

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

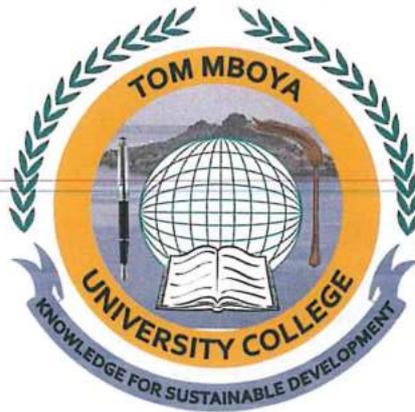
OF

THE AUDITOR-GENERAL

ON

TOM MBOYA UNIVERSITY COLLEGE

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



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

25 JUL 2022

RECEIVED

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

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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

Mrs. Sophia Yiega-Council Member

Date of Birth: 6th October 1968



Mrs. Sophia Yiega 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.

Mr. Elijah N. Ileri –Council Member

Date of Birth: 7th July 1965



Mr. Elijah N. Ileri an independent member of the Council and the Chair of the Executive, Academic and Human Resource Committee of the Council. Mr. Ileri a lecturer of 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 Ileri & 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. Ileri 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.

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 is 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.

MEMBERS OF THE UNIVERSITY COLLEGE COUNCIL (CONTINUED)



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.



Mr. Clement Obure Odeka-Council Member

Date of Birth: 22nd December 1965

Mr. Clement Obure Odeka is a member of the Council representing the Principal Secretary State Department for University Education and Research. Mr. Odeka is the Director of ICT at the Ministry of Education, State Department for University Education and Research. He has served as an ICT Specialist in various Government Ministries including Ministry of State for Special Programmes, Ministry of Health and Ministry of Devolution and Planning. He has also served as a Council Member of University of Eldoret and Karatina University. He holds Bachelor of Science and Master of Science (Information Systems) degrees from the University of Nairobi and Executive MBA in Public Policy & Administration from Kenyatta University.

MEMBERS OF THE UNIVERSITY COLLEGE COUNCIL (CONTINUED)

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–Council Member

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 Washington

Mr. Wambas Washington 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.

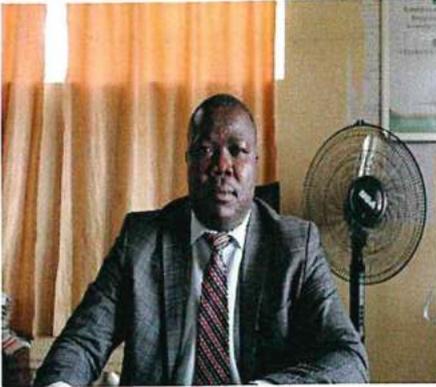


Prof. Enose M. W. Simatwa,

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 celebrates five (5) 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 College to examine its strategic directions and to develop plans that can ensure success in fulfilling Tom Mboya University College's mission in the decades to come.

Tom Mboya University College approaches the coming decades and beyond with unprecedented optimism and initial success. The University College facilities are poised to be expanded and improved; public funding and private support are anticipated and, in a move, already underway, the University College 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 ongoing process for full accreditation of the University College 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 College 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 College. 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 College. 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 College intends to implement.

Tom Mboya University College 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 College, 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



Mr. Elijah N. Ireri
Session Chair

Tom Mboya University College 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, 2021.

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 2020/2021 was a relatively difficult year as a result of Covid-19 pandemic. Due to the suspension of academic programmes, the academic calendar for 2020/2021 was disrupted and the University College adopted a phased resumption of studies in October 2020 to finalize the 2019/2020 academic year after the Government lifted some of the restrictions to contain the spread of Corona Virus. This disruption of academic calendar has resulted into a mismatch between financial year and academic year. During the 2020/2021 FY, the University College received its allocation of **Kshs. 382,766,279** for recurrent expenditure from the Government of Kenya and **Ksh. 65,160,971** for the ongoing construction of Administration and Lecture Halls Block. Tuition fees and other incomes earned during the year was **Kshs. 81,827,095**.

Capital Development

During the 2020/2021 financial year, the University College completed Phase I of the Phased Construction of Administration and Lecture halls block, Constructed Perimeter Wall and Gate, installed lift in the new building, started 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.

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 TMUC 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.

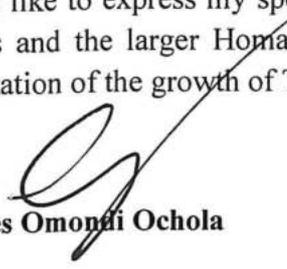
Other facets of our implementation strategy include:

- 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 College 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 2020/2021

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 2020/2021 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. -Partnership	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 iii Design and	-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

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
		<p>proposals and signed MoUs</p> <p>-No. of youths and vulnerable groups trained.</p> <p>-e-learning platform and infrastructure created and online common courses mounted</p>	<p>develop capacity building ICT certificate programmes.</p> <p>iv Collaborate with county governments on giving basic ICT training to youths and vulnerable groups.</p> <p>v Build e-learning platform to mount common courses such as HIV & Aids determinants, prevention and management.</p>	<p>groups</p> <p>-E-learning platform developed</p>
Pillar 2: Research and Consultancy	-To promote research and consultancy activities for creation and dissemination of knowledge.	<p>-Policy on management of TMUC's research activities.</p> <p>- Publications of Research activities.</p> <p>-</p>	<p>i. Establish a coordination unit for research and consultancy activities.</p> <p>ii. Develop a research policy.</p> <p>iii. Identify community, county and national research and development needs.</p> <p>iv. Build collaborative partnership on research and consultancy in the areas of agriculture and food security; and</p>	<p>-Research policy developed and approved.</p> <p>-Staff trained on writing grant winning research proposal.</p> <p>Collaborations</p> <p>-International Centre of excellence in Malaria Research Project(ICEMR)</p> <p>-TMUC, Thika way Investment Limited and DBFZ, of the republic of Germany Collaborative Project.</p>

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
			common diseases around Lake Victoria v. Train staff on writing a competitive research grant proposal.	-Cotton Victoria Project a technical regional project to strengthen cotton sector in the lake Victoria basin supported by the Federal republic of brazil through Brazillian 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.	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>c. Laboratory Block.</p> <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: ICT Infrastructure	-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</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>

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
			changes; vi. Establish and enhance ICT security systems vii. Monitor and evaluate implementation of the ICT policy and standards to guide service provision.	Ongoing 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	-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 Ndhiwa Constituency. -Implemented a cost reduction plan leading to manageable employee costs, travel expenses, ICT expenses, library expenses and other administrative

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
			implement a cost reduction plan;vi. Promote corporate image by advertising TMUC's academic programmes during education days and other relevant social forums	expenses. -Participated in educations in schools within Homa Bay county to promote corporate image and 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>-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>

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
			viii. Implementation of policies, regulations and Legislations ix Strengthen internal audit department	-Policies, regulations and legislations implemented. -Internal audit department strengthened through additional 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.	-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

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
			-Increase staff productivity and effectiveness at all levels by capacity development.	programmes. Ongoing
Pillar 8: Safety and Security	-To ensure safety and security of TMUC staff	<ul style="list-style-type: none"> -Perimeter wall in place -Training reports and attendance 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"> -Construction of perimeter wall around the 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"> -Awarded contract for the Construction of perimeter wall and gate house. -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 	<ul style="list-style-type: none"> -Establish a quality assurance Unit -Recruit/Appoint key staff of the QA Unit 	<ul style="list-style-type: none"> -Quality Assurance Unit established and staff appointed. -Ongoing

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
		<ul style="list-style-type: none"> -emoluments -Policy document. -QMS operations procedures manual. M&E reports -ISO 9001:2015 Certificate 	<ul style="list-style-type: none"> -Develop a Quality Assurance policy. -Document the University's processes and operations procedures -Operationalize the M&E function of the QA Unit -Obtain ISO Certification against ISO 9001:2015 standards 	<ul style="list-style-type: none"> -Ongoing -Ongoing -Ongoing -Ongoing
Pillar 10: Students Welfare and Management	<ul style="list-style-type: none"> -To strengthen student welfare services -To develop programmes geared towards addressing the welfare of needy students 	<ul style="list-style-type: none"> -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 	<ul style="list-style-type: none"> -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 	<ul style="list-style-type: none"> Recruitment of Dean of Students initiated. Ongoing -Ongoing -Ongoing -Ongoing -Ongoing -Ongoing -Ongoing

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
			department -Undertake a cultural and arts week -Identify Corporate Social 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 -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 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

Committees and Membership Composition

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.

Table 1: Council and Committees

BODY	MEMBERS
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. Mr. Clement O. Odeka - 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. Mr. Clement O. Odeka - 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. Ireri - Chairman 2. Ms. Lily C. Koech-Sakaja - Member 3. Eng. George K. Simba - Member 4. Mr. Clement O. Odeka - 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
AUDIT AND RISK MANAGEMENT COMMITTEE	1. Ms. Sophia Yiega - Chairman 2. Mr. Elijah N. Ireri - Member 3. Eng. George K. Simba - Member 4. Mr. Clement O. Odeka - Alternate to the PS, State Department for University Education and Research 5. Mr. Johnson M. Mwangi - Alternate to the CS National Treasury
COUNCIL	1. Dr. Augusta N. Abate - Chairman 2. Mr. Elijah N. Ireri - Member 3. Ms. Lily C. Koech-Sakaja - Member 4. Ms. Sophia Yiega - Member 5. Dr. Mbugua Njoroge - Member 6. Eng. George K. Simba - Member 7. Mr. Clement O. Odeka - Alternate to the PS, State Department for University Education and Research 8. Mr. Johnson M. Mwangi - Alternate to the CS, National Treasury 9. Prof. Julius O. Nyabundi - Vice-Chancellor, Maseno University 10. Mr. Victor M. Momanyi - Deputy Inspector General - Inspectorate of State Corporations 11. Prof. Charles O. Ochola - Principal/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.

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 in Table.2.

Table 2: 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		1			3
2.	Mr. Elijah N. Ileri			8	5	10
3.	Eng. George K. Simba			5	3	7
4.	Mr. Johnson M. Mwangi	5	4		4	9
5.	Mr. Clement O. Odeka	6	5	8		10
6.	Prof. Julius O. Nyabundi	5		7		8
7.	Ms. Lily C. Koech-Sakaja	6		8		10
8.	Ms. Sophia Yiega		5		5	10
9.	Dr. Mbugua Njoroge	5	4			9
10.	Mr. Victor M. Momanyi					5

S/No.1 and 3 terms expired effective 06/11/2020 and 25/01/2021 respectively.

S/No.10 joined the Council effective 9th October, 2020 as the representative of Inspector General - Inspectorate of State Corporations.

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 remuneration does not go beyond the required percentage of the total budget.

Council Annual Performance Evaluation

The Annual Performance Evaluation of the Council for the FY 2020/2021 has been scheduled for 5th October, 2021 to be facilitated by the State Corporations Advisory Committee (SCAC). The FY 2019/2020 Council performance was 91.86.

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 trainings during the period are detailed in Table.3.

Table 3: Council Capacity Building

S/No	Training/ Workshop	Dates & Venue	Organizer /Trainer	No. Trained
1.	Induction for Board Members of State Corporations	11 th – 13 th November, 2020 at KSG Mombasa Campus.	State Corporations Advisory Commission (SCAC) in partnership with the Kenya School of Government (KSG)	All Council Members
2.	Workshop for Board, Board Audit Committee, CEO and Heads of Internal Audit	24 th – 26 th March, 2021 at the Sarova Whitesands Hotel, 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 **3,063** students enrolled in various programmes, majority of the students being Government Sponsored as placed by KUCCPS.

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. Suppliers of goods and services are paid on time and the University does not have any pending bills. All statutory deductions are remitted as per schedule. TMUC has also implemented the SRC approved 2017-2021 CBA salaries for Public University Staff.

Recurrent Income

The University College received **Kshs. 382,766,279** in the 2020/2021 FY as recurrent grants from the government of Kenya compared to **Kshs. 381,990,108** received in 2019/2020 FY. In addition, **Kshs. 81,827,095** was received as Appropriations in Aid in 2020/2021 FY compared to **Kshs. 93,203,621** for 2019/2020 FY. The drop in AIA is attributable to the effects of Covid-19 pandemic which disrupted the academic calendar. However, the AIA collection was slightly above the budget of **Kshs. 80,200,000**.

Development Income

The University College received **Kshs. 65,160,971** in the 2020/2021 FY for Development project compared to **Kshs. 105,870,989** in FY 2019/2020 from the exchequer towards the Construction of Administration and Lecture Halls Block.

The University College had been allocated **Kshs. 130,321,942** in the FY 2020/2021 printed estimates but later revised to **Kshs. 65,160,971** in the supplementary I budget.

Recurrent Expenditure

During the 2020/2021 FY the University College incurred recurrent expenditure of **Kshs. 392,550,208** compared to **Kshs. 301,061,738** in the 2019/2020 FY. The summary of recurrent expenditure for the year and the comparative figures for budget and previous year is as follows:

Item	Actual	Budget	Variance	Percentage Variance	Actual
	2020/21	2020/21			2019/20
	Kshs	Kshs			Kshs
Employee Costs	191,257,808	192,150,000	892,192	0.46%	161,187,037
Council Expenses	19,693,041	20,000,000	306,959	1.53%	10,187,278
Repair and Maintenance	12,211,408	13,125,000	913,592	6.96%	9,065,564
Depreciation and Amortization	54,770,713	55,000,000	229,287	0.42%	34,596,752
General Expense	114,617,238	119,536,000	4,918,762	4.11%	86,025,108
TOTAL	392,550,208	399,811,000	7,260,792	1.82%	301,061,738

The University College absorbed **98.18%** of its recurrent budgetary allocations. The increase in expenditure in 2020/2021 FY is due to the increase in student numbers and academic programmes on offer and also implementation of the SRC approved 2017-2021 CBA salaries.

Development/Capital Expenditure

Since establishment in April 2016, the University College through the support of the Government has undertaken a number of development projects.

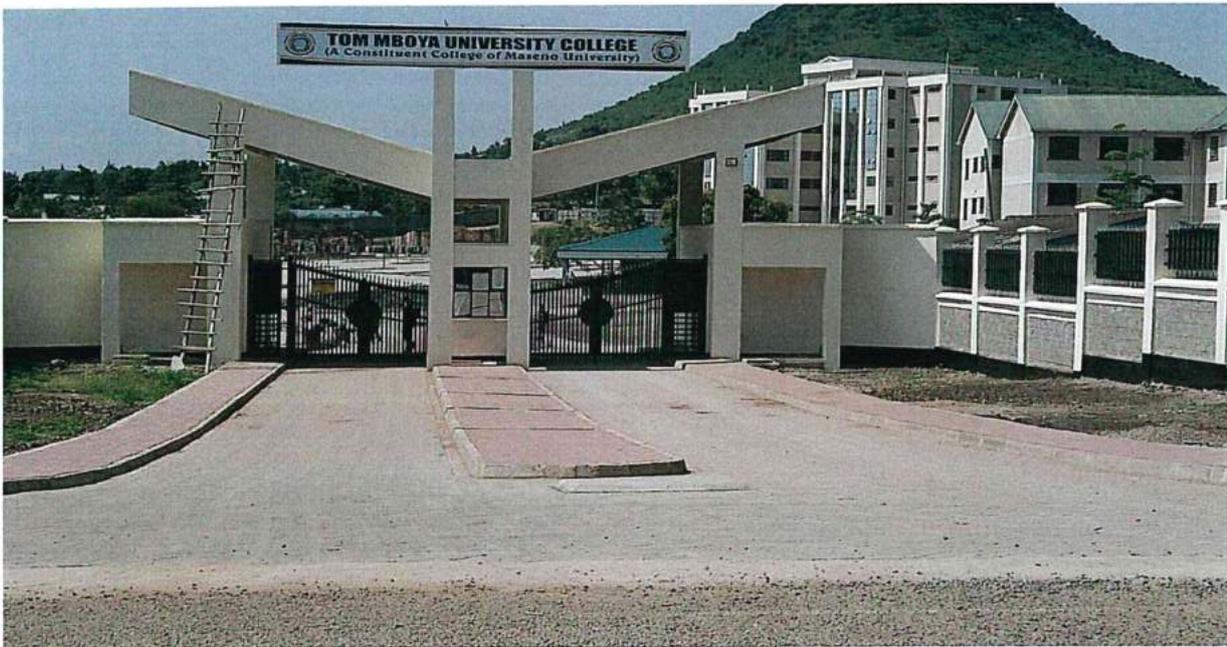
- Office and Tuition Block,
- dining hall
- Generator house;
- Access roads
- sporting fields
- ICT Infrastructure
- Phased construction of Administration Lecture Halls block
- Gate and Perimeter Wall.

The Administration and Lecture Halls and Theatre will offer a 10,000 sitting capacity (Phase I – 2,000 and Phase II – 8,000) to accommodate the increase in student numbers

See some pictorials that follows:



Administration and Lecture Halls Block Phase I Completed



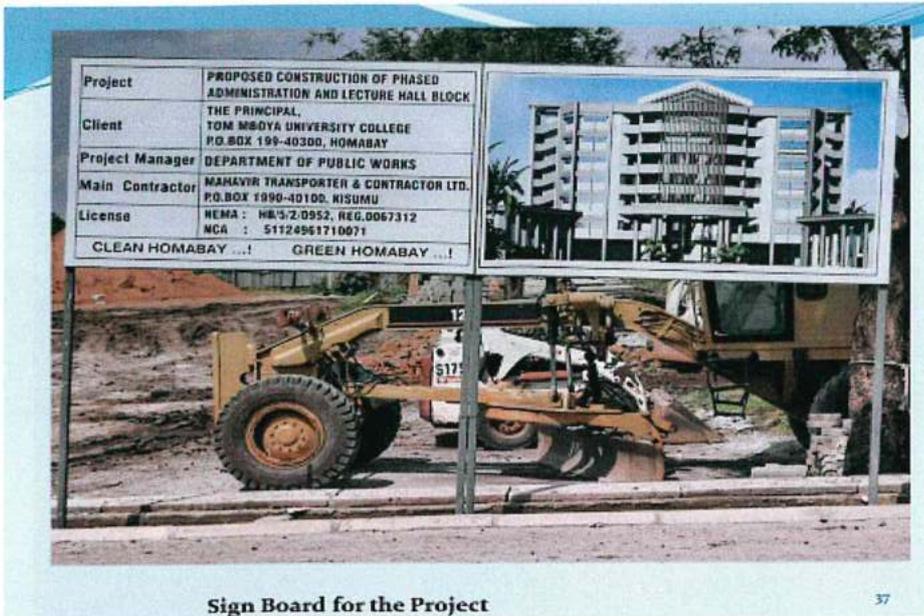
University College Main Gate



Section of University College Perimeter Wall

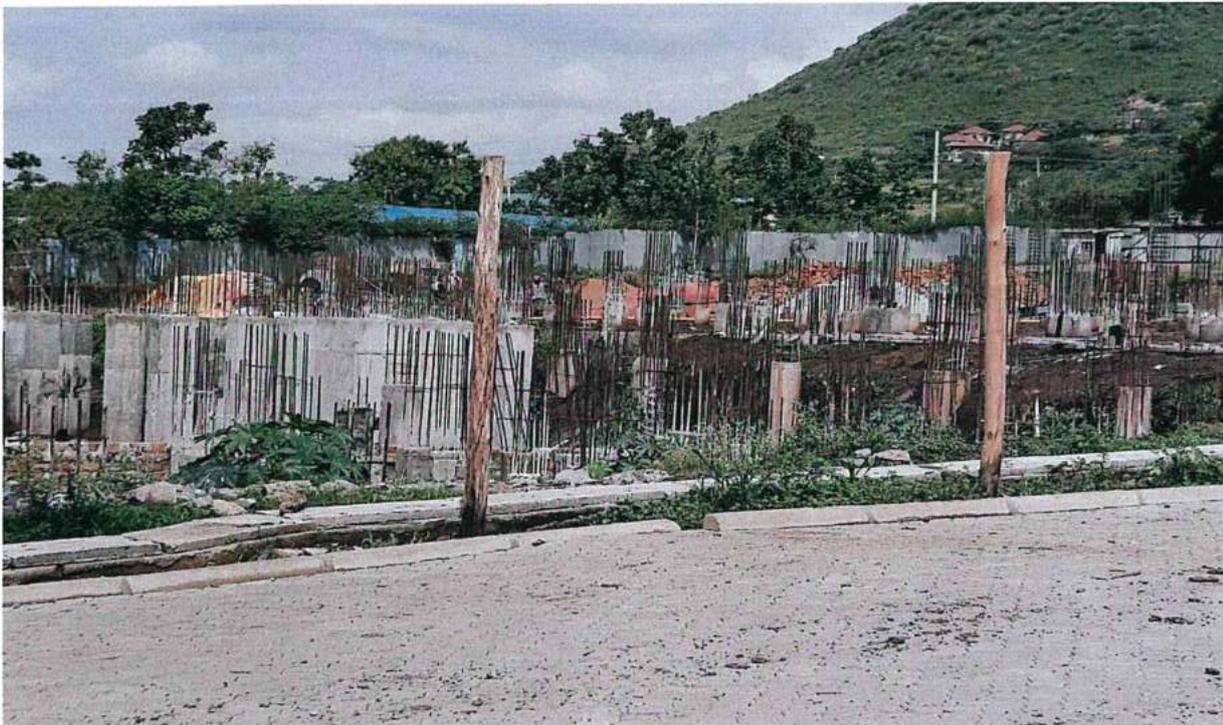


Library block



Sign Board for the Project

37



Ongoing Construction of Administration and Lecture Halls Block Phase II

The University College in the FY 2020/2021 incurred expenditure on the following capital projects:

- Construction of Administration and Lecture Theatres block Phase I Kshs. 181,290,366
- Phased Construction of Administration and

Lecture Theatres block Phase II	Kshs. 97,455,613
• Construction of Perimeter Wall and gate	Kshs. 25,790,443
• E-Learning and ICT Infrastructure	Kshs. 28,002,883
• Installation of Lift in the New Administration and Lecture halls block	Kshs. 4,970,423
• 250 KVA Generator	Kshs. 4,875,040
• Purchase of Motor Vehicles	Kshs. 14,545,440
• Furniture and fittings	Kshs. 3,230,570
• Computers	Kshs. 8,123,900
• ICT Infrastructure	Kshs. 1,572,200
• Office equipment	Kshs. 5,355,550

The University College paid the balance of Maseno University debt of Kshs. 10,344,000 in the 2020/2021 FY.

Compliance with Statutory obligations

Tom Mboya University College has complied with all statutory requirements and has no arrears pertaining to any statutory obligations.

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 Dhiwa Constituency and Representative to the PS, Ministry of ICT during graduation of Students from Ndiwa 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 2021 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 2021 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 22nd September, 2021 and signed on its behalf by:



Session Chair



Principal/CEO

REPUBLIC OF KENYA

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



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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, 2021

PREAMBLE

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

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

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution 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 37, which comprise of the statement of financial position as at 30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual

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

Basis for 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.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects 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 expenditure of Kshs.392,550,208 resulting in an 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.

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. Non-Compliance with Law on Ethnic Composition

The total number of employees of the University College was ninety (90) out of which fifty-nine (59) or 66% were from the dominant community in the County. This is contrary 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.

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

2. 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 the acting appointments period shall not exceed six (6) consecutive months.

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 matter 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

Lack of an 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 the optimal operating level.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (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 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.

Those charged with governance are 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 continue to sustain its services. If I conclude that a material

uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the University 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

09 September, 2022

13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2021

		2020/2021	2019/2020
	Notes	Kshs	Kshs
Revenue from non-exchange transactions			
Recurrent Capitation Grants	6	313,474,579	214,183,679
Revenue from exchange transactions			
Tuition fees & other related charges	7	59,434,096	68,405,775
Other Incomes	8	22,392,999	24,797,846
Total Revenue from Exchange Transactions		81,827,095	93,203,621
Total revenue		395,301,674	307,387,299
Expenses			
Employee Costs	9	191,257,808	161,187,037
Council Expenses	10	19,693,041	10,187,278
Depreciation and amortization expense	11	54,770,713	34,596,752
Repairs and maintenance	12	12,211,408	9,065,564
General expenses	13	114,617,238	86,025,108
Total expenses		392,550,208	301,061,738
Surplus before Tax		2,751,466	6,325,562
Taxation		-	-
Surplus for the period		2,751,466	6,325,562

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:

16/02/2022


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

Date:

16/02/2022


Session Chair
Mr. Elijah N. Ileri

Date:

16/02/2022

14. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2021

		2020/2021	2019/2020
	Notes	Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	14	431,764,993	505,176,886
Receivables from exchange transactions	15	6,366,454	18,277,553
Receivables from non- exchange transactions	16	-	15,767,805
Inventories	17	5,970,173	7,321,136
Total Current Assets		444,101,620	546,543,380
Non-current assets			
Property ,plant and equipment	18	841,830,315	490,512,954
Intangible Assets	19	5,880,571	11,761,144
Total Non-Current Assets		847,710,886	502,274,099
Total assets		1,291,812,506	1,048,817,478
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	20	130,634,000	66,831,846
Deferred Government Recurrent Grants	21	-	8,495,435
Refundable deposits from customers	22	3,729,400	2,477,000
Prepayments and Deposits	23	31,793,338	9,457,000
Total current liabilities		166,156,737	87,261,281
Non-Current Liabilities			
Deferred Government Development/Capital Grants	24	142,948,106	-
Total liabilities		309,104,843	87,261,281
Net assets			
Capital Fund		265,914,662	247,514,662
Capital Development Grants		722,287,288	722,287,288
Accumulated Surplus/(Deficit)		(5,494,287)	(8,245,752)
Total net assets		982,707,663	961,556,197
Total net assets and liabilities		1,291,812,506	1,048,817,478

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

Principal
Prof. Charles Omondi Ochola

Date:

16/02/2022

Ag. Finance Officer
Mr. Julius O Otieno
ICPAK Member 74369

Date:

16/02/2022

Session Chair
Mr. Elijah N. Ireri

Date:

16/02/2022

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

	Notes	Capital Fund	Accumulated Surplus/ (Deficit)	Capital / Development Grants fund	Total
At July 1, 2019		200,187,691	(14,571,314)	441,337,500	626,953,877
Revaluation adjustments (Biological Assets)		57,000	-	-	57,000
Surplus/Deficit for the year		-	6,325,562	-	6,325,562
Transfer of Maseno University Debt (Salaries for seconded Staff)		47,269,971	-	-	47,269,971
Capital/Development grants received during the year		-	-	280,949,788	280,949,788
At June 30, 2020		247,514,662	(8,245,752)	722,287,288	961,556,197
At July 1, 2020		247,514,662	(8,245,752)	722,287,288	961,556,197
Land transferred	18	18,400,000			18,400,000
Surplus/Deficit for the year	Statement of FP		2,751,466		2,751,466
At June 30, 2021		265,914,662	(5,494,287)	722,287,288	982,707,663

The County Government of Homa bay and Ndhiwa Constituency transferred the following parcels of land now registered under Tom Mboya University College and professionally valued at **Kshs. 18,400,000**.

1. KANYADA/KOTIENO/KATUMA 'A'/2043 0.70 HA
2. KANYADA/KOTIENO/KATUMA 'A'/2114 0.36 HA
3. KANYAMWA/KABONYO/KWANDIKU/3909 17.2 HA

**16. STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2021**

		2020/2021	2019/2020
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Recurrent Capitation Grants		320,746,949	214,183,679
Tuition & Other related charges		95,846,569	72,771,465
Other Incomes		21,614,519	24,797,846
Net cash receipts from Operating Activities		438,208,037	311,752,990
Payments			
Staff Costs		185,255,621	140,685,051
General Expenses		66,178,095	78,883,237
Repairs and Maintenance		8,885,903	8,700,669
Council Expenses		19,693,041	10,187,278
Maseno University Debt		10,344,439	-
Net cash Payments		290,357,099	238,456,235
Net cash flows from operating activities	25	147,850,938	73,296,755
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(364,210,937)	(169,838,839)
Development/Capital receipts		142,948,106	280,949,788
Net Cash flow From Investing Activities		(221,262,831)	111,110,949
Net increase in cash and cash equivalents		(73,411,893)	184,407,704
Cash and cash equivalents as at 1st July	14	505,176,886	320,769,182
Cash and cash equivalents as at 30th June	14	431,764,993	505,176,886

Note: The Cash balance of **Kshs. 431,764,994** 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: 16/02/2022

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

Date: 16/02/2022

Session Chair
Mr. Elijah N. Ireri

Date: 16/02/2022

**17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30TH JUNE 2021.**

	Original Budget		Adjustments		Final Budget		Actual on comparable basis		Performance Difference		Percentage Difference
	2020-2021	Kshs	2020-2021	Kshs	2020-2021	Kshs	2020-2021	Kshs	2020-2021	Kshs	
Revenue											
Revenue from Non-Exchange Transactions											
Recurrent Grants from GoK	858,496,000		(475,729,721)		382,766,279		382,766,279		-		-
Special Capitalization (CBA 2017-2021)	-		8,495,435		8,495,435		8,495,435		(0)		(0)
Revenue from Exchange Transactions											
Tuition fees & other related charges	85,927,237		(17,800,805)		68,126,432		59,434,096		(8,692,336)		(13)
Other Incomes	11,672,763		400,805		12,073,568		22,392,999		10,319,431		85
Total income	956,096,000		(484,634,286)		471,461,714		473,088,809		1,627,095		0
Expenses											
Employee Costs	480,754,000		(288,604,000)		192,150,000		191,257,807.83		892,192		0
Council Expenses	30,000,000		(10,000,000)		20,000,000		19,693,041		306,959		2
Repairs and Maintenance	35,420,000		(22,295,000)		13,125,000		12,211,408		913,592		7
General Expenses	197,900,000		(78,364,000)		119,536,000		114,617,238		4,918,762		4
Depreciation Expense	67,022,000		(12,022,000)		55,000,000		54,770,713		229,287		0
Total expenditure	811,096,000		(411,285,000)		399,811,000		392,550,208		7,260,792		
Surplus/(Deficit) for the period	145,000,000		(73,349,286)		71,650,714		80,538,601		8,887,887		

17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31TH JUNE 2021 (CONTINUED)

RECONCILIATION OF STATEMENT OF FINANCIAL PERFORMANCE AND STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Kshs	Kshs
Surplus as per Statement of Financial Performance		2,751,466
Add back recurrent grants recognized under Capital fund to purchase Capital items		77,787,135
		<hr/>
Surplus as per Statement of Comparison of Budget and Actual amounts		<u>80,538,601</u>

Explanation of Material Budget Variances

Difference between original and final budget

The University College submitted its 2020/2021 FY recurrent Budget of **Kshs. 956,096,000** to be financed through internally generated revenue of **Kshs. 97,600,000** and recurrent government grants of **Kshs. 858,496,000**. However, the Government only allocated **Kshs. 382,766,279** for recurrent grants and **Kshs. 80,200,000** for Internally Generated revenue. The University College had a deferred income of **Kshs. 8,495,435** out of the **Kshs. 15,767,805** given in 2019/2019 FY through supplementary estimates II for the implementation of 2017-2021 CBA salaries. The funds were used to implement the new SRC approved salary scales for 2017-2021 CBA. The University College therefore rationalized its budget to fit within the approved ceilings and this explains the difference between the original budget and the final Budget.

Revenue from exchange transactions

The tuition fees and other related charges were below the budget due to the effects of Covid-19 pandemic which interrupted the 2020/2021 academic calendar. The drop in tuition fees and related charges was compensated by the rise in income from other income generating activities making the University College to meet its budgetary target of revenue from exchange transactions

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. *New and amended standards and interpretations in issue effective in the year ended 30 June 2021.*

Standard	Impact
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment.</p> <p>Amendments to remove transitional provisions which should</p>

Standard	Impact
	<p>have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets.</p> <p>Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p>
	<p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs).</p> <p>Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p>

ii. **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021**

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<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</p>

Standard	Effective date and impact:
	<p>information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>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 resulting from</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to

Standard	Effective date and impact:
IPSAS 41, Financial Instruments	<p>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</p>
	<p>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>

iii Early adoption of standards

The entity did not early-adopt any new or amended standards in the year 2020/2021.

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 2020-2021 was approved by the National Assembly in June 2020. 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 development was reduced from **Kshs. 130,321,942** to **Kshs. 65,160,971** through 2020/2021 FY Supplementary Estimates II. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance. The amounts in the financial statements presented 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.

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, 2021.

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	2020/2021	2019/2020
	Kshs	Kshs
Unconditional Government grants		
Recurrent Capitation from GoK	304,979,144	206,911,309
Special Capitation (Supplementary II)	8,495,435	7,272,370
	313,474,579	214,183,679

The University College was allocated **Kshs. 382,766,279** for recurrent grants out of which **Kshs. 304,979,144** was used to finance the payment of salaries, operating and administrative expenses while the balance of **Kshs. 77,787,135** was recognized as deferred income under Non-Current Liabilities to finance the construction of perimeter wall and gate, Installation of E-Learning and ICT infrastructure and lift in the New administration and lecture halls block. In addition, the University College was allocated **Kshs. 15,767,805** for the implementation of 2017-2021 CBA in 2019/200 financial year out of which Kshs. 8,495,435 was deferred to 2020/2021 financial year to implement the new salary scales while the balance of **Kshs. 7,272,370.45** was used to pay the salary arrears in 2019/2020 financial year.

b) Transfers from State Department for University Education and Research

Name of the Entity	Amount recognized to Statement of Comprehensive Income	Amount deferred Under deferred income	Amount Recognized in Capital Fund	Total grant Income during the year (2020/2021)	Total grant Income Prior year (2019/2020)
	Kshs	Kshs	Kshs	Kshs	Kshs
Ministry of Education: State Department for University Education (Recurrent grant)	304,979,144	77,787,135		382,766,279	397,757,913
Ministry of Education: State Department for University Education (Development grant)	-	65,160,971		65,160,971	105,870,989
Total	304,979,144	142,948,106		447,927,250	503,628,902

7. Tuition fees and related Charges

Description	2020/2021	2019/2020
	Kshs	Kshs
Activity fees	2,968,000	4,629,500
Computer Time income	10,956,000	8,608,500
Examination fee	4,248,000	6,370,200
Library fee	2,914,750	2,291,973
Maintenance fee	1,944,500	1,530,200
Registration fee	1,025,000	1,565,978
Student ID	534,000	296,500
Student Medical fee	5,826,000	4,598,754
Supervision-PGDE	351,000	101,000
Fieldwork-PGDE	436,800	105,400
CUE Fees	2,730,746	2,715,720
Attachment Fees	3,285,500	5,790,000
Replacement of Exam Card	200	400
Examination Resit	298,000	70,000
Student Organization Fees	1,937,000	1,536,000
Tuition fees	19,978,600	28,195,650
Total Tuition and related charges	59,434,096	68,405,775

8. Other Incomes

Description	2020/2021	2019/2020
	Kshs	Kshs
Accommodation Fees	3,564,000	3,430,000
Hire of Halls	30,000	20,000
Application fee	48,700	94,500
Catering income	5,292,365	6,470,559
Tendering charges	-	2,000
Farm income	365,285	379,362
Interest Income	10,857,763	12,265,318
SOTMUC Other Incomes	-	29,050
Miscellaneous	753,036	518,910
Research Grant Administrative Charges	349,500	150,000
Departmental Catering Services	-	586,450
Decrease in Provision for doubtful debts	418,880	
Revaluation gain	206,000	
Farm to Kitchen Sales	507,470	851,696
Total Other Incomes	22,392,999	24,797,846

9. Employee Costs

Description	2020/2021	2019/2020
	Kshs	Kshs
Personnel Emoluments (Payroll)	153,261,198	136,020,177
Gratuity and Pension Contributions	16,011,888	-
Part-time payments	16,759,641	20,849,700
Casual Wages	4,913,151	4,270,059
Staff development	311,930	47,100
Total Employee Costs	191,257,808	161,187,037

10. Council Expenses

Description	2020/2021	2019/2020
	Kshs	Kshs
Chair Honorarium	400,000	960,000
Sitting allowances	5,260,000	3,345,000
Induction and Training	1,210,800	-
Travel and Accommodation	8,235,655	5,194,839
Other allowances	4,586,586	687,439
Total Council expenses	19,693,041	10,187,278

11. Depreciation and Amortization Expenses

Description	2020/2021	2019/2020
	Kshs	Kshs
Buildings	11,290,075	2,662,625
Motor Vehicles	12,232,015	8,595,655
Furniture & Fittings	2,624,700	2,220,253
Computers	7,065,340	4,357,084
ICT Infrastructure	2,423,608	1,900,065
Library Books	6,873,447	6,653,846
Office Equipment	2,900,572	1,081,362
Plant and Equipment	3,480,383	1,245,288
Amortization of Intangible Asset-ERP	5,880,573	5,880,573
Total Depreciation and Amortisation expenses	54,770,713	34,596,752

12. Maintenance and Repairs

Description	2020/2021	2019/2020
	Kshs	Kshs
Plant and Equipment	337,370	351,840
Motor Vehicles Repairs & Spares	770,246	251,444
Maintenance of Office Equipment	132,040	4,200
Maintenance of Grounds	935,574	611,782
Repair & Maintenance of Generators	-	-
Refurbishment of Buildings	606,029	621,413
Water Supply Repairs	541,368	25,520
Maintenance of Hostels	21,980	71,175
Farm Maintenance	-	-
Electrical Expenses	971,790	862,476
Minor Works and Construction	7,895,011	5,894,963
Repair & Maintenance of Boilers	-	30,500
Animal Feeds	-	84,393
Maintenance of Fire Extinguishers	-	255,858
Total Maintenance and Repairs	12,211,408	9,065,564

13. General Expenses

Description	2020/2021	2019/2020
	Kshs	Kshs
Admission related expenses	6,000	203,600
Advertising and publicity	401,164	1,779,452
Audit fees	1,044,000	696,000.00
Bank charges/commissions	511,574	395,898
Cleaning materials	75,105	455,292
Cooking fuel/gas	565,600	530,000
Electricity expenses	1,468,665	717,338
Examination material	555,000	-
ICT expenses	3,304,388	1,160,300
Internet access and services	2,253,206	1,518,641
Field Trip/Industries	220,600	429,050
Fuel For Boilers/Generators	-	0
Land Preparation/Crops inputs	360,138	299,944
Medical expenses	10,479,288	8,917,678

Tom Mboya University College
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Description	2020/2021	2019/2020
	Kshs	Kshs
Office Running Expenses	724,234	824,642
Performance Contract	-	846,630
Purchase of Periodicals	686,100	713,010
Postal telegram	23,430	9,450
Penalties & Fines	-	9,034
Food & Catering Expenses	7,864,103	7,431,295
Security services	18,747,300	18,855,980
Stationery Expenses	3,887,845	2,499,437
Subscription Expenses	98,930	153,500
Tender Expenses	-	0
Teaching materials	201,670	0
Telephone expenses	292,417	412,329
Transport Operating Expenses	1,535,656	1,707,582
Travelling and accommodation	4,676,859	8,052,989
Veterinary Services	1,780	47,050
Water Charges	931,292	892,929
Legal Expenses	50,000	1,750,712
Licenses and Permits	60,050	15,800
Strategic Plan	-	328,000
Master Plan	-	0
Rent Expenses	10,048,245	8,941,905
KUCCPS Placement Fees	1,555,500	871,500
Student Welfare	-	882,848
External Examiners	1,218,500	981,240
Asset Valuation	-	0
CUE Expenses	1,099,000	680,645
SOTMUC Expenses	119,610	719,578
Professional Membership Fees	11,200	0
Development of New Programmes	514,284	17,000
ERP Maintenance	3,259,103	4,520,340
Teaching Practice	5,069,901	213,690
Sanitary Expenses	263,250	331,500
Laboratory Reagents	279,848	1,856,150
Staff Welfare	131,760	0
Insurance of Assets	1,864,285	1,857,334
Shows & Exhibitions	-	88,800

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Description	2020/2021	2019/2020
	Kshs	Kshs
Revaluation Loss	2,000	-
Purchase of drugs (Students Clinic)	651,530	641,413
Recruitment Expenses	-	208,088
Seminars & Conference	247,059	366,000
Research Expenses	-	125,125
Uniforms & Clothing	178,350	149,540
Senate Expenses	-	80,199
Professional services	-	490,200
Insurance related expenses	884,714	-
Computer Materials	2,457,760	-
Development of E-Learning Modules	18,190,500	-
Value addition-Agriculture Extension	8,150	5,000
Covid-19 Expenses	2,139,847	-
Charter award expenses	3,396,450	-
Increase in Provision for doubtful debts	-	343,450
Total General expenses	114,617,238	86,025,108

14. Cash and Cash Equivalents

Description	2020/2021	2019/2020
	Kshs	Kshs
Current Account		
TMUC Current Operations A/C KCB Homabay Branch A/C No. 1182330096	49,339,291	44,554,340
TMUC Development KCB A/C Homabay Branch A/C No. 1182330010	215,470,478	347,894,661
TMUC Fee Collection Equity A/C Homabay Branch A/C No. 0980269346780	105,651,001	69,827,342
TMUC IGA KCB A/C Homabay Branch A/C No. 1198213183	10,184,288	25,055,947
TMUC Student Activity Fees KCB Homabay Branch A/C No. 1237325331	941,869	939,810
TMUC Students Organization KCB Homabay Branch A/C No. 1237325269	423,711	424,312
TMUC Deposit A/C KCB Homabay Branch A/C No. 1255384476	49,736,325	16,480,473
Cash in Hand	18,030	-
Total Cash and Cash Equivalents	431,764,993	505,176,886

15. Receivables from Exchange Transactions

15(a) Current Receivables from Exchange Transactions

Description	2020/2021	2019/2020
	Kshs	Kshs
Students Debtors	4,259,930	12,637,547
Other Sundry Debtors	999,520	175,325
Deposits(Guarantees)	1,320,000	700,000
Prepaid Medical Insurance	-	5,396,558
Less Provision for Doubtful Debts	(212,997)	(631,877)
Total Receivables from Exchange Transactions	6,366,454	18,277,553

16. Receivables from Non-Exchange Transactions

Description	2020/2021	2019/2020
	Kshs	Kshs
Special Capitation (Supplementary Estimates II 2019/2020 FY)	-	15,767,805

17. Inventories

Description	2020/2021	2019/2020
	Kshs	Kshs
Stocks Maintenance Stores	752,544	1,349,087
Stocks Stationery	3,181,004	2,321,378
Stocks Medical Drugs Reagents & Others	529,061	715,133
Stocks Cleaning Materials	219,650	178,270
Catering Stocks	778,915	1,543,450
Biological Assets**	509,000	305,000
ICT Store	-	858,700
Uniforms & Clothing	-	8,400
Lab Store	-	41,718
Total Inventories	5,970,173	7,321,136

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

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18. Property, Plant and Equipment

Cost/Valuation	Land Shs	Buildings Shs	Motor vehicles Shs	Furniture and fittings Shs	Computers Shs	ICT Infrastructure Shs	Library Books Shs	Office Equipment Shs	Plant & Equipment Shs	Work in Progress Shs	Total Shs
At 1st July 2019	169,780,000	106,505,000	14,347,000	15,099,026	5,077,135	2,955,901	32,575,100	1,607,037	6,091,942	31,640,475	385,678,616
Additions	-	-	20,035,621	2,663,000	8,007,201	2,750,000	694,128	3,799,774	134,500	131,754,615	169,838,839
As at 30th June 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
Depreciation and impairment											
At 1st July 2019	-	5,325,250	7,173,500	3,577,581	2,548,205	1,968,630	12,757,641	563,014	2,374,501	-	36,288,322
Depreciation	-	2,662,625	8,595,655	2,220,253	4,357,084	1,900,065	6,653,846	1,081,362	1,245,289	-	28,716,179
At 30th June 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
Net book values											
At 30th June 2021	188,180,000	432,325,061	20,926,891	12,575,063	7,246,608	985,798	8,082,299	9,957,913	10,301,744	151,248,939	841,830,315
At 30th June 2020	169,780,000	98,517,125	18,613,466	11,964,192	6,179,047	1,837,206	13,857,741	3,762,435	2,606,652	163,395,090	490,512,954

- WIP relates to the cost of Construction of Phased Administration and Lecture Theatres Block.
- Three parcels of Land transferred by Homa bay County and Ndiwa CDF and registered in the name of Tom Mboya University College professionally valued at Kshs. 18,400,000.
- The completed Phase I of Administration and Lecture halls block Constructed at cost of Kshs 345,098,011 was transferred from WIP to Buildings.

19. Intangible Assets-ERP Software

Description	2020/2021	2019/2020
	Kshs	Kshs
Cost		
At beginning of year	29,402,863	29,402,863
Additions	-	-
At end of year	29,402,863	29,402,863
Additions - internal Development	-	-
At end of year	29,402,863	29,402,863
Amortization and Impairment		
At beginning of year	17,641,719	11,761,146
Amortization	5,880,573	5,880,573
At end of year	23,522,292	17,641,719
Impairment loss	-	-
At end of year	23,522,292	17,641,719
NBV	5,880,571	11,761,144

20. Trade and Other Payables

	2020/2021	2019/2020
	Kshs	Kshs
Accounts Payable	77,717,333	35,420,963
Procured Items from Maseno University	-	5,344,439
Maseno Advances	-	5,000,000
Retention	48,962,048	16,265,342
PAYE Deduction Payable	3,954,619	4,801,102
Total Trade and Other Payables	130,634,000	66,831,846

21. Deferred Government Recurrent Grants

Description	2020/2021	2019/2020
	Kshs	Kshs
State Department for University Education & Research	-	8,495,435
Total deferred income	-	8,495,435

21(a). Deferred Income movement is as follows:

	National Government	International funders	Public Contributions & donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	8,495,435	-	-	8,495,435
Additions	-	-	-	-
Transfers to Income Statement	(8,495,435)	-	-	(8,495,435)
Balance carried forward	-	-	-	-

22. Refundable Deposits from Customers

Description	2020/2021	2019/2020
	Kshs	Kshs
Students' Refund (Caution Money)	3,671,900	2,327,500
Helb Control Account	57,500	149,500
Total Refundable Deposits from Customers	3,729,400	2,477,000

23. Prepayments and Deposits

Description	2020/2021	2019/2020
	Kshs	Kshs
Student Advanced Receipts	31,793,338	9,457,000

24. Deferred Development/Capital Grants

Description	2020/2021	2019/2020
	Kshs	Kshs
Deferred Development/Capital Government Grants	142,948,106	-

24 (a) Deferred Development/Capital Grants movement schedule

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

25 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 2021, 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.

26. Cash Generated from Operations

	2020-2021	2019-2020
	Kshs	Kshs
Surplus/(Deficit) for the year before tax	2,751,466	6,325,562
Adjusted for:		
Depreciation and Amortization	54,770,713	34,596,752
Outstanding Maseno University Debt	(10,344,439)	47,269,971
Working Capital Adjustments		
Less Increase in Receivables	17,118,768	(8,101,144)
Add Increase in refundable Deposits	1,252,400	899,900
Increase in income received in advance	22,336,338	3,750,992
Increase in inventories	1,350,963	(2,880,977)
Revaluation of Biological Assets included in inventory	-	57,000
Increase in Deferred Income	(8,495,435)	8,495,435
Increase in Payables	67,110,165	(17,116,734)
Net Cash flow from Operating Activities	147,850,938	73,296,755

27 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 Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
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	-	-
At 30 June 2020				
Receivables from exchange transactions	18,277,553	18,277,553	-	-
Receivables from Non exchange transactions	15,767,805	15,767,805.00	-	-
Bank balances	505,176,886	505,176,886	-	-
Total	539,222,244	539,222,244	-	-

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 2020				
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
At 30 June 2019				
Trade payables	13,209,805	8,500,469	46,448,152	68,158,426
Provisions	-	15,982,017	-	15,982,017
Employee Benefit Obligations	-	1,492,339	-	1,492,339
Total	13,209,805	25,974,825	46,448,152	85,632,782

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:

	2020-2021	2019-2020
	Kshs	Kshs
Accumulated (Deficit)	(5,494,287)	(8,245,752)
Capital fund	265,914,662	247,514,662
Capital Development Grants	865,235,394	722,287,288
Total funds	1,125,655,769	961,556,197
Maseno University Advances	-	10,344,439
Funds Committed for Capital Development Project	265,206,804	347,894,661
Less: cash and bank balances	(431,764,993)	(505,176,886)
Net debt/(excess cash and cash equivalents)	(166,558,190)	(146,937,786)
Gearing	-14.80%	-15.28%

28 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

	2020-2021	2019-2020
	Kshs	Kshs
Transactions with related parties		
a) Grants from the Government		
Grants from National Govt (Recurrent & Development)	447,927,251	503,628,902
Grants from County Government	-	-
Donations in kind	-	-
Total	447,927,251	503,628,902
b) Expenses incurred on behalf of related party		
Salaries and wages for TMUC employees	153,261,198	136,020,177
Commission for University Education (CUE)	1,099,000	680,645
Kenya Universities & Colleges Central Placement Service (KUCCPS)	1,555,500	871,500

Total	155,915,698	137,572,322
c) Key management compensation		
Council Expenses	19,693,041	10,187,278
Compensation to the CEO	13,073,620	11,863,083
Compensation to Other Senior Management	30,119,306	23,839,193
Total	62,885,967	45,889,554

29 Contingent Assets and Contingent Liabilities

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

30 Capital Commitments

Capital Commitments	2020-2021	2019-2020
	Kshs	Kshs
Authorized for		
Construction of Administration & Lecture Theatres Block		1,391,982,000
Sub-total		1,391,982,000
Authorized and Contracted for		
Phased Construction of Administration & Lecture Theatres Block Phase 2		968,664,196
Construction of Perimeter Fence and Gate House		30,692,862
Purchase of Power Generator		4,875,040
Installation of E-Learning & ICT Infrastructure	42,123,850	
Installation of Lift	4,970,423	
Sub-total	47,094,273	1,004,232,098

31 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.

32 Events After the Reporting Period

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

33 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.

34 Currency

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

19. Progress On Follow Up of Auditor Recommendations

There were no Key Audit Matters in the Report of the Auditor General on Tom Mboya University College on Financial Statements for the Period ending 30th June 2019. The emphasis of the matter raised by the external auditor, and management comments that were provided to the auditor are summarised below. We have nominated focal person to resolve the issue as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Emphasis of Matter: Salaries for Seconded Staff from Maseno Kshs. 46,405,334 The amount has been pending since 2016/2017 FY and that the University College had appealed on several occasions to the Government through the Ministry of Education and The National Treasury for funds to clear this debt without success.	Maseno University through its letter reference MSU/VC/TMUC/50. VOL. 1(9) dated 4 th May 2020 clarified that Tom Mboya University College had no contractual obligation to pay this amount since it had been factored in Maseno University recurrent budget. The University College based on this advice reclassified this amount in the FY 2019/2020 and moved it from Current Liabilities to Capital Fund. The amount therefore no longer appears as an obligation in the Tom Mboya University College Books.	Resolved	May 2020
2	Non-Use of Official Vehicle allowance Kshs. 1,100,000 The amount of Kshs. 1,100,000 was paid to some employees as Non-Use of Official Vehicles allowance and which is not provided in the terms and conditions of service for Academic, senior Library and Administrative Staff	Non-Use of Official Vehicle allowance is paid to management staff which includes Deans, Directors, Registrars, Chairmen of Departments and Heads of Sections as approved by the University Council. This is a taxable allowance meant to compensate management staff on official errands without the use of official University College Vehicles. Tom Mboya University College adopted this allowance from Maseno University which is the mentoring institution. This allowance is part of the Management allowances	Resolved by availing evidence	Continuous

Principal
Date


16/02/2022

Session Chair of Council
Date


16/02/2022

20. Appendix 1: Projects Implemented by The Entity
Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget		Sources of funds
					FY 2020-2021	Actual 2020/2021	
1	Administration & Lecture Halls Block Phase I	337,715,162	337,715,162	100%	181,290,366	181,290,366	GOK
2	Construction of Phased Administration & Lecture Halls Block Phase II	968,664,196	97,455,613	10%	65,160,971	97,455,613	GOK
3	Construction of Perimeter wall and Gate	30,692,862	25,790,443	84%	35,000,000	25,790,443	GoK/AIA
4	E-Learning and ICT Infrastructure	42,123,850	28,002,883	66%	50,000,000	28,002,883	GoK/AIA
5	Installation of Lift	4,970,423	4,970,423	100%	7,000,000	4,970,423	GoK/AIA
6	250 KVA Generator	4,875,040	4,875,040	100%	7,000,000	4,875,040	GoK/AIA
	Total	1,389,041,533	488,964,101		331,451,337	332,539,305	GOK

21. Appendix 11: Inter-Entity Transfers

Break down of Transfers from the State Department of University Education and Research			
FY 2020/2021			
a.	Recurrent Grants		
	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	07/08/2020	31,897,190.00	2020/2021
	31/08/2020	31,897,190.00	2020/2021
	01/10/2020	31,897,190.00	2020/2021
	30/10/2020	31,897,190.00	2020/2021
	07/12/2020	31,897,190.00	2020/2021
	04/01/2021	31,897,190.00	2020/2021
	04/02/2021	31,897,190.00	2020/2021
	10/03/2021	31,897,190.00	2020/2021
	09/04/2021	31,897,190.00	2020/2021
	10/05/2021	31,897,190.00	2020/2021
	16/06/2021	31,897,190.00	2020/2021
	25/06/2021	31,897,190.00	2020/2021
	Total	382,766,280.00	
b.	Development Grants		
	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	14/09/2020	65,160,971.00	2020/2021
	Total	65,160,971.00	

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

Finance Officer
Tom Mboya University College

Head of Accounting Unit
State Department for University Education and Research

Sign

Sign

22. Appendix III: Recording of Transfers from other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized			Receivables	Others - must be specific	Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income			
	07/08/2020	Recurrent	31,897,190.00	31,897,190.00		-	-	31,897,190.00	
	31/08/2020	Recurrent	31,897,190.00	31,897,190.00		-	-	31,897,190.00	
	01/10/2020	Recurrent	31,897,190.00	31,897,190.00		-	-	31,897,190.00	
	30/10/2020	Recurrent	31,897,190.00	31,897,190.00		-	-	31,897,190.00	
	07/12/2020	Recurrent	31,897,190.00	31,897,190.00		-	-	31,897,190.00	
	04/01/2021	Recurrent	31,897,190.00	31,897,190.00		-	-	31,897,190.00	
	04/02/2021	Recurrent	31,897,190.00	31,897,190.00		-	-	31,897,190.00	
	10/03/2021	Recurrent	31,897,190.00	31,897,190.00		-	-	31,897,190.00	
	09/04/2021	Recurrent	31,897,190.00	31,897,190.00		-	-	31,897,190.00	
	10/05/2021	Recurrent	31,897,190.00		31,897,190.00	-	-	31,897,190.00	
	16/06/2021	Recurrent	31,897,190.00		31,897,190.00	-	-	31,897,190.00	
	25/06/2021	Recurrent	31,897,190.00	17,904,435.00	13,992,755.00	-	-	31,897,190.00	
	14/09/2020	Development	65,160,971.00		65,160,971.00	-	-	65,160,971.00	
Total			447,927,251.00	304,979,145	142,948,106.00	-	-	447,927,251.00	