficit</b>	<b>Surplus/ (Deficit</b>
	<b>Kshs'000</b>	<b>Kshs'000</b>	<b>2018/2019</b>	<b>2017/2018</b>
			<b>Kshs'000</b>	<b>Kshs'000</b>
Printing and Photocopying	-	-	-	(1,118)
Nairobi University Press	1,526	1,464	62	(402)
<b>Surplus/(Deficit) for the year</b>	<b>1,526</b>	<b>1,464</b>	<b>62</b>	<b>(1,520)</b>

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**55. Summary of Approved Estimates for the period ended 30 June 2019**

	<b>Approved Estimates 2018/2019 Kshs'000</b>	<b>Actual 2018/2019 Kshs'000</b>	<b>Actual 2017/2018 Kshs'000</b>
Basic pay	4,941,222	4,670,118	6,446,472
Direct Service providers/Management support	1,183,191	1,086,291	962,525
Gratuity and Pension Contribution	973,844	1,042,831	1,202,304
House Allowance	2,065,756	2,042,341	2,211,163
Other Personal Allowances	501,382	540,784	455,261
House to Office Transport allowance	997,795	828,888	783,871
Passage and Leave Expenses	58,000	176,447	54,147
Clinical Allowance	663,482	599,238	539,142
Transport Operating Expenses	46,735	41,750	37,457
Travelling and Accommodation Expenses	35,000	42,969	46,512
External Travelling and Accommodation	8,000	5,725	7,643
Teaching Practice	27,000	28,388	34,113
Postal and Telegram Expenses	459	453	447
Telephone Expenses	13,804	25,405	11,161
Official Entertainment	400	343	1,330
Electricity, Water and Conservancy	400,000	450,289	414,564
Purchase of Supplies for Teaching & Production Materials	119,029	127,649	127,837
Publishing and Printing Expenses	6,003	3,252	5,577
Purchase of Uniforms and Clothing	8,870	2,173	9,850
Library Expenses	92,090	31,334	16,732
Purchase of Stationery	30,462	48,956	42,564
Advertising and Publicity (Recruitment)	18,000	26,877	22,414
Sports and Equipment (Inter-University)	3,130	1,714	3,136
Audit Fees	5,250	5,250	4,640
Payments of Rent and Rates Residential	12,100	8,869	8,686
Computer Charges	100,000	113,823	115,797
Contracted security services	186,946	185,179	176,900
Fees, Commission and Honoraria	1,000	949	17
Staff Development	13,586	6,049	7,651
Audit Committee & Council Expenses	28,300	26,332	18
Graduation Expenses	15,000	14,815	10,695
Conference and Seminars	12,283	11,823	12,191
University Medical Scheme	278,803	225,714	272,964
Postgraduate Programmes	21,898	5,772	8,867
University Research Programme	23,500	19,673	5,531
Maintenance of Plant, Machinery and Equipment	20,000	17,360	16,693
Maintenance of Buildings and Stations	40,000	24,603	34,583
Students Welfare Authority	271,207	192,467	192,967

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University Press	2,000	1,464	668
Performance contracting	7,000	7,108	8,739
Depreciation	-	123,122	243,996
Students amenities/Activities,Associations	36,000	28,745	25,006
Needy Students	3,700	39	60
Integrity Programs	2,000	1,939	1,296
UON Advancement	6,000	4,308	8,173
Operational Expenses (CESSP)	151,802	134,750	153,105
Legal Fees	139,100	62,325	37,120
Bank Charges	172,823	177,647	168,047
Insurance	90,186	89,376	81,759
Public relations office	7,000	3,832	4,410
External Examiners	28,666	27,174	16,744
Environmental Management	84,193	78,619	39,276
Membership Subscriptions	2,500	2,024	2,943
ISO Expenses	3,700	1,944	2,151
Tender Committee Members Expenses	3,000	2,746	6,073
Other Expenses	6,000	3,955	35,797
Intellectual Property Expenses	1,929	120	-
Industrial Relations	2,747	1,174	-
Revaluation Expenses	714	50	-
National Values and Cohesion	1,124	3,962	-
Empowerment of Basic operating Units	2,000	-	-
STIP Flagship Projects Expenses	153,705	67,148	-
Senate & UMB Expenses	5,000	2,406	2,808
University Choir Expenses	2,290	1,952	1,931
Funeral Expenses	3,935	3,063	3,351
Placement fees	39,119	39,119	-
Alumini	-	-	430
Provision for Bad Debts	-	22,466	5,715
ICT Consumables	-	-	212
Nairobi A.S.K. Show	3,802	2,637	3,834
	<b>14,188,740</b>	<b>13,581,140</b>	<b>15,158,064</b>
<b>Capital Expenditure</b>			
Purchase of Motor Vehicles	25,000	6,300	49,661
Purchase of Plant and Equipment	90,800	19,090	83,181
Capital Development-WIP	1,339,971	67,631	66,077
Purchase of Computers	50,000	35,449	65,180
	<b>1,505,771</b>	<b>128,470</b>	<b>264,099</b>

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**XVIII. APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:	Timeframe:
1. Property, Plant and Equipment	Two parcels of land, LR.No.11645 & LR.No.22378 without title documents	The Management is in constant engagement with the Ministry of Lands regarding the processing of the title deeds. The said two parcels of land are fully developed and occupied by the University.	Mr. Thuita (Estates Manager)	In progress	June 2019
2. Going Concern	Deteriorated Financial Performance (Deficit of Kshs 1,405,315,00)	Reduced Capitaion by GoK(30% reduction)		In progress	June 2019
3. Student Debtors	Still outstanding for more than one year	Pursuing students for settlement of fee balances		In progress	June 2019
4. Investment in CMC Holdings	CMC Holdings was delisted from NSE in 2015	Management is following up the issue with the nominated Custody and Registrars Services Ltd of the shares.		In progress	June 2019



**PROF. STEPHEN G. KIAMA,**  
**BVM, MSC(Nbi), PhD(Bern) KNAS**  
 Vice Chancellor  
 April 24, 2020

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**XIX. APPENDIX II: STATUS OF PROJECTS COMPLETION**

<b>Project</b>	<b>Total project Cost Kshs.000</b>	<b>Total expended to date Kshs.000</b>	<b>Completion % to date</b>	<b>Budget Kshs.000</b>	<b>Actual per Quarter Kshs.000</b>	<b>Sources of funds</b>
Proposed construction of University Tower	3,149,857	2,759,630	87.61	450,000	26,276	A.I.A
Construction of Kisumu Campus Complex	489,529	490,448	100.19	75,000	48,794	A.I.A
Partial Completion of Pharmacy Building -CHS	152,903	134,414	87.91	75,000	7,506	A.I.A
Semis Laboratory -CAVS	97,200	97,175	99.97	5,000	-	Donors
Proposed construction of sewerage Plant - LKC	179,000	175,689	98.15	17,000	9,713	A.I.A
Partial completion of Lower kabete halls of residence phase 11(West Wing)	39,000	37,000	94.87	40,000	-	AIA
Proposed Police post at Ganda Research Station	5,580	5,536	99.21	1,500	-	AIA
Renovation of Taifa Hall	35,000	33,851	96.72	30,000	4,467	AIA
Proposed reroofing of halls SWA	3,000	3,112	103.73	10,000	-	AIA
Proposed Confucius Institute Building	-	-	-	400,000	26,762	Donors
Interior Furnishing and Fittings of UON Towers	20,000	-	-	-	-	AIA
Interior design works for Confucius centre 7th & 8th floor - UON Towers	31,427	26,762	85.16	-	-	Devp. Partners
Supply & installation of state of the art lecture chairs(1,000)-Taifa Hall	22,620	22,620	100.00	-	-	AIA
	<b>4,225,116</b>	<b>3,786,237</b>		<b>1,103,500</b>	<b>123,518</b>	

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**XX. APPENDIX III: INTER-ENTITY TRANSFERS**

ENTITY NAME	UNIVERSITY OF NAIROBI		
Break down of Transfers from the State Department University Education			
FY 18/19			
<b>UNIVERSITY OF NAIROBI</b>			
Recurrent Grants			
	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
	7/6/2018	500,000,000.00	2018/2019
	8/2/2018	391,773,514.00	2018/2019
	8/30/2018	391,773,514.00	2018/2019
	10/1/2018	391,773,513.00	2018/2019
	11/7/2018	391,773,514.00	2018/2019
	12/3/2018	368,267,103.00	2018/2019
	12/27/2018	368,267,103.00	2018/2019
	2/1/2019	383,938,043.00	2018/2019
	3/7/2019	383,938,043.00	2018/2019
	3/28/2019	360,431,633.00	2018/2019
	5/2/2019	391,773,514.00	2018/2019
	6/6/2019	391,773,514.00	2018/2019
	6/28/2019	391,773,514.00	2018/2019
	<i>sub-total</i>	<b>5,107,256,522.00</b>	
	7/9/2019	944,251,937.30	2018/2019
	<i>sub-total</i>	<b>944,251,937.30</b>	
	<i>UON sub-total</i>	<b>6,051,508,459.30</b>	
<b>KOITELEL UNIVERSITY MENTORSHIP FUNDS</b>			
Recurrent Grants			
	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
	8/2/2018	9,512,366.00	2018/2019
	8/30/2018	9,512,366.00	2018/2019
	10/1/2018	9,512,365.00	2018/2019
	11/7/2018	9,512,366.00	2018/2019
	12/3/2018	8,941,624.00	2018/2019
	2/1/2019	9,512,366.00	2018/2019
	3/7/2019	9,512,366.00	2018/2019
	3/28/2019	8,941,623.00	2018/2019
	4/10/2019	8,370,882.00	2018/2019

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	5/2/2019	9,512,366.00	2018/2019
	6/6/2019	9,512,366.00	2018/2019
	6/28/2019	9,512,366.00	2018/2019
	<i>sub-total</i>	<b>111,865,422.00</b>	
	7/9/2019	21,112,335.00	2018/2019
	<i>sub-total</i>	<b>21,112,335.00</b>	
	<i>KOITELEL sub-total</i>	<b>132,977,757.00</b>	
<b>GRAND RECURRENT TOTAL (UON &amp; KOITELEL)</b>		<b>6,184,486,216.30</b>	
Development Grants			
KOITELEL UNIVERSITY MENTORSHIP FUNDS	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
	11/26/2018	12,850,000.00	2018/2019
	5/28/2019	20,923,028.00	2018/2019
	<b>TOTAL</b>	<b>33,773,028.00</b>	
Direct Payments			
	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
		-	
<b>TOTAL TRANSFER 2018/2019</b>		<b>6,218,259,244.30</b>	

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



CPA DAMARIS KAVOI  
B.Com,MBA (Nairobi),CPA(K)  
ICPAK Member Number 4468  
Ag.Finance Officer  
University of Nairobi  
April 24, 2020

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**APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

<b>Name of the MDA/Donor transferring Funds</b>	<b>date rec'd (as per bank stmt)</b>	<b>nature : recurrent/Dev /Others</b>	<b>Total Amount - KES</b>	
State Dept University Education	7/2/2018	RESEARCH	150,000.00	2017/2018
State Dept University Education	7/9/2018	RESEARCH	796,400.00	2017/2018
State Dept University Education	7/9/2018	RESEARCH	1,618,776.00	2017/2018
State Dept University Education	7/9/2018	RESEARCH	426,275.00	2017/2018
State Dept University Education	7/9/2018	RESEARCH	378,000.00	2017/2018
State Dept University Education	7/10/2018	RESEARCH	932,500.00	2017/2018
State Dept University Education	7/10/2018	RESEARCH	1,020,886.00	2017/2018
State Dept University Education	7/13/2018	RESEARCH	2,760,000.00	2017/2018
State Dept For Dev Of The Asal	10/23/2018	RESEARCH	345,000.00	2018/2019
Ministry Of Defence	2/5/2019	RESEARCH	364,900.00	2018/2019
			<b>8,792,737.00</b>	



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**XXI. APPENDIX V: DETAILED ANALYSIS OF CASH AND CASH EQUIVALENT**

<b>Description</b>	<b>2018/2019</b>	<b>2017/2018</b>
<b>Current Accounts</b>	<b>Kshs'000</b>	<b>Kshs'000</b>
BBK-Queensway Branch-Press	5,756	7,526
BBK Corporate Branch - Uhs A/C.0831016213	1,250	1,203
BBK - Queensway Br.- Deposits A/C. (D)	1,943	2,423
KCB - University Way - Research Grants A/C.	9,161	-
KCB - University Way - UoN Endowment Fund	361	363
KCB - University Way - J.A.B. A/C.	17,041	24,499
KCB- University Way - Uhs A/C.227790898	10,584	4,648
KCB - University Way - Dollar A/C.	41,174	35,074
Scb - Koinange Str-Main Dollar A/C.	211	134
Scb - Koinange St-Kavi Dollar A/C.	76,441	34,372
KCB - University Way - UoN Alumni A/C.	46,941	1,570
KCB - University Way - Pacn A/C.No.271-970-412	3,843	1,089
Standard Chartered Koinange Str - UoN Instapa Project A/C.	2,009	4,694
BBK Queensway - Dollar Account 03-022-7023791	860	2,085
Standard Chatered Bank – KSh A/C.01020-063212-00	23,895	694
KCB - Pact Us Dollar A/C.No.1121857884	624	2,326
KCB - Pact K.Shs A/C.No.1121857426	26,900	26,775
BBK Capital Projects	1,795	2,103
KCB-University Way UoN-Criss Project -1137133120	6,023	11,414
KCB- Edcctp (Hiv Vaccine)	47,275	23,811
UoN-Sasakawa Endowment Fund	70,300	127
UoN-BBK Pound Sterling	1,991	2,217
UoN-Fasu Games (Kes) Account	932	932
UoN-Fasu Games (Usd) Account	8,542	8,437
UoN-Crown Agent A/C (Gbp)	100	102
UoN-Sasakawa Endowment Fund (Gdp)	29	29
UoN-Endowment Fund	5,358	5,362
KCB - Sarit Centre - Cavs	254	552
BBK - Westlands A/C - Cbps.	35,408	15,849
BBK - Westlands A/C C.H.S.S.	22,376	-
KCB - Anniversary - Cae	32,967	13,176
BBK - Hurlingham A/C C.H.S.	486	221
KCB - Kikuyu - Cees	1,928	285
BBK - Westlands - Cbps	3,398	3,500
KCB - Sarit Centre - Cavs	6,853	1,208
BBK - Westlands Igu Cosol. A/C C.B.P.S.	3,613	1,890
KCB - University Way - Cae	549	519
KCB - Kibwezi Branch - Cavs	1,511	261
BBK - Hurlingham-Chs	7,964	7,898
BBK - Hurlingham-Chs	394	398
BBK - Westlandslands - Cbps	4,744	3,868

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BBK - Barclays Plaza - Cae Coll.A/C.5053941	6,753	1,705
BBK - Barclays Plaza Cavs Coll.A/C.5053984	16,702	11,696
BBK - Barclays Plaza-Cees Collection A/C.	4,113	2,282
BBK - Confucious Institute-Chss	1,492	3,380
BBK - Hurlingham - Unitid Chs A/C 1543520	8,000	11,429
BBK - Hurlingham - Unitid Chs2 A/C 1544314	11,251	10,930
KCB - Ksc A/C. No.230-660-280	12,020	7,082
KCB - Ksc Igu. A/C. No. 230-661-715	13,232	6,138
BBK UoN Branch - Cae Coll.A/C.083-1000805	2,062	270
BBK-Confucious Institute (Usd) - Chss	15,226	22,345
BBK - UoN Marps Project A/C 2022586893	1,923	1,914
Equity Account(School Of Pharmacy Infrastructure Fund )	5,085	5,085
KCB A/C - Odel	9,288	6,352
Mpesa - Examination Centre Utility A/C	4,299	12,001
Mpesa -UoN Alumni Association	3,523	1,204
Cash in Hand	540	146
UNES Cash in Hand	-	1,836
UoN Swa BBK Comcare Special Account	13	41
UoN Swa BBK Comcare Main Account	2,439	1,706
UoN Swa BBK Chiromo Main Account	129	298
UoN Swa BBK Chiromo Special Account	33	33
UoN Swa BBK Kenya Science Main Account	-	99
UoN Swa BBK Kenya Science Main Account	125	-
UoN Swa BBK Lower Kabete Main Account	1,973	102
UoN Swa BBK Students Centre Main Account	440	1,121
UoN Swa BBK Students Centre Special Account	-	39
UoN Swa BBK Upper Kabete Main Account	104	141
UoN Swa Hqs BBK Halls Account	18,675	11,529
UoN Swa Hqs BBK Halls Special Account	253	253
UoN Swa Hqs BBK Main Account	3,774	576
UoN Swa Hqs BBK Main Special Account	363	96
UoN Swa KCB Kikuyu Smu	657	478
UoN Swa KCB KmsH Smu	419	210
UoN Swa KCB Lower State House Smu	1,889	322
UoN Swa KCB Mamlaka Smu	-	291
UoN Swa KCB Parklands Smu	240	432
UoN Swa KCB Ushr Smu	1,521	4
UoN Swa KCB Varsity Catering Services	2,152	736
UoN Swa KCB Womens Hall Smu	2,467	319
Consolidated Fixed Deposit - Central Swa	1,964	1,964
Nbk Bank - Central Swa	105	2
UoN Cessp Dollar Account	3,722	2,837
UoN Cessp Application Account	6,208	2,241
UoN Cessp Operations Acc	2,120	1,670
UoN Cessp Dsp Account	937	2,565

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UoN Cessp Collection Account	17,783	15,878
UoN Cessp Application Fee Account	1,788	3,803
KCB Us Dollar Application Account	1,989	640
Unes Cash At Bank	20,621	6,092
UoN Swa KCB Mamlaka Smu	19	-
BBK Salaries Sweeping Call Account	1,382	-
BBK Stores Sweeping Call Account	2,313	-
BBK Deposits/Gen Pyts Sweeping Call Account	94,950	-
	<b>842,860</b>	<b>415,951</b>
<b>Short Term Deposits</b>		
Savings & Loans (K) Ltd Dpst. A/C	385	360
Short Term Investments-Nrb. Univ. Press	-	3,740
Alumni - Short Term Investment	-	44,310
BBK Salaries Sweeping Call Account	-	848
BBK Stores Sweeping Call Account	-	1,084
Unes Short Term Deposit	-	75,000
	<b>385</b>	<b>125,343</b>
<b>Overdrawn Cashbook</b>		
BBK - Queensway Br.- Paying A/C. (G)	1,495,053	1,950,179
BBK - Queensway - UoN Central Stores A/C.	4,307	5,666
KCB - University Way - Research Grants A/C.	-	33,433
BBK - Westlands A/C C.H.S.S.	-	11,637
Unes Overdrawn Accounts	-	4,387
	<b>1,499,360</b>	<b>2,005,302</b>