



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**RONGO UNIVERSITY**

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







OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY  
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**RECEIVED**

**RONGO UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**JUNE 30, 2021**

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

**Table of Content**

	<b>Page</b>
1. KEY ENTITY INFORMATION AND MANAGEMENT.....	ii
2. COUNCIL MEMBERS.....	2
3. MANAGEMENT TEAM.....	4
4. CHAIRPERSON'S STATEMENT.....	5
5. REPORT OF THE VICE-CHANCELLOR.....	6
6. STATEMENT OF RONGO UNIVERSITY PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2020/2021.....	19
7. CORPORATE GOVERNANCE STATEMENT.....	26
8. MANAGEMENT DISCUSSION AND ANALYSIS.....	34
9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING.....	41
10. REPORT OF COUNCIL.....	50
11. STATEMENT OF COUNCILS' RESPONSIBILITIES.....	51
12. STATEMENT OF FINANCIAL PERFORMANCE.....	52
13. STATEMENT OF FINANCIAL POSITION.....	53
14. STATEMENT OF CHANGES IN NET ASSETS.....	54
15. STATEMENT OF CASH FLOW.....	55
16. STATEMENT OF BUDGET AND ACTUAL COMPARISON FOR THE YEAR ENDED 30 <sup>TH</sup> JUNE 2021.....	56
17. NOTES TO THE FINANCIAL STATEMENTS.....	57
APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS ON 2019/20 AUDIT REPORT.....	86
APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY.....	88
APPENDIX III: INTER-ENTITY TRANSFERS.....	89



## **1. KEY ENTITY INFORMATION AND MANAGEMENT**

### **(a) Background information**

Rongo University was chartered by the President of Republic of Kenya, His Excellency Uhuru Kenyatta On 7<sup>th</sup> October 2016. The University has since established six teaching schools and one graduate school as follows:

- a) School of Agriculture, Natural Resource and Environmental Science
- b) School of Business and Human Resource Development
- c) School of Arts and Social Sciences
- d) School of Science Technology and Engineering
- e) School of Information, Communication and Media Studies
- f) School of Education
- g) School of Graduate Studies

The six teaching Schools offer various academic programs ranging from Certificate to Post graduate, whereas the graduate school coordinates the graduate programmes.

### **(b) Principal Activity**

The principal activity of the University is to provide quality and innovative higher education through teaching, research and community service.

### **(c) Quality Policy Statement**

Rongo University is committed to providing quality and innovative higher education through teaching, research and community service. In pursuit of this commitment, the University shall comply with all the applicable requirements and continually improve her effectiveness by implementing quality management systems. The University shall review its policy and establish quality objectives on an annual basis to ensure continuing suitability.

### **(d) Quality Objectives**

1. To produce quality and innovative graduates
2. To strengthen research, innovation and community Service
3. To improve financial sustainability
4. To engage, and maintain competent human resources.
5. To develop and maintain infrastructure and acquire equipment
6. To enhance corporate governance and image

## VISION

A world class technology driven University in learning and practice.

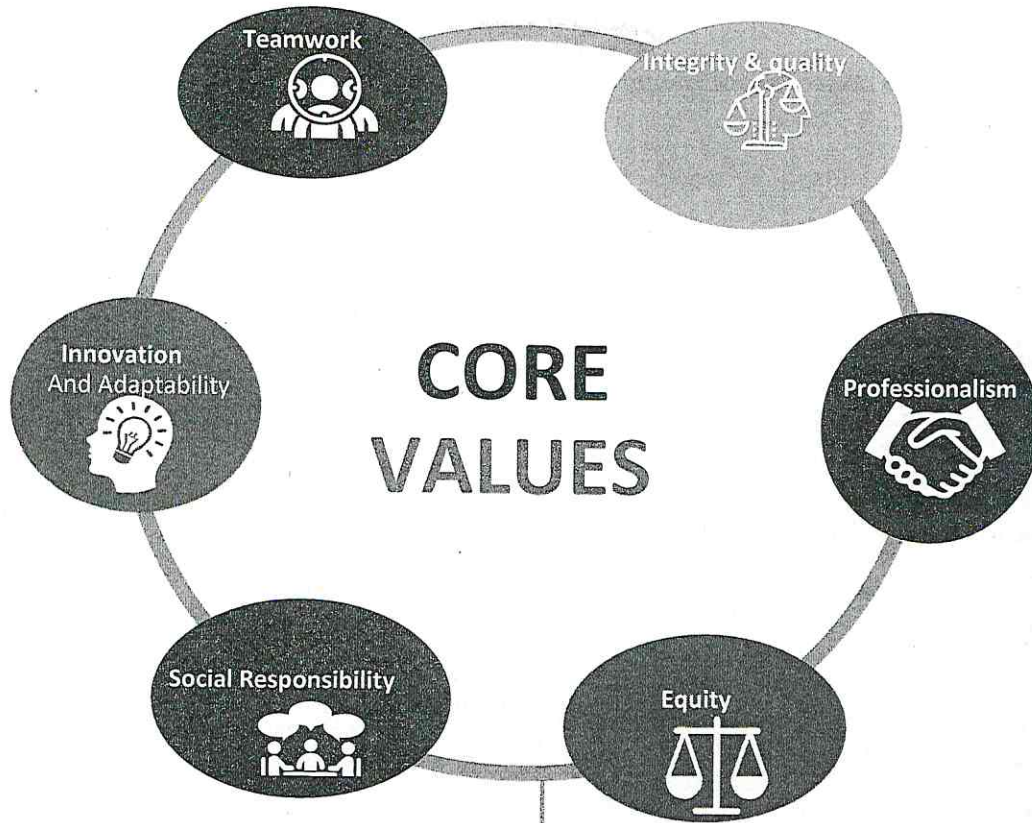
## MISSION

To provide quality and innovative higher education through teaching, research and  
community service

## MOTO

A gold mine of knowledge and innovation





**Social Responsibility**  
Committed to maximize shared values among stakeholders

**Integrity and quality**  
Committed to acting in an honest, transparent and responsible manner while implementing its programmes;

**Professionalism**  
Shall be guided by professional ethics aimed at building an appropriate culture and creating the right corporate

**Equity**  
Shall uphold the highest levels of equity by treating all stakeholders without any discrimination whatsoever;

**Teamwork**  
Shall adopt a participatory approach and work together at all levels in the conduct business

**Innovation and adaptability**  
Shall be a learning institution that embraces change and continuously enhances creativity and innovation in its business Processes.

**a) Key Management**

University governance is under the following key organs:

- 1) Chancellor
- 2) Council
- 3) Management Board
- 4) Senate
- 5) School Boards
- 6) Departmental Boards

**b) Fiduciary Management**

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

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Vice Chancellor	Prof. Samuel Gudu
2.	Deputy Vice Chancellor, AFP	Prof. Stanley Muse Shitote
3.	Deputy Vice Chancellor, ASA	Prof. Augustino Osoro Onkware
4.	Finance Officer	CPA Janet Chumba



**(c) Fiduciary Oversight Arrangements**

The Council members who provided oversight during the financial year ended 30<sup>th</sup> June, 2021 and who had responsibility in various committees were:

<b>Name of the Committee</b>	<b>Members</b>		
<b>Human Resource, Finance &amp; Resource Mobilization Committee (HRFRMC)</b>	1.	<b>Mr. William Omoding</b>	<b>- Chairperson</b>
	2.	Dr. George O. Ochiri	- Member
	3.	Mr. Kenneth Kiprono	-Member
	4.	Prof. Samuel Gudu	-Secretary
<b>Academic Affairs &amp; Appeals Committee (AAAC)</b>	1.	<b>Ms. Catherine N. Mpathia</b>	<b>-Chairperson</b>
	2.	Mr. David L. Mshila	-Member
	3.	Mr. Evans Atambo	-Member
	4.	Mr. William Omoding	-Member
	5.	Prof. Samuel Gudu	-Secretary
<b>Audit Committee (AC)</b>	1.	<b>Mr. David L. Mshila</b>	<b>-Chairperson</b>
	2.	Ms. Catherine N. Mpathia	-Member
	3.	Mr. Evans Atambo	-Member
	4.	Internal Auditor	-Secretary
<b>Strategy &amp; Risk Committee (SRC)</b>	1.	<b>Mr. Kenneth Kiprono</b>	<b>-Chairperson</b>
	2.	Ms. Catherine N. Mpathia	-Member
	3.	Prof. Samuel Gudu	-Secretary

**Physical Address:**

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Website: [www.rongovarsity.ac.ke](http://www.rongovarsity.ac.ke)

**Legal Advisors:**

The Attorney General, State Law Office.

Harambee Avenue P.O. Box 40112, City Square

00200 Nairobi, Kenya

**Auditors:**

Auditor General

Kenya National Audit Offices, Anniversary

Towers,

P. O. Box 30084 – 00100, NAIROBI

**Bankers:**

Kenya Commercial Bank P. O. Box 266-40404, RONGO	Cooperative Bank of Kenya P. O. Box 40560 - 40404 RONGO	Equity Bank P.O. Box 84-40405 AWENDO
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## 2. COUNCIL MEMBERS



**Dr. Rachel Masake**

Dr Masake was born on 5<sup>th</sup> November, 1945. She has a PhD in Immunoparasitology/ Immunopathology from Washington State University. She was appointed Chairperson of Rongo University Council on the 6<sup>th</sup> September, 2018. She has over 30 years' experience in research, majorly in Livestock Management, Animal Health and Community Development. She is a Corporate Governance expert and External Independent Reviewer of Policies.



**Dr. George Ochiri**

Dr Ochiri was born on 22nd August, 1975. He holds a PhD in Supply Chain Management. He is the current CEO of Harambee Sacco Society. He previously worked for various organizations in different capacities including; Safaricom, Longhorn Kenya Ltd and Maisha Bora Sacco. He was appointed to Rongo University Council in 2017. In the year under review he was the Chairman of Rongo University Risk & Strategy Committee of Council.



**Mr. William Omoding**

Mr. Omoding was born on 25<sup>th</sup> November, 1953. He holds a Master's Degree in Development Studies. He previously worked in both the public and private sector in various institutions including Central Bank of Kenya, Standard Chartered Bank. He joined Rongo University Council in 2017 as an independent member. In the financial year under review, he was the Chairman of Rongo University Human Resource and Finance Committee of Council.

**Mr. David Mshila**



Mr. Mshila was born in 1949. He holds Master's Degree in Urban, Social & Environmental Programs. He has over 40 years of working experience in urban, regional and rural development in Kenya for the Kenya Government, German International Cooperation (GIZ) as well as in rural and urban areas. He was appointed to Rongo University Council in 2017 as an independent member. In the financial year under review, he was the Chairman of Rongo University Audit Committee of Council.



**Mr. Kenneth Kiprono**



Mr. Kiprono was born in 1964. He holds a Master's Degree in Management Information System (MIS). He has over 15 years' experience in different Jacca Consulting TE Ltd and Kenya Commercial Bank. Previously he was a Council Member for Embu University College. He was appointed to Rongo University Council in 2017 as an independent member. In the financial year under review, he was a member of Finance and Human Resource and Academic and Appeals Committees of Council.

**Ms. Catherine Mpuhia Nkirote**



Ms. Mpuhia was born on 13th July, 1980. She is a holder of Master's Degree in Strategic Management and LLB. Ms. Mpuhia has over 15 years work experience. She is an advocate of the High Court of Kenya and currently working at Mpuhia Advocates. She previously worked at African Investment Bank Capital Ltd. She was appointed to Rongo University Council in 2017 as an independent member. In the financial year under review, she was the Chairperson of Rongo University Academic and Appeals Committee of Council.

**Mr. Evans Atambo**



Mr. Atambo has a Master of Philosophy in Curriculum Development. He has over 20 years working experience in Education Management. Currently he is an Assistant Director of Education at the Ministry of education. Mr. Atambo is the representative of P.S State department of Higher Education & Research at Rongo University Council.

**Prof. Samuel Gudu**



Prof. Gudu was born in 1956. He holds a PhD in Plant Genetics. Prof. Gudu is the Vice Chancellor Rongo University and Secretary to Council. He has worked for many years in the University Sector. He previously worked for Moi University as Deputy Vice Chancellor Administration, Finance & Planning and later as Principal Rongo University.



### 3. MANAGEMENT TEAM



**PROF. SAMUEL GUDU**  
PhD (Plant Genetics)

Position	Vice Chancellor
Date joined the University	January 2012
Profession	Plant Genetics
Key Qualifications	PhD in Plant Genetics



**PROF. AUGOSTINO. O. ONKWARE**  
PhD (Plant Physiology)

Position	Deputy Vice Chancellor, Academic and Student Affairs
Date joined the University	January_2014
Profession	Physiologist
Key Qualifications	PhD in Plant Physiology



**PROF. STANELEY M. SHITOTE**  
PhD (Civil Engineer)

Position	Deputy Vice Chancellor, Administration, Finance and Planning
Date joined the University	June 2012
Profession	Engineer
Key Qualifications	PhD in Civil Engineering

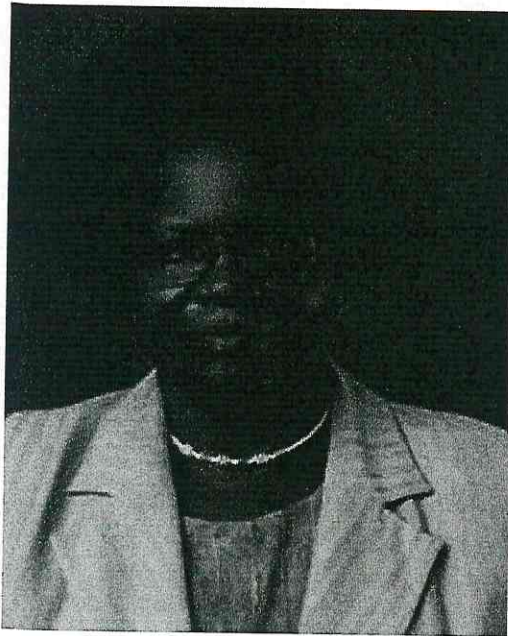


**CPA JANET CHUMBA**  
Masters (Business Administration)

Position	Finance Officer
Date joined the University	February 2013
Profession	Certified Public Accountant & Financial Analyst
Key Qualifications	MBA Finance, CPA(K), FA



#### 4. CHAIRPERSON'S STATEMENT



It is my pleasure to present the Annual Report and Financial Statements for the FY 2020/21 on behalf of Rongo University Council. The year had unique challenges brought about by the Covid-19 pandemic. The University experienced financial constraints owing to the disruption of learning activities, a slowdown in some operations since most staff in non-essential areas had to operate from home and abrupt expenditures to take care of online learning activities and improvement of facilities for Covid-19 mitigation measures. Despite these challenges, Council achieved significant milestones in the implementation of the University core mandate. The available resources were used prudently to enhance the University's competitiveness among national and

international universities. The university stepped up its effort to enhance its capacity to deal with the emerging issues to safeguard the interest of key stakeholders, more so the students and staff. The university reviewed its Strategic Plan and placed greater emphasis on the use of technology, resource mobilization and cost containment. Interventions that focus on marketing to enhance visibility and corporate image, greater interaction with core stakeholders and training staff to meet skills gap were undertaken as measures to deal with emerging challenges. Going forward, the university will re-double its effort to contribute to the achievement of the Big 4 Agenda, re-organize its curricular to be consistent with the needs of the Competency Based Curriculum and emphasize the business sustainability.

I take this opportunity to record my sincere gratitude to all stakeholders including the parents, Ministry of Education, and development partners for their continued support.

I also wish to appreciate my colleagues in Council, Management, Senate, staff and students for their invaluable contribution and dedication in supporting the university's mandate. I look forward to more fruitful engagements in the new Financial Year 2021/22.

A handwritten signature in black ink, appearing to read 'R. Masake', written in a cursive style.

**DR. RACHAEL MASAKE**  
**CHAIRPERSON OF RONGO UNIVERSITY COUNCIL.**



## 5. REPORT OF THE VICE-CHANCELLOR



It is my great pleasure to present the Annual Report and Financial Statements for the year ended 30<sup>th</sup> June, 2021. This has been a year of new challenges brought about by Covid-19 pandemic but also a year when the University achieved significant milestones.

### Strategic Review

Rongo University adopted strategic reporting in 2013 as guided by the strategic Plans 2013-2017 and 2017-2022. The objectives contained in the current Strategic Plan have been incorporated into the University Integrated Reporting framework. The objectives have shaped the activities of the University and aligned them to the University context and plans for the short, mid, and even

long-term projections. The adoption of strategic planning and integrated reporting framework has increased transparency in reporting and assured closer monitoring of activities through performance contracting. It has ensured that all stakeholders contribute holistically towards the attainment of the University goals.

The University is cognizant of the fact that external environment, vision, strategy, risks, opportunities, and the interdependencies among key actors substantially influence the strategic direction of the University. It has therefore maintained an inclusive and vibrant environment for everyone to participate and thrive. This is further achieved by prudent utilization of resources such as human resource, financial, and social capital which normally play a key role in shaping the growth of the University. Nonetheless, the growth in 2020/2021 FY was significantly slowed down by the Covid-19 pandemic as a result of scaled-down operations in the second half of the year. However, some of the key achievements in the year are as follows:

### 5.1 Governance

The University is governed by several organs including the Office of the Chancellor, the University Council, Senate, Management Board, School Board and Departmental Board together with the Student Association. These bodies ensure fulfillment of the University Vision and Mission and manage its operations and academic affairs through sound policies, and availability and prudent utilization of resources. Through open-door policy, students and staff participate actively in all aspects of governance.

### 5.2 Academic Matters

The University is committed to fostering quality intellectual and ethical environment based on the principles of academic integrity. At the center of its significant growth in academic excellence and social responsibility the University are the core values which guide the daily operations of the university. We are committed to the advancement of education through teaching, research, and community service in an atmosphere of responsibility, a culture of continuous improvement and fostering high moral standards, as well as the spirit of service and respect for everyone. On admission, students are taken through an elaborate induction program to expose them to the ideals, values and culture of Rongo University. On an annual basis, the University holds cultural and open days, public lectures, career talks and hackathons that



continuously expose our students to the dynamics of the job market and societal challenges. Currently, the student population is 6244 comprising 3646 males and 2598 females.



All our academic programmes have a component on practical attachment, internship, and fieldwork. We also run quarterly corporate social responsibility programmes involving staff and students in the nearby communities, institutions, and market centres. Over the last five years, the University has released to the job market 5956 well trained and market ready graduates. Within the year, the University reviewed and developed a total of 6 new

academic programs and implemented harmonized curricular.

The academic activities of the University were rather slow in the first half of the financial year due to indefinitely suspended physical learning by the government as a containment measure against Covid-19 pandemic. This mainly affected teaching of undergraduate, diploma and certificate programs but teaching and supervision of postgraduate students continued online.

### 5.3. Student Affairs

In 2020/21 FY the University has put in place various co-curricular activities to support student learning and wellness which include; participation in games and sports (scrabble, handball, darts, hockey, karate, football, and athletics), music and drama festivals. In addition, the University organizes cultural week, award of bursaries, work-study programs, counselling services, medical care among others.

The University implemented several programs aimed at improving student academic outcomes and social wellbeing. Some of the programs include:

#### 5.3.1 Students Leadership Rongo University Students Association (RUSA)

The Students Association conducted elections of leaders for 2019/20 academic year on 19/1/2021 and 21/1/2021 for the Student Electoral College and Executive Council respectively. The elections filled 7 posts in the Executive Council and 24 posts in the Electoral College. Consequently, the university currently has a strong student leadership which articulate their issues in the management of the university.

#### 5.3.2 Students leadership capacity building

During the year, the student leaders were facilitated to various leadership capacity building fora. Chairperson, Vice-Chairperson and Secretary General of RUSA attended a two-day workshop for University Students Leaders held at the Kenya School of Government in Mombasa between 23<sup>rd</sup> and 25<sup>th</sup> February 2021. The workshop was sponsored by the Kenya School of Government. This workshop was part of capacity building for young leaders on such issues as integrity, patriotism, peace and security among other important topics for national development.



All the thirty-two (32) RUSA leaders were inducted between 11<sup>th</sup> and 13<sup>th</sup> March 2021 at Hotel Sapphire in Mombasa. The leaders were trained on diverse leadership topics including etiquette and protocol, transformational leadership and innovation, roles of leaders of the student's association, fundraising and issues on drug and substance abuse among others. They were also exposed to issues on personal branding for future employment opportunities. The leaders were issued with certificates of participation.

### **5.3.3 General students' health welfare**

During the period under review, the students remained at home for nearly 6 months of the financial year save for the brief session of face-to-face examinations session in October and November 2020. The University, unfortunately, lost 8 students over the reporting period owing to natural attrition. The University extended support to each of the bereaved families.

### **5.3.4 Co-curricular activities**

During the period a few activities were accomplished on a small scale due to Covid-19 pandemic. The students were out during the first 6 months of the year. Upon resumption of studies from October 2020, several activities were accomplished as outlined:

- i. Seven (7) member of the University choir took part in the Mashujaa Day celebrations held in Gusii Stadium, Kisii County, on 20/10/2020. Some 30 students were identified and facilitated to perform the singing of the Kenya National and the East African anthems virtually. The performance was recorded and submitted to the Presidential Music Commission.
- ii. During the period the students resumed face-to-face on-campus learning with strict adherence to the Ministry of Health guidelines to combat COVID-19, hence the need to address the issue of conduct in line with the government protocols on sports and games. Additional guidelines on the conduct of sports in line with COVID-19 protocols were implemented. The University choir was trained on the requirements for performance at the festivals where COVID-19 protocols are adhered to.
- iii. Teams for non-contact co-curricular activities were formed to conduct light practices. The teams include music, athletics, darts, table tennis and badminton.
- iv. The University teams participated in the KUSA western zone competitions held at Kibabii University on 20-21 Feb 2021. In this competition, the Darts team for men and women qualified to represent the University in the National competitions to be held later in 2021. The table tennis men and women teams won 2<sup>nd</sup> runners-up positions.
- v. Another competition was held on 27-28 February 2021 in Rongo University. The competitions were in scrabble, chess, Frisbee and cross country. The scrabble men and women teams qualified to represent the western Kenya zone at the nationals to be held later in 2021.

The inter-university sports competitions were put on hold due to Covid-19 containment measures as from March 2021 till end of the academic year.



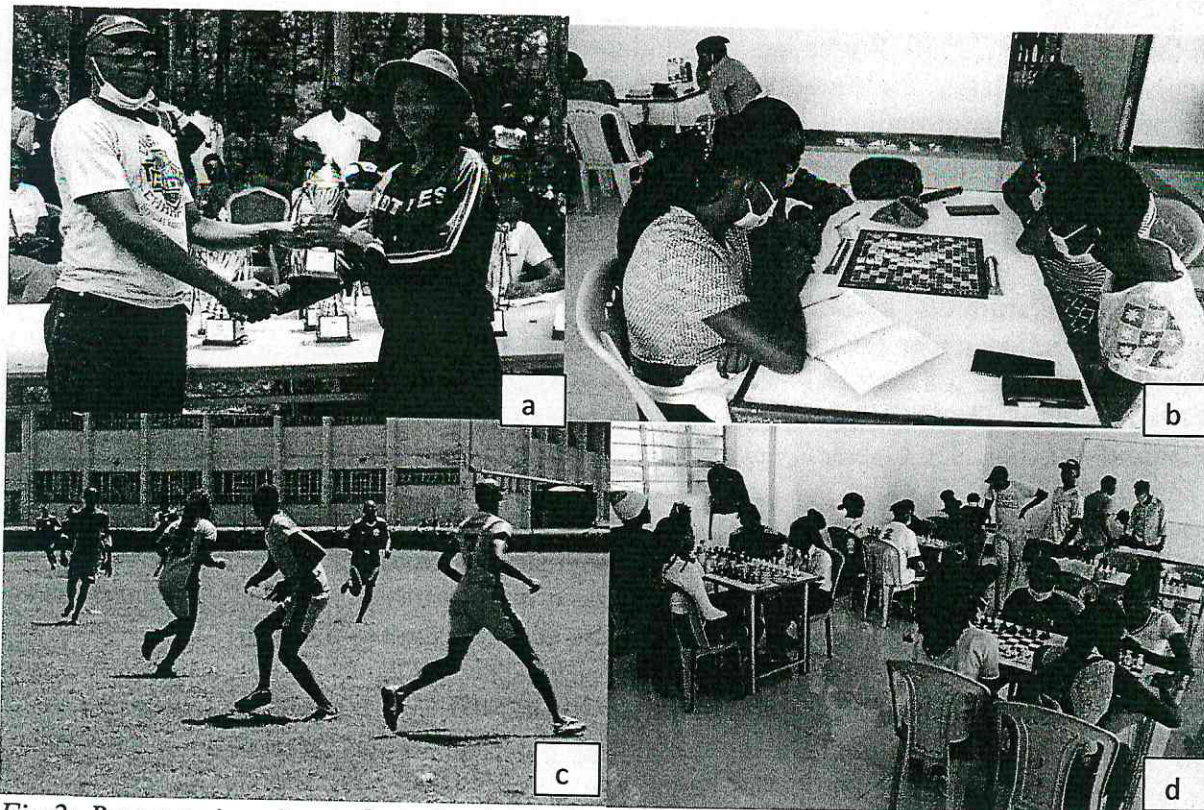


Fig 2: Rongo university students involved in co-curricular activities (a) Award of trophies to the winners; (b) game of scrabble; (c) Frisbee; (d) Chess

### 5.3.5 Work study Program

During the period, Departments in the University declared a total of 109 vacancies for work-study opportunities. There were 365 applications received out of which, 51 comprised of those who had previously worked. From the total, 90 new applicants were shortlisted to be considered for interview and placement alongside 51 who had previously served. On 19<sup>th</sup> March 2021, 69 applicants were interviewed and together with 51 other applicants who had previously served were recommended for placement in various workstations in the University. The students commenced work from May 2021.

### 5.4 The 3<sup>rd</sup> Health Informatics (HI4K) Hackathon Held at Rongo University

HI4 Kenya hackathon was a three-day intensive development session where students solved challenges presented by both Ministry of Health and Ministry of Labor and Social Protection. The hackathon involved close mentorship from the industry experts in a multidisciplinary team finally awarded the top-three teams. The developed products arising from the exercise were incubated for adoption by the two government ministries.

### 5.5 Careers services

The University has an active Alumni, Career Development and Placement Services Unit under the office of the Dean of Students. This Unit is headed by a Career Development Officer who has been at the forefront of offering career guidance to students, seeking internship and attachment opportunities to students, and connecting students with potential employers.



## 5.6 Collaborations & Linkages



*Figure 3(a) Rongo University in Partnership with Ukulima Sacco training on methodology for sustainable food systems in Migori County.*

The university is one of the major players in the Kenyan education sector and has developed strong partnerships and linkages with diverse industries and institutions at local, regional, and international levels. These partnerships have enhanced research, innovation, exchange and outreach programmes, scholarship, curriculum development, infrastructural development, and general service to staff and students.

Many collaborative ventures have been established. For instance, the University has collaborated with McKnight Foundation to undertake research on food and nutritional security, Hitaji Foundation to mentor girls in Migori County, Peacetech Lab, Washington DC, US to track violence in Africa to inform response intervention, Africa Library project to promote literacy in schools in western Kenya among others. Most important, the University is a Centre of Excellence for food and nutrition security for a block of sixteen (16) Counties in Western Kenya. It is home to the UNESCO Chair on Community Radio for Agricultural Education. Through the community radio, the University has produced and archived 2 podcasts and 8 adverts on Climate Smart farming technologies; provided training for 35 community media practitioners on production of radio content for Covid-19 education and management; and produced and archived 18 radio adverts on Covid-19 prevention and management.

In addition to the collaborative initiatives, the University has signed memoranda of understanding with many national (e.g. University of Eldoret, the University of Nairobi, Kibabii University), regional (e.g. Archbishop James University College, Tanzania and University of Rwanda, Rwanda), and international universities (e.g. Brighton University, UK, Wuhan Textile University, China, Wilfrid Laurier University Laurier Centre for sustainable food systems, Canada).

## 5.7 Research Activities

The University staff actively conducted various research activities aimed at developing new technologies and providing solutions to challenges faced by society in the areas of health, food



and nutrition security. This led to the University being awarded Centre of excellence status in food and nutrition security by the Lake Region Economic Bloc. Some of the ongoing research projects include: (i) Sorghum Project funded by McKnight Foundation, (ii) Post-harvest handling project funded by National Research Fund, (iii) Aflatoxins Research project funded by National Research Fund, (iv) Sorghum breeding project funded by Global Crop Trust, (v) Digital Dairy-ICT Advisory funded by KCSAP-World Bank, and (viii) Climate-Smart technologies funded by KCSAP-World Bank. The ongoing projects are funded at about Ksh. 28 million. In this financial year, we also developed about 20 research proposals which were submitted to various funding agencies.



*Figure 3(b): Farmers Field visit for sorghum variety selection. The Project is sponsored by McKnight Foundation US*

## **5.8 Outreach and Extension Services**

Since Universities are expected to enrich the communities they operate in, Rongo University has enriched the Rongo locality through community outreach and corporate social responsibility activities. Accordingly, the University engaged the community in the following activities aimed at enhancing their livelihoods:

### **5.8.1 Donation of Books**

The University in collaboration with the African Library Project has so far handed over 10,000 children books to 8 schools and 4 community libraries from Migori and Homabay Counties. This donation is part of the ongoing project and has so far seen over 150 community and schools' libraries receive over 152,000 books.



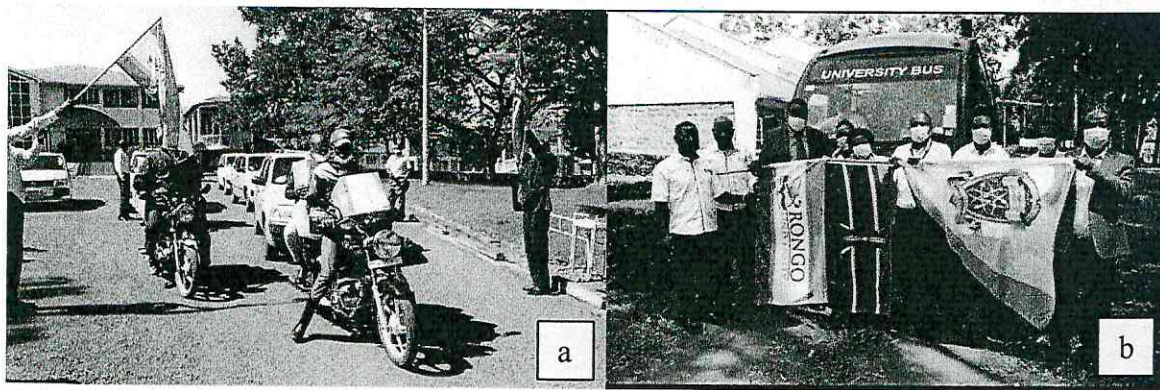


Fig 4: (a) Flagging off books to primary and secondary schools; (b) Flagging off books to Kibabii University

### 5.8.2 Observing the International Mother Language Day

The Kenya National Commission for UNESCO in partnership with the UNESCO Chair on Community Radio for Agricultural Education – Rongo University, hosted this year’s celebrations within the university. The theme of the celebration was “Fostering multilingualism for inclusion in education and society”. The ceremony provided a forum for students to elevate the position of Mother Language and its use within the University community. The event was marked with colorful displays of cultural foods, attire and vibes.



Fig 5: International day for Mothers Language celebration at Rongo University

### 5.8.3 Training of farmers

The University trained farmers on various agronomic practices



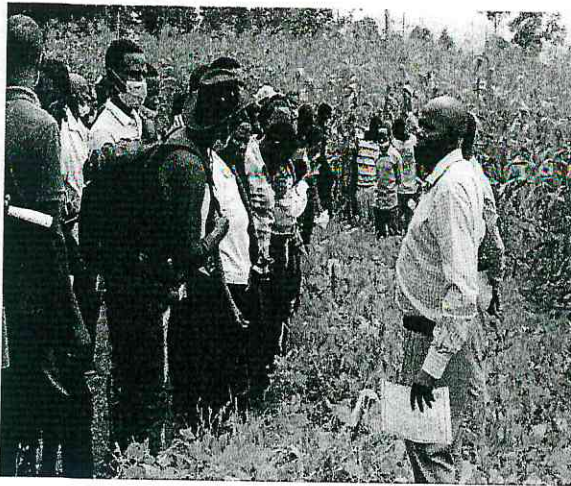


Fig 6: Farmer field training on soil fertility and weed management by Rongo University staff

### 5.9 Publication and Innovation

To enhance scholarship in the FY 2020/21, the University sponsored staff to publish over 48 research papers in refereed journals, copies of which have been deposited in the University repository. Besides, staff and students developed two innovations which are being tested as possible candidates for intellectual property rights registration. The two include a System for tracking drug administration while the other is RUTSURVE system for COVID 19 tracking and surveillance.

### 5.10 Human Resource Matters

The University undertook several staff welfare matters within the year as shown below:

#### 5.10.1 Employee Medical cover

The University implemented N.H.I.F Comprehensive Medical Cover, Group Life and Last Expense for the period. However due cash flow challenges the cover was terminated. The university then resorted to direct payments to various hospitals.

#### 5.10.2 Pension Scheme

The University is in the process of registering Rongo Pension Scheme with the Retirement Benefits Authority to supersede the current arrangement where the staff pension benefits are held by the former mentor university.

#### 5.10.3 Staff Training and Development and Conferences

In the interest of employee professional development and growth, the University facilitated both academic and administrative staff for conferences, workshops, trainings and further studies. Some of the staff training and development activities include:

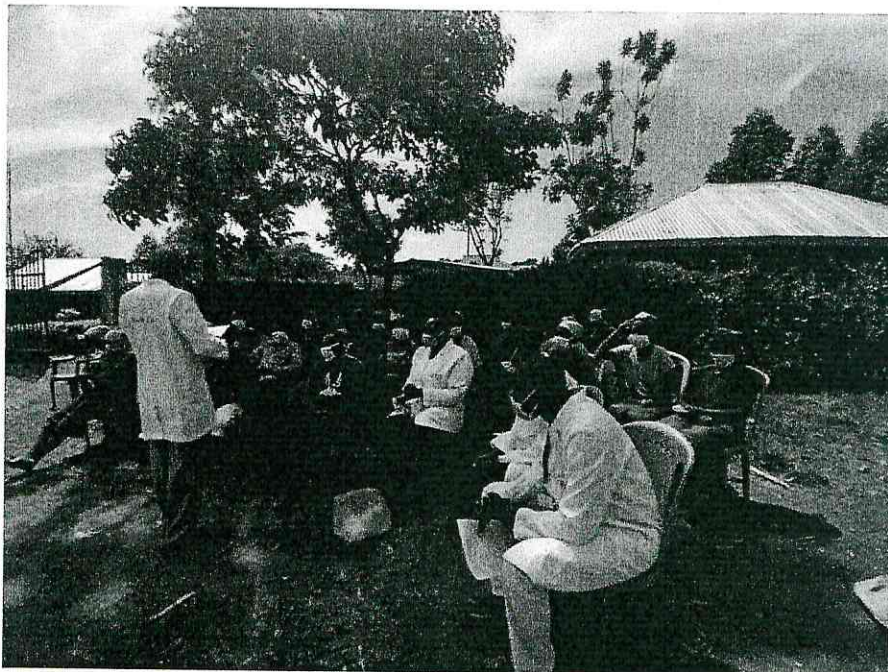
- a) **Study Leave:** To facilitate employee professional growth, the University was able to grant study leave to three (3) members of staff to pursue training in different fields including PhD in Tourism, MSc in Aquaculture and Diploma in Water Engineering.
- b) **Workshops and Conferences:** To facilitate continuous development several staff members were facilitated to attend workshops and seminars in various disciplines. The sponsored staff presented papers at the learned workshops and conferences.



### 5.11 Health care matters

Rongo University Clinic is an outpatient health facility registered by the Kenya Medical Practitioners and Dentist Board – Reg. No. GK-015963 with a Master Facility List (MFL) code number-20647. The clinic operates 24 hours a day and serves students and staff. Community members can also access free reproductive services as well as immunizations for children under 5 years. The Clinic services include: treatment of common ailments, performance of minor surgical procedures, antenatal clinic services, family planning services, cancer (cervical & breast) screening services, referral services, in-reaches and outreaches.

The long closure of learning institutions owing to COVID 19 pandemic greatly reduced workload at the clinic by around 70%. A total of 2,509 patients with 37 referrals were attended to, which represents about a third of the usual workload. In collaboration with the Ministry of Health (MoH) and Rongo University Aids Control Unit (RUACU), the clinic conducted one outreach on HIV & AIDs at Kitere mining center (*see photo below*), including voluntary counselling & testing for HIV service.



*Fig 7: HIV & AIDs prevention sensitization activity at Kitere mining center*

The event attracted 54 gold miners 20 of whom underwent voluntary counseling and testing for HIV.

RUACU also conducted three internal wellness promotion exercises for staff and students' which entailed checking of blood pressure, calculation of body mass index (BMI), checking of random blood sugar and wellness counselling. A total of 182 participants were screened (58 staff and 124 students).



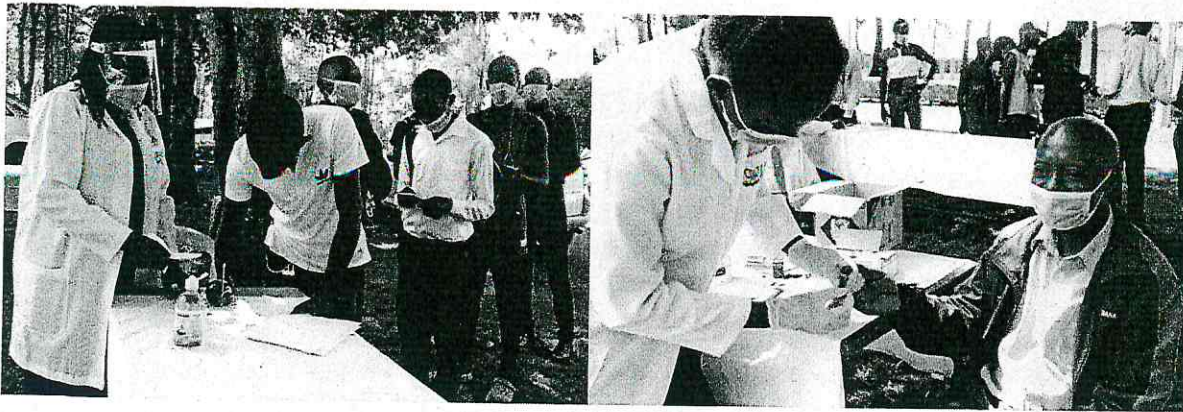



Fig 8: Wellness promotion exercise: Screening of students and staff

The University also organized two virtual staff and student sensitization exercises (*see attached poster below*) on mental health, stress management and prevention of HIV&AIDs and its linkages to TB, STIs and Covid-19. We sensitized a combined total of 117 staff and students



**RONGO UNIVERSITY**


## Health Awareness (Virtual)

Join with Google Meet  
meet.google.com/dow-jdvr-sxo


FEBRUARY 09 2021

# SAVE THE DATE

TIME	TOPIC/ACTIVITY	FACILITATOR
9:00-9:10am	Housekeeping issues & moderator	Dr. Omondi Odero
9:10-9:15am	Introduction	RUACU Chairperson – Prof. Ngalo Otiemo-Ayayo
9:15-9:15am	Opening remarks	The Vice Chancellor- RU, Prof. Samuel Gudu
9:15-11:15am	Mental health	Ms. Jackie Anundo – Registered Clinical Psychologist at Chiro Hospital group and Lecturer at Amref International University
11:20am-1:20pm	HIV prevention and linkage with Covid 19, TB and Human rights	Dr. Nyakwana Tiberry - Lecturer, JKUAT, School of Medicine (Paediatrics, Epidemiology and Public Health)
1:20pm	Closing remarks and Vote of thanks	Dr. Maureen Adoyo




Prof. Samuel Gudu  
Vice Chancellor - Host




Prof. Z. Ngalo Otiemo - Ayayo  
Chairperson RUACU


Topics & facilitator are as follows:




Dr. Nyakwana Tiberry  
Lecturer, JKUAT, School of Medicine (Paediatrics, Epidemiology and Public Health)




Ms. Jackie Anundo  
Registered Clinical Psychologist at Chiro Hospital group and Lecturer at Amref International University



Dr. Omondi Odero  
Moderator



Ms. Carolyn Chibau  
Programme Coordinator



Dr. Maureen Adoyo  
Vote of thanks

Fig 9: A virtual sensitization on mental health, stress management and HIV& AIDs prevention

In response to the COVID 19 situation in the country and in accordance with the MoH guidelines, the University set up and equipped an 8-bed Covid isolation unit in readiness for potential patients.

To support our child immunization program which was initiated within the year, Rongo Sub-county hospital donated to the university a K.E.P.I fridge for vaccines storage; 2 cold boxes for carrying vaccines and an infant weighing scale. The university also issued out to Rongo Sub-



county hospital the few drugs that were of short expiry to avoid wastage and strengthen our collaboration.

### 5.12 Security

The University has constructed a gate and planned to construct a perimeter wall to secure the University boundary. The National Police Service has also deployed police officers to the newly constructed Police Station on the University land. There is close collaboration between the University security system and the County and Sub-County security system. This has greatly improved security for staff and students.

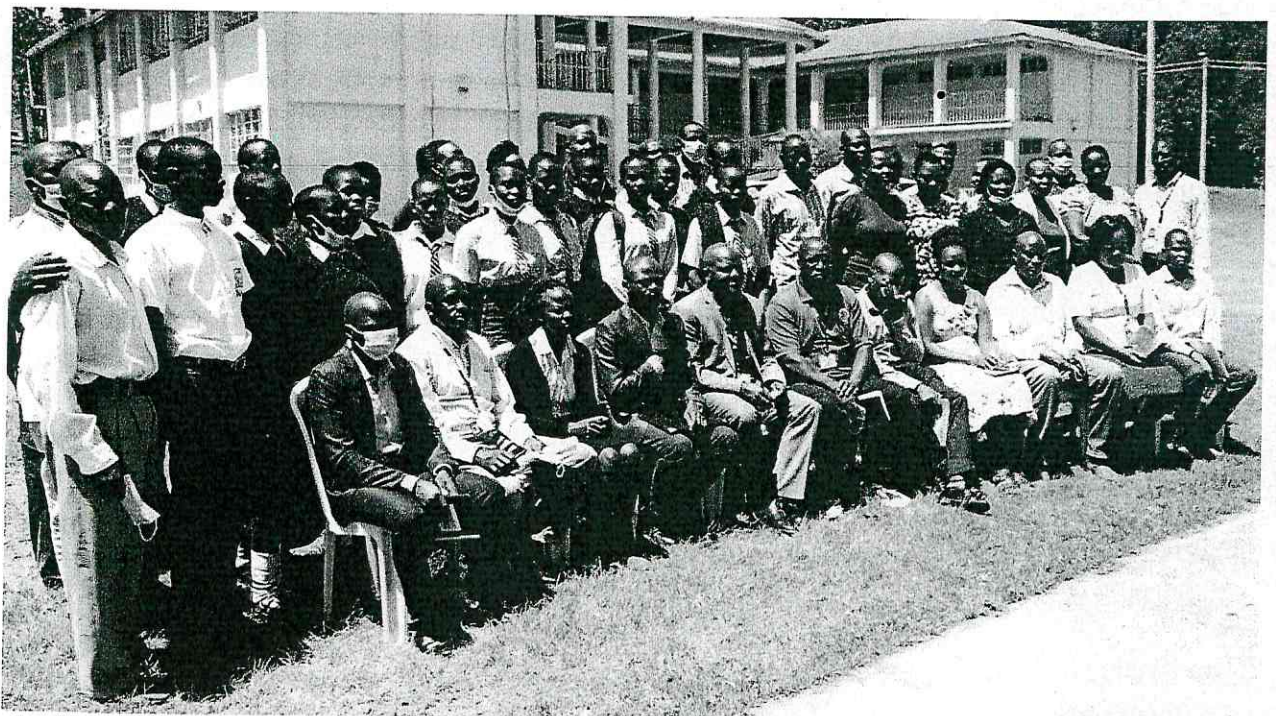
The University organized and facilitated staff on Disaster Preparedness awareness on 11<sup>th</sup> February 2021. The sensitization was attended by nearly all staff and they were enlightened on:

- (a) Personal Security
- (b) Disaster Preparedness and Response
- (c) Emergency Response Plan

Further, the University organized a training and sensitized both Rongo University students, students from neighboring secondary schools and staff on Countering Violent Extremism on 28<sup>th</sup> January, 2021. The program was facilitated by officers drawn from the National Counter Terrorism Centre - (NCTC).

It covered the following areas:

- (a) Introduction to Extremism
- (b) Process of Radicalization and re-radicalization
- (c) Countering Violent Extremism
- (d) Suspicious Activities, persons and items
- (e) Active shooter scenario



*Fig 10: Attendees of Training on Countering Violent Extremism at Rongo University*



### 5.13 Resource Mobilization

The increasing costs of higher education necessitates rising levels of resources mobilization amidst dwindling revenue from mainstream sources. The University has established a blueprint for mobilizing resources for long-term funding requirements and provides a supportive and conducive environment that promotes innovation and entrepreneurship. In this regard, the University generates revenue from fee collection, research grants, and income-generating activities including fashion design and apparel production, hass avocado growing for sale and bee keeping .

The University has also planned to launch an Endowment Fund to supplement the other income generating activities. This will go a long way in supporting academic activities as well as the recurrent activities of the University.



*Fig 11: Income Generating Units at Rongo University (a) Branded Honey (Apiary unit); (b) Visit by Principal Secretary State Department of University Education and Research (Textile Production Unit)*

### 5.14 Financial Performance Review

The emergence of Covid-19 pandemic in March 2020 had a significant negative impact on the financial position of the University. Students were sent home abruptly as one of the measures to contain the spread of the deadly virus, and this hampered fee collection. Also, the University was forced to implement remote teaching and research necessitating acquisition of necessary equipment to facilitate these activities. These challenges caused a significant drop in revenues compared to what was achieved in the previous financial year.

Overall, the University experienced a low operations budget compared to the previous year. The year-to-year differences in operations expenditure was caused by many factors including reduced revenues earned in the year, the one-off payment for voluntary early retirement benefit to affected staff, and the write-off of selected university assets. To manage the operations with these challenges, deliberate cost control measures were instituted including cuts in discretionary spending, a freeze in employment and salary increases, and reduction in capital expenditures, enhanced use of ICT in operations, and overwhelming support from staff and students.

The financial difficulties are not yet over given that COVID19 is still a problem requiring enormous resources to manage, global economic downturn, socio-political challenges, the declining per capita funding for university education, and increased need to procure and use technology in most of university operations. Together, these factors will continue to affect the



University financial outlook, especially the FY2021/22. The University therefore envisages declining revenues again creating further problems in the operations for the second year in a row. The University will need to incur additional cost to enhance its ICT infrastructure for remote and blended learning, refurbish and equip scientific laboratories, classrooms, and hostels to improve learning environment and to meet the Ministry of Health COVID-19 requirements.

In summary, I wish to thank the Government of Kenya through the Ministry of Education for continued financial support to the University. The University also acknowledges the financial support from research collaborations and partnerships, and the inspiring in-kind contributions of staff and students and the overall guidance of the University governing organs.

Sincerely,



Prof. Samuel Gudu  
**VICE CHANCELLOR**



**6. STATEMENT OF RONGO UNIVERSITY PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2020/2021**

Rongo University has Four (4) Key Result areas and 6 objectives within the current Strategic Plan for the 2017 – 2022 period. These strategic Key Result areas are as follows:

1. Academic Excellence
2. Research, Innovation and Community Service
3. Financial sustainability
4. Institutional Capacity

The University develops its annual work plans based on the above 4 Key Result Areas. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The University achieved its performance targets set for the FY 2020/2021 period for its 4 strategic key result areas, as indicated in the table below:



### Key Performance Indicators and Achievements

Strategic Pillar	Quality	Quantity	Quality	Quantity
<b>KRA 1: ACADEMIC EXCELLENCE:</b>	To produce quality and innovative graduates	Number of academic programs reviewed	Review existing academic programs to meet the market needs	The University reviewed a total of 19 Programmes consisting of 4 Certificate, 7 Diploma, 1 Undergraduate and 7 Post-graduate programmes
		Number of market driven programs developed and implement	Develop and implement at least 2 market driven programs.	The University developed a total of 6 market driven programmes during the year.
		Existing learning and teaching facilities upgraded and maintained	Maintain and upgrade existing learning and teaching facilities	The University upgraded and maintained existing teaching and learning facilities by painting, Academic Block A, expansion and painting the Dining Hall, maintenance of vehicles, computers and grass
		Number of book titles acquired	Acquire 2000 hard copy book titles	The University acquired 149 hard copy book titles during the year.
		No. of databases subscribed to	Subscribe to library e-resources database	The University subscribed to 39 E- databases during the year, allowing access to 198,033 e-books during the year.
		Number of automated support services in place	Strengthen ICT infrastructure	The University automated 7 services namely, registration, students finance, admission, student portal, lecturers portal, finance and procurement module
		No. of additional academic staff recruited and retained	Recruit and retain additional 6 academic staff	The University recruited one additional staff and renew contracts for two (2), whose terms had expired.
		Number of evaluations of Teaching monitoring	Monitor and evaluate teaching,	The University conducted 2 internal quality assessment one, per semester to assess the implementation of Academic programs, thereby evaluating the effectiveness of teaching during the year
		The number of students counselled	Guide and counsel learners	The University provided guidance services to students on various issues and a report was compiled during the year



Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
<b>KRA 2: RESEARCH, INNOVATION AND OUTREACH</b>	<b>To Strengthen Research, Innovation and Outreach</b>	Number of students placed on work study, attachment, and mentorship programs	Allocate resources and place students on work study, attachment and mentorship programme.	The University allocated Ksh. 500,000 towards Work Study Programme, placed 109 students on the programme, provided opportunity for 75 students on industrial attachment and mentored 360 students
		Amount of resources mobilized	Mobilize resources to support participation in innovations	The University mobilized external resources from McKnight, KCSAP- World Bank, Migori County and National Research Fund during the year
		Number of articles Published	Academic staff to publish at least 1 paper or book Chapter per year	The University published 52 articles in Referred Journals during the year
		Number of Papers presented	Academic staff to present at least 1 paper in scientific workshop, seminars and conferences Bi-annually	The University presented 12 papers in Scientific Works/Seminars and Conferences during the year. Owing to resource constraints, only a few staff could be sponsored to present papers at conferences.
		Number of staff recognized and rewarded	Reward and recognize outstanding researchers	The University recognized and rewarded 6 outstanding members of staff based on outstanding performance, in performance of duties and research output.
		Number of Publications deposited in the Repository	Deposit research publications in the University Repository	The University deposited all the publications in the University Repository during the year.
		Number of Proposals developed for funding	Develop fundable proposals	The University developed a total of 21 proposals for funding during the year, out of this number 1 received funding.
		Number of Outreach programmes implemented	Develop and implement outreach programs	The University implemented four outreach programmes namely training of teacher librarians, training of farmers on sorghum production, sensitizing the local community on HIV/AIDS and inducting one local school on how to respond to terrorism
		Number of Public Lectures conducted	Conduct at least 2 public lectures annually	Two Public lecture were conducted during the year, one on Stress Management and Gender. These events were conducted virtually due to the prevailing Covid – 19 pandemic.



23

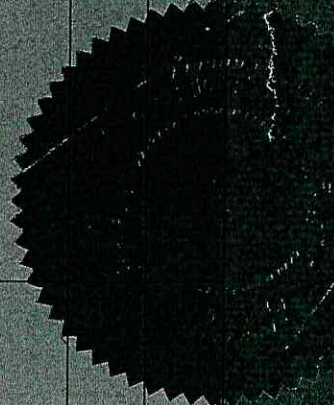


REPUBLIC OF KENYA  
Office of the Auditor General  
Financial Sustainability

OFFICE OF THE AUDITOR GENERAL

Enhancing Accountability

	Number of Open Days Held	Conduct annual open days	One Open Day namely the Library Week was conducted during the year, where stakeholders were trained on how to access and use library resources.
Number of Learned Conference Held	Hold at least one Bi-Annual Learned Conference		The University planned to hold one Learned Conference, but the event was interfered with by on-going Covid-19 Pandemic
Number of Students increased	Effectively market program to increase student enrollment to 6200 by 2022		The University marketed and realized an overall student enrollment of 6223 during the year
Resources mobilized	Mobilize resources to support the University activities		The University developed Resource Mobilization Policy; implemented two business plans, one on Textile production and another on Hass avocado growing in the university farm. In addition, the University implemented one consultancy involving bee keeping
Number of Partnerships created and implemented	Identify and create partnerships with potential development partners		The University established three partnerships with development partners during the year.
Number of students sponsored by donors	Lobby for Students Sponsorship Programmes		The University lobbied for sponsorship of 180 students during the year through Rattansi education fund and National Government Funds (NG-CDF)
Implementation of Budget and Procurement Plan Monitored	Monitor and evaluate budget and procurement plan		Monitoring was done through quarterly and Annual reports of Council
Efficient and Effective Operational Controls developed and implemented	Develop efficient and effective operational systems and control		The University developed QMS, PC, QA and Internal Audits as means of ensuring effective operational controls during the year.
Audit Recommendations Implemented	Implement Audit Recommendation		The University implemented all the Audit Recommendations during the year
ERP acquired and installed	Acquire and install Enterprise Resource planning Systems (ERP)		ERP had been acquired in the previous years and all modules operationalized during the year.





Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
KRA 4: INSTITUTIONAL CAPACITY	To engage, train and retain quality and competent Human Resource	% of Rental expenditure reduced	Reduce rental expenditure by 50%	The University reduced Rental expenditure by 95% by moving all the programmes previous conducted in rental premises to main campus after the completion of the Tuition Block
		Number of staff recruited and inducted	Ensure staff recruitment and induction	One academic staff was recruited, 2 contracts renewed and 25 staff redeployed and inducted.
		Effective training programmes developed and implemented	Develop and implement effective training programmes.	The University developed and implemented training programmes, most of them were however carried virtually due to the prevailing Covid – 19 pandemic
		CBAs negotiated and implemented	Provide attractive terms and conditions of service	CBAs for UASU and KUDHEIHA had been negotiated and are implemented during the year, however the negotiation for KUSU CBA is still on-going
		Performance targets negotiated and signed.	Negotiate and sign performance targets	PC targets negotiated, signed and implemented.
		Policies developed and implemented	Develop and implement policies on cross cutting issues.	HIV/AIDS policy, Alcohol and Drug Abuse Policy, gender mainstreaming policy and disability Mainstreaming Policy developed.
KRA 4: INSTITUTIONAL CAPACITY	To develop, maintain and acquire equipment	University clinic Equipped and expanded	Expand and equip University Clinic	The University clinic was expanded by creating Isolation Rooms and equipping with Beds
		University Main gate Constructed	Construct University Main Gate	The University Main gate was constructed up to 90% completion during the year. The remaining part will be completed in the next financial year



Strategic Pillar	Objective	Key Performance Indicators	Actual Performance	Remarks
KRA: 4 INSTITUTIONAL CAPACITY	Water treatment plant constructed	Construct water treatment plant in Main Campus	The project is 97% complete during the year. The remaining part will be completed in the next financial year and the project commissioned	
	ICT Network Master plan developed	Develop ICT network master plan	The University developed ICT Master plan with the help of KENNET during the year	
	A radio station established in Main Campus	Establish a radio station in Main Campus	A radio station was established in 2020/21. Plans are underway to expand its network coverage in the next financial year	
	All buildings connected to Back-up generator	Connect all buildings to back-up generator	Using the overhead power supply, the university has been able to connect all buildings to power back-up generator.	
	To enhance corporate Governance and Image	Train Council members and Management on corporate governance	The University trained Council members and management on corporate governance during the year.	
	Annual Council evaluation conducted	Conduct Annual Council evaluation	Council evaluation was conducted during the year	
	Anti – Corruption Policy developed and implemented	Develop and implement anti-corruption policy	A draft policy developed.	
	Code of Conduct developed and implemented	Implement code of conduct and ethics for Council members and staff	A code of conduct is in place. It was signed by all Council members and staff and implemented during the year.	
	Corruption Risk Assessment Conducted	Conduct corruption risk assessment and develop mitigation plan	Corruption Risk assessment was conducted, mitigation plan developed and implemented.	
	Alternative Dispute Resolution mechanisms institutionalized	Institutionalize alternative dispute resolution mechanisms	The University has institutionalized ADR as means of settling disputes involving the University	



Strategic Pillar	Objectives	Key Performance Indicators	Activities	Achievements
		Appropriate complaints handling mechanism developed and implemented	Develop and implement appropriate complaint handling mechanisms	The University established and implemented appropriate complaints handling procedures during the year and quarterly reports submitted to CAJ
		Risk Management Policy developed and implemented	Implement risk management policy	The University implemented the Risk Management Policy developed in 2019/20 during the year.
		Enhanced university security	Enhance the University security	The University developed Safety and Security Policy, established security operation centre, partnered with security agencies, and a police post.
		QMS launched	Achieve ISO 9000:2015 Certification	Completed documentation; launched QMS, carried out internal audits, pre-certification audit, applied for and awaiting certification
		Implementation of Strategic Plan monitored	Monitor and Evaluate Strategic Plan implementation	The University monitored the implementation of Strategic Plan through quarterly and Annual reports presented to Council during the year

### Link between Key Result Areas with Performance Contracting

To ensure appropriate linkages between implementation of Strategic Plan and PC, the university on Annual basis develops Annual Work Plan which guide in the implementing activities for a particular financial year. The University also ensures that PC targets are picked from Annual Work Plan and implemented during the year.



## 7. CORPORATE GOVERNANCE STATEMENT

### 7.1 Appointment and Removal of Council Members

The appointment and removal of University Council members is guided by the provisions of the Universities Act, 2012. Currently, Rongo University has a total of 9 Council members comprising the Chairperson of Council, 5 independent members, 1 representative of the Cabinet Secretary, The National Treasury, 1 representative of the Principal Secretary, State Department of University Education and Research, and the Vice-Chancellor, who is the Secretary to Council and an ex-officio member of Council. The independent Council members and the Chairperson are appointed by the Cabinet Secretary, Ministry of Education, while the 2 representatives are seconded to the Council by their respective Cabinet/Principal Secretaries.

### 7.2 Composition, Council Meetings, and Conflict of Interest

The Council brings together Members from different professional backgrounds with diverse skills, competencies and complies broadly with the constitutional gender balance requirements as shown in Figure 7.1(a) and 7.1 (b) respectively. Conflict of Interest was declared and recorded during all the meetings, with a conflict of interest register signed by all members.

**Council Competencies**

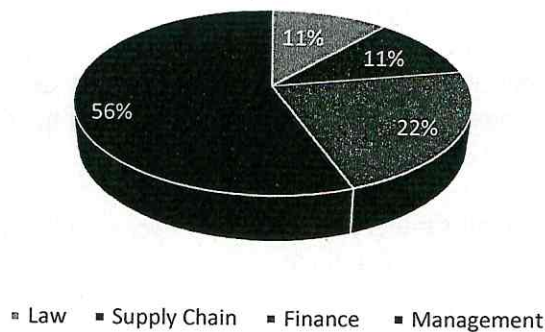


Figure 7.1 (a): Council Competencies



## Council Gender

■ Mal ■ Femal

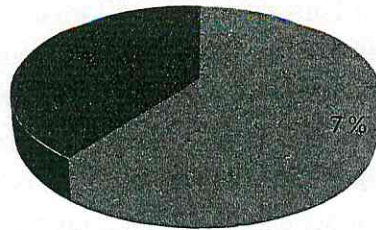


Figure 7.7(b): Council Gender representation

### 7.3 Role of the Chairperson of the Council

The Chairperson provides leadership and governance to the Council and creates conditions for overall Council and individual Director's effectiveness. The Chairperson ensured that all key and appropriate issues were discussed by the Council in a timely manner. The Chairperson played a full and constructive part in the development and determination of the University's strategies and policies, and ensured that the Council is supplied with timely and sufficient information to enable it discharge its duties effectively. The Chairperson ensured adherence to good corporate governance practices and procedures, and continuously promotes the highest standards of integrity, probity and corporate governance.

### 7.4 Role of the Council

The Council ensured that ethics and integrity remain at the core of the University's operations. It recognized the role of ethical management and put in place practices, systems and processes to integrate ethics in all its operations. Council ensures that all new members and staff equally undergo mandatory induction training that includes ethical conduct and are required to sign the Code of Ethics and to adhere to its principles and provisions.

The Council is responsible for overall strategic direction and operational guidance of the University. In this regard, the responsibilities of the Council include:

- i) Establishing short and long-term goals of the University and develop strategies to achieve these goals;
- ii) Monitoring the University's performance against these set goals;
- iii) Overseeing the preparation of annual financial statements and reports;
- iv) Approving annual budgets; and
- v) Ensuring that the University has adequate systems of internal controls together with appropriate monitoring of compliance activities to ensure business continuity.



## 7.5 Council Committees and their Functions

Council formed the various committees and which met quarterly and defined their roles as given below:

### a) Human Resource and Finance Committee (HRFC).

- i) To consider qualified candidates for filling vacant positions in the University in accordance with the job descriptions for the various positions.
- ii) To examine and make recommendations to Council on salaries, terms and conditions of service, job grading and classification for all unionisable University employees as and when necessary or when directed to do so by Council from time to time.
- iii) To consider and advise Council on actions to be taken in regards to disciplinary matters for staff.
- iv) To consider and make recommendations to Council on Budgeting including Annual Budgets as well as Supplementary Budgets.
- v) To consider and make recommendations to Council on planning and erection of new buildings and effect any appropriate modification in physical facilities as may be necessary from time to time.
- vi) To recommend to Council on acquisition of new fixed assets including land and advise Council on utilization of such assets and land.

### b) Audit Committee (AC).

- i) Ensures internal controls improve efficiency, transparency and accountability.
- ii) Review audit issues raised by both internal and external auditors.
- iii) Resolve unsettled and unimplemented Public Accounts and Public Investment Committee (PAC/PIC) recommendations.
- iv) Ensure communication between management, internal and external audit and fostering an effective audit function.

### c) Academic Affairs and Appeals Committee (AAAC).

1. To develop and review relevant policies and guidelines on Academic, Research and Training priorities for the University.
2. To develop and review statutes for the University.
3. To consider and advise the Council on various request for use of the University Seal.
4. To consider and advise the Council on various recommendations for the award of Honorary Degree of the University.
5. To receive and consider any appeal of staff who decide to appeal disciplinary decisions made by the HRFC against them.
6. To receive and consider any appeal of students who decide to appeal decisions made by the Senate.

### d) Strategy, Risk Management and Resource Mobilization Committee (SRMRMC).

1. To handle all planning matters in the University including the development and review of the University Master Plan, Strategic Plan, Council Work Plans and Targets and Performance Contracts Targets.



2. To explore ways of raising funds for the University, both internally and externally, including all issues and policies concerning resource mobilization and income generating activities.
3. Establishing a risk management function and enhancing the implementation of risk management plan in the University.
4. To consider and advise Council on the establishment, implementation and review of various MoUs between Rongo University and other Institutions.

**7.6 Council’s Key achievements during the FY 2020/21**

- i) Approved the revised 2017/21 Strategic Plan;
- ii) Approved and continually monitored the implementation of the University’s Annual Operating Procurement Plans and Budget;
- iii) Signed and Implemented the University’s Performance Contract with The Ministry of Education;
- iv) Reviewed and approved the University’s Human Resource Instruments.
- v) Developed and approved Policies and Guidelines including ICT policy, Career Progression Policy, Fixed Asset Management Policy;
- vi) Approved income generating activities including Textile, Aquaculture, Apiary and Hass Avocado;
- vii) Completed flagship projects including construction of the 5-storey tuition block, expansion of the University Clinic, and installation of overhead power distribution.

**7.7 Council Membership and Attendance**

The Council normally hold Full Council and Committee meetings. The Council has a total of four Committees. The Full Council held 6 meetings, while the 4 committees of Council held a total of 16 meetings. Sufficient quorum was obtained and sustained during all the meetings, with each Council member registering over 95% attendance. In the year under review the attendance of the meetings were as per the table below:



Summary of Council meetings and attendance 2020/2021 FY

		HUMAN RESOURCE & FINANCE COMMITTEE OF COUNCIL (HRFC)			TOTAL
S/N		12/1/2021	13/04/2021	13/04/2021 (Joint Meeting HRFC & AAAC)	
1	Mr. William Omoding	✓	✓	✓	3/3
2	Mr. Kenneth Kiprono	✓	✓	✓	3/3
3	Dr. George Ochiri	✓	✓	✓	3/3
AUDIT COMMITTEE OF COUNCIL (AC)					
		12/1/2021	13/04/2021		
1	Mr. David Mshila	✓	✓		2/2
2	Ms. Catherine Mpuhia	✓	✓		2/2
3	Mr. Evans Atambo	✓	✓		2/2
STRATEGY, RISK MANAGEMENT & RESOURCE MOBILIZATION COMMITTEE (SRMRMC)					
		13/01/2021	12/4/2021		
1	Dr. George Ochiri	✓	✓		2/2
2	Mr. Kenneth Kiprono	✓	✓		2/2
ACADEMIC AFFAIRS & APPEALS COMMITTEE OF COUNCIL (AAAC)					
		13/01/2021	12/4/2021	13/04/2021 (Joint Meeting HRFC & AAAC)	
1	Ms. Catherine Mpuhia	✓	✓	✓	3/3
2	Mr. David Mshila	✓	✓	✓	3/3
3	Mr. William Omoding	✓	✓	✓	3/3
4	Mr. Evans Atambo	✓	✓	✓	3/3
FULL COUNCIL					
		14/01/2021	14/04/2021		
1	Dr. Rachael Masake	✓	✓		2/2
2	Mr. Kenneth Kiprono	✓	✓		2/2
3	Ms. Catherine Mpuhia	✓	✓		2/2
4	Mr. David Mshila	✓	✓		2/2
5	Mr. William Omoding	✓	✓		2/2
6	Dr. George Ochiri	✓	✓		2/2
7	Mr. Evans Atambo	✓	✓		2/2



### **7.8 The Council Charter and Governance Principles**

Rongo University has a Council Charter which, together with the University Statutes and other relevant regulations, provides legal instruments for good governance and management of the University. The Charter defines the roles of the Council, Council Committees, as well as the individual and collective responsibilities of Council members. It is used together with *Mwongozo* Code of Conduct for Council Members and other relevant regulations. The Charter has enabled the University to adopt high standards and best corporate practices in management of its day-to-day activities. The Council has also developed and signed the Code of Conduct and Ethics for Council members that defines the ethical boundaries of Council members in the conduct of their duties. The Council has also developed a number of policies that offer specific guidelines and benchmarks for the management of various University operations.

### **7.9 Council Induction and Capacity Building**

The members of the current Council were appointed in office in 2017, they were inducted into office in July 2017 during which officers from State Corporations Advisory Committee (SCAC) provided the new members with an effective induction program to familiarize them with their duties and responsibilities as Council members. Their tenure was extended for another three years starting 2020.

### **7.10 Council Evaluation**

Council evaluation is key in assessing the performance, efficiency and effectiveness of an organization. The University undertakes regular annual performance evaluation of its Council to enable it review its strategies to ensure continuous growth and sustainability. Based on such evaluation, competence needs assessment is carried out periodically and annual development plan prepared to address identified skills gaps through relevant training or induction programs. The performance evaluation for the financial year 2020/2021 has been scheduled for 27<sup>th</sup> September 2021.

### **7.11 Council Remuneration**

The Council members, except for the Vice-Chancellor, are not paid salary. However, their remuneration including sitting and subsistence allowances whenever they attend Council meetings are paid at the government approved rates. Some monthly honoraria is also paid to the Chair of Council.

### **7.12 Internal Audit and Assurance**

The University has an established Internal Audit Unit whose objective is to provide assurance of the University's risk management, internal controls and governance processes. The University's system of internal controls has been defined by approved policies and procedures which contain operational and financial controls that ensure that assets are safeguarded, transactions authorized and accurately recorded. The objectivity and independence of the Internal Audit function was enhanced through governance support from the Council Audit Committee. Quarterly audit reviews were carried out during the financial year to appraise the compliance levels to the approved policies and relevant legislations as well as adequacy, design and operational effectiveness of internal controls.



The Office of the Auditor General provided external assurance through a system and financial audit on the various expenditure cycles and business processes of the University.

### **7.13 Corruption Prevention**

During the year under review the University undertook corruption risk assessment in all its functional areas and developed a corruption mitigation plan which was implemented. In addition, through the integrity assurance officer's sensitizations were carried out to educate staff members corruption, obligations of State and Public Officers under the Leadership and Integrity Act, 2012 and the Bribery Act, 2016, as well as enlightening members on ways of fostering good governance in the University. The University has a whistle blowing policy that provides for corruption reporting boxes. Through these channels, anonymous reports on unethical/fraudulent behavior can be made without fear of retaliation from the suspected individuals.

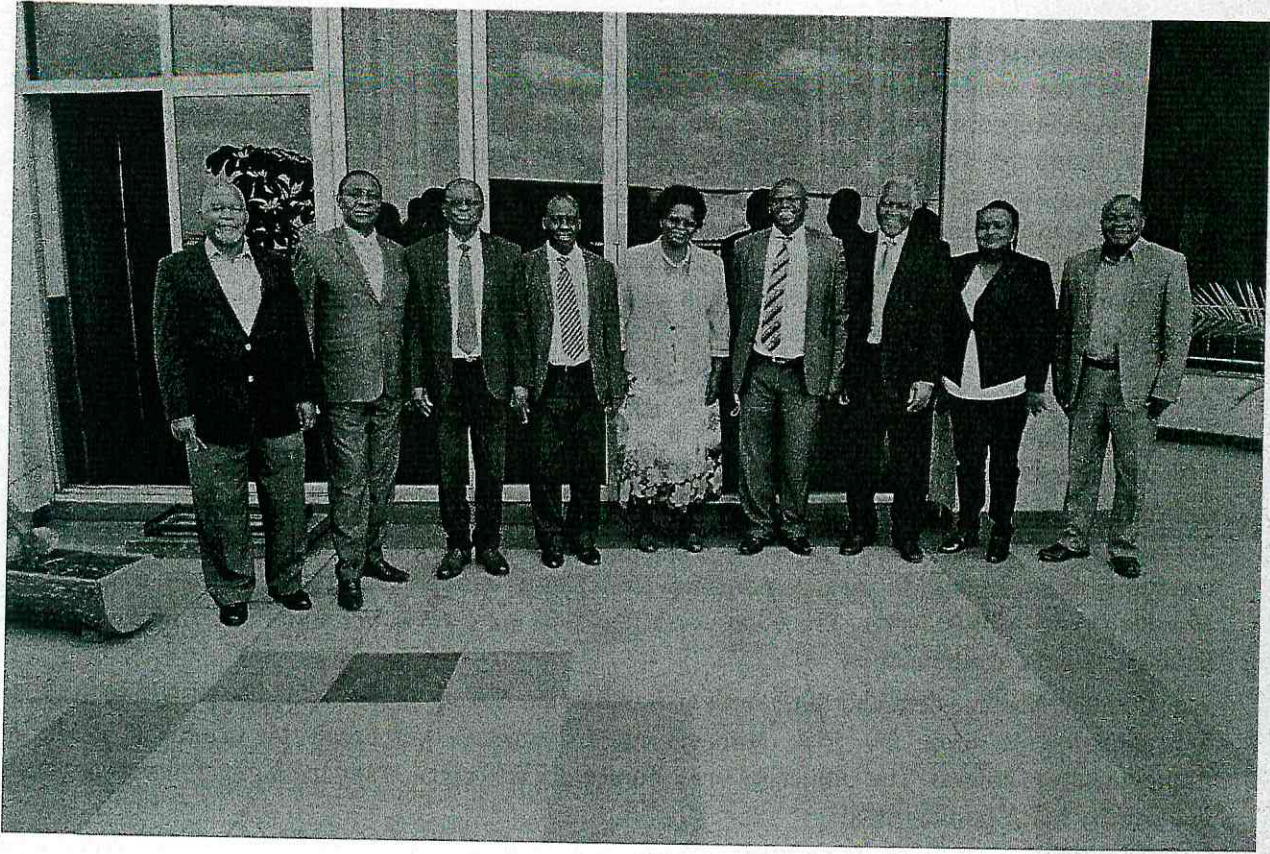
### **7.14 Risk Management**

Risk management is a strategic function of the University's business and is applied in the day to day operations across all departments. This ensures that all risks are managed optimally and comply with the approved policies and tenets of good corporate governance. In the year under review, the University continued to implement the various mitigation strategies to ensure that the risk levels are minimized. The University's Risk Policy, Procedures and Registers were reviewed and aligned to the current strategic themes and objectives.

The Council, Management and Staff were also trained on risk management practices. Heads of units and departments form the Risk Management Committee established to spearhead the risk implementation process. The University's risk framework was updated and the mitigation strategies are continually being implemented.



*Rongo University council- 2020/2021 Financial Year*





## 8. MANAGEMENT DISCUSSION AND ANALYSIS

### 8.1. General Statistics

#### 8.1.1 Student Enrollment

The university student population increased between 2016 and 2017, although a notable drop was recorded in 2018. The increase is accounted for by Bachelors students who account for more than 70% of the population. In spite of the increasing population, the number of privately sponsored students has decreased over the period. The statistics are as shown below:

	2017	2018	2019	2020
Certificate	54	44	38	22
Diploma	136	164	127	40
Bachelors	1146	706	1199	1651
Masters	4	37	10	3
PhD	4	18	15	7
<b>TOTAL</b>	<b>1344</b>	<b>969</b>	<b>1389</b>	<b>1723</b>

Table 1: Student Enrollment Statistics

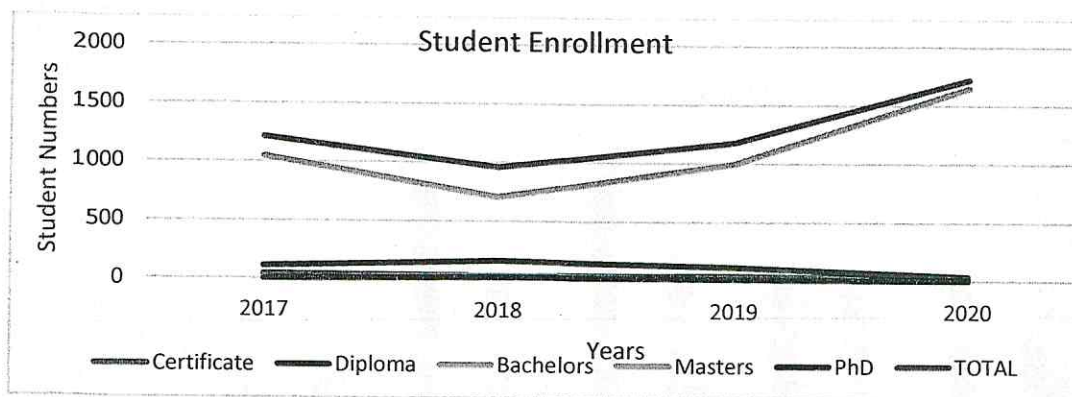


Diagram: 1 Student Enrollment



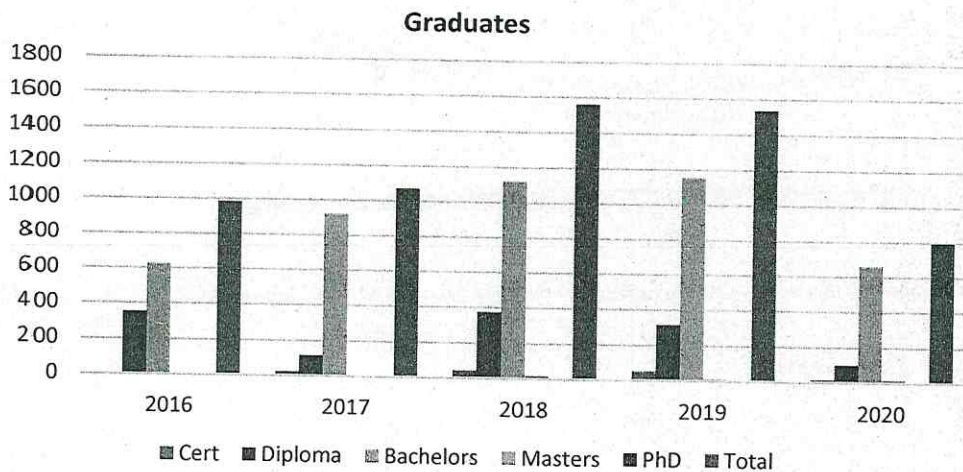
**MANAGEMENT DISCUSSION AND ANALYSIS CONT.**

**8.1.2. Graduation**

The University conducted its fifth graduation for the conferment of Degrees and award of Diplomas to its graduates on Friday 18<sup>th</sup> December, 2020. This was the first virtual graduation. The occasion was presided over by the Chancellor of the University, Prof. Mohammed Yusuf Elmi. During the occasion, a total of 798 students graduated, with 5 Graduating with PhD, 17 graduating with Masters, 661 students receiving Degrees, 100 students were awarded Diplomas and 15 graduating with Certificates. The dipping of the number of graduates in 2020 was caused by inability of some of the Education students to complete Teaching Practice in the allocated time. Below is the graduation statistics:

*Table 2: Graduation Statistics*

Year	Cert	Diploma	Bachelors	Masters	PhD	Total
2016	0	354	628	4	0	986
2017	24	116	922	6	5	1073
2018	43	375	1122	19	4	1563
2019	52	316	1155	10	6	1539
2020	15	100	661	17	5	798
<b>Total</b>	<b>134</b>	<b>1261</b>	<b>4488</b>	<b>56</b>	<b>20</b>	<b>5959</b>



*Diagram 2: Graduation*



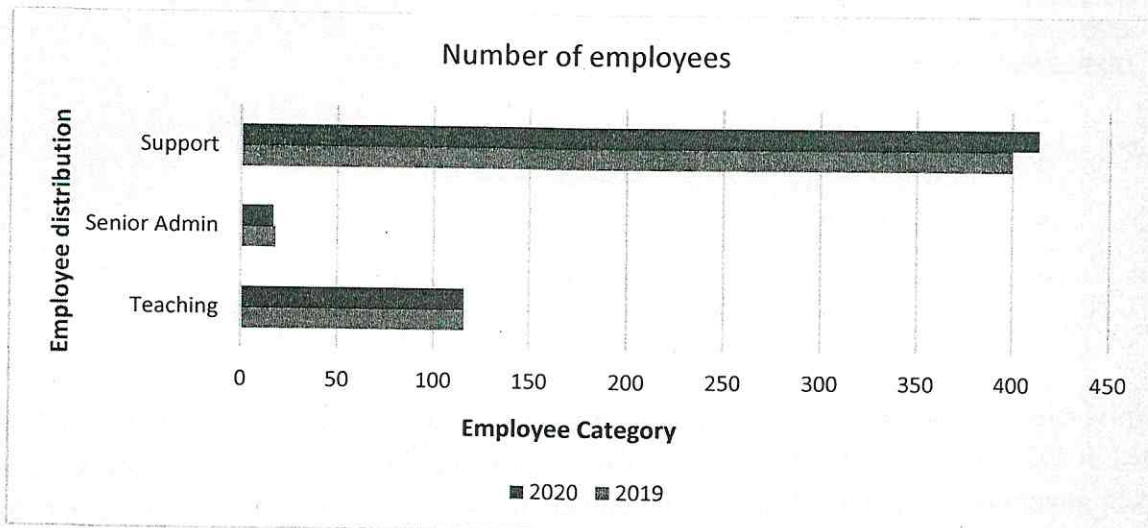
## MANAGEMENT DISCUSSION AND ANALYSIS CONT.

### 8.1.3 Employee Statistics

#### a) Employee Distribution

The University has a total staff population of 537 comprised of 116 Teaching staff, 17 Senior Admin Staff and 404 support staff.

Diagram 3: Employee Distribution in numbers



#### b) Employee Cost

The University wage bill as at 30<sup>th</sup> June, 2021 was Ksh 761 M. This has steadily increased with teaching staff and non-teaching staff accounting for 56% and 44% each on average. The increase from 2020 was occasioned by the CBA 2017-2021. The statistics are as shown below:

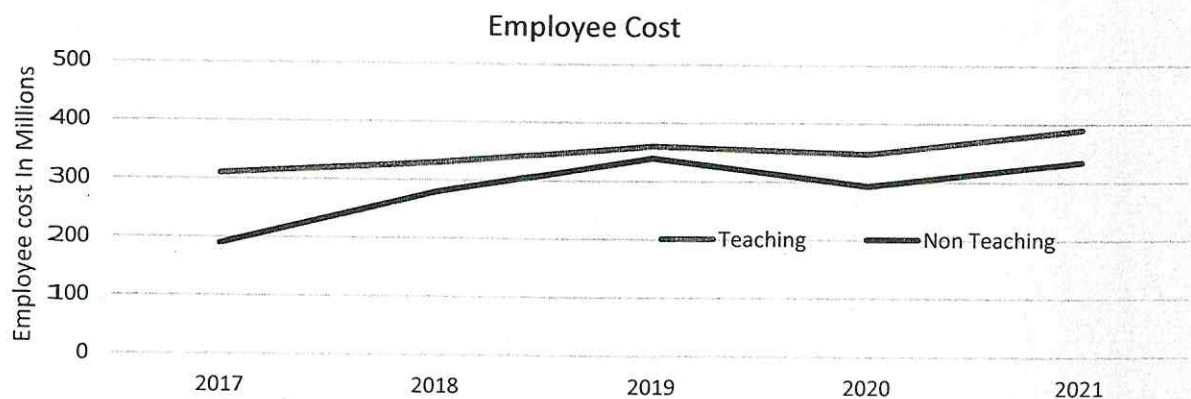


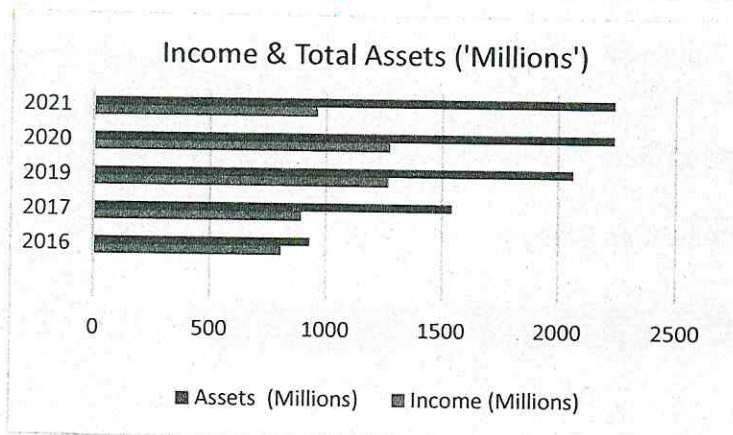
Diagram 4. Employee Cost



## MANAGEMENT DISCUSSION AND ANALYSIS CONT.

### 8.2. Operational and Financial Performance highlights for 2020/21

#### 8.2.1 Movement in Total Incomes & Total Assets in (Ksh Millions)

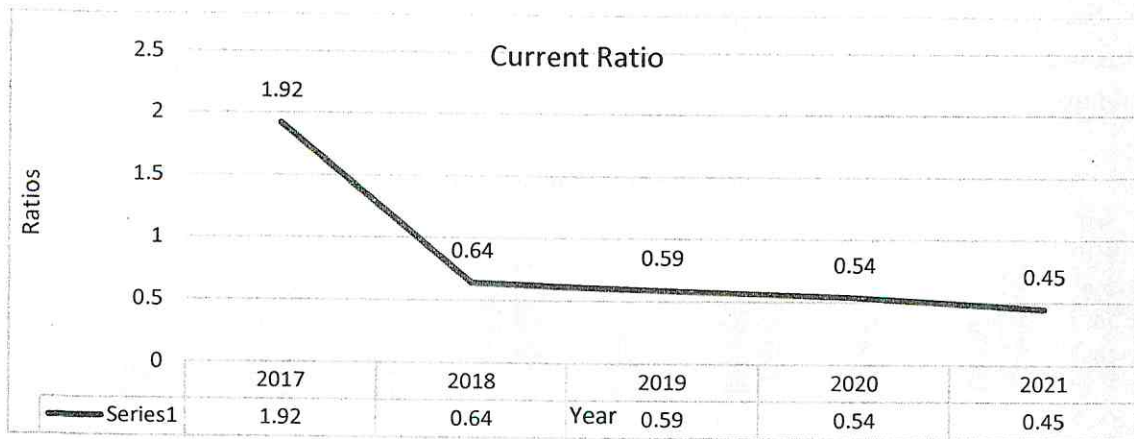


The University income grew steadily from 2016 to 2017, but marginally from 2019 to 2020 and dropped in 2021 by about 24%. The drop in income has been caused by COVID 19 pandemic and a drop in government funding. However, the university assets grew steadily except for the target period when the assets grew marginally at only 5% after revaluation. This scenario affects financial stability of the university.



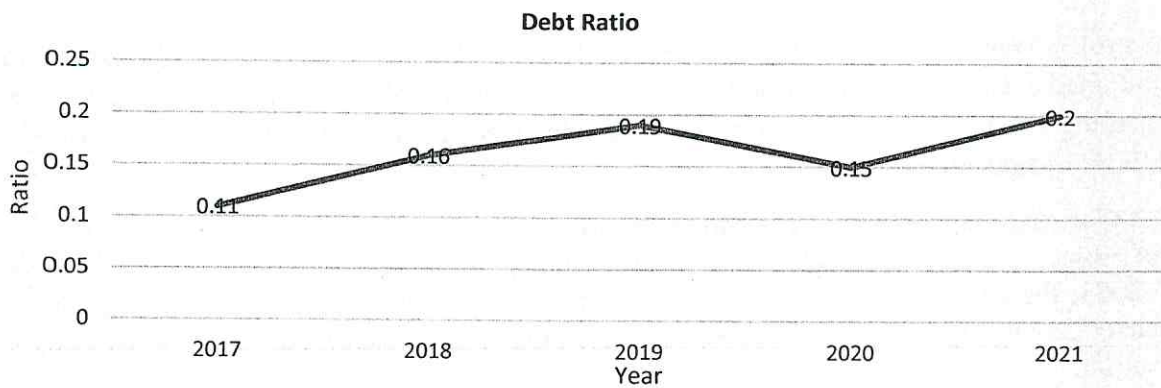
## MANAGEMENT DISCUSSION AND ANALYSIS CONT.

### 8.2.2 Liquidity Ratio



The drop in current ratio for the year ended 2021 was occasioned by a significant increase in current liabilities. These liabilities were accrued from the CBA 2013-2017 & 2017-2021 that were not been fully funded as well as the reduction in recurrent capitation.

### 8.2.3 Debt Ratio



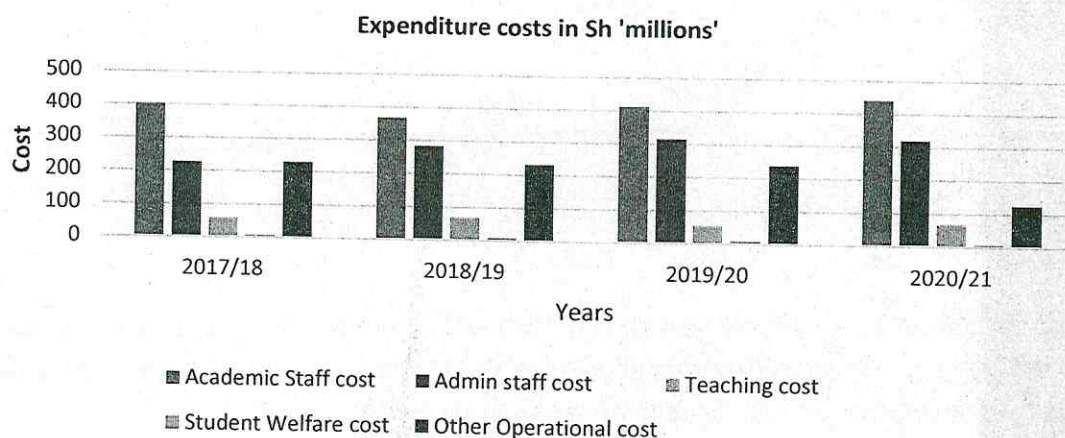
For the last 5 years, the University has maintained a debt ratio of < 1.



## MANAGEMENT DISCUSSION AND ANALYSIS CONT.

### 8.2.4 Distribution of Expenditure

Over the years, the highest expenditure has remained academic staff cost followed by administrative staff cost, operational cost, teaching cost and student welfare cost respectively. The distribution is as shown below:



### 8.3 Key Projects that the University implemented

#### 8.3.1 Construction of Tuition Block

The project was completed and partially handed over on 26<sup>th</sup> April 2021, while the contractor has maintained a team of technicians to take care of some identified corrective works/snags. However, furnishing work and some certificates are pending due to delayed disbursement of funds from Ministry of Education.

#### 8.3.2 Construction of Water Treatment Plant.

This project is at 97% completion and is fully funded. Although the project was not completed in FY 2021, the contractor is currently assembling treatment equipment comprising of stirrers and electrical control systems to allow test-running of the project and complete the project in the next financial.

#### 8.3.3 Construction of library.

Construction commenced in January 2019. Construction works stopped for most part of 2020 and 2021 owing to low budgetary allocations leading to delayed payments of pending certificates from the contractor. However, the Contractor re mobilized resources and concrete works are ongoing on.

#### 8.3.4 Construction of main gate.

This project is to provide the main entrance to the University. Construction commenced in October 2019 and was expected to end by end of February 2020. The project was delayed by COVID 19



effects that stopped work on the site and technical difficulties which the contractor has overcome. It is hoped the work will be completed in the next financial year.

### **8.3.5 Construction of Fish Ponds.**

The project involved construction of 15 No. fish ponds and 1 No. reservoir pond. Earth works for the ponds were completed and laying of connecting pipes as well. However, the project slowed down because of emerging environmental and security issues raised by the surrounding community. Through the intervention of the Deputy County Commissioner and community leaders and involvement of the County Water Department, the issues are being resolved.

### **8.4 Compliance with Statutory Requirements**

The University complied with other statutory deductions except Pension at Ksh 195 Million. The University has put in place arrangements to start clearing the outstanding amounts in the new financial year.

### **8.5. Major potential risks that the University may face**

- a) Insufficient funding due to inadequate budgetary allocation and low revenue collection.
- b) Inadequate infrastructure to support increasing number of students.
- c) Inability to recruit and retain competent teaching staff due to low funding.
- d) Non-compliance with legal and regulatory obligations
- e) Weak internal controls that may lead to corruption, fraud, theft and other unethical practices.
- f) Ineffective continuity arrangements in the event of a disaster
- g) Failure of information technology systems including ERP, server, networks, etc.
- h) Competition from Universities that offer similar programs, hence affecting attraction of students.
- i) Political risks
- j) Inflation

### **8.6. Material arrears in Statutory & Financial Obligations**

The University had material arrears in statutory & financial obligations as follows:

- a) Payroll deductions
- b) Part time payments
- c) Sundry creditors

Most of the arrears in part time and payroll deductions are as a result of brought forward balances from previous financial years, with the highest being unremitted pension deductions. The issue of pension is historical. The university has been using internally generated funds to clear the pending deductions gradually. However, the closure of the university due to COVID 19 pandemic caused a setback in revenue collection, and hence the increased pending bills.



## 9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

No.	Nature of Reform	Description	Impact
1.	Reforms in Academic Affairs 1.1 Reviewed and rationalized Academic programs 1.2 Promoted effective, efficient, and flexible Teaching and Learning	<p>The University is:</p> <ul style="list-style-type: none"> <li>a) Focusing on few unique market-driven programmes considering, areas of comparative advantage, avoiding duplication with other Universities and to respond to the needs of the job market.</li> <li>b) Reviewing all academic programs and remove duplication and rationalize the poorly prescribed ones</li> </ul> <p>The University has:</p> <ul style="list-style-type: none"> <li>a) Expanded online courses and incorporate technology into traditional classrooms.</li> <li>b) Trained academic staff/students on remote learning processes,</li> <li>c) Reviewed academic staff workloads to be commensurate with resources available,</li> <li>d) Reviewed rules on teaching/examinations to make them effective,</li> <li>e) Scrutinized space allocation to ensure optimal use</li> <li>f) Enforced research and extension activities among members of staff</li> <li>g) Harmonizing academic calendar to allow only two Semesters per academic year. This will ultimately lead to reduction in operation cost as compared to running several overlapping semesters.</li> <li>h) Undertaking joint teaching of courses offered by more than one faculty to avoid multiple teaching of the same course</li> </ul>	<p>Reduced cost of running programmes and improved quality of academic programmes leading to quality and innovative graduates who are exposed to the dynamics of the job market and societal challenges.</p> <p>Effective teaching, efficient utilization of resources (human and physical); highly motivated staff Minimized financial strain</p>
2.	Reforms in Financial Management for Sustainability	<p>The University has adopted pragmatic and frugal ways in allocating and spending its financial resources by implementing the following activities:</p> <ul style="list-style-type: none"> <li>a) Enhanced fee collection through regular reminders to students and sponsors, and promote adherence to Fee Payment Policy</li> <li>b) Reduced the number of academic programs which do not attract adequate student numbers and adhere to quorums before implementing any academic program,</li> <li>c) Undertook vigorous marketing of the academic programs,</li> <li>d) Reviewed internal processes to detect and eliminate wastage in hostels, classrooms, library etc.</li> <li>e) Implemented cost rationalization and containment measures in all expenditures</li> <li>f) Conducted staff needs analysis to rationalize existing staff based on Unit requirement/tasks and skills set available</li> </ul>	<p>Ability to meet the financial obligations with regards to payroll, operation costs and capital expenditure</p>



	<p>g) Strengthened income generation activities such as apparel and fashion design and production, farming, water bottling, and aquaculture production to supplement the revenue from the Government</p> <p>h) Streamlined procurement of goods and services to ensure efficiency and value for money</p> <p>i) Discontinued printing and mailing of admission letters to save on paper, printing, and postage costs</p> <p>j) Employed mid-year budget reductions and plan for budget cuts at 3- 10% levels in every quarter</p> <p>k) Undertook disposal of assets that were not in use</p> <p>l) Established more collaborations with various Constituency Development Funds to sponsor students to study at Rongo University</p>	
3.	<p>Human resource rationalization, staff welfare and development</p>	<p>The University is implementing the following human resource related reforms:</p> <p>a) Right size and rationalize all positions</p> <p>b) Review work culture for all staff in the University</p> <p>c) Allow administrative staff to teach at most two courses (Certificate, Diploma and Degree) per semester as part of their normal duties</p> <p>d) In the interest of employee professional development and growth, the University facilitates both academic and administrative staff to attend conferences, workshops, training and further studies whenever possible.</p> <p>e) Consolidate common functions that have become dispersed, freeze hiring of non-essential staff and consider voluntary retirement plans</p> <p>f) Pool services of support staff within clusters of three or four departments/units</p> <p>g) Progressive recruitment of additional staff as per the Strategic Plan 2017-2022 and available budget while reducing the number of non-essential staff. This will enable the University to attain the recommended ratios in the various cadre of staff.</p> <p>h) Qualified staff are expected to be promoted to various ranks in the next 2 years.</p> <p>The University is reviewing and rationalizing the administrative and organization structures to improve efficiency and effectiveness in service delivery</p>
4.	<p>Revision of organization Structure to enhance governance, management, and administration of the University</p>	<p>The University will lead to efficient service delivery and improved communication hence more stakeholder satisfaction</p>
5.	<p>Expanding the infrastructure</p>	<p>The University will:</p> <p>a) Expand and refurbish all infrastructure to provide a good learning environment</p> <p>The planned improvement of academic resources will significantly enhance the</p>



	<p>b) Enhance ICT capacity to match remote learning requirement of Information Technology,  c) Increase ownership of personal computers among staff/students to take advantage of technology,  d) Use third-party host servers and switch to virtual servers for improved efficiency  e) Reduce the budget for new positions and embrace zero increase on departmental budgets  f) Complete all ongoing projects to increase the capacity of the University</p>	<p>quality of academic programmes in the University.  The infrastructure will enhance the institutional capacity by providing an inspiring base for students to live, collaborate, and study.</p>
6.	<p>Enhancing environmental Sustainability</p> <p>The University will enhance environmental sustainability through many approaches including:</p> <ul style="list-style-type: none"> <li>a) Enhancement of resource conservation programs, waste recycling and waste management to attain clean and beautiful environment.</li> <li>b) Enhance environmental hygiene in offices and compound</li> <li>c) Enhance energy management by using clean energy</li> <li>d) Conserve and supply clean and potable water in most parts of the University.</li> <li>e) Replace high-maintenance landscaping and beautification costs with lower-maintenance perennials, grasses, and ground covers that require low maintenance labor.</li> <li>f) Partnership with other institutions to plant trees and regreen the University</li> </ul>	<p>Improved people's health, livelihoods and create good work environment.</p>
7.	<p>Improving student enrolment</p> <ul style="list-style-type: none"> <li>a) Increased marketing of the programmes given the increased competition for students</li> <li>b) Frequent review of academic programmes to make them unique and market-driven</li> <li>c) Implementing student support and engagement programmes to attract and retain students</li> </ul>	<p>These actions will lead to increased student enrollment.</p>
8.	<p>Promoting research activities and community outreach programmes</p> <ul style="list-style-type: none"> <li>a) The University has attracted and implemented several research grants including: <ul style="list-style-type: none"> <li>i) Awarded Centre of Excellence in Agriculture and Food Security by the Lake Region Economic Block consisting of 14 counties. An MoU has been signed and earmarked for implementation in the next Financial Year.</li> <li>ii) Attracted funding from World Bank/KALRO to conduct research in Collaboration with JKUAT &amp; KALRO Katumani on KCSAP entitled Adapting climate smart technologies along the sorghum value chain to enhance productivity, utilization and improved livelihoods as part of the university contribution to food security to support the national big 4 agenda and intensified community outreach.</li> </ul> </li> </ul>	<p>Technology development and transfer to the local community to address societal challenges</p>



	<p>iii) Attracted funding from NRF to conduct research in Collaboration with KAFUCO, USIU &amp; KALRO HQs on project titled “Enhancing the Potential of Ricebean as a Food Security Crop for Mitigating against Climate Change in Kenya and intensified community outreach.</p> <p>iv) Attracted funding from McKnight Foundation in collaboration with University of Eldoret and KALRO-Katamani on project titled “Transforming Sorghum-based Farming Systems in Eastern and Western Kenya through Agro-ecological Intensification”. Through the project, the University has recruited over 200 new farmers in Migori and Homa Bay Counties; distributed seeds to the farmers and intensified community outreach;</p> <p>v) The University was awarded a UNESCO Chair on Community Radio for Agricultural Education by the United Nations Educational, Scientific and Cultural Organization – UNESCO. Through the community radio, the University has produced and archived 2 podcasts and 8 adverts on Climate Smart farming technologies; provided training for 35 community media practitioners on production of radio content for Covid-19 education and management; and produced and archived 18 radio adverts on Covid-19 prevention and management.</p> <p>vi) Awarded consultancy services to improve apiculture value chain by Migori County Government in 2021. A stakeholder workshop was held to sensitize beekeepers on value addition.</p> <p>vii) Attracted funding from World Bank through KALRO to conduct research on use of ICT to enhance forage use in dairy. A dairy management information system has been developed and currently being piloted at Nyahururu and Machakos.</p> <p>viii) Maskani Digital Peacebuilding Project funded by Build UP San Francisco, USA. The achievement includes worked with 10 selected student volunteers in five universities in Western Kenya to bring about a “common ground” on through automation on social media.</p> <p>b) The University has developed and submitted about 20 proposals for research grants.</p> <p>c) Allocation of financial resources to support staff to conduct research, publish and/or attend conferences/workshops</p>
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## 9.2 Environmental Performance

### 9.2.1 Environmental protection

During the year, the University in collaboration with Kenya Commercial Bank, Equity Bank and Migori County participated in planting over 10, 000 trees within the university. The University received donations from Equity Bank, Kenya Commercial Bank and Migori Sub county leadership for which the university was very grateful.

Fig 11: Tree planting exercise at Rongo university campus



Fig 11: Tree planting exercise at RU by (a) branch manager KC B Rongo (b) Catholic Bishop Homabay Diocese, His Lordship Michael Odiwa

#### **Sewerage and waste water disposal system at the institution;**

The University disposes sewage and wastewater using septic tanks. The system so far works well and do not have adverse environmental pollution.

#### **Solid waste disposal**

There are several portable and fixed dust bins distributed in various offices and at strategic external points within the University. The dustbins are emptied daily to the nearby compost heaps and burned or incinerated.

#### **Chemical waste disposal**

Currently there is minimal chemical waste generated from the laboratories, the waste is handled according to standard procedures.

#### **E-waste disposal**

All E-waste is submitted to the Procurement department. The items are then disposed of according to the set procedures by the Procurement department, sold to staff or as metal waste.



### 9.3 Employee welfare

The University has Human Resource Policy and Procedure Manual 2019 that handles all staff welfare. The University provides a safe and secure working environment to all employees in accordance with the Occupational Safety and Health Act, 2007.

Staff working in technical areas e.g., workshops, Laboratories, Textile units are provided with protective gears. Also, staff working in Catering department undergo regular medical test and acquire medical certificate.

The University has put Covid -19 precautionary measures in place as per the Ministry of health guidelines including setting up designated hand washing points; fixed and portable hand sanitizers; temperature screening equipment. Besides, staff are required to observe of social distance. In addition, the University has put in place an 8 bed Covid holding/ isolation facility.

### 9.4 Market place practices-

The organization should outline its efforts to:

#### a) Responsible competition practice.

Rongo University has ensured responsible competition during recruitment, promotions, electoral guidelines for staff welfare positions, or student governing council competitions. The details are as follows:

**Ethical procurement practices:** Ethical procurement practices are applied as laid down by government. Tenders are advertised in the University website and local newspapers giving interested bidders equal chance

**Adequate segregation of duties:** Different employees in institution are responsible for specific duties and responsibilities.

**Establishment of operational guidelines:** In order to achieve the value for money in public spending, the institution has established well laid down operational guidelines in all of the operations being undertaken in and outside the institution.

**Preparation of reports for all goods and services received:** The University gives quarterly reports to PPDA and keeps a record of all items in stores for inspection by audit as necessary.

**Risk Management in the Institution:** Effective risk management practices have been adopted which involve the assessment and identification of risks in all divisions, departments and sections of the institution and mitigation measures are well defined for each risk class.

**Provision of same and uniform information to all bidders:** Provision of same and uniform information to bidders *vide* standard tender documents or addenda to ensure transparency and fairness in handling potential suppliers thus enabling the institution to achieve value for money.

**Consistency in treating and interacting with potential suppliers:** For effective procurement practices Rongo University maintained a consistency treatment and interaction with potential suppliers during suppliers' registration or pre-qualification.



**Approval and award of contracts:** Approval and award of Procurement related contracts are done by the Vice-Chancellor which ensures probity and accountability among all suppliers.

**Preference and reservation scheme:** The institution has set thirty Percent (30%) in its annual procurement plan under preference and reservation scheme for the disadvantage groups to promote fair competition.

**b) Responsible Supply chain and supplier relations**

Rongo University maintains good business practices, treats its own suppliers responsibly by honoring contracts and respecting payment practices as follows;

**Centralization of functions:** Fully centralization of functions, operations within the institution provides the greatest control over public spending and improves relations with the business community by providing a single source of information for stakeholders.

**Inspection of all goods and services provided:** Good, materials and services delivered are inspected by *ad hoc* inspection and acceptance committee appointed by the Vice-chancellor in order to check for defects as well as conformation to the set specifications and standards.

**Maintenance of Documentation for Multiple award:** Creation and Maintenance of documents that supports the basis for tenders that involve multiple awards is crucial as contractual evidence in addressing any grievances, thereafter, enables scrutiny of decisions taken and demonstrates the application of the guiding processes.

**Maintenance of security and confidentiality of information:** Security and confidentiality of competitive information and documentation should be respected.

**Provision of same and uniform information to all clients:** Provision of same and uniform information to bidders ensures transparency and fairness in handling potential suppliers thus enabling the institution to achieve value for money.

**c) Responsible marketing and advertisement**

Efforts to maintain ethical marketing practices.

Members of the institution are committed to the highest ethical standards in furtherance of its mission of teaching, research and training. Our policies, procedures, and standards provide guidance for application of the ethical values stated below in our daily work as staff of the institution.

**Integrity:** All staff are expected to uphold integrity in at all times.

**Excellence:** All staff conscientiously strive for excellence towards achieving the University objectives.

**Accountability:** All staff are accountable as individuals and as members of this institution for ethical conduct and for compliance with applicable laws and University policies and directives.



**Respect:** All staff respect the rights and dignity of others

**d) Product stewardship**

Outline efforts to safeguard consumer rights and interests.

Rongo University ensure the following to safeguard consumer rights and interest;

- i) Provision of contractual information during identification of suppliers
- ii) Establishment of complain registers in all the departments
- iii) Reasonable notification to suppliers, students and other stakeholders.

**9.5 Corporate Social Responsibility / Community Engagements**

Since Universities are expected to enrich the communities, they operate in, Rongo University has enriched the Rongo locality through community outreach and corporate social responsibility activities. Accordingly, the University engaged the community in the following activities aimed at enhancing their livelihoods:

**9.5.1 Donation of Books**

The University in collaboration with the African Library Project has so far handed over 10,000 children’s books to 8 schools and 4 community libraries from Migori and Homabay Counties. This donation is part of the ongoing project and has so far seen over 150 community and schools’ libraries receive over 152,000 books.



*Fig 12: (a) Flagging off books to Kibabii University; (b) Flagging off books to schools*

**9.5.2 Visit to an orphanage**

A team of 25 Rongo University students and Staff visited Good Samaritan Children Home in Nyamware, Migori town. At the time of the visit, there were 76 children (ages 0- 19 years), majority are infants. The team handed over children’s books, foodstuff, toiletries and refreshments on behalf the university fraternity.





*Fig 5: University staff and students at Good Samaritan Children Home*



## 10. REPORT OF COUNCIL

Council submits their report together with the audited financial statements for the year ended June 30th June 2021 which show the state of Rongo University affairs.

### Principal activity

The principal activity of Rongo University continues to be the provision of higher education.

### Results

The results of the entity for the year ended 30th June 2021 are set out on pages 56 to 91

### Directors

The members of the University Council, who held office during the year ending 30<sup>th</sup> June 2021 were:

- |                                  |                            |
|----------------------------------|----------------------------|
| a) Dr. Rachael Masake            | - Chairperson              |
| b) Ms. Catherine Nkirote Mputhia | - Member                   |
| c) Dr. George Onyango Ochiri     | - Member                   |
| d) Mr. William Bill Omoding      | - Member                   |
| e) Mr. David Lusoka Mshila       | - Member                   |
| f) Mr. Kenneth Kipsang Kiprono   | - Member                   |
| g) Mr. Evans Atambo              | - Rep.PS. MoEST            |
| h) Prof. Samuel Gudu             | -Vice-Chancellor/Secretary |

### Auditors

The Auditor general is responsible for the statutory audit of Rongo University in accordance with the provisions of Article 229 of the Constitution and Public Audit Act, 2015.

By order of the University Council.



## 11. STATEMENT OF COUNCILS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 47 of the Universities Act, 2012 require Council to prepare financial statements in respect of Rongo University, 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 year ended 30<sup>th</sup> June 2021. 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 Rongo University.

The Council is responsible for the preparation and presentation of the Rongo University's financial statements, which give a true and fair view of the state of affairs of Rongo University for and as at the end of the financial year ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of Rongo University; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of Rongo University; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Council accepts responsibility for Rongo 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, 2012. The Council are of the opinion that Rongo University's financial statements give a true and fair view of the state of Rongo University's transactions during the financial year ended June 30, 2021, and of the Rongo University's financial position as at that date. The Council further confirms the completeness of the accounting records maintained for Rongo University, which have been relied upon in the preparation of Rongo 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 Rongo 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 Rongo University financial statements were approved by Council on 27<sup>th</sup> September 2021.

Signed on its behalf by:

Chair of Council.....

Vice-Chancellor.....



# REPUBLIC OF KENYA

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## **REPORT OF THE AUDITOR-GENERAL ON RONGO UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 2021**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Rongo University set out on pages 52 to 87, which comprise of the statement of financial position as at 30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for

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*Report of the Auditor-General on Rongo University for the year ended 30 June, 2021*



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 Rongo University as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the University Act, 2012 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Undisclosed Material Uncertainty in Relation to Sustainability of Service**

The statement of financial performance reflects a deficit of Kshs.37,905,638 for the year ended 30 June, 2021 (2020: a deficit of Kshs.76,349,784). In addition, the University's current liabilities totalling Kshs.490,336,333 exceeded its current assets totalling Kshs.224,346,539 resulting in a negative working capital of Kshs.265,939,794 as at 30 June, 2021. This means that the University is technically insolvent and may not be able to meet its short-term obligations as and when they fall due.

These conditions indicate the existence of a material uncertainty, which may cast significant doubt on the University's ability to continue to sustain services. However, this material uncertainty in relation to sustainability of service and any mitigating measures put in place by the Management to reverse the unsatisfactory financial position, have not been disclosed in the financial statements.

In the circumstances, the financial statements have been prepared on the assumption that the University will continue to receive financial support from the Government and its creditors.

#### **2. Unsupported Change in the Capital Investment Fund**

The statement of changes in net assets reflects a debit amount of Kshs.128,159,430 included in the capital investment fund account in relation to completed projects. However, the corresponding credit entry in the financial statements, to support the change, could not be confirmed.

In the circumstances, the accuracy and completeness of the capital investment fund balance of Kshs.128,159,430 as at June, 2021 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Rongo University Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.



## **Key Audit Matters**

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

## **Other Matter**

## **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Human Resource Management and Compensation of Employees**

##### **1.1. Non-Compliance with Law on Ethnic Composition**

During the year under review, the total number of employees in the University was four hundred and forty-nine (449) out of which three hundred and twenty-nine (329) or 73% of the total number were members of the same/dominant ethnic community. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community".

In circumstances, Management was in breach of the law.

##### **1.2. Unsustainable Wage Bill**

The statement of financial performance reflects employees' costs of Kshs.761,234,961, as disclosed under Note 5 to the financial statements. The amount constitutes 85% of the total receipts of Kshs.898,458,658 comprising revenue from both exchange and non-exchange transactions and capital grants. This contravenes Regulation 26(1) (a) of the Public Financial Management Act (National Government Regulations), 2015, which limits the expenditure on wages and remunerative allowances to 35% of the total receipts.



In addition, the University spent the amount of Kshs.761,234,961 on employee costs against a budgeted figure of Kshs.751,359,461 resulting in an over-expenditure of Kshs.9,875,500. No explanation was provided for the excess expenditure incurred on employees cost during the year under review.

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

## **2. Failure to Remit Statutory and Other Deductions**

As disclosed in Note 19 to the financial statements, the statement of financial position reflects payables from exchange transactions totaling Kshs.447,985,258 which include payroll creditors amounting to Kshs.258,292,434. Available records revealed that the payroll deductions relate to various unremitted statutory deductions as detailed below: -

### **2.1. Unremitted Pay As You Earn (PAYE) Deductions**

The payroll creditors of Kshs.258,292,434 include an amount of Kshs.19,728,330 in respect of unremitted pay as you earn (PAYE) deductions. This is contrary to Rule 10 of Income Tax (P.A.Y.E) Rules, which sets the due date for paying PAYE deductions to before the tenth day following the end of every month or before any other day which may be notified by the Commissioner.

Consequently, the University risks incurring avoidable costs in form of penalties and interest in line with Section 37(2) of the Income Tax Act, Cap 470 of the Laws of Kenya which allows the Commissioner to impose a penalty of 25% of the amount of tax involved if an employer paying emoluments to an employee fails to deduct tax or account for tax deducted.

### **2.2. Unremitted National Hospital Insurance Fund (NHIF) Deductions**

Further, the payroll creditors of Kshs.258,292,434 further include an amount of Kshs. 623,600 in respect of unremitted National Hospital Insurance Fund (NHIF) deductions. This is contrary to Section 15 (4) of the National Hospital Insurance Fund Act, 1998 and Regulation 5 of the National Hospital Insurance Fund (Standard and Special Contributions) Regulations that set the due date for paying in of NHIF deductions as the first day of the month following the one deduction is made.

Consequently, the University risks incurring avoidable costs in form of penalties and interest in line with Section 18(1) of the National Hospital Insurance Fund Act, 1998 which sets the penalty for late payment at five times the amount of the contribution during each month in which the contribution remains unpaid.

### **2.3. Unremitted National Social Security Fund (NSSF) Deductions**

In addition, the payroll creditors of Kshs.258,292,434 included an amount of Kshs.278,900 in respect of unremitted National Social Security Fund (NSSF) deductions. This contravenes Section 27(1) of the National Social Security Fund Act, 2013 which requires the deductions to be paid in within one month after the end of the month in which the last day of the contribution period fell.



Consequently, the University risks incurring avoidable costs in form of penalties and interest in line with Section 27(1) of the National Social Security Fund Act, 2013 which specifies a penalty of five percent of the amount of the contribution outstanding.

### **3. Non-Payment of Part time Lecturers**

The statement of financial position reflects payables from exchange transactions balance of Kshs.447,895,258 which includes a balance of Kshs.25,615,772 owed to part time creditors, as disclosed in Note 19 to the financial statements, and which relates to long outstanding amounts owed to part time lecturers. This contravenes Section 17(1) of the Employment Act, 2007 which requires that an employer pays the entire amount of wages earned or payable to an employee in respect of the work done by the employee in pursuance of a contract of service directly, in the currency of Kenya.

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

### **4. Students' Debtors**

The statement of financial position reflects receivables from exchange transactions balance of Kshs.97,485,086 which includes a student debtors balance of Kshs.93,619,502, as disclosed in Note 12 to the financial statements. Review of aging analysis revealed that the student debts had been outstanding for over thirty (30) days in contravention of Section 6.3 of the University's financial management policy, revised 2019 which allows for up to 30 days grace period before payment for monthly fees and any other amount due on contractual obligations.

Management was therefore in breach of the University financial management policy.

### **5. Work-In-Progress**

As disclosed in Note 17 to the financial statements, the statement of financial position reflects property, plant and equipment balance of Kshs.2,114,972,350 which includes the University's and Mentee Institution work in progress of Kshs.739,810,404 and Kshs.52,166,356 respectively. The following unsatisfactory matters were observed:

#### **5.1. Delay in Completion of Water Treatment Plant**

Included in the University's work in progress of Kshs.739,810,404 is an amount of Kshs.100,380,611 relating to the construction of a water treatment plant. Available records revealed that the University awarded a local contractor the tender for construction of a water treatment plant at a contract sum of Kshs.108,790,054 with a commencement date of 1 October, 2014 and initial expected completion date of 1 October, 2015. The completion date has been extended severally, the latest to 28 February, 2022.

A physical verification carried out on 27 January, 2022 revealed that the contractor was not site and project remained incomplete with the staff house under construction still at super structure stage.

As a result of the delay, the benefits expected from the project, by the University and the public, have not been realized.



## **5.2. Unsupported Extension of Contract for the Construction of a Library**

Included in the University's work in progress balance of Kshs.739,810,404 is an amount of Kshs.611,729,771 relating to construction of a library. The University entered into a contract with a local construction company for the construction of a library at a contract sum of Kshs.1,358,342,492, with a commencement date of 18 January, 2019 and expected completion date of 15 January, 2021.

Review of records revealed that the contractor requested for extension of the contract period by one year on 12 March, 2021. However, no documentary evidence was provided for audit review on the request and it is not clear whether the University granted the request to the contractor. Further, a physical verification carried out at the time of the audit in January, 2022, revealed that the project remained incomplete.

In the circumstances, the propriety and value for money on expenditure of Kshs.611,729,771 could not be ascertained. Further, the delay in completion of the project has affected library service delivery to the University community.

## **5.3 Delay in Completion of Twin Workshops, Classrooms and Office Block at Kakrao Technical and Vocational College**

Included in the Mentee Institution's work in progress of Kshs.52,166,346 is an amount of Kshs.46,214,052 relating to Kakrao Technical and Vocational College. Review of records revealed that that Rongo University was mandated to mentor Kakrao Technical and Vocational College, a new Institution, by undertaking construction of twin workshops, classrooms and offices block at the Institution. The project was awarded to a local contractor at a contract sum of Kshs.53,720,833, and was to commence on 23 October, 2014 with an initial expected completion date of 23 October, 2015.

Review of records indicated that the contractor was at eighty-seven percentage (87%) completion rate. Further, a physical verification carried out in January, 2022 revealed that the project remained incomplete and the contractor was not on site.

In circumstances, the propriety and value for money on expenditure of Kshs. 46,214,052 could not be ascertained and the delay in completion of the project has affected service delivery to the public.

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, except for the matters described in the Basis for Conclusion on



Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

#### **Lack of an Approved Staff Establishment**

Review of records revealed that the University did not have an approved staff establishment. The lack of an approved staff establishment implies that the University was yet to determine the skills and optimal staffing levels required to achieve its goals and objectives.

In circumstances, it was not possible to ascertain whether the total staff in the employment of the University was at the optimal operating level.

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 processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

#### **Responsibilities of Management and the University Council**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls 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 overall governance.

In preparing the financial statements, Management is responsible for assessing the University's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the 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.

The University Council is responsible for overseeing the University's financial reporting process, reviewing the effectiveness of how Management 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 overall



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 noncompliance. 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 controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the University to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the 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 the Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

  
CPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**02 September, 2022**







**12. STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2021**

REVENUE FROM	NOTES	2021 KSH	2020 KSH
Non-Exchange Transactions	3	551,092,809	623,990,117
Exchange Transactions	4	347,365,849	329,047,820
<b>Total revenue</b>		<b>898,458,658</b>	<b>953,037,937</b>
<b>EXPENSES</b>			
Employee Costs	5	761,234,961	730,404,084
Depreciation & Amortization cost	6	1,408,778	110,936,675
Repairs & Maintenance	7	11,735,250	13,344,869
General Expenses	8	106,884,207	101,951,488
Council Expenses	9	7,731,640	10,867,066
Academic Expenses	10	75,606,302	64,042,389
<b>Total Expenses</b>		<b>964,601,139</b>	<b>1,031,546,571</b>
<b>Gross Surplus/( Deficit)</b>		<b>(66,142,480)</b>	<b>(78,508,634)</b>
<b>Other gains/ (Losses)</b>			
Gain on Revaluation of Biological Assets	14	319,000	5,000
Provision for Doubtful Debts	20	2,835,720	2,343,350
Provision for Audit fees	20	696,000	696,000
Gain on Revaluation of fixed Assets	25	24,384,122	506,500
<b>Net Surplus/(Deficit)</b>		<b>(37,905,638)</b>	<b>(76,349,784)</b>

The notes set out on pages 57-76 form an integral part of these Financial Statements

The Financial Statements set out on pages 52-86 were signed on behalf of Council by:

Vice Chancellor

Name: **PROF. SAMUEL GADU**

Sign: 

Date: **27th Sept. 2021**

Head of Finance

Name: **CPA Janet Chundu**

ICPAK Member Number: 10479

Sign:  Date: **27/09/2021**

Chairperson of Council

Name: **Rachel Mwa**

Sign: 




Date: **27/09/2021**



**13. STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2021**

<b>ASSETS</b>	<b>NOTES</b>	<b>2021</b>	<b>2020</b>
		<b>KSH</b>	<b>KSH</b>
<b>Current Assets</b>			
Cash & Equivalent	11	11,127,009	3,714,312
Receivables from Exchange Transactions	12	97,485,086	83,989,565
Receivables from Non-Exchange Transactions	13	103,729,096	83,360,248
Biological Assets	14	1,095,000	776,000
Inventories	15	10,960,348	7,480,319
<b>Total Current Assets</b>		<b>224,396,539</b>	<b>179,320,444</b>
<b>Non-Current Assets</b>			
Intangible Assets	16	5,504,960	6,881,200
Property, Plant & Equipment	17	2,114,972,350	2,055,826,949
<b>Total Non-Current Assets</b>		<b>2,120,477,310</b>	<b>2,062,708,149</b>
<b>Total assets</b>		<b>2,344,873,849</b>	<b>2,242,028,594</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables from Exchange Transactions	19	447,895,258	271,234,494
Provisions	20	3,531,720	3,039,350
Student Advances	21	38,909,355	31,954,186
<b>Total Current Liabilities</b>		<b>490,336,333</b>	<b>306,228,030</b>
<b>Non-Current Liabilities</b>			
Retention Fees	22	27,384,832	29,473,856
<b>Total Non-Current Liabilities</b>		<b>27,384,832</b>	<b>29,473,856</b>
<b>NET ASSETS</b>			
Capital Investment Fund		1,239,342,576	1,304,997,082
Revaluation Reserve		441,295,656	416,909,534
Accumulated Surplus		146,514,453	184,420,092
<b>Total Net Assets</b>		<b>1,827,152,684</b>	<b>1,906,326,707</b>
<b>Total Net Assets &amp; Liabilities</b>		<b>2,344,873,849</b>	<b>2,242,028,593</b>

The Financial Statements set out on pages 52-86 were signed on behalf of Council by:

Vice Chancellor Name: <b>PROF. SAMUEL GUDU</b> Sign:  Date: <b>27th Sept. 2021</b>	Head of Finance Name: <b>CPA Janet Chwebs</b> ICPAK Member Number: 10479 Sign:  Date: <b>27/9/2021</b>	Chairperson of Council Name: <b>Rachael Masait</b> Sign:  Date: <b>27/09/2021</b>
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**14. STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED 30 JUNE 2021**



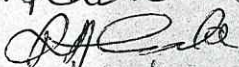
<b>Balance at 30th June 2019</b>	<b>985,777,009</b>	<b>260,769,875</b>	<b>416,909,534</b>	<b>1,663,456,418</b>
Development Income Govt Grants	319,220,073	-	-	319,220,073
Development Income TTIS	-	-	-	-
Deficit for the year	-	(76,349,784)	-	(76,349,784)
<b>Balance at 30th June 2020</b>	<b>1,304,997,082</b>	<b>184,420,091</b>	<b>416,909,534</b>	<b>1,906,326,707</b>
Development Income Govt Grants	62,504,924	-	-	62,504,924
Development Income TTIS	-	-	-	-
Completed Projects	(128,159,430)	-	-	(128,159,430)
Deficit for the year	-	(37,905,638)	-	(37,905,638)
Revaluation Surplus	-	-	24,386,122	24,386,122
<b>Balance at 30th June 2021</b>	<b>1,239,342,576</b>	<b>146,514,453</b>	<b>441,295,656</b>	<b>1,827,152,684</b>



**15. STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 30 JUNE 2021**

Cash Generated From Operations	NOTES	2021 KSH	2020 KSH
<b>Receipts:</b>			
Revenue from Non-Exchange Transactions	3b	634,453,057	601,512,727
Revenue from Exchange Transactions	4b	253,746,347	251,119,840
<b>Total Revenue</b>		<b>888,199,404</b>	<b>852,632,567</b>
<b>Payments</b>			
Employee Costs	5b	727,341,667	586,612,582
Repairs & Maintenance	7b	11,735,250	16,344,869
General Expenses	8b	106,884,207	89,832,911
Council Expenses	9b	7,731,640	10,575,225
Academic Expenses	10b	75,606,302	81,839,151
<b>Total Payment</b>		<b>929,299,067</b>	<b>785,204,738</b>
Net Cash flow From Operating Activities	24	(41,099,662)	67,427,828
<b>Cash flow from Investing Activities:</b>			
Purchase of Intangible asset	17b	-	(4,227,660)
Purchase of Non-Current asset	17c	(9,632,554)	(20,466,101)
Development Expense	17d	(2,271,637)	(387,060,619)
Devt Expense- TTI	17e	-	(4,914,746)
Retention Fees Paid	22	(2,089,024)	(8,618,378)
<b>Net cash flow From Investing Activities</b>		<b>(13,993,215)</b>	<b>(425,287,504)</b>
<b>Cash flow from Financing Activities</b>			
Development Grant		62,504,924	319,220,073
Disposal Income		-	906,500
<b>Net cash flow from Financing Activities</b>		<b>62,504,924</b>	<b>320,126,573</b>
Net increase/(decrease) in cash in hand and bank		7,412,047	(37,733,103)
Cash and Bank Balance B/f	11	3,714,962	41,448,065
<b>Cash and Bank Balance C/f</b>	11	<b>11,127,009</b>	<b>3,714,962</b>

The Financial Statements set out on pages 52-86 were signed on behalf of Council by:

Vice Chancellor Name: <b>Prof. Samuel Gudu</b> Sign:  Date: <b>27th Sept. 2021</b>	Head of Finance Name: <b>CPA Janet Chumba</b> ICPAK Member Number: 10479 Sign:  Date: <b>27/09/2021</b>	Chairperson of Council Name: <b>Rachael Masak</b> Sign:  Date: <b>27/09/2021</b>
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**16. STATEMENT OF BUDGET AND ACTUAL COMPARISON FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

	Original Budget	Adjustments	Final Budget	Actual Expense	Performance Difference	% variance
	KSH	KSH	KSH	KSH	KSH	
Income	1,069,994,909	32,807,200	1,037,187,709	960,963,582	(76,224,127)	7
<b>Expenses</b>						
Employee Costs	726,074,947	(25,284,514)	751,359,461	761,234,961	(9,875,500)	-1
General Expenses	146,806,968	19,318,742	127,488,226	106,884,207	20,604,019	16
Council Expenses	6,000,000	(2,500,000)	8,500,000	7,731,640	768,360	9
Academic Costs	55,582,000	(13,648,098)	69,230,098	75,606,302	(6,376,204)	-9
Repairs and Maintenance	10,504,994	(7,600,006)	18,105,000	11,735,250	6,369,750	35
Devt Expense	125,026,000	62,521,076	62,504,924	62,504,924	-	0
<b>Total</b>	<b>1,069,994,909</b>	<b>32,807,200</b>	<b>1,037,187,709</b>	<b>1,025,697,285</b>	<b>11,490,424</b>	


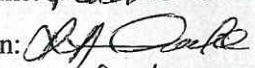
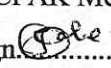
Balance as per performance	964,601,139
Less: Depreciation Expense	(1,408,778)
Add: Development Expense	62,504,924
<b>balance as per budget comparison</b>	<b>1,025,697,285</b>

**BUDGET EXPLANATORY NOTES**

Explanation of differences between budget and actual amounts (10%] over/under)

- a) General Expenses: Due to interruptions in learning, there was under-absorption of the general expense budget by 16%
- b) Repairs and Maintenance: The budget was under-absorbed due to shortfall in revenue collection.

The Financial Statements set out on pages 52-86 were signed on behalf of Council by:

Vice Chancellor	Head of Finance	Chairperson of Council
Name: <b>Prof. Samuel Gudu</b>	Name: <b>CA Janet Chumba</b>	Name: <b>Rachael Mwangi</b>
Sign: 	ICPAK Member Number: 10479	Sign: 
Date: <b>27th Sept 2021</b>	Sign:  Date: <b>27/09/2021</b>	Date: <b>27/09/2021</b>



## 17. NOTES TO THE FINANCIAL STATEMENTS

### 17.1 GENERAL INFORMATION

Rongo University is established by Rongo University Charter of 7<sup>th</sup> October 2016 and derives its authority and accountability from the Universities Act 2012. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to provide high quality education through teaching, research, community service and nurture innovative graduates

### 17.2 Statement of Compliance and Basis of Preparation-IPSAS 1

The University's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya Shillings (Ksh.) which is the functional and reporting currency of the institution and all values are rounded to the nearest Shilling. The accounting policies have been consistently applied. The financial statements have been prepared on the basis of the historical cost, except where otherwise stated in the accounting policies below. The Cash Flow statement is prepared using the direct method. The Financial statements are prepared on accrual basis.

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

### 17.3 Summary of significant accounting policies

#### a) Revenue Recognition

##### *i) Revenue from non-exchange transactions - IPSAS 23*

##### *Exchequer allocations*

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

##### *Transfers from other government entities*

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



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#### a) Revenue Recognition

##### *i) Revenue from non-exchange transactions - IPSAS 23*

###### *Exchequer allocations*

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

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

### NOTES TO THE FINANCIAL STATEMENTS-CONTINUED

##### *ii) Revenue from exchange transactions - IPSAS 9*

###### *a) Fees*

The University recognizes revenue from rendering of services to students (fees) by reference to the stage registration when the outcome of the transaction can be estimated reliably. Fees is therefore accrued per semester as per the approved Almanac and fee structures.

###### **b) Budget Information - IPSAS 24**

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the University. As a result of the adoption of the accrual basis for budgeting purposes, there are no major timing differences



to include in the reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

**c) Property, Plant and Equipment - IPSAS 17**

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

It is the policy of the University to charge full depreciation on all its non-current assets in the year of purchase and no depreciation in the year of disposal.

Increase in the carrying amount arising on revaluation of land and buildings are credited to comprehensive income and shown as revaluation reserve in the statement of net assets. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserve; all other decreases are charged to the income statement.

Each year, the difference between depreciation based on the revalued carrying amount of the asset (depreciation charged to the income statement), and depreciation based on the assets original cost is transferred from the revaluation reserve to accumulated surplus.



Fixed assets have been depreciated on reducing balance method to write off the costs of the assets over their useful lives at the following rates:

Land	NIL
Building	2.5%
Tractor	37.5%
Motor Vehicle	25%
Computer	30%
Plant and machinery	12.5%
Furniture and Fittings	12.5%
Library books	20%

The assets residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

**d) Intangible Assets - IPSAS 31**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

**e) Provisions - IPSAS 19**

This is where in a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.



**i) Contingent liabilities**

Contingent liabilities are possible obligations that may arise from past events and whose existence may be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within control of the University; or a present obligation that arises from past events but is not recognized because: (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or ii) the amount of the obligation cannot be measured with sufficient reliability.

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

**ii) Contingent assets**

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

**f) Changes in accounting policies and estimates- IPSAS 3**

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.



**g) Employee Benefits - IPSAS 39*****Retirement Benefits Plans***

The University operates a retirement benefit scheme for all its permanent and pensionable employees, with the Moi University Pension Scheme. Further an amount equivalent to 31% of basic salary is recognized on cash basis as gratuity for all employees on contract. The University's contribution towards employee pension scheme for employees are charged to the statement of financial performance in the year to which the employees rendered their services. The University also contributes to National Social Security Fund (NSSF) a statutory defined contribution scheme registered under the NSSF Act 2013.

**h) Foreign Currency transactions - IPSAS 4**

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

**i) Leases**

Leases under which the lessor effectively retains the risks and rewards of ownership are classified as operating leases. Obligations incurred under operating leases are charged against income in equal instalments over the period of the lease

**j) Cash and Cash equivalents**

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



banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include bank balances and cash in hand.

**k) Significant Judgements and sources of estimation uncertainty-IPSAS 1**

In preparing the financial statements in conformity with IPSAS, management makes estimates and assumptions that affect the amounts of revenues, expenses, assets and liabilities, and the related disclosures, presented in the financial statements at the end of the reporting period. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include: provision for audit fees, provision for doubtful debts, useful lives and asset impairment. Notes relating to the subject are included under the affected areas of the financial statements

**i) 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 base its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to circumstances arising beyond the control of the Institution.

Such changes are reflected in the assumptions when they occur.

**ii) Useful lives and residual values**

The useful lives and residual values of assets were 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

### iii) Provisions

Provisions were raised and management determined an estimate based on the information available. 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.

### iv. Other Income

Other income amounting to Ksh 30 million relates to research, cafeteria and other miscellaneous income. This collection will offset the related expenses.



**NOTES TO THE FINANCIAL STATEMENTS-CONTINUED**

**Adoption of New and Revised Standards**

**i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022**

<b>Standard</b>	<b>Effective date and impact:</b>
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<b>IPSAS 41:</b>	<b>Applicable: 1<sup>st</sup> January 2022:</b>
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Financial  
Instruments

The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity’s future cash flows.

IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:

- Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held;
- Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and
- Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity’s risk management strategies and the



**Standard**

**Effective date and impact:**

accounting treatment for instruments held as part of the risk management strategy.

*(The University is still assessing the impact of adoption of the standard.)*

**IPSAS 42: Applicable: 1<sup>st</sup> January 2022**

**Social Benefits**

The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:

- a) The nature of such social benefits provided by the entity;
- b) The key features of the operation of those social benefit schemes; and
- c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.

*(The University is still assessing the impact of adoption of the standard.)*

**ii. Early adoption of standards**

The University did not early – adopt any new or amended standards in year 2020

**c) Subsequent events**

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

**25 Litigations**

The following two land matters are under litigation:



a) Kamagambo/Kanyajuok/1753

Access Road Dispute between Rongo University and the immediate community

b) Kamagambo/Kanyajuok/1004

Completion of the pending suit on land Parcel

**26. Sustainability of Service**

The University Council has initiated the process of reforms with a view to bring down the current wage bill and offset the pending bills. Management is also in discussion with Ministry on the funding of the signed CBA 2017-2021 that has not been fully funded. This will improve the working capital and financial sustainability.

3a Revenue from Non-Exchange Transaction	KSH	KSH
	2021	2020
Recurrent Received	551,092,809	540,629,869
Recurrent Accrued	-	83,360,248
<b>Total Revenue from Non Exchange Transaction</b>	<b>551,092,809</b>	<b>623,990,117</b>

3b Revenue from Non-Exchange Transaction	KSH	KSH
	2021	2020
Recurrent Received	551,092,809	540,629,869
Recurrent Accrued	83,360,248	60,882,858
<b>Total Revenue from Non Exchange Transaction</b>	<b>634,453,057</b>	<b>601,512,727</b>

4 Revenue from Exchange Transaction	KSH	KSH
	2021	2020
Fees & Related Charges Received	223,507,188	227,378,545
Fees & Related Charges Accrued	93,619,502	77,021,480
Tender Incomes	1,410,680	45,900
Cafeteria Charges	4,468,216	3,710,759
Research Income	21,648,041	18,020,934
Rental Income	207,892	384,221
Other Incomes	2,504,330	2,485,981
<b>Total Revenue from Exchange Transaction</b>	<b>347,365,849</b>	<b>329,047,820</b>



**b Statement of Cash flow**

	<b>KSH</b>	<b>KSH</b>
	<b>2021</b>	<b>2020</b>
Fees & Related Charges Received	223,507,188	227,378,545
Tender Incomes	1,410,680	45,900
Cafeteria Charges	4,468,216	3,710,759
Research Income	21,648,041	18,020,934
Rental Income	207,892	384,221
Other Incomes	2,502,310	1,577,461
<b>Total</b>	<b>253,746,348</b>	<b>251,119,840</b>

From note 4 above, the actual revenue is Sh 253 million (347-94) as compared to Sh 252million collected last year. This is an indication that of the total billings per year, the university collects on average 73% of expected income. Research income is a controlled grant hence not available for operations.

**5a Employee costs**

	<b>KSH</b>	<b>KSH</b>
	<b>2021</b>	<b>2020</b>
Basic Salaries & Wages	419,870,524	393,387,438
Pension and Provident	62,525,034	58,283,573
Commuter Allowance	51,894,500	45,822,340
Housing Allowance	149,039,717	146,719,121
Other Allowances	41,284,786	41,205,711
Locum	366,000	2,160,000
Part-time Lecturers	36,254,400	42,825,900
<b>Employee costs</b>	<b>761,234,961</b>	<b>730,404,084</b>

**5b Employee costs**

	<b>KSH</b>	<b>KSH</b>
	<b>2021</b>	<b>2020</b>
Basic Salaries & Wages	400,142,194	302,387,438
Pension and Provident	33,360,070	33,492,071
Commuter Allowance	51,894,500	45,822,340
Housing Allowance	149,039,717	146,719,121
Other Allowances	41,284,786	41,205,711
Locum	366,000	2,160,000
Part-time Lecturers	51,254,400	14,825,900
<b>Employee costs</b>	<b>727,341,667</b>	<b>586,612,582</b>

Employee cost increased by 4% from last year. This was occasioned by payment of the new salaries for a period of four months. The University still owes the eight months to employees.



6 Depreciation and amortization expense	KSH	
	2021	2020
Property, plant and equipment	32,538	109,216,374
Intangible assets	1,376,240	1,720,300
<b>Total depreciation and amortization</b>	<b>1,408,778</b>	<b>110,936,675</b>

The university revalued its assets in the financial year under review hence depreciation is not charged on the revalued assets.

7a Repairs and maintenance	KSH	
	2021	2020
Maintenance of Water & Sewer	321,800	288,700
Maintenance of Plant & Equipment	163,700	647,000
Maintenance of Computers	1,924,066	108,605
Maintenance of Catering & Hostels	80,500	1,512,275
Maintenance of Buildings	24,600	269,410
Maintenance of Motor Vehicle	2,923,522	2,892,069
Computer Expenses	-	3,782,778
Minor Works	5,915,437	3,720,932
Maintenance of Grounds & Parks	381,625	123,100
<b>Total repairs and maintenance</b>	<b>11,735,250</b>	<b>13,344,869</b>

Computer expenses has been reclassified under general expenses. Maintenance of computer cost relate to maintenance contracts.

7b Repairs and maintenance	KSH	
	2021	2020
Maintenance of Water & Sewer	321,800	288,700
Maintenance of Plant & Equipment	163,700	647,000
Maintenance of Computers	1,924,066	1,908,605
Maintenance of Catering & Hostels	80,500	1,512,275
Maintenance of Buildings	24,600	269,410
Maintenance of Motor Vehicle	2,923,522	2,892,069



Computer Expenses	-	3,782,778
Minor Works	5,915,437	4,920,932
Maintenance of Grounds & Parks	381,625	123,100
<b>Total repairs and maintenance</b>	<b>11,735,250</b>	<b>16,344,869</b>

8 General expenses	KSH	KSH
	2021	2020
Advertising & Publicity	377,540	1,578,306
Travel & Accommodation	3,417,000	7,950,005
External Travel	133,721	269,461
Internet Communication	3,814,271	8,440,138
Open & Cultural Expense	-	610,000
Audit Expenses	732,000	610,000
Library Books and Journals	1,666,484	369,782
Bank Charges	927,133	1,235,882
Committee Expenses	1,854,111	1,322,885
Medical Expenses	32,507,938	1,790,974
Subscriptions	153,910	189,650
Electricity. Water & Conservancy	6,990,981	7,426,003
Computer Expenses	4,743,696	-
Transport Operating Expenses	5,712,793	3,379,013
Cooking Fuel and oil	1,746,068	909,100
Catering Expense	4,745,796	8,355,242
Insurance	10,000,000	31,696,278
Legal expenses	1,253,180	1,820,915
Strategic Planning Expenses	1,632,568	2,493,035
ICT Infrastructure	595,634	2,159,732
CSR	371,100	269,040
Farm Expenses	226,460	566,980
Performance Contract	630,200	664,550
Postal and courier	98,180	170,522
Stationery	3,037,796	2,990,420
Public Celebrations	10,000	35,300
Cleaning Materials	2,964,563	1,621,436
Recruitment Expenses	-	370,340



Gender Mainstreaming	287,700	31,000
Safety & Disability	-	33,000
Purchase of Security Equipment	80,758	23,190
National Values & Cohesion	-	119,600
Drug and Alcohol Abuse	200,000	-
Uniform & Clothing	287,700	972,000
Telephone & Communication	1,299,200	1,056,000
Environmental Awareness	150,000	156,200
Staff welfare	793,803	1,462,200
Sanitary Expenses	228,722	518,324
Training	2,108,040	1,756,907
Office Entertainment	2,106,945	1,091,266
IGU	1,650,326	3,261,827
Publishing & Printing	219,920	-
Tender Expenses	82,600	-
Purchase of MIS	952,432	-
Assets Valuation	2,656,900	-
Seminars & Conference Expenses	3,436,038	2,815,986
<b>Total general expenses</b>	<b>106,884,207</b>	<b>101,951,488</b>

9a Council Expenses	KSH	KSH
	2021	2020
Sitting Allowance	2,247,768	3,154,048
Subsistence Expenses	3,077,060	4,317,703
Travel & Related Expenses	1,145,664	1,607,585
Other Expenses	1,261,147	1,769,630
<b>Total Council Expense</b>	<b>7,731,640</b>	<b>10,867,066</b>

9b Council Expenses	KSH	KSH
	2021	2020
Sitting Allowance	2,247,768	3,154,048
Subsistence Expenses	3,077,060	4,317,703
Travel & Related Expenses	1,145,664	1,333,844
Other Expenses	1,261,147	1,769,630
<b>Total Council Expense</b>	<b>7,731,640</b>	<b>10,575,225</b>



**10a ACADEMIC COSTS**

	<b>KSH</b>	<b>KSH</b>
	<b>2021</b>	<b>2020</b>
University Publications	105,400	310,200
Student Activities	2,551,995	2,596,390
Teaching Practice & Attachments	6,736,015	7,118,071
Graduation Expenses	3,897,489	6,578,926
Admissions Expense	3,092,400	4,985,610
Examination Expense	2,588,775	3,729,520
Rental	6,776,043	7,094,896
Purchase of Games Equipment	436,100	56,000
Collaboration & Linkages	944,100	1,061,900
RUSA	2,202,246	2,737,300
Teaching Materials	1,641,610	5,158,631
Inter-university Games	957,500	3,930,560
Curriculum Development	563,900	1,219,580
National Shows & Exhibitions	-	818,920
Research Expenses	36,491,384	14,295,550
KUCCPS & CUE	6,205,500	2,280,000
Work Study	415,845	70,335
<b>Total Academic Costs</b>	<b>75,606,302</b>	<b>64,042,389</b>

**10 b ACADEMIC COSTS**

	<b>KSH</b>	<b>KSH</b>
	<b>2021</b>	<b>2020</b>
University Publications	105,400	310,200
Student Activities	2,551,995	2,596,390
Teaching Practice & Attachments	6,736,015	7,118,071
Graduation Expenses	3,897,489	6,578,926
Admissions Expense	3,092,400	4,985,610
Examination Expense	2,588,775	3,729,520
Rental	6,776,043	12,094,896
Purchase of Games Equipment	436,100	56,000
Collaboration & Linkages	944,100	1,061,900
RUSA	2,202,246	2,737,300



Teaching Materials	1,641,610	7,955,393
Inter-university Games	957,500	3,930,560
Curriculum Development	563,900	1,219,580
National Shows & Exhibitions	-	818,920
Research Expenses	36,491,384	24,295,550
KUCCPS & CUE	6,205,500	2,280,000
Work Study	415,845	70,335
<b>Total Academic Costs</b>	<b>75,606,302</b>	<b>81,839,151</b>

<b>11 Cash and cash equivalents</b>	<b>KSH</b>	<b>KSH</b>
	<b>2021</b>	<b>2020</b>
KCB PSSP- 1130114511	3,129,594	1,503,293
KCB GSSP -1139740229	5,657,855	676,542
KCB DEVP -1139740091	484,488	136,464
CO-OP PSSP -01129477027400	1,478,188	927,553
EQUITY A/C NO 1430270413535	208,450	112
<b>Mentoring Institution Accounts</b>		
MABERA TTI KCB -1177876752	88,753	96,175
KAKRAO TTI KCB -1159020558	57,148	63,958
KENDEGE TTI CO-OP -01120477027400	-	302,192
Cash on Hand	22,533	8,023
<b>Cash and Cash Equivalent</b>	<b>11,127,009</b>	<b>3,714,312</b>

<b>12 Receivables from exchange contracts</b>	<b>KSH</b>	<b>KSH</b>
	<b>2021</b>	<b>2020</b>
<b>Current receivables</b>		
Staff Debtors/ Imprest	3,865,584	6,968,085
Student Debtors	93,619,502	77,021,480
Provision for Doubtful Debts	-	-
<b>Total Net Receivables</b>	<b>97,485,086</b>	<b>83,989,565</b>

<b>13 Receivables from Non- Exchange Transactions</b>	<b>KSH</b>	<b>KSH</b>
	<b>2021</b>	<b>2020</b>



Capitation Grant- Recurrent		83,360,248
Capitation Grant Devt.	103,729,096	-
<b>Total Receivables from Non exchange Transaction</b>	<b>103,729,096</b>	<b>83,360,248</b>

<b>14 Biological Assets</b>	<b>KSH</b>	<b>KSH</b>
	<b>2021</b>	<b>2020</b>
Initial Cost	776,000	1,146,000
Additions\ (Disposals)	-	(375,000)
Valuation gain\ (Loss)	319,000	5,000
<b>Biological Assets</b>	<b>1,095,000</b>	<b>776,000</b>

<b>15 Inventories</b>	<b>KSH</b>	<b>KSH</b>
	<b>2021</b>	<b>2020</b>
Consumable stores	6,894,764	4,755,169
Medical supplies	628,095	339,653
Spare parts and meters	3,015,369	2,034,935
Catering	422,120	350,562
<b>Total inventories</b>	<b>10,960,348</b>	<b>7,480,319</b>

<b>16 Intangible Assets</b>	<b>KSH</b>	<b>KSH</b>
	<b>2021</b>	<b>2020</b>
	<b>20%</b>	<b>20%</b>
Opening balance	6,881,200	5,280,340
Additions	-	3,321,160
<b>Total</b>	<b>6,881,200</b>	<b>8,601,500</b>
Amortization	1,376,240	1,720,300
<b>Closing balance</b>	<b>5,504,960</b>	<b>6,881,200</b>



17a	Property, plant and equipment												Total
	Land	Building	Borehole	Motor vehicles	Computers & Accessories	Plant & Machinery	Furniture & Fittings	Library Books	Work In Progress RU	Work In Progress TTI			
	0%	2.50%	2.50%	25%	30%	12.50%	12.50%	30%	0	0	Shs	Shs	
	Sh	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	
Year ended 30 June 2020													
Opening net book amount	72,400,000	589,614,052	1,336,705	53,905,690	31,383,661	66,742,799	64,256,444	23,159,703	788,925,264	47,251,610		1,738,975,928	
Additions	-	-	-	5,463,000	1,469,495	26,221,345	3,297,900	804,000	384,803,408	4,914,746		426,973,894	
Disposals (net) charge	-	-	-	(906,500)	-	-	-	-	-	-		(906,500)	
Depreciation	-	(15,499,800)	(35,176)	(28,091,970)	(22,962,291)	(14,096,569)	(11,074,865)	(17,455,702)	-	-		(109,216,373)	
Closing net book amount	72,400,000	574,114,252	1,301,529	30,370,220	9,890,865	78,867,575	56,479,479	6,508,001	1,173,728,672	52,166,356		2,055,826,949	
At 30 June 2020													
Cost or valuation	72,400,000	619,991,982	1,407,058	112,367,880	76,540,971	112,772,556	88,598,922	58,185,674	1,173,728,672	52,166,356		2,368,160,071	
Accumulated depreciation	-	(45,877,730)	(105,529)	(81,997,660)	(66,650,106)	(33,904,981)	(32,119,443)	(51,677,673)	-	-		(312,333,122)	
Net book amount	72,400,000	574,114,252	1,301,529	30,370,220	9,890,865	78,867,575	56,479,479	6,508,001	1,173,728,672	52,166,356		2,055,826,949	
Year ended 30 June 2021													
Opening net book amount	72,400,000	574,114,252	1,301,529	30,370,220	9,890,865	78,867,575	56,479,479	6,508,001	1,173,728,672	52,166,356		2,055,826,949	
Additions	-	-	-	-	-	3,084,304	6,528,250	20,000	25,159,263	-		34,791,817	
Transfers	-	459,077,531	-	-	-	-	-	-	(459,077,531)	-		-	
Depreciation charge	-	-	(32,538)	-	-	-	-	-	-	-		(32,538)	
Asset revaluation	208,645,500	(136,096,339)	-	7,039,780	10,016,123	(38,086,932)	(39,114,139)	11,982,129	-	-		24,386,122	
Closing net book amount	281,045,500	897,095,444	1,268,991	37,410,000	19,906,988	43,864,947	23,893,590	18,510,130	739,810,404	52,166,356		2,114,972,350	
At 30 June 2021													
Cost or valuation	281,045,500	897,095,444	1,268,991	37,410,000	19,906,988	43,864,947	23,893,590	18,510,130	739,810,404	52,166,356		2,114,972,350	
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-		-	
Net book amount	281,045,500	897,095,444	1,268,991	37,410,000	19,906,988	43,864,947	23,893,590	18,510,130	739,810,404	52,166,356		2,114,972,350	



<b>17b</b>	<b>Property, Plant &amp; Equipment</b>	<b>KSH</b>	<b>KSH</b>
	<i>Purchase of Intangible assets</i>	<b>2021</b>	<b>2020</b>
	Purchase off MIS Parity Information System	-	4,227,660
<b>17c</b>	<b>Property, Plant &amp; Equipment</b>	<b>KSH</b>	<b>KSH</b>
	<i>Purchase of non-current assets</i>	<b>2021</b>	<b>2020</b>
	Purchase of Plant & machinery	3,084,304	10,235,706
	Purchase of Furniture & Fittings	6,528,250	3,297,900
	Purchase of Library Books	20,000	-
	Purchase of Motor vehicles	-	5,463,000
	Purchase of Computers & Accessories	-	1,469,495
	<b>Total Payments</b>	<b>9,632,554</b>	<b>20,466,101</b>
<b>17d</b>	<b>Property, Plant &amp; Equipment</b>	<b>KSH</b>	<b>KSH</b>
	<i>Development Expense</i>	<b>2021</b>	<b>2020</b>
	Tuition Block	-	40,850,574
	Library	-	342,630,891
	Water Treatment Plant	2,271,637	3,579,154
	<b>Total Payments</b>	<b>2,271,637</b>	<b>387,060,619</b>
<b>17e</b>	<b>Property, Plant &amp; Equipment</b>	<b>KSH</b>	<b>KSH</b>
	<i>Development Expense TTI</i>	<b>2021</b>	<b>2020</b>
	Kakrao TTI	-	4,914,746
	<b>Total Payments</b>	-	<b>4,914,746</b>
<b>18</b>	<b>Work - in- Progress</b>	<b>KSH</b>	<b>KSH</b>
		<b>2021</b>	<b>2020</b>
	Tuition Block Phase 1	-	63,282,387
	Tuition Block Phase 2	-	305,427,395
	Water Treatment Plant	100,380,611	100,380,611
	Hostel	18,311,762	18,311,762
	Gate & Gate House	8,688,260	19,733,425
	Power distribution Overhead	-	12,972,917
	Fishpond	700,000	2,368,589
	Ramps	-	11,236,726
	Kitchen & Cold room	-	23,364,865
	Library	611,729,771	611,729,771
	Kakrao TTI	-	44,981,695
	<b>Balance C/F</b>	<b>739,810,404</b>	<b>1,213,790,143</b>
	<b>Transferred Projects were as</b>		
	Tuition Block Phase 1	63,282,387	
	Tuition Block Phase 2	341,187,799	
	Overhead power distribution	12,856,920	
	Ramps	19,055,560	



Kitchen & Cold room

22,694,865

459,077,531

**19 Payables From exchange Transactions**

	KSH	KSH
	2021	2020
Payroll Creditors	258,292,434	143,791,501
Part time Creditors	25,615,772	60,812,755
Sundry Creditors	157,743,052	58,766,238
Caution Money	6,244,000	7,864,000
<b>Total trade and other payables</b>	<b>447,895,258</b>	<b>271,234,494</b>

Of the payroll creditors is pension of Sh. 195 million. Sundry creditors include Sh 103 million relating to pending certificates of work done. In the FY under review on Sh 62 million was received for the ongoing projects.

**20 Provision**

	KSH	KSH
	2021	2020
Audit Fees	696,000	696,000
Doubtful Debts	2,835,720	2,343,350
<b>Total</b>	<b>3,531,720</b>	<b>3,039,350</b>

**21 Payments received in advance**

	KSH	KSH
	2021	2020
School of Education	18,781,104	15,781,104
School of Science	3,919,798	2,919,798
School of Agriculture	2,946,700	1,746,700
School of Business	6,499,584	4,499,584
School of INFOCOMS	4,390,138	3,690,138
School of Arts	3,816,863	3,316,863
<b>Total</b>	<b>38,909,355</b>	<b>31,954,186</b>



22 Retention Fees	KSH	KSH
	2021	2020
Tuition Block	14,703,524	14,703,524
Water Treatment Plant	4,931,989	4,931,989
Hostel	1,831,177	1,831,177
Kitchen & Cold-room	-	-
Gate & Gate House	1,472,140	3,069,690
Power distribution Overhead	763,923	763,923
Fishpond	166,859	166,859
Ramps	-	-
Kakrao TTI	3,515,220	4,006,694
<b>Total</b>	<b>27,384,832</b>	<b>29,473,856</b>

23 **Transfers from Ministries, Depts. and Agencies**

Name of Entity sending grant	Amount recognized	Total income
	in Capital Fund	during the
	Ksh	year
		Ksh
State Dept. Of University Education & Research	62,504,924	613,597,733
<b>Total</b>	<b>62,504,924</b>	<b>613,597,733</b>

24 Cash generated from operations	KSH	KSH
	2021	2020
Surplus/Deficit for the year before tax	(37,905,638)	(63,535,207)
<b>Adjusted for:</b>		
Depreciation	1,408,778	110,936,675
Contribution to provisions	(3,531,720)	(3,039,350)
<b>Working capital adjustments:</b>		
(Increase) Decrease in inventory	(3,480,029)	772,677
(Increase)Decrease in receivables	(33,864,369)	98,885,939
Increase(decrease) in payables	36,273,316	(63,456,854)



Net cash flows from operating activities

(41,099,662)

80,563,880

25. a

Computation of Revaluation Gain on Assets							
Description	Land	Buildings	Motor vehicles	Plant & Machinery	Furniture & Fittings	Computers & Accessories	Library Books
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Opening Balances	72,400,000	574,114,252	30,370,220	78,867,575	56,479,479	9,890,865	6,508,001
Revalued balances	281,045,500	438,017,912	37,660,000	40,530,643	17,365,340	19,906,988	18,490,130
Reclassification	-	459,077,531	-250,000	250,000	-	-	-
<b>Gain on Revaluation</b>	<b>208,645,500</b>	<b>-136,096,340</b>	<b>7,039,780</b>	<b>-38,086,932</b>	<b>-39,114,139</b>	<b>10,016,123</b>	<b>11,982,129</b>
Additions after Revaluation	-	-	-	3,084,304	6,528,250	0	20,000
<b>Closing balances</b>	<b>208,645,500</b>	<b>-136,096,340</b>	<b>7,039,780</b>	<b>-35,002,628</b>	<b>-32,585,889</b>	<b>10,016,123</b>	<b>12,002,129</b>

25b.

Summary of Revaluation Gain on Assets			
Asset	Gain	Loss	Total
Land	208,645,500	-	208,645,500
Buildings	-	-136,096,340	-136,096,340
Motor vehicles	7,039,780	-	7,039,780
Plant & machinery	-	-38,086,932	-38,086,932
Furniture & Fittings	-	-39,114,139	-39,114,139
Computer & accessories	10,016,123	-	10,016,123
Library books	11,982,129	-	11,982,129
<b>Total</b>	<b>237,683,532</b>	<b>-213,297,411</b>	<b>24,386,121</b>



25c

<b>Cash Flows Reconciliation</b>	
Deficit from operations	(41,099,662)
Cash flow from Investing Activities	(13,993,215)
Cash flows from financing activities	62,504,924
Net increase in cash in hand and bank	7,412,047
Cash and bank balance B/F	3,714,962
Cash and bank balance C/F	11,127,009



**NOTES TO THE FINANCIAL STATEMENTS (Continued)****26. 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 programmes 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 does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

**26.1 Credit risk**

The University 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.

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 Council. The amounts presented in the statement of financial position are net of allowances for doubtful debts as estimated by the management based on prior experience and their assessment of the current economic environment.

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</b>	<b>Fully performing</b>	<b>Past due</b>	<b>Impaired</b>
	<b>KSH</b>	<b>KSH</b>	<b>KSH</b>	<b>KSH</b>
<b>At 30 June 2021</b>				
Receivables from exchange transactions	97,485,086	97,485,086	-	-
Receivables from non-exchange transactions	103,729,096	103,729,096	-	-
<b>Total</b>	<b>201,214,182</b>	<b>201,214,182</b>	-	-
<b>At 30 June 2020</b>				
Receivables from exchange transactions	83,989,565	83,989,565	-	-
Receivables from non-exchange transactions	83,360,248	83,360,248	-	-
<b>Total</b>	<b>167,349,813</b>	<b>167,349,813</b>	-	-



## 26.2 Credit risk (Continued)

The students under the fully performing category are paying their debts as they continue learning. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the University 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 credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

## 26.3 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Council, who 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 entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

	Less than 1 month	Between 1- 3 months	over 5 months	Total
	Ksh	Ksh	Ksh	Ksh
<b>At 30th June, 2021</b>				
Trade Payables	17,718,087	88,889,697	341,287,474	447,895,258
Provisions	-	-	-	-
<b>Total</b>	<b>17,718,087</b>	<b>88,889,697</b>	<b>341,287,474</b>	<b>447,840,959</b>
<b>At 30th June, 2020</b>				
Trade Payables	24,969,716	36,000,675	210,264,104	271,234,495
Provisions	-	-	-	-
<b>Total</b>	<b>24,969,716</b>	<b>36,000,675</b>	<b>210,264,104</b>	<b>271,234,495</b>



## 26.4 Market risk

Council has put in place an internal audit function to assist it in assessing the risk faced by the entity 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. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

### a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency.

### b) Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The University's interest rate risk arises from bank deposits. The University was exposed to interest rate risk.

#### *Management of interest rate risk*

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

#### *Sensitivity analysis*

The University analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. Using the end of the year figures, the sensitivity analysis indicates no impact on the statement of financial performance; this is due to the fact that at the end of the financial year there were no investment that would be affected by interest rate fluctuations.

## 26.5 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 entity capital structure comprises of the following funds:



	2021	2020
	KSH	KSH
Revaluation reserve	441,293,656	416,909,534
Accumulated Surplus	149,942,029	187,048,972
Capital Investment Fund	1,235,864,883	1,304,997,082
<b>Total funds</b>	<b>1,827,100,567</b>	<b>1,908,955,587</b>
Total borrowings	-	-
Less: cash and bank balances	10,373,049	3,422,471
Net debt/(excess cash and cash equivalents)	10,373,049	3,422,471
<b>Gearing</b>	-	-

The university did not borrow in the financial year under review.

## 27. Related Party Balances- IPSAS 20

### 27.1 Nature of related party relationships

The University regards a related party as a person or an Institution with the ability to exert control individually or jointly, or to exercise significant influence over the university, or vice versa. Members of key management are regarded as related parties and comprise Council and Management.

The entity is related to;

- i) The National Government
- ii) The Parent Ministry
- iii) Key management
- iv) Council

	2021	2020
	Ksh	Ksh
<b>Transactions with related parties</b>		



a.	<b>Grants from the Govt</b>		
	Grants from the Govt	613,597,733	943,210,189
b.	<b>Key Mgt. Compensation</b>		
	Compensation to the CEO	21,268,867	21,268,867
	Compensation to Key Mgt.	36,945,058	32,045,951
	<b>Total</b>	<b>58,213,925</b>	<b>53,314,818</b>

**28. Events after the reporting period**

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

**29. Ultimate and Holding Entity**

The entity is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**30. Currency**

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

**31. Revaluation of Assets**

Rongo University has a revaluation policy of every 3 years. The last valuation of fixed assets was done in June, 2021 by:

Legit Valuers Ltd

P.O. Box 103505-00101

NAIROBI



## **APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS ON 2019/20 AUDIT REPORT**

### **1. Undisclosed material Uncertainty in relation to sustainability of service**

The University Council has initiated the process of reforms that will rationalize staff in order to bring down recurrent cost. This is expected to free money which can be used to pay University debts. In addition, the University management is in talks with the government to increase capitation allocation, in order to cater for increased employee expenses brought about by the signed CBA's.

Other measures include increasing of fees, increase research activities and initiate income generating activities.

### **2. Unsupported Council Expenses**

The University had passed a policy that allow members of Council to account for taxi money by signing receipt of this amount alongside other incomes. The signed documents are accepted as support schedules for Council expenses.

Air tickets are not used as accountable documents. Instead, Council members bring boarding passes that are attached to the respective air travel expenses. Going forward however, Council members have been advised to bring taxi receipts as accountable documents.

### **3. Payables from Exchange Transactions – Payroll Creditors**

The accumulation of statutory deductions was occasioned by previous CBA's that are yet to be funded by government hence related party institutions are informed and occasionally updated on the same. However, the university normally pays from AIA when funds allow.

### **4. Unresolved Prior Year Matters**

As at the time of this Audit, the university had not received the report and hence could not resolve the matters.

### **5. Non Compliance with the Public Sector Accounting standards board's requirements**

This was an omission that has since been corrected.

### **6. Non Payment of Part Time Lecturers**

The University almanac overlaps into two financial years hence part time claims are made after the semester and in the subsequent financial year. The University has now settled all old part time claims and is continuing to as the claims are made.



### **7. Non Compliance with the law on academic expenses**

The University follows the Public Procurement and Asset Disposal Act 2015 and Regulations. Where procurement is by cash, quotations are normally sort from suppliers and the lowest bidder issued with an LPO/LSO and then payment mode is normally done in cash in the interest of time e.g. graduation time. This is only where there is no much time left for other procurement methods to be applied.

### **8. Non Compliance with law on ethnic Composition**

The University is an equal opportunity employer. Non-compliance with ethnic composition was brought about by inheritance of staff from the former MIT.



Prof. Samuel Gudu

**VICE CHANCELOR**



**APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY**

Projects: There were no new projects implemented by Rongo University, funded by development partners.

**Status of Project Completion**

	<b>Project</b>	<b>Total Project Cost</b>	<b>Total Expended to date</b>	<b>Completion % to Date</b>	<b>Budget 2020/21</b>	<b>Sources of funds</b>
1	<b>University Projects:</b>					
2	Tuition Block	378,584,087	318,511,344	84	15,000,000	GoK
3	Water Treatment Plant	108,790,054	106,215,175	98	-	GoK
4	Library	1,358,342,492	545,729,771	40	55,000,000	GoK
5	Overhead Power Dist.	15,562,128	12,856,920	83	-	AIA
6	Construction of Main Gate	22,482,220	19,733,425	88	-	AIA
7	<b>Sub Total</b>	<b>1,925,511,370</b>	<b>1,003,046,635</b>		<b>70,000,000</b>	
8	<b>Technical Training Institutions:</b>					
9	Kakrao	53,627,833	46,214,053	86	7,500,000	CDF/ GOK
10	<b>Sub Total</b>	<b>53,627,833</b>	<b>46,214,053</b>			
11	<b>Grand Total</b>	<b>1,979,139,203</b>	<b>1,049,260,688</b>		<b>77,500,000</b>	



**APPENDIX III: INTER-ENTITY TRANSFERS**

Rongo University				
Breakdown of Transfers from State Department of University Education & Research				
	FY 20/21			
a.	Recurrent Grants	Bank Statement Date	Amount	Relating FY
		06/07/2020	83,360,248	2017/2020
		07/08/2020	45,924,401	2020/2021
		31/08/2020	45,924,401	2020/2021
		01/10/2020	45,924,400	2020/2021
		30/10/2020	45,924,401	2020/2021
		07/12/2020	45,924,401	2020/2021
		04/01/2021	45,924,400	2020/2021
		04/02/2021	45,924,401	2020/2021
		10/03/2021	45,924,401	2020/2021
		09/04/2021	45,924,400	2020/2021
		10/05/2021	45,924,401	2020/2021
		16/06/2021	45,924,401	2020/2021
		25/06/2021	45,924,401	2020/2021
	<b>Sub Total</b>		<b>634,453,924</b>	
b.	<b>Development</b>			
		14/09/2021	62,504,924	2020/2021
	<b>Sub Total</b>		<b>62,504,924</b>	
	<b>Total</b>		<b>696,957,981</b>	

**Note:**

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


Finance Officer

Head of Accounting Unit

Rongo University

Ministry of Education

Sign

  
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Sign-----