

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

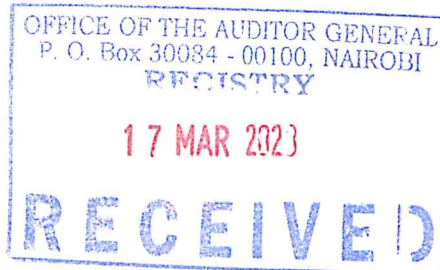
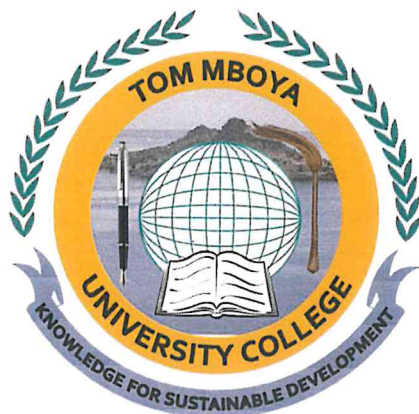
OF

THE AUDITOR-GENERAL

ON

TOM MBOYA UNIVERSITY COLLEGE

**FOR THE YEAR ENDED
30 JUNE, 2022**



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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE, 2022

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

Table of Content	Page
1. Key Information And Management	ii
2. Members of The University College Council	vi
3. Management Team	ix
4. Chairperson’s Statement	xii
5. Report from The Principal	xiv
6. Statement of Performance Against Predetermined Objectives For Fy 2021/2022	xvii
7. Corporate Governance Statement	xxvi
8. Management Discussion And Analysis	xxxiii
9. Environmental And Sustainability Reporting	xxxviii
10 Report of The Council	xl
11. Statement of Council Responsibilities	xlvi
12 Report of The Auditor General	xlvii
13. Statement of Financial Performance For The Year Ended 30 th June 2022	1
14. Statement of Financial Position As At 30 th June 2022	2
15. Statement of Changes In Net Assets For The Year Ended 30 th June 2022	3
16. Statement of Cash Flows For The Year Ended 30 th June 2022	4
17. Statement of Comparison Of Budget And Actual Amounts For The Year Ended 30 th June 2022.	5
18. Notes to The Financial Statements	7
19. Appendices	36

1. KEY INFORMATION AND MANAGEMENT

(a) Background information

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

The University College currently has got seven (7) faculties, one (1) centre and one (1) institute namely:

- Faculty of Education
- Faculty of Business & Economics
- Faculty of Food Security & Agriculture Studies
- Faculty of Arts & Social sciences
- Faculty of Biological & Physical Science
- Faculty of Maths, Actuarial Science & Computing
- Faculty of Tourism and Cultural Studies
- Institute for Public Policy and allied studies
- Centre for Lake Victoria Studies and Allied challenges

Vision

To be a premier internationally recognized University (college) distinguished for its teaching, research, and innovation.

Mission

To transform and sustainably contribute to society through teaching; research and innovation; knowledge creation, application and outreach.

Core Values

- Excellence and quality in teaching, research, and innovation
- Accountability and efficiency in the use of entrusted resources
 - Integrity and transparency
 - Sustainability

(b) Principal Activities

Tom Mboya University College derives its mandate from the University Act 2012 No.42, of 13th December, 2012. The principal activity of the University College is to offer high quality training, carry out innovative research and community outreach programmes for sustainable socio-economic development summarised in the strategic and short term objectives below:

- Advancement of knowledge through teaching, scholarly research and scientific investigation;
- Promotion of learning in the student body and society generally;
- Promotion of cultural and social life of society

- Support and contribution to the realization of national economic and social development;
- Promotion of the highest standards in, and quality of, teaching and research;
- Education, training and retraining higher level professional, technical and management personnel;
- Dissemination of the outcomes of the research conducted by the university to the general community.
- Facilitation of life-long learning through provision of adult and continuing education;
- Fostering of a capacity for independent critical thinking among its students; and
- Fostering of a capacity for independent critical thinking among its students; and
- Promotion of gender balance and equality of opportunity among students and employees.
- Promotion of equalization for persons with disabilities, minorities and other marginalized groups.
- To contribute to agricultural, industrial and technological development of Kenya in collaboration with industrial and other institutions through the transfer of appropriate technology;
- To develop and provide educational, cultural, professional, technical and vocational services to the community and in particular, foster corporate social responsibility;
- To provide programs, products and services in ways that reflect the principles of equity and social justice;
- To facilitate student mobility between different programs at different training institutions, universities and industry; and
- To foster the general welfare of all staff and students.

(c) Key Management

The day-to-day management of Tom Mboya University College is under the following key organs;

- Principal
- College Management Board
- College Academic Board

(d) Fiduciary Management

The Key Management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Principal	Prof. Charles Omondi. Ochola
2	Dean Faculty of Biological & Physical Sciences	Dr. Irene Okelo
3	Dean Faculty Of Education	Prof. Enose M. Wambulwa Simatwa
4	Dean Faculty Of Business & Economics	Dr. Alphonse Juma. Odondo
5	Ag. Head of Finance	CPA. Julius Okoth Otieno
6	Ag. Head of Procurement	Ms. Monica Ogola Ouma
7	Ag. Head of Human Resource	Mr. Washington Odhiambo Wambas
8	Ag. Registrar, Academic and Student Affairs	Mr. Jarred O Malela

(e) Fiduciary Oversight Arrangements

i) The Commission for University Education (CUE)

CUE undertakes the following oversight roles:

- Accreditation of the University College for the award of charter
- Undertake regular inspections, monitoring and evaluations of the University College to ensure compliance with set standards and guidelines.
- Accredite and inspect Academic programmes

ii) Parliament Education Committee

- investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned Ministries and departments;
- study the programme and policy objectives of Ministries and departments and the effectiveness of the implementation;
- study and review all legislation referred to it;
- study, assess and analyse the relative success of the Ministries and departments as measured by the results obtained as compared with their stated objectives;
- investigate and inquire into all matters relating to the assigned Ministries and departments as they may deem necessary, and as may be referred to them by the House;
- to vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order 204 (Committee on Appointments); and
- make reports and recommendations to the House as often as possible, including recommendation of proposed legislation

iii) Council

Academic and Research Committee

The Committee is responsible for execution of academic and research matters including award of degrees of the University

Finance, Planning and Investment Committee

The committee is responsible for recommending financial policies, goals, and budgets that support the mission, values, and strategic goals of the organization. The committee also reviews the organization's financial performance against its goals and proposes major transactions and programs to the Council.

Audit and risk Management Committee

The Audit and risk management Committee form a key element in the governance process by providing an independent expert assessment of the activities of top management, the quality of the risk management, financial reporting, financial management and internal audit to the Council and the senior management.

Executive and Human Resource Committee

The Committee is responsible for execution of urgent matters on behalf of council, human resource matters and coordinate the agenda and conduct of committees and advise council on their performance.

(f) Registered Headquarters

Homa Bay Town, Next to Governor's Office, Homa-Bay County
Hospital Road
P.O.BOX 199-40300
Homa-Bay
Kenya

(g) Our Contacts

Land line: (254) 059-20090/20091
Mobile Telephone: 0746401703
0746401706
E-mail: principal@tmuc.ac.ke
Website: www.tmuc.ac.ke

(h) Our Bankers

1. Kenya Commercial Bank Ltd
Homa-Bay Branch
P. O. Box 368-40300
Homa-Bay, Kenya
2. Equity Bank Ltd
Homa-Bay Branch
P.O. Box 366-40300
Homa-Bay, Kenya

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

2. MEMBERS OF THE UNIVERSITY COLLEGE COUNCIL

Dr. Augusta N. Abate-Chair of Council



Date of Birth: 20th December 1952

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

Mr. Elijah N. Ireri –Council Member



Date of Birth: 7th July 1965

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

Mrs. Sophia Yiege-Council Member



Date of Birth: 6th October 1968

Mrs. Sophia Yiege is a member of the council. She has over 25 years' experience working with the National Government and NGOs in Education, Civil Societies and Community Development. She has worked for Ministry of Education, Action Aid International, Christian Churches Educational Association (C.C.E.A), Concern World Wide, Care International Kenya, SNV Netherlands Development Organization and MEdIT Consultants. Sophia is currently the Chief Executive Officer for Women Educational Researchers of Kenya. She holds a Bachelor of Education(Arts) and M.Ed. (Psychology) from Kenyatta University.



Dr. Mbugua Njoroge -Council Member

Date of Birth: 5th May 1974

Dr. Mbugua Njoroge is an independent Member of Council. He is the Chief Executive Officer at the Kenya Association of Music Producers (KAMP). Prior to joining KAMP, Dr. Mbugua served as Head of Communication at the Institute of Certified Public Accountants of Kenya (ICPAK). He has previously served as Corporate Communications Manager at Athi Water; Corporate Affairs Manager at Kenya Broadcasting Corporation (KBC) and as English and Literature teacher with the Teachers Service Commission among other public sector entities. Dr. Njoroge chairs the Academic Committee. He is also a member of Finance, Planning and Investment Committee. Dr. Njoroge holds a Ph.D from Kenyatta University, an M.A (Communication Studies) from University of Nairobi, a Master in Intellectual Property (MIP) from Africa University Mutare-Zimbabwe; a Postgraduate Diploma in Mass Communication from the University of Nairobi, a Bachelor of Law (LLB) from Mount Kenya University and a Bachelor Degree in Education (B.Ed) from Egerton University



Mrs. Lily Cherono Koech-Sakaja-Council Member

Date of Birth: 16th February, 1969

Mrs. Lily Cherono Koech-Sakaja is a member of the Council. She is currently serving as a Customer fulfilment specialist at NCR Kenya Ltd. Previously she served as a product Administrator at NCR Kenya Ltd and as an Accounts Assistant at AT & T Global Information Solutions (Kenya) Ltd. She holds a Bachelor of Commerce Degree from Poona University, Master of Business Administration (MBA) from Daystar University and is a Certified Public Accountant of Kenya-CPA(K)



Mr. Johnson Maina Mwangi-Council Member

Date of Birth: 20th December 1968

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



CPA. Robert Asumani Samuel –Council Member

Date of Birth: 6th January 1982

CPA Asumani represents the Principal Secretary State Department for University Education and Research in TMUC Council. He serves as a Deputy Accountant General and Head of Accounting Unit in the State Department for University Education and Research. He also serves as a Director in JKUATES Enterprises Limited an income generating company of Jomo Kenyatta University of Agriculture and Technology representing the Principal Secretary, Ministry of Education and also represents the Principal Secretary Ministry of Education in the Board of Kisii International Centre for Innovation (KICI) Ltd. He holds Masters in Business Administration (MBA) Finance from Jomo Kenyatta University of Agriculture and Technology; Bachelor's Degree in Business Management (BBM) Accounting Option from Moi University and is a Certified Public Accountant (CPA K).

Prof. Julius O. Nyabundi–Council Member

Date of Birth: 3rd August 1954



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

Prof. Charles O. Ochola- Secretary to Council

Date of Birth: 8th January 1961



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

3. MANAGEMENT TEAM



Prof. Charles Omondi Ochola

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



CPA Julius Okoth Otieno,

Mr. Julius Okoth Otieno is the Ag. Finance Officer. He has over 18 years' experience having worked as the Bursar, College of Education & External Studies, Senior Accountant in Charge of Budget and Financial Reporting, Senior Accountant in Charge of Capital Projects among other senior positions at the University of Nairobi. He is a Certified Public Accountant of Kenya and Registered Member of Institute Certified Public Accountant of Kenya (ICPAK). He holds a BA (Economics) and Master of Business Administration (Finance & Accounting) from the University of Nairobi and currently pursuing PhD in Accounting at the University of Nairobi.



Mr. Jared Odoyo Malela

Mr. Jared Odoyo Malela is the Ag. Registrar Academic & Student Affairs. Before joining Tom Mboya University College as the in charge

of Agricultural Extension and Outreach Division he was the Principal of Homa Bay Agricultural Training College. He worked with the Ministry of Agriculture from 2006 in various positions as Divisional Agriculture Extension Officer, District Monitoring and Evaluation Officer, District Extension and Training Officer, Crops Development Officer and Agribusiness Development Officer. He holds a Bsc. Agricultural Education and Extension from Egerton University.

3. MANAGEMENT TEAM (CONTINUED)



Miss. Monica Ouma

Miss. Monica Ouma is in charge of Procurement Department. Previously worked as a Procurement Officer at Machakos University before joining Tom Mboya University College. She is a registered member of the Kenya Institute of Supplies Management. She holds a Bachelor of Education Arts and Master of Business Administration from the University of Nairobi. She also has a Professional Diploma in Procurement and Supply from the Chartered Institute of Procurement and Supply.



Mr. Wambas Washingtone

Mr. Wambas Washingtone is an Assistant Registrar in charge of Administration and Human Resource department. Previously worked as a Senior Administrative Assistant (Administration and Human Resource) at University of Kabianga before joining Tom Mboya University College. He holds a Bachelor of Science in Environmental Science with IT from Maseno University. Also serves as the secretary to the Management Board.



Prof. Enose M. W. Simatwa,

Prof. Simatwa is currently the Dean and an Associate Professor in the School of Education.

He joined Tom Mboya University College from Maseno University, School of Education where he had risen through the Academic line to the position of Associate Professor. He has also served as an Administrator in different capacities at Secondary and Post-secondary levels. His research areas include Social Sciences such as; Leadership and Policies, Management, Sociology and Psychology. He holds a Bachelor of Education from the University of Nairobi, Master of Education from Kenyatta University and Ph.D from Maseno University.

3 MANAGEMENT TEAM (CONTINUED)



Dr. Alphonse J. Odondo,

An Economist by profession with most of research activities based on poverty reduction strategies with particular emphasis on rural poverty and smallholder livelihood strategies, with vast experience in various teaching and management of Academic affairs. Currently Dr. Odondo is the Dean of the School of Business and Economics



Dr. Irene Okello

Dr. Irene Okello is the Dean, Faculty of Biological and Physical Sciences. Before joining TMUC, she was the Dean, School of Pure and Applied Sciences at Kirinyaga University. She holds a Bachelor of Science (Mathematics & Computer Science) and Master of Science in Pure Mathematics from Jomo Kenyatta University of Agriculture and Technology and PhD in Mathematics (Computational Option) from Pan African University, Institute for Basic Sciences, Technology and Innovation.

4. CHAIRPERSON'S STATEMENT



As Tom Mboya University College which now has become Tom Mboya University celebrates six (6) years of its existence, it is with a mixture of optimism and caution that it looks to the future. Optimism, because of success so far achieved and the opportunities the future holds and caution, because of the enormous uncertainties generated by the current economic challenges including the Covid-19 pandemic. Charting a course into this future requires the University to examine its strategic directions and to develop plans that can ensure success in fulfilling Tom Mboya University's mission in the decades to come.

Tom Mboya University approaches the coming decades and beyond with unprecedented optimism and initial success. The University facilities are poised to be expanded and improved; public funding and private support are anticipated and, in a move, already underway, the University will focus on the following flagship areas: Public Policy and Allied Studies; Studies of Lake Victoria and Allied Challenges; Tourism and Cultural Studies; and Food Security and Agricultural Studies.

The transformation from a University College to a fully-fledged University by the Commission for University Education affirms the positive, forward-moving momentum embodied in these events. Against this background of success, internal and external circumstances require the University not to rest on its laurels, but explore its future opportunities and possibilities. The current economic challenges have created an unprecedented and precarious external environment in which the major funding sources for public higher education have dwindled: state funding is constricting; financial pressures on students and families place serious constraints on the ability to increase tuition and other fees to offset the loss of public funding; donors are reducing their financing; and there is a major erosion in rates of return for existing investments. In addition to the dramatic changes in the external environment, there are internal circumstances that call for reconsideration of the University's strategic directions. Enrolments have declined raising questions about competitiveness, effectiveness, recruitment, and retention. However, affiliation with other institutions will create opportunities that have not yet been strategically realized. Such opportunities will only yield meaningful results through integration within a comprehensive strategic plan.

Arguably, the student body of the 21st century is bringing a new set of challenges and expectations to the University. Key issues facing all institutions of higher learning are that the way students now learn and what constitutes learning for them, differ from those of previous generations. We must

examine how faculty and academic support systems are equipped to deal with the changes in students' learning methods. This is one facet of the academic planning question facing the University. From another perspective the question becomes "What educational programmes should be provided to which students in what environment using what resources?" Because the learning environment and resource needs will vary in educational programmes and expectations, it is the academic plan that will drive many of the other plans the University intends to implement.

Tom Mboya University is named after a person famed for his great passion for education and political prowess. With that name will come increased visibility as we promote the University, its history and its significant contributions to society. The great passion for higher education that Thomas Joseph Mboya had will continue to inspire future growth of the institution in various ways including identification of financial resources to help realise this growth. Finally, I would like to express my special thanks to the Government for the support in realization of the University's mandate and all those who worked tirelessly to ensure continued smooth operation of this institution



Dr. Augusta N. Abate
Chair of Council

5. REPORT FROM THE PRINCIPAL



I am pleased to present the Annual Report and Financial Statements of Tom Mboya University College for the Financial year ended June 30th, 2022.

The vision for Tom Mboya University College is “*To be a premier internationally recognized University (College) distinguished for its teaching, research and innovation*”. Entrenched in our Master Plan and Strategic Plan are the four niches core to knowledge for transformation and sustainable development with key values namely: excellence and quality in teaching, research and innovation, accountability and efficiency in the use of natural resources; integrity and transparency and sustainability.

The institution’s role in achieving this vision, is emphasized by our commitment to offering quality academic programmes that meet the needs of the society in line with Vision 2030 and also contributes to scientific and technological innovations thereby enhancing the competitiveness of the University.

Operational Performance

The financial year 2021/2022 was a relatively a busy year as the University College tried to recover from the effects of COVID-19 which resulted in the disruption of academic calendar for 2020/2021. This disruption caused a mismatch between financial year and academic year. In order to recover the lost time and ensure normalcy in academic calendar, the University did a back to back three semesters instead of the normal two. During the 2021/2022 FY, the University College received its allocation of **Kshs. 408,022,214** for recurrent expenditure from the Government of Kenya and **Ksh. 80,000,000** for the ongoing construction of Administration and Lecture Halls Block. Tuition fees and other incomes earned during the year was **Kshs. 205,927,884**.

Capital Development

The University is undertaking a Phased Construction of Administration and Lecture halls block with a capacity of about 8,000 students. This projected is being funded by the Government of Kenya and the main challenge being inadequate budgetary allocation which may cause delays in the completion time. The University completed Phase 1 of Administration and Lecture Halls block with a capacity of 2,000 students, Perimeter Wall and Gate, installation of lift in the new building, installation of E-Learning and ICT Infrastructure, purchase of Motor Vehicles, Purchase of Generator and various teaching and office equipment.

The University College has prioritized Library block; CT resource Centre; Laboratory complex and Hostels as key projects to address the infrastructural needs.

Award of Charter

Tom Mboya University College was awarded a Charter by His Excellency the President on 2nd August 2022 to operate as a fully-fledged Tom Mboya University. This new status will require the University to put in place more facilities and recruit Academic and key administrative staff to support its core mandate.

Future outlook

It is in light of these much-needed developments that in the medium-term besides appealing to the State Department of University Education and Research for more allocation of funds, it has become apparent that Fund raising, revenue generation and reduction of costs have to be the Management's top priorities. The current state of affairs renders TMU entirely dependent on government subsidies and student fees, making us extremely vulnerable. Ultimately there will be need to seek creative alternative sources of income in the medium term and for the future of the institution.

Other facets of our implementation strategy include:

- Strengthening of management and administrative processes and procedures for efficient running of the University.
- Adoption of a compliance framework for all departments and entities of the University.
- Ensuring accountability of all staff especially those holding managerial positions.
- Marketing and Communication strategy to improve the visibility and presence of the University.
- Cultivation of strong links with the communities in our region.

Despite our challenges, I would like to acknowledge and give much thanks to the National Government for its continued support in realization of the University's mandate.

Going forward, the University intends to continuously look into ways of improving and providing world-class service at all customer touch points, not only in the lecture hall but also in other aspects of students' life.

I would also like to express my special thanks to Tom Mboya University College Council, the staff and students and the larger Homabay Community for their continued and unwavering support to ensure realization of the growth of TMUC.



Prof. Charles Omondi Ochola

Principal

6. STATEMENT OF TOM MBOYA UNIVERSITY COLLEGE'S PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2021/2022

Tom Mboya University College has 11 strategic pillars and objectives within its Strategic Plan for the FY 2018/2019- 2022/2023. These strategic pillars are as follows:

- Pillar 1: Training
- Pillar 2: Research and Consultancy
- Pillar 3: Physical Infrastructure and facilities
- Pillar 4: ICT Infrastructure
- Pillar 5: Resource Mobilization and Visibility
- Pillar 6: Leadership and Integrity (Governance)
- Pillar 7: Human Resource Management
- Pillar 8: Safety and Security
- Pillar 9: Quality Assurance
- Pillar 10: Students Welfare and Management
- Pillar 11: Cross Cutting Issues

Tom Mboya University College develops its annual work plans based on the above 10 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The University College achieved its performance targets set for the FY 2021/2022 period for its 10 strategic pillars, as indicated in the diagram below.

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Training	To design, develop and mount unique market driven, teaching, research and outreach programmes	No. of undergraduate programmes designed in the area of public policy and allied studies. -Letter of Authority. -No. of Certificate programmes designed and developed.	i. Design and develop undergraduate programmes in the areas of: a. Public Policy and allied studies; b Lake studies and allied challenges; ii Seek accreditation from CUE	-Designed, developed and submitted to CUE Academic programmes in Lake studies and allied challenges, Public Policy and allied studies. -Collaborated with Ndhiwa Constituency to offer basic ICT training to youths and vulnerable groups

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
		<ul style="list-style-type: none"> -Partnership proposals and signed MoUs -No. of youths and vulnerable groups trained. -e-learning platform and infrastructure created and online common courses mounted 	<ul style="list-style-type: none"> iii Design and develop capacity building ICT certificate programmes. iv Collaborate with county governments on giving basic ICT training to youths and vulnerable groups. v Build e-learning platform to mount common courses such as HIV & Aids determinants, prevention and management. 	<ul style="list-style-type: none"> -E-learning platform developed
Pillar 2: Research and Consultancy	-To promote research and consultancy activities for creation and dissemination of knowledge.	<ul style="list-style-type: none"> -Policy on management of TMUC's research activities. - Publications of Research activities. - 	<ul style="list-style-type: none"> i. Establish a coordination unit for research and consultancy activities. ii. Develop a research policy. iii. Identify community, county and national research and development needs. iv. Build collaborative partnership on research and consultancy in the areas of agriculture and food security; and common 	<ul style="list-style-type: none"> -Research policy developed and approved. -Staff trained on writing grant winning research proposal. Collaborations -International Centre of excellence in Malaria Research Project(ICEMR) -TMUC, Thika way Investment Limited and DBFZ, of the republic of Germany Collaborative Project. -Cotton Victoria Project a technical regional project to

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
			diseases around Lake Victoria v. Train staff on writing a competitive research grant proposal.	strengthen cotton sector in the Lake Victoria basin supported by the Federal republic of Brazil through Brazilian Cooperation agency and Federal University of Lavras (UFLA) -Integrated Agricultural Research for Development-IARD(Project) in collaboration with KALRO
Pillar 3: Physical Infrastructure and facilities	-To upgrade the existing physical facilities -To develop priority physical infrastructure facilities.	-Signed contracts and architectural drawings -renovation and maintenance schedules. -Standby generators -increased space for operations.	-annually audit facilities to determine their level of utilization and status. - upgrade/renovate existing facilities. -Electricity supply upgrade -Construction of the following physical facilities and infrastructure; a. Administration and lecture halls block b. Library & ICT Resource Centre. c. Laboratory Block.	The following capital projects undertaken. -Ongoing construction of Administration and Lecture theatres block. -Completion of office block and tuition block -Access road and sports field. -Power generator. -Perimeter fence and gate

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
			<p>d. Perimeter fence & gate.</p> <p>e. Power generator.</p> <p>f. Students' hostels.</p> <p>g. Civil works.</p> <p>h. Farm office and green houses.</p>	
Pillar 4: Infrastructure	ICT -To leverage technology(ICT) to enhance training and delivery of administrative services	<p>-Policy documents.</p> <p>-Audit report on ICT status and ICT training needs assessment for staff.</p> <p>-training manuals and attendance lists.</p> <p>-Budget on ICT equipment.</p> <p>-Upgraded ICT software and hardware.</p> <p>-Monitoring and evaluation report on adherence to the ICT policy and standards guiding service provision.</p>	<p>i. Develop institutional ICT policy in line with the national ICT policy that includes the guiding standards</p> <p>ii. Conduct automation audit and undertake ICT training needs assessment for staff</p> <p>iii. Conduct training of staff on ERP</p> <p>iv. Increase funding for ICT equipment and software</p> <p>v. Conduct regular upgrading of ICT software to keep up with the rapid technological changes;</p>	<p>-ICT policy developed.</p> <p>-Staff trained on ERP.</p> <p>-Funding level for ICT equipment and software increased to Kshs.20 million.</p> <p>-ERP upgrades conducted.</p> <p>-ICT security systems established and enhanced.</p> <p>Ongoing</p> <p>Ongoing</p>

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
			vi. Establish and enhance ICT security systems vii. Monitor and evaluate implementation of the ICT policy and standards to guide service provision.	Ongoing
Pillar 5: Resource Mobilization and Visibility	-To expand TMUC's resource base and enhance its visibility.	-Increased research grants. -Signed collaborations. -Number of IGUs initiated. -Proposal for increasing exchequer funding to the Principal Secretary in charge of University Education and research	i. Explore viable funding options through partnership and collaboration with research partners, donors, public and the private sector and friends of Tom Mboya network or foundation ii. Develop more income generating units (IGUs) iii. Leverage on the growing demand for accommodation, catering services, exhibitions and meeting facilities vi. Request for increased capitation from the treasury with justification v. Prepare and implement a cost reduction plan;vi. Promote corporate image by advertising	-Collaborating with International Centre of excellence in Malaria Research Project (ICEMR) -Trained 400 youths in ICT through Ajiira digital platform in Collaboration with Ministry of ICT. -Trained 200 youths on basic ICT skills in Collaboration with Ministry of ICT and Ndiwa Constituency. -Implemented a cost reduction plan leading to manageable employee costs, travel expenses, ICT expenses, library expenses and other administrative expenses. -Participated in educations in schools within Homa Bay county to promote corporate image and

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
			TMUC's academic programmes during education days and other relevant social forums	market academic programmes
Pillar 6: Leadership and Integrity(Governance)	<p>-To ensure that TMUC gets a charter to operate as a fully-fledged University.</p> <p>-To create a culture of ownership, efficiency and effectiveness in policy execution among TMUC employees.</p>	<p>-Application for charter.</p> <p>-Charter</p> <p>-Workshop proceedings and copies of certificates of participation.</p> <p>-Code of conduct and ethics manual.</p> <p>-Policy document.</p> <p>-Appointment letters of corruption prevention committee and reports</p> <p>-</p>	<p>i Meet CUE requirements for award of Charter</p> <p>ii Apply for grant of Charter</p> <p>iii. Conduct training on accountability, good governance, resource management as well as ethics and integrity</p> <p>iv. Develop a code of conduct and Ethics for staff</p> <p>v. Develop a whistle blowers' policy</p> <p>vi. Constitute a Corruption Prevention Committee</p> <p>vii. Train Integrity Assurance Officers</p> <p>viii. Implementation of policies, regulations and Legislations</p> <p>ix Strengthen internal audit department</p>	<p>-Appointment of Committee for the award of Charter.</p> <p>-Staff and students sensitized through meetings and trainings on accountability, resource management and integrity.</p> <p>-Integrity assurance officers appointed and trained.</p> <p>-Corruption Prevention Committee appointed.</p> <p>-Management of TMUC affairs by following laid down policies, regulations and legislations.</p> <p>-Integrity assurance officers appointed and trained</p> <p>-Policies, regulations and legislations implemented.</p> <p>-Internal audit department strengthened through additional</p>

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
				staff recruitment and trainings.
Pillar 7. Human Resource Management	-To attract, develop, motivate and train qualified staff	-Approved policy. -increased budgetary allocations for personnel emoluments. -work environment survey and implementation of the recommendations. -Annual training needs assessment report. -	-Develop and implement schemes of service for staff -Conduct team building workshops/seminars for attitude change among members of staff. -Raise staffing level to 80% of the approved establishment by 2023. -Provision of quality medical care/services to staff and their legal dependants. -Ensure a conducive work environment -Ensuring compliance to the national, safety and security standards. -Increase staff productivity and effectiveness at all levels by capacity development.	-Advertised and recruited 39 additional academic and key administrative staff. -Medical Insurance provided to council members, staff and their legal dependants. -Provided office space, furniture, equipment, computers and internet to staff to ensure good working environment. -Security firm contracted to offer security services -Trained academic staff on research grant proposal writing and facilitating staff to attend professional development programmes. Ongoing
Pillar 8: Safety and Security	-To ensure safety and security of TMUC staff	-Perimeter wall in place -Training reports and attendance	-Construction of perimeter wall around the	-Awarded contract for the Construction of perimeter wall and gate house.

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
		<ul style="list-style-type: none"> lists and certificates. -Installed security gadgets. -Installed and serviced fire extinguishers -Insurance policy documents. -Implementation plan for ICT security systems and documented evidence of maintenance 	<ul style="list-style-type: none"> University College; -Conduct sensitization trainings for both staff and students on safety and security preparedness; -Installation of surveillance cameras, scanning gadgets at all University college critical points -Installation and maintenance of firefighting equipment and conduct fire drills -Insurance of University assets -Establish and enhance ICT security systems 	<ul style="list-style-type: none"> -Firefighting equipment installed and regularly maintained. -Assets insured against possible risks. -Ongoing
Pillar 9: Quality Assurance	-To develop a culture of quality in service delivery in TMUC	<ul style="list-style-type: none"> -Quality assurance unit in place. -Increased budgetary allocation for personnel emoluments -Policy document. -QMS operations procedures manual. M&E reports -ISO 9001:2015 Certificate 	<ul style="list-style-type: none"> -Establish a quality assurance Unit -Recruit/Appoint key staff of the QA Unit -Develop a Quality Assurance policy. -Document the University's processes and operations procedures -Operationalize the M&E 	<ul style="list-style-type: none"> -Quality Assurance Unit established and staff appointed. -Ongoing -Ongoing -Ongoing

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
			function of the QA Unit -Obtain ISO Certification against ISO 9001:2015 standards	-Ongoing -Ongoing
Pillar 10: Students Welfare and Management	-To strengthen student welfare services -To develop programmes geared towards addressing the welfare of needy students	-Dean of students' appointment letter/advert -Survey report. -Implementation status report. -M & E frame work. -Appointed games tutor. -No. of cultural weeks held. -No. of CSR activities identified. -Career office in place -No. of students placed in internship reports	-Recruit/Appoint Dean of Students -Undertake a survey on students counselling needs -Implement the survey report -Develop M&E and referral framework for counselled cases. -Undertake students' financial needs assessment survey -Develop a comprehensive Student works study Programme -Establish a fund for a Work-Study Programme -Strengthen the existing games department -Undertake a cultural and arts week -Identify Corporate Social	Recruitment of Dean of Students initiated. Ongoing -Ongoing -Ongoing -Ongoing -Ongoing -Ongoing -Ongoing

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
			Responsibility activities -Establish and operationalize Career Services Office -Identify internship and placement opportunities for students -Develop procedures and guidelines for students on exchange programs	-Ongoing -Ongoing -Ongoing
Pillar 11: Cross Cutting Issues	-To mainstream cross cutting issues	-Policy documents. -additional staff -sensitization posters, programmes on integration	Develop and implement policy on; -Disability Mainstreaming -HIV and AIDS mainstreaming -Alcohol, Drug and Substance Abuse -Gender Mainstreaming -Strengthening the AIDS Control Unit	-Ongoing

7. CORPORATE GOVERNANCE STATEMENT

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

The Council members are committed to the need to conduct the business and operations of the University College with integrity, accountability, transparency, responsibility and fairness in accordance with Generally Accepted Standards and endorse the internationally developed principles of good governance. The institution's stewardship is committed to complying with statutory requirements as outlined in the Universities Act, 2012 and the Code of Governance for State Corporations (Mwongozo, 2015).

Composition of the Council

Tom Mboya University College Council is constituted in accordance with the provisions in the Universities Act, 2012 Section 36 (1) stipulating that the Council shall consist of nine (9) persons appointed by the Cabinet Secretary as follows: the Chairperson; the Principal Secretary in the Ministry for the time being responsible for the university education; the Principal Secretary in the Ministry for the time being responsible for Finance; and five members appointed by the Cabinet Secretary through an open process. The Vice-Chancellor of Maseno University is member representing the mentoring institution as provided for in the legal notice and the Inspector General, Inspectorate of State Corporations.

The Board provides strategic direction; exercises control and remain accountable through effective leadership, enterprise, integrity and good judgment. It is diverse in its composition, independent but flexible, pragmatic, objective and focused on the balanced and sustainable performance of the College.

Roles and functions of the Council

- Administer the property and funds of the University College in a manner and for the purposes which shall promote the interest of the University College, however, the Council shall not charge or dispose of immovable property of the University College except in accordance with the procedures laid down by the Government of Kenya;

- Receive, on behalf of the University College, donations, endowments, gifts, grants or other moneys and make disbursements there from to the University College or other bodies or persons;
- Provide for the welfare of staff and students of the University College;
- Enter into association with other Universities, University Colleges or other institutions of learning, whether within Kenya or otherwise, as the Council may deem necessary and appropriate as provided for in section 29 of the Act;
- Approve regulations governing the conduct and discipline of the students of the University College;
- Approve regulations governing the conduct and discipline of the staff of the University College;
- Raise funds and secure financial support for the University College;
- Determine University College fees and other charges;
- Establish scholarships, bursaries and other awards;
- Approve the terms and conditions of service and criteria for recruitment, appointment and promotion of staff;
- Approve the regulations governing staff and student conduct
- Approve academic affiliations and associations with other University Colleges and institutions;
- Establish its Committees;
- Establish Campuses, departments, faculties, schools, institutes and any other teaching facility;
- Employ staff
- Approve the statutes of the University College and cause them to be published in the Kenya Gazette;
- Approve the policies of the University College;
- Approve the budget;
- Recommend for appointment of Principals, Deputy Principals through a competitive process;
- To confer after receiving a report from the Academic Board, the title of Emeritus Professor, Visiting Professors, Honorary Professor, Honorary Lecturer or Honorary Fellow;
- To promote and to make financial provisions and facilities for execution of the functions of the University College;

- Subject to the laid down government procedures to approve sale, purchase, exchange, lease, or take on, lease movable and immovable property on behalf of the University College;
- Subject to the laid down government procedures, to approve the borrowing of money on behalf of the university; and for that purpose and subject to the Act, to mortgage or charge all or any part of the property unless the conditions of the property so held provide otherwise, and to give such other security whether upon movable and immovable property or otherwise as the Council may deem fit;
- To receive, on behalf of the University College, donations, endowments, gifts, development grants or other moneys and make legitimate disbursements wherefrom;
- To approve the constitution of the Students Organization and so far as is reasonably practicable, to ensure that the Students' Organization operates in a fair and democratic manner;
- To approve the opening and/or closing of the University College's bank account(s) for the funds of the university.
- All documents, other than those required by law to be under seal, made on behalf of the Council, and all decisions of the Council may be signified under the hand of the Chairperson, the Principal, or any other member of the Council or management generally or specifically authorized by the Council to perform such function on its behalf.
- The Council shall ensure that a proper management structure is in place and make sure that the structure functions to maintain corporate integrity, reputation and responsibility.
- The Council shall monitor and evaluate the implementation of policies, strategies and management plans of the University College.
- The Council shall receive and evaluate reports on management and governance of the University as provided for by various legislations and the Statutes for effective monitoring and evaluation.
- The Council shall constantly review the viability and financial sustainability of the University, and shall do so once every year.
- The Council shall ensure that the University College complies with all the relevant laws, regulations, governance practices, accounting and auditing standards.
- The Council shall perform such other duties as may be contained in the Statutes and may have such other powers as contained in the Act.
- In carrying out its duties the Council may delegate any of its powers or responsibilities to Committees as shall be deemed necessary.

- Council may empower such Committees act jointly with any committee appointed by Academic Board provided that Council shall not delegate to a Committee the power to approve without further reference to Council the annual estimates of expenditure of accounts.
- Undertake any other that shall be provided for by the Act, Legal Notice, Legislation and Government Circulars

Appointment and removal of Council members

Appointment of Council members is by notice in the Kenya Gazette. The Substance of nominations and recommendations for appointment or re-appointment of members are set out in the Board Charter, further covering the retirement of Council members on what is referred to as Staggered Retirement to mitigate occurrence of a vacuum should a majority of members retire at the same time.

Succession Plan

The Tom Mboya University College Council has a succession plan in that the term expiry dates overlap so that the remaining members carry on institutional memory for continuity.

Council and Committee Charters

Tom Mboya University College Council in April, 2018 approved the Council and Its Committees Charters. These Charters gives the roles and responsibilities of each Committee and the Council. They generally give guidance on the conduct of Council business at all levels.

The Council Charter spells out the important governance arrangements including;

- Terms of Reference for all Council Committees;
- Duties Regarding the Council which addresses issues on Conflict of Interest, appointment and compensation;
- Supervision of Financial Reporting; and
- Council decision making

Membership Composition and Committees

Tom Mboya University College Council constituted four (4) standing committees with clearly defined terms of reference under individual Committee Charters. Appointment to a committee is done with consideration of member skills and experience, committees act on delegated authority from the Council.

Council and Committees

BODY	MEMBERS		
COUNCIL	1. Dr. Augusta N. Abate	-	Chairman
	2. Mr. Elijah N. Ileri	-	Member
	3. Ms. Lily C. Koech-Sakaja	-	Member
	4. Ms. Sophia Yiega	-	Member
	5. Dr. Mbugua Njoroge	-	Member
	6. CPA. Robert S. Asumani	-	Alternate to the PS, State Department for University Education and Research
	7. Mr. Johnson M. Mwangi	-	Alternate to the CS, National Treasury
	8. Prof. Julius O. Nyabundi	-	Vice-Chancellor, Maseno University
	9. Mr. Victor M. Momanyi	-	Deputy Inspector General - Inspectorate of State Corporations
	10. Prof. Charles O. Ochola	-	Principal/Secretary
FINANCE PLANNING AND INVESTMENT COMMITTEE	1. Ms. Lily C. Koech-Sakaja	-	Chairman
	2. Dr. Mbugua Njoroge	-	Member
	3. Mr. Johnson M. Mwangi	-	Alternate to the CS National Treasury
	4. CPA. Robert S. Asumani	-	Alternate to the PS, State Department for University Education and Research
	5. Prof. Julius O. Nyabundi	-	Vice-Chancellor, Maseno University
	6. Prof. Charles O. Ochola	-	Principal/Secretary
ACADEMIC AND RESEARCH COMMITTEE	1. Dr. Mbugua Njoroge	-	Chairman
	2. Ms. Sophia Yiega	-	Member
	3. Mr. Johnson M. Mwangi	-	Alternate to the CS National Treasury
	4. CPA. Robert S. Asumani	-	Alternate to the PS, State Department for University Education and Research
	5. Prof. Charles O. Ochola	-	Principal/Secretary
EXECUTIVE AND HUMAN RESOURCE COMMITTEE	1. Mr. Elijah N. Ileri	-	Chairman
	2. Ms. Lily C. Koech-Sakaja	-	Member
	3. CPA. Robert S. Asumani	-	Alternate to the PS, State Department for University Education and Research
	4. Prof. Julius O. Nyabundi	-	Vice-Chancellor, Maseno University
	5. Prof. Charles O. Ochola	-	Principal/Secretary
AUDIT AND RISK MANAGEMENT COMMITTEE	1. Ms. Sophia Yiega	-	Chairman
	2. Mr. Elijah N. Ileri	-	Member
	3. Mr. Johnson M. Mwangi	-	Alternate to the CS National Treasury
	4. Internal Auditor	-	Secretary

Council Meetings

At the beginning of every financial year, Council prepares and approves an almanac that guides in planning for the activities of both the Committees and Council. In preparation of the almanac, the provisions of the State Corporations Act are taken into consideration. The meetings are restricted

to a minimum of four (4) times a year. The meeting dates are aligned to submission dates for quarterly reports required by various Government Agencies. Other meetings are held as and when necessary as provided for by the responsibilities of each Committee and with approval from the Ministry of Education (MoE) in consultation with the State Corporations Advisory Committee (SCAC).

Council meeting agendas are circulated at one week prior to the meeting, the Chairman shall consult the CEO (Principal) on the content of the agenda of which each Council member and the CEO has a right to request that an item be placed on the agenda with prior notice. In total there were ten (10) full Council meetings in the year.

The attendance of committee and council meetings are detailed below.

Council Meetings

S/No.	NAME OF MEMBER	FINANCE PLANNING AND INVESTMENT COMMITTEE	ACADEMIC AND RESEARCH COMMITTEE	EXECUTIVE AND HUMAN RESOURCE COMMITTEE	AUDIT AND RISK MANAGEMENT COMMITTEE	COUNCIL
1.	Dr. Augusta N. Abate					5
2.	Mr. Elijah N. Ileri			5	4	10
3.	Mr. Johnson M. Mwangi	7	4		4	10
4.	Mr. Clement O. Odeka	3	1	1		3
5.	CPA. Robert S. Asumani	3	2	2		4
6.	Prof. Julius O. Nyabundi	7		5		10
7.	Ms. Lily C. Koech-Sakaja	7		5		10
8.	Ms. Sophia Yiega		4		4	10
9.	Dr. Mbugua Njoroge	6	3			9
10.	Mr. Victor M. Momanyi					5

S/No.4 was replaced by S/No.5 effective 1st October, 2021 as the alternate representative for the Principal Secretary, State Department for University Education and Research.

Council remuneration

Remuneration of the Council members has been as guided by the relevant Circulars from the head of Public Service and the State Corporations Advisory Committee (SCAC). The circulars have been adhered to ensure that Council budget is within the required percentage of the total budget for a Financial Year.

Council Annual Performance Evaluation

The Annual Performance Evaluation of the Council for the FY 2021/2022 has been scheduled for 29th August, 2022 to be facilitated by the State Corporations Advisory Committee (SCAC).

The previous years' Council performance valuation scores were as tabulated below:

Financial Year	Council performance Evaluation Score
2019/2020	91.86
2020/2021	94.18

Conflict of interest

The leadership and Integrity Act, 2012 and related laws, require that if a conflict of interest exists in the exercise of a Committee member's duties, then they are obliged to disclose such conflict of interest. During the period there was no conflict of interest was declared.

Council Capacity Building

To guarantee consistent critical and creative execution of its mandate Council members undergo regular trainings and updates based on skills and competency requirements. Newly appointed members are taken through an induction programme to enhance their understanding of the Institution's operations, strategy and performance. Council training(s) during the period are detailed below.

S/No	Training/ Workshop	Dates & Venue	Organizer /Trainer	No. Trained
2.	Workshop for Board, Board Audit Committee, CEO and Heads of Internal Audit	9 th to 13 th May, 2022 at the Sarova Whitesands Beach Resort, Mombasa	Institute of Internal Auditors (IIA)	All Council Members

8 MANAGEMENT DISCUSSION AND ANALYSIS

Academic Programmes and student enrolment

As enshrined in the TMUC Strategic Plan 2018 – 2023, the University College has identified to create a niche by developing unique and specialized academic programmes, innovative approaches, and practices in delivery of education, teaching, and learning techniques that are closely linked to market demands with research areas that more clearly address and provide solutions to local challenges.

Taking the advantage of its proximity to Lake Victoria and the “Tom Mboya” brand, TMUC envisages to conduct research on efficient and sustainable use of water resources and disseminate the research findings to the County, National and globally with a view to inform policy by developing and mounting programmes on:

- Lake studies and allied challenges;
- Tourism and Cultural Studies; and
- Policy, Governance and Leadership Studies.

The student enrollment in the various academic programmes has been on the increase since the establishment of TMUC in May 2016. Currently the University College has **4,073** students enrolled in various programmes, majority of the students being Government Sponsored as placed by KUCCPS.

Summary of Financial Performance and Sustainability

The University College through prudent financial management has managed to operate within its means despite the inadequate funding from GoK and the effects of Covid-19 pandemic. During the 2021/2022 financial year the University College did three semesters instead of the normal two semesters in order to mitigate against the effects of Covid-19 pandemic. The Normal academic calendar is expected to resume in 2022/2023 Financial year.

Below is a summary of the budgeted and actual financial performance of the University College for period ended 30th June, 2022 and the comparative actual amounts for the previous year 2020/2021

	Annual Budget	Actual	Variance	Percentage Variance	Actual 2020/2021
Revenue					
Recurrent Grants from GoK	408,022,214	408,022,214	0	-	382,766,280
Development Grants	80,000,000	80,000,000	0	-	65,160,971
Tuition Fees and Other Related Charges	180,209,085	181,539,815	1,330,730	0.74	59,434,096
Catering, Accommodation & Other Incomes	24,000,000	24,388,069	388,069	1.62	22,392,999
Total income	692,231,299	693,950,098	1,718,799	0.25	529,754,346

	Annual Budget	Actual	Variance	Percentage Variance	Actual 2020/2021
Expenses					
Staff Costs	213,802,840	207,796,375	6,006,465	2.81	191,257,808
Council Expenses	15,600,000	14,988,450	611,550	3.92	19,693,041
Depreciation & Amortization	60,500,000	59,618,464	881,536	1.46	54,770,713
Repairs and Maintenance	7,300,000	7,218,937	81,063	1.11	12,211,408
General Expenses	110,028,459	109,647,425	381,034	0.35	114,617,238
Property, Plant & Equipment	285,000,000	268,255,269	16,744,731	5.88	381,807,500
Total expenditure	692,231,299	667,524,920	24,706,379	3.57	774,357,708
Surplus/(Deficit) for the period	0	26,425,178	26,425,178		(244,603,362)

Tuition fees and other related charges for the FY 2021/2022 was higher compared to FY 2020/2021 because the University did a back to back three semesters instead of the normal two semesters to compensate for the lost time during the COVID-19 pandemic.

The overall surplus in 2021/2022 represents the cost of items committed and procured within the financial year but are ongoing and will be paid in the next financial year(s) when completed/delivered. These activities include among others:

- Phased Construction of Administration and Lecture Halls block
- ERP upgrade
- CCTV Project
- Library Books
- Laboratory equipment
- ICT Equipment and Infrastructure

The overall Deficit in 2020/2021 represents the cost of items which were paid from the funds committed and brought forward from the previous years. Key among them was Phased Construction of Administration and Lecture Halls block.

Assets

The book values of the **Current Assets** as at 30th June 2022 is **Kshs. 482,571,641** compared to **Kshs. 444,101,620** in financial year 2020/2021. Included in this balance are funds committed for the ongoing capital/development projects and contractors' retention money.

The **Non-Current assets** have book values of **Kshs. 1,056,347,691** compared to **Kshs. 847,710,886** in financial year 2020/2021. The increase is attributable to acquisition of additional assets key among them include completed and ongoing Phased Construction of Administration and Lecture Halls block, Perimeter wall and gate, ICT equipment and Infrastructure, teaching equipment, furniture and motor vehicles.

The **Total Assets** as at 30th June 2022 is **Kshs. 1,538,919,332** compared to **Kshs. 1,291,812,506** for the previous year

Liabilities

The Total Liabilities as at 30th June 2022 is **Kshs. 118,583,115** compared to **Kshs. 309,104,843** in the previous year. The Current liabilities of relates to contractor's retention money, payments for part time teaching for semester ended May 2022, suppliers of various goods and services, overpayments in students' accounts arising from late disbursements of CDF and HELB funds and refundable caution money for students

Completed and ongoing Capital Projects

The University is undertaking a phased construction of Administration and Lecture Halls Block with a total capacity **10,000** students. Phase I of the project is complete and has a capacity of **2,000** students while the ongoing Construction of Phase II will accommodate **8,000** students.



Administration and Lecture Halls Block Phase I Completed



University Main Gate



Section of University College Perimeter Wall



Library block



Ongoing Construction of Administration and Lecture Halls Block Phase II

9 ENVIRONMENTAL AND SUSTAINABILITY REPORTING

In association with the brand name Tom Joseph Mboya, our mandate is facilitating the creation, sharing, effective exploitation and utilization of knowledge for the greatest wellbeing of society (within the framework articulated by law and its statutes). The focus of the University College is the acquisition of knowledge and its practical application based on more hours of contact, fieldwork, and industrial attachment. This would give students a holistic understanding of the environment upon which they will operate as professionals. In particular, this would ensure that the graduates from Tom Mboya University College are capable of self-employment and job creation rather than relying on the already scarce formal employment. TMUC plays a focused role of the attainment of goals of job creation and industrial growth through exploitation of national skills and resources as articulated in the Kenya Vision 2030.

i) Sustainability strategy and profile

TMUC just like all public universities in Kenya faces financial challenges despite the fact that it relies on direct support from the government and the income generated from government sponsored students. TMUC, will therefore continue to seek enhanced government support, while consciously aware that public universities have been called upon to reduce their dependence on the government by diversifying their sources of income, ensuring the maximized efficient and cost effective use of available resources, and establishing comprehensive financial management systems. Since its inception in May 2016, the University College through prudent use of financial resources has achieved the following:

- Increase in student enrolment;
- Growth in staff numbers (both teaching and administrative);
- Completion of ongoing and renovation of existing infrastructural developments and initiation of new projects;
- Development of the University College Master Plan and the Strategic Plan 2018 – 2023;
- Revitalized research activities, establishment of linkages and collaborations, community engagement through extension and outreach.

ii) Environmental Performance

The preamble to the 2010 Kenyan constitution stipulates that “respectful of the environment and determined to sustain it for the benefit of future generations.” Article 69(1) calls upon “every person to cooperate with state organs and other persons to protect and conserve the environment and ensure ecologically sustainable development and use of natural resources.” Section 3(1) of the Environment Management and Coordination Act (Cap 387 Laws of Kenya) confirms that “Every person in Kenya is entitled to a clean and healthy environment and has the duty to safeguard and enhance the environment” and seeks to have a clean, secure and sustainable environment by 2030. Consequently, and in pursuit of its mandate, the university college has in addition to offering appropriate courses on environmental sciences:

- Created awareness of the need of all members of the university community to actively protect and conserve the environment and ensure ecologically sustainable development and use of natural resources.
- Adopted proactive, enterprise-wide systematic management practices and approaches to assess environmental risks and opportunities, increased focus on maximized efficient use of resources and to promote activities that create significantly more value for the society and environmental sustainability.
- Encouraged students to organize themselves in environment support groups, to work and address environmental concerns or issues that interest or affect them, such as waste transportation and disposal, conservation of local ecosystems and water conservation and sanitation and any other areas of interest.

iii) Employee welfare

Tom Mboya College recognizes that human resources at all levels is key in the provision of quality services to its customers and other stakeholders. In this regard, the University College has continued to attract, competitively recruit and retain qualified and competent staff. The recruitment, promotion, training and remuneration of employees at TMUC is guided by the following.

- Terms and Conditions of service of Public officers
- TMUC Human Resource Policy and Procedures Manual
- Human Resource Policy and Procedures Manual for Public Service
- Human Resource Development Policy for Public Service
- Salaries and Remuneration Commission Approved Collective Bargaining Agreements
- Public Officer Ethics Act
- Occupational Safety and health Act of 2007
- Article 7 (2) of National Cohesion and Integration Act, 2008
- TMUC Security and Safety Policy.

The University College ensure compliance with the above policies and guidelines in its human resource management practices.

iv) Market place practices

a) Responsible competition practice

The University College ensures responsible competition practices with issues like anti-corruption, responsible political environment, fair competition and respect for competitors by complying with following Laws and guidelines:

- The 2010 Constitution of Kenya

- University Act 2012
- Ethics and Anti-Corruption Commission Act
- Placement of Students by Kenya Universities and Colleges Central Placement Service(KUCCPS)
- Various circulars as issued from time to time by the Office of the President, Ministry of Education, National treasury, Commission for University Education(CUE) and other Statutory and regulatory authorities.
- TMUC Policies and Statutes

b) Responsible supply chain and supplier relations

The supply chain and supplier relations at the University College is guided by Public procurement and asset Disposal act and regulations and The Public Finance Management Act. The University College through prudent financial management ensures that suppliers of goods and services are paid as per the stipulated terms and as such no pending bills have been accumulated.

c) Responsible marketing and advertisement

The University College maintains ethical marketing practices by embracing the following strategies:

- Rebranding the university
- Development and implementation of the marketing plan for the university
- Positioning the university based on its uniqueness
- Launching campaigns focusing on the business community and prospective customers
- Launching marketing campaign on key achievements of the university since its inception
- Continuously engage external stakeholders for positive perception
- Continuously communicate with internal stakeholders through structured quarterly meetings

d) Product stewardship

The University College has ensured that the consumer rights and interests are safeguarded through the following efforts:

- Developed and implemented a faculty workload model based on CUE guidelines and the three components of teaching, research, extension and administration
- Carrying out a study on employability of TMUC graduates
- Enforce compliance to teaching schedule
- Encourage students to participate in national, regional and international competitions
- Strengthen university-industry linkage
- Developed and implemented a policy on engagement of industry practitioners as adjunct faculty
- Increased enrolment in STEM programmes
- Establishment and equipping of high value shared research facilities

- Streamline the operations of Student Organization in line with the Constitution, amended Universities Act, University Statutes and SOTMUC Constitution
- Train student leaders on leadership and management skills
- Impart soft skills to students such as good grooming, financial literacy, and personal etiquette
- Strengthen the sports and games department
- Manage hostels in accordance with the university rules and regulations to provide a suitable and sustainable living environment

v) Corporate Social Responsibility/Community Engagements

TMUC attaches great importance to corporate social responsibility as a sure way of building sustainable partnerships with the community. The University College works with different organizations to support initiatives aimed at uplifting the standards of living by focusing on areas of education, community development, the environment, health, safety and food security.

Youth Empowerment

Tom Mboya University College believes in the future of technology and the youth of our beloved country, thus partnering with the Ministry of Information Communication and Technology through the Ajira Digital Program. **Ajira** is a project being coordinated by the Ministry of Information, Communications and Technology, Ministry of Public Service, Youth and Gender Affairs, Ministry of Education and Ministry of Foreign Affairs. **Ajira** seeks to position Kenya as a choice labour destination for multinational companies as well as encourage local companies and public sector to create digital work. The government digitization projects already create lots of viable micro work that can be completed by digital workers.

The main objectives are to raise the profile of digital work and;

- Promote a mentorship and collaborative learning approach to finding digital work;
- Provide Kenyans with access to digital work
- Promote Kenya as a destination for online workers.
- Training on key soft skills and financial literacy

TMUC provided the youth of Homabay with a platform to be trained and be empowered to exploit the potential of Information Technology.

Access to digital work will build wealth and grow the middle class across the country. A larger middle class means more opportunities for businesses and direct growth of GDP.



Principal TMUC, MP Ndhiwa Constituency and Representative to the PS, Ministry of ICT during graduation of Students from Ndhiwa Constituency pursuing courses in ICT.

Health

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

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



Mosquito controlled environment

Contribution to Economic Development

TMUC has by virtue of its presence impacted positively not only by being a centre for academic development but also significantly contributed to the growth in the economy of the County by creating demand and supply of goods and services. The following are some of the economic activities arising out of the establishment of TMUC that has contributed to the growth of the economy and improvement of standards of living for the residents of Homa-Bay County:

- Leasing of Accommodation and Tuition facilities to cater for the increased student enrolment
- Opening up the region to domestic and other forms of tourism which trickles down to other businesses in the hospitality and transport industries.
- The demand for residential houses by both students and staff has increased since the inception of TMUC.
- TMUC as an institution has also provided big market for goods and services ranging from Contractors to suppliers of all sorts of commodities.
- The demand for goods and services as a result of increased student and staff has seen the establishment of various forms of businesses.
- Employment of Casual workers

Cultural Diversity and promotion of peaceful coexistence

As part of its mission to promote cultural diversity and peaceful coexistence among communities, TMUC has ensured that the students enrolled within its academic programmes and staff represents the face of Kenya.

10 REPORT OF THE COUNCIL

The Council has the pleasure to submit this report together with the financial statements for the year ended 30th June 2022 which show the state of the University College's affairs.

Principal activities

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

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

Results

Results for the year ended 30th June 2022 are set out on pages 1 to 5

Council

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

Surplus remission

Tom Mboya University College is not a Regulatory Authority and is therefore exempted from the remission of surplus funds as per section Section 219 (2) of the Public Financial Management Act regulations.

Auditors

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

By Order of the Council



Prof. Charles Omondi Ochola, PhD

Principal /Chief Executive Officer

11. STATEMENT OF COUNCIL RESPONSIBILITIES

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

The Council is responsible for the preparation of financial statements that give a true and fair view in accordance with International Public-Sector Accounting Standards (IPSASs) and in the manner required by the Kenyan Public Finance Management Act, and for such internal controls as the council determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Council accepts responsibility for the University College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act, 2012 and the State Corporations Act Cap 446. The Council is of the opinion that the University College's financial statements give a true and fair view of the state of the University College's financial affairs of the company and of its financial performance. The Council further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of the University College's financial statements, as well as adequate systems of internal financial control.

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

Approval of the financial statements

The University College's financial statements were approved by the Council on the 13th July, 2022 and signed on its behalf by:



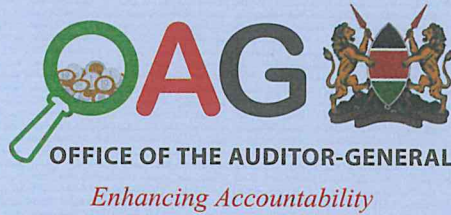
Chair of Council



Principal/CEO

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON TOM MBOYA UNIVERSITY COLLEGE FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of the Tom Mboya University College set out on pages 1 to 47, which comprise of the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and

other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Tom Mboya University College as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Tom Mboya University College 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 opinion.

Emphasis of Matter

Inadequate Funding for Construction of Phased Administration and Lecture Halls Blocks

The statement of financial position reflects property, plant and equipment balance of Kshs.1,056,347,691 which, as disclosed in Note 17 to the financial statements includes additions to work in progress totalling Kshs.242,820,869 out of which, Kshs.216,346,290 was incurred in respect of a contract for construction of phased administration and lecture halls blocks. The University College entered into the contract with a local company on 15 June, 2020 at a contract sum of Kshs.968,664,196 which was later varied to Kshs.984,655,005 due to a change in the Value Added Tax (VAT) rate. The contract period was set at 156 weeks with a completion date of 21 September, 2023. A total of Kshs.313,536,986 had been certified and paid as at 30 June, 2022. The percentage completion at the time was 31.8% with 52.6% of the period having elapsed. The University College had requested a total of Kshs.550,000,000 from the National Government in the financial years 2020/2021 and 2021/2022 but only a total of Kshs.145,160,971 had been approved and disbursed. As a result of the above, the University College had continued to strain in funding the project by reallocating funds from its recurrent expenditure.

In the circumstances, the completion of the project on time may not be achieved.

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.

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 effect of matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, 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

1.0 Employee Costs

The statement of financial performance reflects employee costs amount of Kshs.207,796,375. However, the following unsatisfactory matters were noted:

1.1 Non-Adherence to Regulations on Acting Appointment

Audit examination of personnel records revealed that the position of Finance Officer and Head of Finance Department had been held by an officer on an acting capacity for more than four (4) years with effect from 1 January, 2018. This was contrary to Paragraph 3.4.4 (b) of the Human Resource Policy and Procedures Manual for Tom Mboya University College, which provides that the acting appointments period shall not exceed six (6) consecutive months.

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

1.2 Engagement of Casuals Beyond Allowed Limit

Review of the University College's records relating to casuals for the month of June, 2022 revealed that sixty one (61) casuals were engaged at various times during the year under review. However, thirty seven (37) of the casuals were engaged continuously for twelve months contrary to Clause 3.4.6(b) of the Human Resource Policy and Procedures Manual for Tom Mboya University College, which stipulates that casual employees shall be engaged for a continuous period of not more than three (3) months and shall be paid by the end of each working day or any other agreed period not exceeding one (1) month.

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

1.3 Noncompliance with Law on Ethnic Composition

Analysis of the personnel records for the month of June, 2022 revealed that the University College had a workforce of ninety (90) employees out of which, fifty-nine (59) were from the same community. This represents 65.6% of the total workforce, contrary to Section 7(2) of the National Cohesion and Integration Act, 2008, which provides that all public establishments shall represent the diversity of the people of Kenya in the employment of staff, and that, no public establishment shall have more than one third (33%) of its staff from the same ethnic community.

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

2.0 Excessive Council and Committee Meetings

During the year under review, the University College Council held ten (10) Council meetings, while the Finance, Planning and Investment Committee held seven (7) meetings, contrary to Paragraph A2 of the Circular Ref. No OP/CAB.9/1A from the Head of Public Service dated 11 March, 2020 from the Head of Public Service, which stipulates that Board meetings shall be restricted to a minimum of four and capped at a maximum of six for each financial year, and in addition, the same principle shall apply to respective Committees of the Boards.

Further, the University College's Council had nine (9) members in accordance with the University Act, 2012. The Council had established four committees namely: Finance Planning and Investment Committee, Academic and Research Committee, Executive and Human Resource Committee and Audit and Risk Management Committee. However, review of the membership of the committees revealed that the Finance Planning and Investment Committee, Executive and Human Resource Committee, and Academic and Research Committee had five (5), four (4) and four (4) members (excluding the Principal) respectively. Further, two (2) Council Members served in three (3) committees.

The foregoing was contrary to Paragraph B4. of Circular Ref. No OP/CAB.9/1A from the Head of Public Service dated 11 March, 2020, which stipulates that the number of members to any committee should not be more than one third of the full Board and members can only sit in a maximum of two committees.

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

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 effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, 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

1.0 Understaffing of Internal Audit Department

Review of the University College's governance structure revealed that the Internal Audit Department was manned by one (1) officer, contrary to the University College's staff establishment, which requires the Internal Audit Department to have five (5) officers, headed by a Chief Internal Auditor.

In the circumstances, the effectiveness of the University College's internal controls, risk management and overall governance could not be confirmed.

2.0 Enterprise Resource Planning (ERP) System User Accounts

The Enterprise Resource Planning (ERP) System used by the University College did not allow the system administrator to grant granular access to users. A user is granted access right to an ERP module after which that particular user is able to execute all the functions within that module. An example is the Finance Module under which there are other functions such as receipting cash, making payments, creating customers, deleting customers, giving discounts on fees. Any user with access right to the finance module is able to perform all the functions under it.

As a result, the effectiveness and integrity of the University's Information Technology controls could not be confirmed.

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 University College Council

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

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

The 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 College Council is responsible for overseeing the University College'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 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 controls 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 controls 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 controls 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 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 College's ability 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 College to cease 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 College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 April, 2023

13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2022

		2021/2022	2020/2021
	Note	Kshs	Kshs
Revenue from non-exchange transactions			
Recurrent Capitation Grants	6	203,022,214	313,474,579
Revenue from exchange transactions			
Tuition fees & Administrative Charges	7	181,539,815	59,434,096
Other Incomes	8	24,388,069	22,392,999
		205,927,884	81,827,095
Total revenue		408,950,098	395,301,674
Expenses			
Employee Costs	9	207,796,375	191,257,808
Council Expenses	10	14,988,450	19,693,041
Depreciation and amortization expense	11	59,618,463	54,770,713
Repairs and maintenance	12	7,218,937	12,211,408
General expenses	13	109,647,425	114,617,238
Total expenses		399,269,650	392,550,208
Surplus before Tax		9,680,448	2,751,466
Taxation		-	-
Surplus for the period		9,680,448	2,751,466

The notes set out on pages 7 to 40 form an integral part of these Financial Statements.

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Council by:

Principal
Prof. Charles Omondi Ochola

Date:

8/03/2023

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

Date:

8/03/2023

Chair of Council
Dr. Augusta N. Abate

Date:

8/3/2023

14. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2022

	Notes	2021/2022	2020/2021
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	14	468,353,545	431,764,993
Receivables from exchange transactions	15	6,021,930	6,366,454
Inventories	16	8,196,166	5,970,173
Total Current Assets		482,571,641	444,101,620
Non-current assets			
Property ,plant and equipment	17	1,056,347,691	841,830,315
Intangible Assets	18		5,880,571
Total non-current Assets		1,056,347,691	847,710,886
Total assets		1,538,919,332	1,291,812,506
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	19	96,947,205	130,634,000
Refundable deposits from customers	20	5,118,200	3,729,400
Prepayments and deposits	21	16,517,710	31,793,337
Total current liabilities		118,583,115	166,156,737
Non-Current Liabilities			
Deferred Government Capital & Development grants	22	-	142,948,106
Total Liabilities		118,583,115	309,104,843
Net assets			
Capital fund		265,914,662	265,914,662
Capital/ Development Grants		1,150,235,394	722,287,288
Accumulated surplus/(Deficit)		4,186,161	(5,494,287)
Total net assets		1,420,336,217	982,707,663
Total net assets and liabilities		1,538,919,332	1,291,812,506

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Council by:

Principal
Prof. Charles Omondi Ochola

Date: 8/03/2023

Ag. Finance Officer
Mr. Julius O Otieno

ICPAK Member: 4369

Date: 8/03/2023

Chair of Council
Dr. Augusta N. Abate

Date: 8/03/2023

15. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE 2022

	Capital Fund	Accumulated Surplus/(Deficit)	Capital/Development Grants	Total
	Kshs	Kshs	Kshs	Kshs
As at July 1, 2020	247,514,662	(8,245,753)	722,287,288	961,556,197
Land Transferred	18,400,000	-	-	18,400,000
Surplus/Deficit for the year		2,751,466	-	2,751,466
As at June 30, 2021	265,914,662	(5,494,287)	722,287,288	982,707,663
As at July 1, 2021	265,914,662	(5,494,287)	722,287,288	982,707,663
Surplus/Deficit for the year	-	9,680,448	-	9,680,448
Transfers from Deferred Capital/Development Grants	-	-	142,948,106	142,948,106
Development Grants received during the year	-	-	80,000,000	80,000,000
Recurrent Grants transferred to Capital/Development Expenditure	-	-	205,000,000	205,000,000
As at June 30, 2022	265,914,662	4,186,161	1,150,235,394	1,420,336,217

16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2022

	Notes	2021/2022	2020/2021
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Recurrent Capitation Grants	6	203,022,214	320,746,949
Tuition & related charges		172,090,826	95,846,569
Other Incomes		20,081,869	21,614,519
Total receipts		395,194,909	438,208,037
Payments			
Employee Costs	9	216,554,121	185,255,621
Council Expenses	10	15,043,050	19,693,041
Repairs and Maintenance		7,218,937	8,885,903
General Expenses	13	136,534,980	66,178,095
Maseno University Debt		-	10,344,439
Total Payments		375,351,088	290,357,099
Net cash flows from operating activities	24	19,843,821	147,850,938
Cash flows from investing activities			
Purchase of property, plant & equipment		(268,255,269)	(364,210,937)
Net Cash flows from investing activities		(268,255,269)	(364,210,937)
Cash flow from Financing Activities			
Development Grants received during the year		80,000,000	142,948,106
Recurrent Grants transferred to Capital/Development Expenditure		205,000,000	-
Net cash flows from Financing activities		285,000,000	142,948,106
Net increase/(decrease) in cash and cash equivalents		36,588,552	(73,411,893)
Cash and cash equivalents at 1 July		431,764,993	505,176,886
Cash and cash equivalents at 30 June	14	468,353,545	431,764,993

Note: The Cash balance of Kshs. 468,353,545 includes contractors' retention monies and funds committed for the ongoing phased construction of Administration and Lecture Halls Block estimated to cost Kshs. 1,548,545,000 to completion, Installation of E-learning and ICT infrastructure, payment of Part Time Lecturers for the semesters ended, pending payments for supplies of various goods and services and purchase of mandatory teaching equipment.

Principal
Prof. Charles Omondi Ochola

Date: 8/03/2023

Ag. Finance Officer
CPA. Julius O Otieno
ICPAK Member: 4369

Date: 8/03/2023

Chair of Council
Dr. Augusta N. Abate

Date: 8/03/2023

17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022.

	Original annual Budget Kshs.	Adjustments Kshs.	Final Annual Budget Kshs.	Actual on Comparable basis Kshs.	Performance Difference Kshs.	% of Utilization
Revenue						
Recurrent Grants from GoK	407,544,402	477,812	408,022,214	408,022,214	0	100
Tuition Fees and Other Related Charges	65,227,825	114,981,260	180,209,085	181,539,815	(1,330,730)	101
Catering, Accommodation & Other Incomes	8,860,857	15,139,143	24,000,000	24,388,069	(388,069)	102
Total income	481,633,084	130,598,215	612,231,299	613,950,098	(1,718,799)	100
Expenses						
Staff Costs	243,452,484	(29,649,644)	213,802,840	207,796,375	6,006,465	97
Council Expenses	20,000,000	(4,400,000)	15,600,000	14,988,450	611,550	96
Depreciation & Amortization	61,550,000	(1,050,000)	60,500,000	59,618,463	881,537	99
Repairs and Maintenance	14,462,000	(7,162,000)	7,300,000	7,218,937	81,063	99
General Expenses	142,168,600	(32,140,141)	110,028,459	109,647,425	381,034	100
Total Expenditure	481,633,084	(74,401,785)	407,231,299	399,269,650	7,961,649	98
Surplus for the period	-	205,000,000	205,000,000	214,680,448	(9,680,448)	105
Capital Expenditure	80,000,000	205,000,000	285,000,000	268,255,269	16,744,731	94

Reconciliation of the statement of financial performance and statement of comparison of budget actual amounts

Reconciliation of Statement Of Financial Performance And Statement Of Comparison Of Budget And Actual Amounts

	Kshs	Kshs
Recurrent Grants as per Budget Statement		408,022,214
Less recurrent grants recognized under Capital fund to purchase Capital items		205,000,000
		<hr/>
Recurrent grants as per Statement of Financial Performance		<u><u>203,022,214</u></u>

Explanation of Material Budget Variances

- i) The Final budget was rationalized as per the FY 2021/2022 Supplementary estimates No. II approval
- ii) The expenditure variances are as a result of items committed and procured within the financial year but are ongoing activities and will be paid in the next financial year(s) when completed/delivered. These activities include among others:
 - ✓ Phased Construction of Administration and Lecture Halls block
 - ✓ ERP upgrade
 - ✓ CCTV Project
 - ✓ Library Books
 - ✓ Laboratory equipment
 - ✓ ICT Equipment and Infrastructure

18. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

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

2. Statement of Compliance and Basis of Preparation

Tom Mboya University College financial statements have been prepared in accordance with and comply with International Public-Sector Accounting Standards (IPSAS). The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the University College.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, The Universities Act 2012, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

- i. IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.
- ii. *New and amended standards and interpretations in issue effective in the year ended 30 June 2022.*

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p>

Standard	Effective date and impact:
	<ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>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:</p> <ul style="list-style-type: none"> (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.
<p>Amendments to Other IPSAS</p>	<p>Applicable: 1st January 2023:</p>

Standard	Effective date and impact:
resulting from IPSAS 41, Financial Instruments	<p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that</p>

Standard	Effective date and impact:
	<p>faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

iii Early adoption of standards

The entity did not early-adopt any new or amended standards in the year 2021/2022.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Government Grants

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

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

ii) Revenue from exchange transactions

Student Income

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

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

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

Student Caution money is recognized a Liability under Current Liabilities.

Interest income

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

Sale of goods and services

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Disposal Gains and Losses

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

b) Budget information

The original budget for FY 2021-2022 was approved by the National Assembly in June 2021. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The revised appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the University College budget for recurrent was increased from

Kshs. 481,633,084 to Kshs. 612,231,299 through 2021/2022 FY Supplementary Estimates II. The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

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

c) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

d) Property, plant and equipment

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

Description	Annual Rate
Buildings	2.50%
Plant, machinery and equipment	20%
Office equipment	20%
Computer equipment	33.30%
Motor vehicles	25%
Furniture and fittings	12.50%
Crockery & Utensils	33.50%
Library Books	20%
Intangible Asset(ERP)	20%

The University College shall charge full year's depreciation on the year of acquisition and no depreciation on the year of disposal.

e) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

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

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

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

f) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized

development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite. Intangible Assets for Tom Mboya University College are amortized at the rate of 20% percent on straight line basis.

g) Research and development costs

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

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

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

h) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Impairment of financial assets

The University College assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial

assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the

asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the University College of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

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

Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

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

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

i) Inventories

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

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

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

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

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

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

j) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

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

Bad Debts Provision

TMUC makes provisions for bad debts at 5% on sundry debtors.

k) Nature and purpose of reserves

TMUC creates and maintains reserves in terms of specific requirements.

- As per the State Corporation Act Sec 16(1) and 9(2) and Universities Act TMUC shall make provision for the renewal of depreciating assets by the establishment of sinking funds and contributions to such reserve and stabilization funds as may be necessary.
- Any surplus moneys after making the provision required shall be disposed of in

- such manner as proposed by management and approved by the Council.
- Any surplus realized in any given financial year from the operations of TMUC shall be retained in a Reserve Account and shall be used by the Council in furtherance of its objectives as outlined from time to time. Any deficit realized in any given financial year shall be offset against the realized surplus held in the reserve account.

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

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

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

n) Foreign currency transactions

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

o) Borrowing costs

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

p) Related parties

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

q) Service concession arrangements

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

r) Cash and cash equivalents

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

public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

s) Comparative figures

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

t) 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, 2022.

5 Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of

revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made: e.g.:

Estimates and assumptions

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

Useful lives and residual values

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

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

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.

6. Recurrent Government Grants

Description	2021/2022	2020/2021
	Kshs	Kshs
Unconditional Government grants		
Recurrent Capitation Grants	203,022,214	304,979,144
Special Capitation(CBA 2017-2021)	-	8,495,435
Total government grants and subsidies	203,022,214	313,474,579

b) Transfers from the State Department for University Education and Research

Name of Entity sending grant	Amount recognized in statement of financial Performance	Amount Deferred under deferred income	Amount recognized under Capital Development receipts	Total grant income during the period	Comparative Period 2020/2021
State Department for University Education & Research	203,022,214		205,000,000	408,022,214	382,766,280
State Department for University Education & Research	-		80,000,000	80,000,000	65,160,971
Total	203,022,214	-	285,000,000	488,022,214	447,927,251

The University College was allocated **Kshs. 408,022,214** for recurrent grants out of which **Kshs. 203,022,214** was used to finance the payment of salaries, operating and administrative expenses while the balance of **Kshs. 205,000,000** was transferred to Capital Fund to finance Capital/Development Expenditure. See appendix III for the breakdown

7. Tuition fees and related Charges

Description	2021/2022	2020/2021
	Kshs	Kshs
Activity Fees	12,573,500	2,968,000
Computer fees	19,337,500	10,956,000
Examination fees	16,989,000	4,248,000
library fees	5,163,000	2,914,750
Maintenance Fees	3,451,500	1,944,500
Registration fees	4,199,000	1,025,000
Student Identity Cards	571,000	534,000
Medical fees	10,290,000	5,826,000
Replacement of exam card	500	200
Supervision - PGDE	208,000	351,000
Fieldwork PGDE	312,700	436,800
CUE Fees	2,936,105	2,730,746
Student Organization Fees	3,420,000	1,937,000

Description	2021/2022	2020/2021
	Kshs	Kshs
Examination Re-sit	660,000	298,000
Attachment Fees	27,334,310	3,285,500
Tuition fees	74,093,700	19,978,600
	181,539,815	59,434,096

8. Other Incomes

Description	2021/2022	2020/2021
	Kshs	Kshs
Accommodation Fees	4,065,000	3,564,000
Application Fees Income	68,000	48,700
Catering Sales	8,596,837	5,292,365
Farm sales	266,160	365,285
Hire of Hall income	-	30,000
Interest Income	8,530,358	10,857,763
SOTMUC Other Incomes	33,510	-
Research Grants Admin Charges	75,000	349,500
Miscellaneous Income	1,740,377	753,036
Farm to Kitchen Sales	387,340	507,470
TMUC Restaurant Sales	384,287	
Decrease in Provision for Doubtful Debts	-	418,880
Revaluation gain	241,200	206,000
Total other Incomes	24,388,069	22,392,999

9. Employee Costs

Description	2021/2022	2020/2021
	Kshs	Kshs
Salaries and Wages(Payroll)	158,553,098	153,261,198
Gratuity and Pension Contributions(Employer)	17,840,776	16,011,888
Part Time Payments	21,275,886	16,759,641
Casual Wages	9,350,415	4,913,151
Staff Development	776,200	311,930
Total Staff costs	207,796,375	191,257,808

Reconciliation between Statement of Financial Performance and Statement of Cash flow

Description	2021/2022	2020/2021
	Kshs	Kshs
Employee Costs as per Statement of Financial Performance	207,796,375	191,257,808
Add prior period employee related creditors settled	30,033,630	24,031,445
Less Accrued employee costs in the year	(21,275,884)	(30,033,632)
Employee Costs as per Statement of Cash flow	216,554,121	185,255,621

10. Council Expenses

Description	2021/2022	2020/2021
	Kshs	Kshs
Chair Honorarium	720,000	400,000
Sitting allowances	4,780,000	5,260,000
Induction & training	703,200	1,210,800
Travel & Accommodation	6,689,091	8,235,655
Other Allowances	2,096,159	4,586,586
Total Council Expenses	14,988,450	19,693,041

The difference of **Kshs. 54,600** between the figure in the Statement of Financial Performance and Statement of Cash flow is as a result of an overpayment during the period which will be recovered in the 2022/23 financial year.

11. Depreciation and Amortization Expenses

Description	2021/2022	2020/2021
	Kshs	Kshs
Buildings	12,047,480	11,290,075
Motor Vehicles	13,473,720	12,232,015
Furniture & Fittings	3,727,312	2,624,700
Computers	8,293,444	7,065,340
ICT Infrastructure	1,440,798	2,423,608
Library Books	7,321,253	6,873,447
Office Equipment	3,127,502	2,900,572
Plant and Equipment	4,306,383	3,480,383
Amortization of Intangible Asset-ERP	5,880,571	5,880,573
	59,618,463	54,770,713

12. Repairs and Maintenance

Description	2021/2022	2020/2021
	Kshs	Kshs
Maintenance of Plant & Equipment	218,500	337,370
Office Equipment	18,000	132,040
Motor Vehicles spares and maintenance	622,092	770,246
Repairs and maintenance of generator	20,500	-
Maintenance of buildings	502,490	606,029
Maintenance of Hostels	135,400	21,980
Maintenance of Grounds	501,585	935,574
Maintenance Water supply	195,490	541,368
Electrical Expenses	317,084	971,790
Minor Works and Construction	4,423,582	7,895,011
Farm Maintenance	44,000	-
Maintenance of Fire Extinguisher	220,214	-
	7,218,937	12,211,408

13. General Expenses

Description	2021/2022	2020/2021
	Kshs	Kshs
Admission related expenses	204,850	6,000
Advertising and publicity	695,000	401,164
Audit fees	580,000	1,044,000
Bank charges/commissions	468,783	511,574
Cleaning materials	737,394	75,105
Cooking fuel/gas	1,330,055	565,600
Electricity expenses	4,042,746	1,468,665
Examination material	2,077,000	555,000
ICT expenses	3,466,148	3,304,388
Internet access and services	4,348,434	2,253,206
Field Trip/Industries	94,640	220,600
Fuel For Boilers/Generators	453,000	-
Land Preparation/Crops inputs	441,931	360,138
Medical expenses	10,728,526	10,479,288
Office Running Expenses	702,927	724,234
Purchase of Periodicals	312,600	686,100

*Tom Mboya University College
Annual Reports and Financial Statements
For the year ended June 30, 2022*

Description	2021/2022	2020/2021
	Kshs	Kshs
Postal telegram	37,858	23,430
Penalties & Fines	60,000	-
Food & Catering Expenses	10,651,743	7,864,103
Security services	19,745,520	18,747,300
Stationery Expenses	4,115,022	3,887,845
Subscription Expenses	209,250	98,930
Teaching materials	96,620	201,670
Telephone expenses	449,926	292,417
Transport Operating Expenses	2,133,584	1,535,656
Travelling and accommodation	7,235,084	4,676,859
Veterinary Services	7,900	1,780
Water Charges	1,375,091	931,292
Legal Expenses	220,000	50,000
Licenses and Permits	106,364	60,050
Rent Expenses	4,966,500	10,048,245
KUCCPS Placement Fees	1,630,500	1,555,500
Student Welfare	462,650	-
External Examiners	1,183,230	1,218,500
Asset Valuation	155,600	-
CUE Expenses	1,090,000	1,099,000
SOTMUC Expenses	902,030	119,610
Professional Membership Fees	10,000	11,200
Development of New Programmes	643,500	514,284
ERP Maintenance	2,327,029	3,259,103
Teaching Practice	7,298,741	5,069,901
Sanitary Expenses	372,664	263,250
Laboratory Reagents	1,595,002	279,848
Staff Welfare	167,000	131,760
Insurance of Assets	2,218,618	1,864,285
Revaluation Loss	40,000	2,000
Purchase of drugs (Students Clinic)	1,767,412	651,530
Seminars & Conference	137,500	247,059
Uniforms & Clothing	685,200	178,350
Insurance related expenses	3,344,372	884,714
Computer Materials		2,457,760
Development of E-Learning Modules		18,190,500

Description	2021/2022	2020/2021
	Kshs	Kshs
Value addition-Agriculture Extension		8,150
Covid-19 Expenses	253,332	2,139,847
Charter award expenses	1,215,700	3,396,450
Tree Planting and Landscaping	49,700	
Increase in Provision for doubtful debts	3,149	-
Total General Expenses	109,647,425	114,617,238

Reconciliation between Statement of Financial Performance and Statement of Cash flow

Description	2021/2022	2020/2021
	Kshs	Kshs
General Expenses as per Statement of Financial Performance	109,647,425	114,617,238
Add Creditors settled from prior year	35,838,225	-
Less expenses accrued during the year	(8,950,670)	(48,439,143)
General Expenses as per Statement of Cash Flow	136,534,980	66,178,095

14. Cash and Cash Equivalents

Description	2021/2022	2020/2021
	Kshs	Kshs
Current Account		
TMUC Current Operations A/C KCB Homabay Branch A/C No. 1182330096	37,681,107	49,339,291
TMUC Development KCB A/C Homabay Branch A/C No. 1182330010	289,243,003	215,470,478
TMUC Fee Collection Equity A/C Homabay Branch A/C No. 0980269346780	80,156,602	105,651,001
TMUC IGA KCB A/C Homabay Branch A/C No. 1198213183	21,975,471	10,184,288
TMUC Student Activity Fees KCB Homabay Branch A/C No. 1237325331	943,459	941,869
TMUC Students Organization KCB Homabay Branch A/C No. 1237325269	456,583	423,711
TMUC Deposit A/C KCB Homabay Branch A/C No. 1255384476	37,897,320	49,736,325
Cash in Hand	-	18,030
	468,353,545	431,764,993

15. Receivables from Exchange Transactions

Description	2021/2022	2020/2021
	Kshs	Kshs
Student Debtors	4,322,892	4,259,930
Other Sundry Debtors	855,183	999,520
Deposit (Guarantees)	1,060,000	1,320,000
Less Provision for Doubtful Debts	(216,145)	(212,996)
	6,021,930	6,366,454

16. Inventories

Description	2021/2022	2020/2021
	Kshs	Kshs
Stocks Maintenance Stores	2,382,332	752,544
Stocks Stationery	3,740,144	3,181,004
Stocks Medical Drugs Reagents & Others		529,061
Stocks Cleaning Materials	353,000	219,650
Catering Stocks	1,010,490	778,915
Biological Assets	710,200	509,000
Total inventories at the lower of cost and net realizable value	8,196,166	5,970,173

**Biological Assets relate to the cows kept for purposes of teaching and research

17. Property, Plant and Equipment

	Land Kshs	Buildings Kshs	Motor vehicles Kshs	Furniture and fittings Kshs	Computers Kshs	ICT Infrastru cture Kshs	Library Books Kshs	Office Equipment Kshs	Plant & Equipment Kshs	Work in Progress Kshs	Total Kshs
Cost											
As at 1st July 2020	169,780,000	106,505,000	34,382,621	17,762,026	13,084,336	5,705,901	33,269,228	5,406,811	6,226,442	163,395,090	555,517,455
Additions			14,545,440	3,235,570	8,132,900	1,572,200	1,098,005	9,096,050	11,175,475	332,951,860	381,807,500
Transfers	18,400,000	345,098,011	-	-	-	-	-	-	-	(345,098,011)	18,400,000
As at 30th June 2021	188,180,000	451,603,011	48,928,061	20,997,596	21,217,236	7,278,101	34,367,233	14,502,861	17,401,917	151,248,939	955,724,955
Additions	-	-	4,966,820	8,820,900	3,688,000	455,000	2,239,030	1,134,650	4,130,000	242,820,869	268,255,269
Transfers	-	30,296,204	-	-	-	-	-	-	-	(30,296,204)	-
As at 30th June 2022	188,180,000	481,899,215	53,894,881	29,818,496	24,905,236	7,733,101	36,606,263	15,637,511	21,531,917	363,773,604	1,223,980,224
Depreciation and impairment											
At 1st July 2020	-	7,987,875	15,769,155	5,797,834	6,905,289	3,868,695	19,411,487	1,644,376	3,619,790	-	65,004,501
Depreciation	-	11,290,075	12,232,015	2,624,700	7,065,340	2,423,608	6,873,447	2,900,572	3,480,383	-	48,890,140
As at 30th June 2021	-	19,277,950	28,001,170	8,422,534	13,970,629	6,292,303	26,284,934	4,544,948	7,100,173	-	113,894,641
Depreciation	-	12,047,480	13,473,720	3,727,312	8,293,444	1,440,798	7,321,253	3,127,502	4,306,383	-	53,737,892
As at 30th June 2022	-	31,325,430	41,474,890	12,149,846	22,264,073	7,733,101	33,606,187	7,672,450	11,406,556	-	167,632,533
Net book values											
At 30th June 2022	188,180,000	450,573,785	12,419,991	17,668,650	2,641,163	-	3,000,076	7,965,061	10,125,361	363,773,604	1,056,347,691
At 30th June 2021	188,180,000	432,325,061	20,926,891	12,575,063	7,246,608	985,798	8,082,298	9,957,913	10,301,744	151,248,939	841,830,315

- WIP relates to the cost of the ongoing Construction of Phased Administration and Lecture Theatres Block, ICT infrastructure, ERP upgrade and CCTV installation.
- The completed Perimeter wall and gate at cost of Kshs 30,296,204 was transferred from WIP to Buildings.

18. Intangible Assets-ERP Software

Description	2021/2022	2020/2021
	Kshs	Kshs
Cost	Kshs.	Kshs.
At beginning of Quarter	29,402,863	29,402,863
Additions	-	-
As at 30th June	29,402,863	29,402,863
Additions - internal Development	-	-
As at 30th June	29,402,863	29,402,863
Amortization and Impairment		
At beginning of the year	23,522,292	17,641,719
Amortization	5,880,571	5,880,573
As at 30th June	29,402,863	23,522,292
Impairment loss	-	-
At end of quarter	29,402,863	23,522,292
NBV	0	5,880,571

19. Trade and Other Payables

Description	2021/2022	2020/2021
	Kshs	Kshs
Accounts payables	60,396,355	77,717,333
Retention	36,550,850	48,962,048
PAYE(June)	0	3,954,619
	96,947,205	130,634,000

20. Refundable Deposits from Customers

Description	2021/2022	2020/2021
	Kshs	Kshs
Students Deposits(Caution Money)	5,101,700	3,671,900
Helb Liability	16,500	57,500
	5,118,200	3,729,400

21. Prepayments and Deposits

Description	2021/2022	2020/2021
	Kshs	Kshs
Students Advance Receipts	16,517,710	31,793,338

22. (a) Deferred Development/Capital Grants

Description	2021/2022	2020/2021
	Kshs	Kshs
Deferred Development/Capital Government Grants	0	142,948,106

22 (b) Deferred Development/Capital Grants movement schedule

Description	National Government	International funders	Public Contributions & donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	142,948,106	-	-	142,948,106
Additions	-	-	-	-
Transfers to Capital fund	(142,948,106)	-	-	(142,948,106)
Transfers to Income Statement	-	-	-	-
Other transfers	-	-	-	-
Balance carried forward	-	-	-	-

23 Employee Benefit Obligations

Tom Mboya University College being a young/new institution does not have a registered Pension Scheme and employee pension contributions currently are being remitted to Maseno University Pension Scheme pending the establishment of Tom Mboya University Pension Scheme.

As at 30th June 2022, all the pension contributions had been remitted.

The University College also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The University College obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.400 per employee per month.

24. Cash Generated from Operations

Description	2021/2022	2020/2021
	Kshs	Kshs
Surplus/(Deficit) for the period before tax	9,680,448	2,751,466
Adjusted for:		
Depreciation and Amortization	59,618,463	54,770,713
Maseno University Debt	-	(10,344,439)
Working Capital Adjustments		
Less Increase in Receivables	344,524	17,118,768
Add Increase in refundable Deposits	1,388,800	1,252,400
Increase in Income received in advance	(15,275,627)	22,336,338
Increase in inventories	(2,225,992)	1,350,963
Increase in Deferred Income	-	(8,495,435)
Decrease in Payables related to operating activities	(33,686,795)	67,110,164
Increase in prepayments and deposits		-
Net Cash flow from Operating Activities	19,843,821	147,850,938

25 Financial Risk Management

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

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

i) Credit risk

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

Management assesses the credit quality of each customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

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

	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Receivables from exchange transactions	6,021,930	6,021,930	-	-
Receivables from Non exchange transactions	-	-	-	-
Bank balances	468,353,545	468,353,545	-	-
Total	474,375,475	474,375,475	-	-
At 30 June 2021				
Receivables from exchange transactions	6,366,454	6,366,454	-	-
Receivables from Non exchange transactions	-	-	-	-
Bank balances	431,764,993	431,764,993	-	-
Total	438,131,447	438,131,447	-	-

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the University College has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

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

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Tom Mboya University College Council, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management

requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Trade payables	15,950,501	26,255,356	36,550,850	78,756,707
Provisions			18,190,500	18,190,500
Employee Benefit Obligations	-	-	-	0
Total	15,950,501	26,255,356	54,741,350	96,947,207
At 30 June 2021				
Trade payables	35,497,056	3,018,500	50,840,604	89,356,160
Provisions	-	41,277,840	-	41,277,840
Employee Benefit Obligations	-	-	-	-
Total	35,497,056	44,296,340	50,840,604	130,634,000

iii) Market risk

The 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 entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

(a) Foreign currency risk

The University College during the FY 2019/2020 **did not** have transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the

date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

(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 entity's interest rate risk arises from bank deposits. This exposes the entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the entity's deposits.

Management of interest rate risk

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

Capital Risk Management

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

	2021-2022	2020-2021
	Kshs	Kshs
Accumulated (Deficit)	4,186,161	(5,494,287)
Capital fund	265,914,662	265,914,662
Capital Development Grants	1,150,235,394	865,235,394
Total funds	1,420,336,217	1,125,655,769
Funds committed for Capital Development Project	-	265,206,804
Less: cash and bank balances	(468,353,545)	(431,764,993)
Net debt/(excess cash and cash equivalents)	(951,982,672)	(166,558,190)
Gearing	-33.00%	-14.80%

26 Related Party Balances

Government of Kenya

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

- i) The Commission for University Education, CUE.;
- ii) The Kenya Universities & Colleges Central Placement Service, KUCCPS.;
- iii) State Department for University Education and Research
- iv) University College Council
- v) Employees

	2021-2022	2020-2021
	Kshs	Kshs
Transactions with related parties		
a) Grants from the Government		
Grants from National Govt (Recurrent & Development)	488,022,214	447,927,251
Grants from County Government	-	-
Donations in kind	-	-
Total	488,022,214	447,927,251
b) Expenses incurred on behalf of related party		
Salaries and wages for TMUC employees	158,553,098	153,261,198
Commission for University Education(CUE)	1,090,000	1,099,000
Kenya Universities & Colleges Central Placement Service(KUCCPS)	1,630,500	1,555,500
Total	161,273,598	155,915,698
c) Key management compensation		
Council Expenses	14,988,450	19,693,041
Compensation to the CEO	14,364,538	13,073,620
Compensation to Other Senior Management	28,533,304	30,119,306
Total	57,886,292	62,885,967

27 Contingent Assets and Contingent Liabilities

There were no Contingent Assets or Liabilities to report for the period under review.

28 Capital Commitments

Capital Commitments	2021-2022	2020-2021
	Kshs	Kshs
Authorized for		
Construction of Administration & Lecture Theatres Block	1,391,982,000	1,391,982,000
Sub-total	1,391,982,000	1,391,982,000
Authorized and Contracted for		
Construction of Administration & Lecture Theatres Block Phase 1		
Phased Construction of Administration & Lecture Theatres Block Phase 2	968,664,196	968,664,196

Capital Commitments	2021-2022	2020-2021
	Kshs	Kshs
ERP Upgrade	10,000,000	-
CCTV Installation	7,000,000	-
Installation of E-Learning & ICT Infrastructure	42,123,850	42,123,850.00
Sub-total	1,027,788,046	1,010,788,046

29 Surplus Remission

The University College is not in the category of regulatory authorities and therefore exempted from the remission of 90% of the operating surplus of the preceding Financial year.

30 Events After the Reporting Period

Tom Mboya University College was transformed to Tom Mboya University with effect from 2nd August 2022 through the award of Charter by the President.

31 Ultimate and Holding Entity

Tom Mboya University College is a State Corporation under the State Department for University Education and Research, Ministry of Education. Its ultimate parent is the Government of Kenya.

32 Currency

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

19. Appendices

Appendix I: Implementation Status of Auditor-General's Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the Auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	<p>Budgetary Control and Performance</p> <p>The Statement of comparison of budget and actual amounts reflects total budgeted receipts of Kshs. 471,461,714 and actual receipts of Kshs. 473,088,809 resulting in an over receipts of Kshs. 1,627,095. Similarly, the statement reflects total budgeted expenditure of Kshs. 399,811,000 and actual expenditures of Kshs. 392,550,208 resulting to under expenditure of Kshs. 8,887,887 or 2% of the budget. The under expenditure affected the planned activities and may have impacted negatively on service delivery to the public.</p>	<p>The Statement of Comparison of Budgets and actual amounts indicates budgeted recurrent expenditure of Kshs. 399,811,000 and actual amount of Kshs. 392,550,208 translating to 2% variance. The balance was used for purchase of computers and ICT equipment worth Kshs. 8,132,900 as indicated under Note 18; Property, Plant and Equipment.</p>	Resolved	Resolved in 2020/2021 Fy

Tom Mboya University College
Annual Reports and Financial Statements
For the year ended June 30, 2022

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2	<p>Non-Compliance with Law on Ethnic Composition</p> <p>The total number of employees of the University College was ninety (90) out of which fifty-Nine (59) were from the dominant community in the Country. This is contrary to section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and no public establishment should have more than one third of its staff from the same ethnic community.</p> <p>In Circumstances, the Management was in breach of the Law.</p>	<p>TMUC being public entity has put in place measures to ensure compliance to Section 7 (1) and (2) of National Cohesion and Integration Act, 2008 including advertising job vacancies through means that reaches the diverse ethnic groups. Upon establishment, TMUC inherited a non-diverse workforce, however, since then, recruitment process has taken into consideration need for diversity and there has been significant progress in ensuring that there is diversity in the workforce and diverse ethnic communities and groups including minorities and marginalized are represented. Diversity has been achieved at both teaching staff and middle level administrative staff except for support staff and this is due to high uptake of most jobs at this level is by the locals.</p>	Resolved	Continuous

*Tom Mboya University College
Annual Reports and Financial Statements
For the year ended June 30, 2022*

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3.	<p>Delayed Confirmation in Employment Audit examination of the personnel records revealed that the position of Finance Officer and Head of Finance department has been held by an Officer on an acting capacity for more than three years since 01 January 2018. This is contrary to paragraph 3.4.4 (b) and (c) of the Tom Mboya University College Human Resource Policy Manual which provides that acting appointments period shall not exceed six (6) consecutive months. In the Circumstances, Management was in breach of the Law.</p>	<p>Due to budgetary constraints the University College is unable to substantively fill the vacant positions including critical areas of its core mandate and that is the reason why the officer has continued to perform the duties in an acting capacity. Attached please find several appeals to the Ministry of Education and National Treasury for enhanced funding to recruit staff and finance core mandate. However, University College has scheduled review of staff to fill the vacant positions internally (evidence attached). Additionally, the University College looks forward to filling more positions in the 2022/2023 FY subject to increase in budgetary allocations by the National Treasury and National Assembly.</p>	Resolved	Continuous

*Tom Mboya University College
Annual Reports and Financial Statements
For the year ended June 30, 2022*

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4	<p>Lack of approved staff establishment. The University College did not have an approved staff establishment during the year under review. Therefore, the University College could not determine the skills and optimal staffing levels required to achieve its goals and objectives. In the circumstances, it was not possible to ascertain whether the total number of staff in employment of the University College was at optimal operating level.</p>	<p>The University College has an approved staff establishment a copy of which has been availed for your review</p>	Resolved	Continuous


8/03/2023

Principal

Date

APPENDIX II: PROJECTS IMPLEMENTATION

Projects implemented in Collaboration with Donors and Tom Mboya University College

Project title	Project Number	Donor	Period	Donor Commitment	Separate donor reporting required as per the donor agreement(Yes/No)	Consolidated in these financial statements (Yes/No)
International Center of Excellence in Malaria Research Project (ICEMR)		USAID	7 years (2017-2023)	Training & equipment for Research	Yes	No
NRF Research Project	NRF/2/MMC/172		3Years	Funding Research Activities	Yes	No

Tom Mboya University College has collaborated with The University of California, Irvine, of United States America in **International Center of Excellence in Malaria Research Project (ICEMR)**.

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

NRF Research Project is a multidisciplinary research project involving three public universities: Maseno University, Jaramogi Oginga Odinga University of Science and Technology (JOOUST) and Tom Mboya University College (TMUC). Each institution has its component that should be covered within the three-year project cycle.

APPENDIX III STATUS OF PROJECT COMPLETION

	Project Name	Initial Project Cost	Revised Project Cost/ Estimated total project cost	Total Expended to Date	Completion % to Date	Budget FY 2021-2022	Actual	Sources
1	Construction of Phased Administration & Lecture Theatres Block	968,664,196	1,210,830,245	313,801,903	26	80,000,000	216,346,290	GoK
2	Construction of Perimeter wall and Gate	30,692,862	30,296,204	30,296,204	100	4,902,419	4,505,761	AIA
3	E-Learning and ICT Infrastructure	42,123,850	42,123,850	42,083,521	100	14,120,967	14,080,638	AIA
4	ERP Upgrade	10,000,000	10,000,000	1,982,180	20	10,000,000	1,982,180	AIA
5	CCTV	7,000,000.00	7,000,000	5,906,000	84	7,000,000	5,906,000	AIA

APPENDIX IV: TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring funds	Date Received As per the bank statement	Nature: Recurrent/Developments/Others	Total Amount/KES	Where Recorded/Recognized		Total Transfers
				Statement of Financial Performance	Capital Fund	
State Department for University Education & Research	03/08/2021	Recurrent	33,962,033	33,962,033	-	33,962,033
State Department for University Education & Research	01/09/2021	Recurrent	33,962,033	33,962,033	-	33,962,033
State Department for University Education & Research	29/09/2021	Recurrent	33,962,033	33,962,033	-	33,962,033
State Department for University Education & Research	02/11/2021	Recurrent	33,962,033	33,962,033		33,962,033
State Department for University Education & Research	26/11/2021	Recurrent	33,962,033	33,962,033		33,962,033
State Department for University Education & Research	28/12/2021	Recurrent	33,962,033	33,212,049	749,984	33,962,033

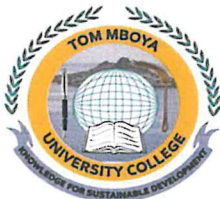
*Tom Mboya University College
Annual Reports and Financial Statements
For the year ended June 30, 2022*

Name of the MDA/Donor Transferring funds	Date Received		Nature: Recurrent/Developments/Others	Total Amount/KES	Where Recorded/Recognized		Total Transfers
	As per the bank statement				Statement of Financial Performance	Capital Fund	
State Department for University Education & Research	01/02/2022		Recurrent	33,962,033		33,962,033	33,962,033
State Department for University Education & Research	02/03/2022		Recurrent	33,962,033		33,962,033	33,962,033
State Department for University Education & Research	01/04/2022		Recurrent	33,962,033		33,962,033	33,962,033
State Department for University Education & Research	28/04/2022		Recurrent	33,962,033		33,962,033	33,962,033
State Department for University Education & Research	06/06/2022		Recurrent	34,200,939		34,200,939	34,200,939
State Department for University Education & Research	28/06/2022		Recurrent	34,200,945		34,200,945	34,200,945
State Department for University Education & Research	12/08/2021		Development	40,000,000	-	40,000,000	40,000,000

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Annual Reports and Financial Statements
For the year ended June 30, 2022*

Name of the MDA/Donor Transferring funds	Date Received As per the bank statement	Nature: Recurrent/Developments/Others	Total Amount/KES	Where Recorded/Recognized		
				Statement of Financial Performance	Capital Fund	Total Transfers
State Department for University Education & Research	16/03/2022	Development	40,000,000	-	40,000,000	40,000,000
Total			488,022,214	203,022,214	285,000,000	488,022,214

APPENDIX V INTER-ENTITY CONFIRMATION LETTER



Tel: +254(059) 20090
Email: principal@tmuc.ac.ke

P.O.BOX 199-40300
HOMA-BAY

CONFIRMATION OF AMMOUNTS RECEIVED BY TOM MBOYA UNIVERSITY COLLEGE AS AT 30TH JUNE 2022

Tom Mboya University College wishes to confirm the amounts disbursed to it as at 30th June 2022 are as indicated in the table below.

Reference Number	Date Disbursed	Amount Disbursed as at 30th June 2022				Amount received by TMUC as at 30th June 2022	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development(B)	Inter-Ministerial ©	Total (D)=(A+B+C)		
1	03/08/2021	33,962,033		-	33,962,033	447,927,250	40,094,964
2	12/08/2021	-	40,000,000	-	40,000,000		
3	01/09/2021	33,962,033	-	-	33,962,033		
4	29/09/2021	33,962,033	-	-	33,962,033		
5	02/11/2021	33,962,033	-	-	33,962,033		
6	26/11/2021	33,962,033	-	-	33,962,033		
7	28/11/2021	33,962,033	-	-	33,962,033		
8	01/02/2022	33,962,033	-	-	33,962,033		
9	02/03/2022	33,962,033	-	-	33,962,033		
10	16/03/2022	-	40,000,000	-	40,000,000		
11	01/04/2022	33,962,033	-	-	33,962,033		
12	28/04/2022	33,962,033	-	-	33,962,033		
13	06/06/2022	34,200,939	-	-	34,200,939		
14	28/06/2022	34,200,945	-	-	34,200,945		
		408,022,214	80,000,000	-	488,022,214		

I confirm that the amounts shown above are correct as of the date indicated

Ag. Finance Officer

Name: CPA Julius O Otieno Sign

Date

APPENDIX VI: REPORTING OF CLIMATE RELEVANT EXPENDITURE

The University College in the Financial year 2021/2022 did not have a project on climate change however upon the award of Charter it has embarked on the process of Developing Academic programmes on blue economy.

Project Name	Project Description	Project objectives	Project Activities	Actual Expenditure Kshs				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Tree Planting	Planting of 2,000 tree seedlings in partnership with Equity Bank	Environmental Conservation					49,700	Donor/AIA	Equity Bank

APPENDIX VII: DISASTER EXPENDITURE REPORTING TEMPLATE

Date 30/06/2022						
Entity: Tom Mboya University College						
Period to which this report refers (FY)	Year 2021/2022			Quarter: Four		
Name of Reporting Officer	Prof. Charles O Ochola					
Contact details of the reporting Officer	Email: principal@tmuc.ac.ke			Telephone: +254(059) 20090		
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of Disaster related activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs)	Comments
-	-	-	-	-	-	-

