

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

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REPORT

OF

THE AUDITOR-GENERAL

ON

DEDAN KIMATHI UNIVERSITY
OF TECHNOLOGY

FOR THE YEAR ENDED
30 JUNE, 2020

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DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDING
JUNE 30, 2020**

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



Dedan Kimathi University Of Technology
Annual Reports and Financial Statements
For the year ended June 30, 2020

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Dedan Kimathi University of Technology (DeKUT) was established under the University's Act 2012 by the Government of Kenya in December 2012. It is a Public University that focuses exclusively on Technology and has a Campus based at the Nairobi Central Business District, Pension Towers, along Loita street. It is the successor of Kimathi University College of Technology (KUCT), a constituent college of Jomo Kenyatta University of Agriculture and Technology (JKUAT), which was established in 2007. The University offers a wide range of programmes both at the undergraduate and postgraduate level in various Schools and Institutes.

These include: Computer Science and Information Technology, Engineering, Applied Sciences, Food Science and Technology, Health Science, Business Management and Economics, Geothermal Energy Technology, Geomatics, Geospatial Information Systems and Remote Sensing, Tourism and Hospitality and Technical and Professional Studies. The University also offers diploma and Certificate courses for mid-level technical skills. The programmes offered by the University are approved by Senate and other designated bodies like the Engineers Board of Kenya (EBK) and the Commission for University Education (CUE).

(b) Principal Activities

DeKUT's mandate is derived from the overriding objectives of University education in Kenya as stipulated in the Universities' Act 2012. These include: -

- a) Advancement of knowledge through teaching, scholarly research and scientific investigation;
- b) Promotion of learning in the student body and society generally;
- c) Promotion of cultural and social life of society;
- d) Support and contribution to the realization of national economic and social development;
- e) Promotion of the highest standards in, and quality of, teaching and research;
- f) Dissemination of the outcomes of the research conducted by the university to the general community;
- g) Facilitation of life-long learning through provision of adult and continuing education;
- h) Fostering of a capacity for independent critical thinking among its students;
- i) Promotion of gender balance and equality of opportunity among students and employees.
- j) Promotion of equalization for persons with disabilities, minorities and other marginalized groups.

In the discharge of her mandate, the University is further guided by the National Values and Principles of Governance as set out in Article 10 of the Constitution. The University also takes cognizance of other relevant legal, regulatory guidelines and Government Circulars.

Vision

The Vision of the University is to be a premier technological University excelling in quality education, research, and technology transfer.

internal audit work plan for the year and supervises the plan's implementation. They also approve all relevant policies supporting the Audit Risk and Compliance Department.

DeKUT has an established Audit, Risk and Compliance Department which supports this oversight role.

ii) Finance committee activities

The University Council has a Finance Committee which provides oversight and advices on matters relating to the financial position of the University. The Committee meets in every quarter to monitor the University's financial key performance indicators and performance against the annual budget. It also advices Council on the financial performance and sustainability of the University. In the periodic meetings, the Committee also discusses and determines the University's financial policies and regulations that are to be applied in a fiscal year.

At the beginning of each financial year/ the Finance Committee recommends to Council the approval of the annual University's budget and the medium term financial forecasts which are forwarded to the parent Ministry and to Treasury for approvals and funding. At the end of the financial year, the Committee receives the annual accounts of the University discusses them and recommends their approval to Council.

DeKUT has an elaborate staffing structure and facilities that support the finance operations of the University.

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(g) Entity Headquarters

Along Nyeri-Mweiga Road
Dedan Kimathi, Private Bag- 10143
Nyeri, Kenya

(h) Entity Contacts

Tel: 061-2050000
Website: www.dkut.ac.ke
Email: vc@dkut.ac.ke

(i) Entity Bankers

1. Consolidated Bank Nyeri Branch
P. O. Box 935-10100,
Nyeri-Kenya.
2. Kenya Commercial Bank Nyeri Branch
P.O Box 215-10100,
Nyeri-Kenya.
3. Standard Chartered Bank Nyeri Branch
P. O. Box 1-10100,
Nyeri-Kenya.
4. Equity Bank Nyeri Kimathi Way Branch
P.O. Box75104-10100
Nyeri-Kenya.
5. Family Bank Nyeri Branch
P.O. Box 74145-10100
Nyeri-Kenya.

(j) Independent Auditors

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

(k) Principal Legal Adviser

Ms. Nelius Mwangi
Principal Legal Officer
Dedan Kimathi University of Technology
Private Bag, 10143
Dedan Kimathi, Nyeri


Mr. John Rukioyah
Assistant Legal Officer
Dedan Kimathi University of Technology
Private Bag, 10143
Dedan Kimathi, Nyeri


Other Legal Advisors

Wahome Gikonyo & Co Advocates,
Kona hauthi Suite F5,
Second Floor,
Kanisa Road/Kimathi Way,
P.O. Box 2088-10100,
NYERI.




Patricks Law Associates (PLASS Advocates),
Old Mutual Building, 4th Floor,
Suite 401, Kimathi Street,
P.O. Box 16727-00100 G.P.O.,
NAIROBI



2. THE UNIVERSITY COUNCIL MEMBERS


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| <p>1. Dr. Jane Nyakang'o - Council Chairperson</p>  <p>Dr. Jane was born on 1st January, 1967. She holds a B. Sc in Chemistry from Kenyatta University, M. Sc Environmental Science & Technology, with distinction, from IHE-Delft,</p> | <p>Netherlands, an MBA Strategic Management and PhD Environmental Policy from the University of Nairobi.</p> <p>Currently, she is the Managing Director, Kenya National Cleaner Production Centre. She has previously worked as a Research Officer, Kenya Industrial Research & Development Institute (KIRDI) and the Head, Energy & Environment Division, Kenya Industrial Research & Development Institute (KIRDI).</p> |
| <p>2. Dr. Janet Kabeberi Macharia - Independent Council Member</p>  <p>Dr. Janet was born on 18th August, 1962. She was admitted as an advocate, High Court of Kenya, in September 1987. She holds a degree in law from the University of Nairobi, a diploma in law from Kenya School of Law, a master of law from Columbia University, New York, USA, a Diploma in Women's Law,</p> | <p>Women's Law Institute, Oslo Norway and a Ph.D. in Law from University of Warwick, England.</p> <p>She is currently the Head, Gender and Social Safeguards Unit & Senior Gender Adviser United Nations Environment, (UNEP), Nairobi, Kenya (Global). She has previously worked in various capacities as the Regional Gender and Development Specialist/Policy Advisor: United Nations Development Programme, Regional Service Centre, Johannesburg, South Africa; National Programme Officer: United Nations Development Fund for Women (UNIFEM), Regional Office for East, Central and Horn of Africa, in Nairobi, Kenya; Regional Coordinator and Founder: Women and Law in East Africa (WLEA) Research Network, based in Nairobi, Kenya covering Kenya, Uganda and Tanzania and a Senior Lecturer Faculty of Law, University of Nairobi, Kenya.</p> |
| <p>3. Mr. Raphael Anampiu - Independent Council Member</p> | <p>Currently, he serves as an Executive Director at Alpha Commercial Bank based in South</p> |

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|  <p>Mr. Anampiu was born on 22nd March, 1984. He holds a Bachelor of Commerce Degree, Finance Option as well as an MBA, Strategic Management from the University of Nairobi. He is also an affiliate member of the Association of Chartered Certified Accountants.</p> | <p>Sudan and is also a Founding Partner of Flex Money Transfer, an entity focused on Global Remittances that is regulated and licensed by the Central Bank of Kenya. He previously worked with Stanbic Bank in various senior roles including heading the Banks Transactional Banking business in South Sudan and its Cash Management Business in Kenya.</p> |
| <p>4. Prof. Ruthie C. Rono– Independent Council Member</p>  <p>Prof. Ruthie was born on 15th August, 1954. She holds a MA in Educational Psychology from the University of Cincinnati, Ohio, USA and a PhD in</p> | <p>Educational Psychology from Kenyatta University. Currently, she is the Deputy Vice Chancellor Academic Affairs, United States International University – Africa. Previously, she has served as a High Commissioner of the Republic of Kenya to The Republic of Zambia and Republic of Malawi and the Kenya Permanent Representative to COMESA, an Ambassador of Kenya to the Kingdom of the Netherlands and the Czech Republic and the Dean, School of Arts & Sciences, United States International University.</p> |
| <p>5. Mr. Kennedy Adongo- Independent Council Member</p> | <p>Currently, he is the Programme Officer, United Nations Environment Programme, Kenya, Korea, China, Switzerland. He has previously worked in various capacities as the Programme Manager, Kinghorne Limited,</p> |

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|  <p>Mr. Kennedy was born on 18th May, 1984. He holds B. Ed, from Moi University and a Master's in International Studies, from the University of Nairobi.</p> | <p>Tanzania, Uganda, Somalia, Kenya (TUSK); Programme Officer, Equity Group Foundation, Kenya, Tanzania; Programme Officer, Kenya Institute of Professional Counseling, Tanzania, Uganda, Somalia, Kenya, Southern Sudan and Project Assistant (pro bono), Federation of Women Lawyers in Kenya (FIDA-Kenya)</p> |
| <p>6. Dr. Roselida Owour - Council Member, Alternate to the Principal Secretary, Ministry of Education</p>  <p>Dr. Roselida Owour was born on 13th June, 1968. She holds a Bachelor of Sciences, in Biological Sciences from Egerton University, Master of Philosophy in Reproductive Biology from University of</p> | <p>Nairobi and PhD in Cell and Molecular Biology from Maseno University. Currently, she is a Deputy Director of Research in the State Department for University Education and Research. She has previously worked in various capacities as the Alternate Liaison Officer of International Centre for Genetic Engineering and Biotechnology (ICGEB) and Alternate National Contact Point of Biological and Toxin Weapons Convention and also represented the Government of Kenya in ICGEB Board of Governors and United Nations Office for Disarmament Affairs Advisory Committee on implementation of Biological and Toxin Convention by the States Parties.</p> |
| <p>7. Mr. James Mwangi Kiburi - Council Member, Alternate to the Principal Secretary, Ministry of Education</p>  | <p>He is currently a Deputy Director of Education at the Ministry of Education. He previously worked with the Teachers Service Commission and the Nairobi City Council.</p> <p>Mr. Kiburi exited the University on 30th June, 2020, and was replaced by Dr. Roselida Owour.</p> |

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| <p>Mr. James Mwangi Kiburi was born in 1965. Mr. Kiburi holds a Bachelor of Education from Kenyatta University, Masters of Philosophy in Educational Psychology from Moi University and is currently undertaking a PhD in Educational Psychology at Maasai Mara University.</p> | |
| <p>8. Eng. John Kisenga - Independent Council Member</p>  <p>Eng. John Kisenga was born on 1st January, 1958. He holds a Bachelor Degree in Electrical Engineering from University of Nairobi and an M.Sc. degree in Digital Communication System from Loughborough University in United Kingdom.</p> | <p>He is a member of various professional associations including the Engineers Registration Board and the Institution of Engineers in Kenya, Kenya Bureau of Standards, Seminars Committee of IEK, the Electrical Industry Standards Committee, the National Maritime Master Plan Drafting Committee, Regional African Satellite Broadcasting National Committee among others. He has held a wide range of appointments including serving in the Council of the Western University College of Science and Technology, member of the technical teams at Telkom Kenya and Smithkline Beecham and in various engineering capacities at Telkom Kenya.</p> <p>Eng. Kisenga exited the University Council on 9th March, 2020, and was replaced by Dr. Robert Ayisi.</p> |
| <p>9. Dr. Robert K. Ayisi – Independent Council Member</p>  <p>Dr. Robert K. Ayisi was born on 27th April,</p> | <p>He is currently a consultant in areas of Public Health and Pediatrics in private practice, a lecturer in the same areas at the Masinde Murilo University School of Medicine. Previously, Dr. Ayisi served as the County Secretary and Head of County Public Service and Chief Officer of Health Services in Nairobi City County. He has also worked in various capacities as the Deputy Director NASCOP; Assistant Director of Medical Services in Western Province and Senior Medical Officer in Bungoma District Hospital.</p> |





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| <p>1957. He holds a Bachelor of Medicine and Bachelor of Surgery, Master of Medicine in Pediatrics and Children Health and Master in Public Health in Family Health and Nutrition, from the University of Nairobi.</p> | |
| <p>10. Prof. Eng. P. Ndirangu Kioni - Vice Chancellor</p>  <p>Prof. P. Ndirangu Kioni was born on 16th March, 1966. He holds a B.Sc. degree in Mechanical Engineering from University of Nairobi and a PhD degree from Cambridge University, UK. He is currently is serving as the first Vice-Chancellor of Dedan Kimathi University of</p> | <p>Technology since its award of charter on 14th December, 2012. He is a professional engineer with industrial experience gained from working in different engineering positions at Unilever Kenya Limited (East African Industries), Nairobi, before joining academia, and from being involved in a wide range of engineering consultancy projects while working in academia. He has steadily grown through the ranks in academia to his position as a Professor of Mechanical Engineering. His research interests are combustion and computational fluid dynamics. He has published widely and supervised many research students, and benefitted from research fellowships taken in Ruhr-University, Bochum, Germany, Tottori University, Japan. He has also served in many University administrative positions: Chairman of Mechanical Engineering, Dean, Faculty of Engineering at Jomo Kenyatta University of Agriculture and Technology, Principal of Kimathi University College of Technology. He has also served on various boards. He was a member of board of directors of Africa Laser Centre, based in South Africa, board of trustees and board of governors for Kimathi Institute of Technology; Chairman of board of governors for Nyandarua Institute of Science and Technology; founding chairman, Central Kenya branch and member of Council of Institution of Engineers of Kenya; Patron, Council of Deans and Principals of Engineering in Kenya.</p> |





3. UNIVERSITY MANAGEMENT BOARD

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| <p>1. Prof. Eng. P. Ndirangu Kioni - Vice Chancellor</p>  <p>Prof. P. Ndirangu Kioni holds a B.Sc. degree in Mechanical Engineering from University of Nairobi and a PhD degree from Cambridge University, UK.</p> | <p>Prof. Kioni is serving as the first Vice-Chancellor of Dedan Kimathi University of Technology since its award of charter on 14th December, 2012.</p> |
| <p>2. Prof. Esther N. Magiri - Deputy Vice Chancellor (Administration & Finance)</p>  <p>She attended Tel Aviv University, Israel for her postdoctoral studies, having graduated with a Ph.D degree in applied Molecular Biology in Plant Pathology from ZheJiang University, PR , China. Before this, she had graduated with MSC</p> | <p>in Biochemistry and BSc. (Biochemistry major and Zoology minor) from University of Nairobi. She is an associate member of Kenya Institute of Management (KIM).</p> <p>Prof. Magiri is the Deputy Vice Chancellor (Administration and Finance) in Dedan Kimathi University of Technology.</p> |
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| <p>3. Prof. J.W. Khamasi, EBS - Registrar (Academic Affairs and Research)</p>  <p>Jennifer W. Khamasi (Ph. D) is an Associate Professor of Family and Consumer Sciences Education and has specialised in curriculum and instruction.</p> | <p>Prof. Khamasi is currently the Registrar Academic Affairs, Dedan Kimathi University of Technology.</p>  |
| <p>4. Dr. Paul K. Mbote – Ag. Registrar (Administration and Finance)</p>  <p>Dr. Paul K. Mbote holds a PhD in Business Administration from DeKUT, Master’s Degree in Computer Based Information System (MSc CBIS) (University of Sunderland) and Bachelor</p> | <p>Science (Mathematics and Computer) degree from Jomo Kenyatta University of Agriculture and Technology (JKUAT).</p> <p>Dr. Mbote is currently serving as Acting Registrar Administration and Finance at Dedan Kimathi University of Technology</p>  |

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| <p>5. Mr. Abraham Mwangi - Ag. Finance Officer</p>  <p>Mr. Mwangi holds a Masters Degree in Business Administration (Finance) and a Bachelors degree in Business Administration. He is also a registered member of ICPAK.</p> | <p>Mr. Mwangi is currently serving as the Acting Finance Officer at Dedan Kimathi University of Technology</p> |
| <p>6. Ms. Nelius Mwangi – Principal Legal Officer</p>  <p>Ms. Nelius Mwangi, holds a Bachelors of Laws degree from University of Nairobi, a Post Graduate Diploma from Kenya School of Law and a Masters in Laws degree from the University of Nairobi.</p> | <p>She is also a member of the Law Society of Kenya.</p> <p>Ms. Mwangi is currently serving as the Dedan Kimathi University of Technology’s Principal Legal Officer</p> |

4. CHAIRMAN'S STATEMENT



It is my great pleasure to present the Annual Report and Financial Statements for the 2019/20 financial year. On behalf of DeKUT's Council, we are proud of the achievements made by the University through its staff and students in the 2019/20 financial year.

During the year under review, the University has been passionately implementing the 2019/2023 Strategic Plan which is aimed at addressing the long term development plans of the University.

Further, Council has continued to operationalise the National Science and Technology Park at DeKUT, by getting more Partners and realising the construction of the Design, Materials and Manufacturing (DMM) hub at the Park, among others. The Science and Technology Park will spur technological and economic growth in the University and the region.

Upon the outbreak of Covid-19 pandemic, the University embraced various measures for containing the spread of the virus and adopted technology to ensure business continuity. In this regard, the University held a virtual graduation, and continues with e-learning, e-examination, e-registration of students and virtual meetings.

The Constitution requires the University to be guided by the national values. In order to comply with this constitutional requirement, Council has passed various policies and the University has continued to uphold the national values in all her administrative and policy decisions and in governance.

The University also implemented the University's Performance Contract with the Ministry of Education. This has assured a cooperative relationship between the University Council, Management, Senate, staff and students.

Also during the year under review, Council approved the establishment of the National Cancer Hospital at the University. This facility will immensely support training of health sciences, research and providing of health care to cancer patients in the region.

Other key achievements made by Council during the 2019/2020 FY were:-

- Ensuring the proper and prudent management of resources which has resulted to financial stability and sustainability of the University. In this regard, Council developed innovative strategies of generating income and has embraced cost cutting measures.
- Alignment of the University's objectives with those of the Ministry of Education by complying with the performance contracts requirements and thereby contributing to the national socio-economic development.

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- Ensuring that the University is in compliance with its statutory and ethical requirements.
- Ensuring accurate and consistent reporting of the University affairs to Government and its agencies.
- The growth in the enrolment of students in the University from 6,944 in the 2016/2017 academic year to 8,276 in the 2019/20 academic year. In addition, competitive and marketable Science, Technology, Engineering and Mathematics (STEM) programmes have been rolled out by the University.
- Spearheading and supporting various infrastructure developments in the University. In addition, Council has overseen the equipping of the facilities.
- Spearheading establishment of various Centres in the University which will encourage innovation and increase income streams for the University.

In conclusion, the University continues to excel in more ways than one which is a clear sign of its growth towards being a premier University excelling in quality education, research and technology transfer for national development.



Dr. Jane Nyakang'o
DeKUT Council Chairman

5. REPORT OF THE VICE CHANCELLOR



It is my great pleasure to present the Annual Report and Financial Statements for the 2019/20 financial year. On behalf of the entire DeKUT fraternity, we are proud of the achievements made by the University through its staff and students in the 2019/20 financial year with the direction and support provided by the University Council.

The University has continued to implement the 2019-2023 Strategic Plan which is aimed at addressing the long term development plans of the University. It also responds to the political, legal and economic changes at the national and global level. The direction taken through the plan's implementation ascertains that the University is continually contributing to the realisation of Vision 2030 and the long-term national development goals. The objectives of the Strategic Plan are as follows:

- (a) To produce quality graduates in line with the University's mandate.
- (b) To generate research and innovation outputs with impact on the national development goals.
- (c) Transfer and commercialise technology from the University for the benefit of the students, University and industry.
- (d) To mobilise financial resources to support the University mandate.

The University has also been intensely engaged in the operationalisation of the Dedan Kimathi National Science and Technology Park. The developments at the STP include;

- a) Continuing to engage more Partners to invest at the STP. Currently, there are 6 partners.
- b) Connecting the Park with electricity and water and construction of internal roads.
- c) Construction of the Design, Materials and Manufacturing (DMM) hub by the Ministry of Education has already commenced at the Park.
- d) Launching of a Film hub at the STP, which will support film production, including digital animation and gaming.
- e) The University has also created a special programme to train manpower that will be required at the STP.
- f) Getting Strategic Partners to support a Start-up Centre at the Park, through identifying and nurturing ideas, capacity building and providing venture capital.

The University Council passed various policies to ensure that the University is in compliance with the national laws and to enable her to deliver on her mandates. Council approved the Policy on Creation of Specialised Self-financing Centres, which will encourage innovation, enhance capacity building, and increase income streams for the University. The Centres will have freedom to engage in significant research and extension, and provide visibility to outstanding research and extension

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work with a view of attracting partners and resources on search engines. Other policies that have been approved during the period under review are the:-

1. Policy on Engagement of Temporary Workers
2. Reviewed Training Bond Policy
3. Policy on creation of Specialised Self-financing Centres
4. Fleet Management Policy
5. Information Communication Technology (ICT) Recovery and Business Continuity Policy
6. Open, Distance and E-learning Policy

The Constitution of Kenya 2010 requires the University as a national institution to apply the national values in all her operations. To give effect to this, the University has continued to observe the national values in all her administrative and policy decisions; governance, employment, disciplinary and elections matters, among others. The Council has also passed various policies which are aimed at giving effect to the various provisions of the Constitution.

The University has aligned its objectives with those of the Ministry of Education by complying with the performance contract requirements and it is thereby contributing to the national socio-economic development. Further, it has ensured that there is performance contract cascading to every member of staff whose review is conducted quarterly. This ensures that staff members are able to work towards the achievement of the University's strategic intentions which are;

1. To produce quality graduates in line with the University's mandate through innovative curriculum delivery mechanisms which ensure that students attain marketable skills to adequately contribute to national development
2. To develop world class research capacity for both faculty members and students in order to enhance research networks and innovation outputs, collaborations and partnerships for the realisation of the national development goals.
3. Transfer and commercialise technology from the University and other institutions by building innovation, entrepreneurship, and business development capacities for the realisation of Vision 2030 flagship projects and the "Big Four" initiatives.

The students have been very disciplined in the last academic years leading to a peaceful environment which is an absolute necessity for any organisation to thrive. This has been achieved because Management has embraced stakeholder involvement in its decision making process. In addition, there is student representation in the University decision making bodies through a Student's Council that has been elected in accordance with the Act. The Directorate of Students Welfare has also been active in addressing the students' welfare issues like sports, recreation, entertainment, clubs, accommodation and catering needs, medical and spiritual needs.

There exists a cooperative relationship between the University Council, Management, Senate, staff and students. This cooperation has sustained a collegiate working relationship on important University matters leading to the phenomenal growth that has been achieved by this University in terms of quality programmes and facilities. In this regard, policies approved by Council have been

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implemented by Management and Senate. Further, there is a free flow of information from Council to Management and vice versa.

The University has endeavoured to ensure that the funds allocated to her are prudently and transparently utilised which has resulted to financial stability and sustainability of the University. In this regard, Council has developed innovative strategies of generating income and reducing costs. The University has also embraced cost cutting measures. Further, the University always adheres to the planned budget and this has made the University receive a clean bill of health from the Auditor General on the utilisation of public funds, every financial year.

The University is evolving its uniqueness, through education, research, and technology transfer, to meet the technological needs of Kenya for Vision 2030 and beyond. To successfully achieve this; we are seeking to contribute towards the Government's Big Four Agenda which include manufacturing, universal healthcare, affordable housing and food security. In terms of providing universal healthcare, the University is working closely with the Ministry of Health towards the construction of the National Cancer Hospital in the University which will not only serve the nation but will also serve as a fully equipped medical education and research centre.

Additionally, the enrolment of students in the University grew from 6,944 in the 2016/17 academic year to 8,402 in the 2019/2020 academic year. There were 2,714 female and 5,688 male students. Further, competitive and marketable Science, Technology, Engineering and Mathematics (STEM) programmes have been rolled out by the University. The University has a total of 33 programmes. During the year, the University graduated 1,600 students; 6 with PhD and 31 with Masters Degrees.

The University has also spearheaded and supported various infrastructure development projects and has overseen the equipping of the facilities during the year under review. These included:-

1. Construction of the Proposed Resource Centre Phase III
2. Construction of the Proposed Main Lecture Theatre
3. Construction of the Academic Block Phase 2
4. Construction of Engineering Annex

During the year under consideration, the University has negotiated a number of memoranda of understanding with various partners to enable her (the University) to achieve her objectives. Some of the objectives of the collaborations include supporting teaching, research development, and financial sustainability in the University. The collaborations are currently awaiting approval by the Ministry of Education.

Due to the challenges posed by Covid-19 pandemic, the University has embraced various measures aimed at containing the spread of the virus, and adopted technology to ensure business continuity. In this regard, the University established an Advisory Committee on Covid-19 to ensure compliance by the University with all issued Government directives in regard to the Covid-19 pandemic. The University embraced e-learning, e-examination and e-graduation, e-registration of students, holding virtual meetings and orientation of students, use of the email platform among others.

The University has also adopted various cost-cutting measures to ensure financial sustainability. Some of the measures include;

- a) Abolishing external part-time teaching.
- b) Freezing of employment and only faculty staff are employed on a need basis.
- c) Restructuring teaching mode with a view of reducing its teaching costs by 25%.
- d) Re-organization of curricula to remove redundancies.
- e) Outsourcing of staff in some areas, for example the catering staff.

Challenges being faced and the way forward

The above achievements were not without challenges. These included:-

- a) **Inadequate infrastructure:-** Quality teaching must be supported by adequate infrastructure, the University with the support of the Government endeavours to put up more lecture halls, laboratories, offices and other related infrastructure. Council appreciates the Government for the support granted in the ongoing development of the Resource Centre, the Academic Block, and the Hall. Their completion will give students ample learning facilities and a conducive working environment to staff.
- b) **Financial Constraints:-** Council appreciates the adoption of a fair financing system by the Government through the Funding Board. This has been achieved through the introduction of the Differentiated Unit Cost (DUC) model, where the allocation of funds is based on the students per program.
- c) Amid the Covid 19 pandemic, the University has experienced slow payment of tuition fees by the students. This has necessitated the University management to come up with a strategy of conducting online classes and a phased face to face classes to conclude the January- April and May August semesters.

In conclusion, the year under review was successful for the University in terms of its operational and financial performance. We remain focused on our Vision; our Mission and our strategic objectives.



Prof. P. Ndirangu Kioni, Ph.D, R. Eng.
Vice-Chancellor, DeKUT

6. REVIEW OF ENTITY'S PERFORMANCE FOR FY 2019/2020

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

Dedan Kimathi University of Technology has four strategic pillars and objectives within its Strategic Plan for the FY 2018/2019- 2022/2023. These strategic pillars are as follows:

Pillar 1: Teaching

Pillar 2: Research

Pillar 3: Technology Transfer

Pillar 4: Resource Mobilisation

The University develops its annual work plans based on the above four pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The University achieved its performance targets set for the FY 2019/2020 period for its four strategic pillars, as indicated in the diagram below:

| Strategic Pillar | Objective | Strategy | Key Performance Indicators | Activities | Achievements |
|-------------------------|---|--|--|--|-------------------------------------|
| Teaching | To produce quality graduates in line with the University's mandate, to the benefit of the students, University and industry. | Increased appropriate infrastructure and enhanced conducive environment | 1502 square meters of additional space completed | Construction of Main Lecture Theatre | 1502 square meters realised |
| | | | 793 Square meters of additional space completed and in use | Construction of School of Engineering Academic Block | 793 Square meters realised |
| | | | Increase the number of photocopiers and printers by 1 | Procure photocopiers and printers | 7printer/scanner/photocopier bought |
| | | | Increase the number of laptops and computers by 41 | Procure computers and laptops to raise the staff to computer ratio | 6 laptops and 59 desktop computers |
| | | | 50% | Upgrade the ERP | 100% |

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| | | | | | |
|-----------------|--|--|---|--|---|
| | | | automation, maintenance and upgrade of Library software, student management module, finance module, HR module, Medical module | system | upgrade of student management module, student management module, HR module and finance module |
| | | Enhanced Academic Quality Service Delivery | Number of teaching staff recruited TNA conducted Number of teaching staff trained | Enhancement of HR through recruitment of competent staff and training | TNA was conducted and implemented 11 teaching staff were appointed 42 no of teaching staff were trained on pedagogy |
| | | Develop Msc. And PhD programmes | 5 programmes developed | Draft curriculum at department Discuss at School, Deans committees and Senate Have them approved by CUE | 6 programmes were developed |
| Research | To generate research and innovations outputs with impact on the national development goals. | Increase the number of Patents, innovative products and services | Number of patents, innovative products and services | Use incentives to motivate research on innovative outputs and patents Operationalize and sensitize on the IP policy Advance innovations to the STP for incubation and commercialisation Increase the IPs and innovative products and services | Number of patents, innovative products and services 25 |
| | | Increased | Number of publication | Enhance and operationalise the | 106 publications |

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| | | | | | |
|----------------------------|---|---|--|--|---|
| | | number of publications | | research fund for research, publications and conferences Publications in peer referred journals Develop Msc. And PhD programmes Develop an incentive structure for publications Develop collaborative research at institutional, national and international levels Review policy on teaching and research | |
| | | Developed local and international Partnerships and Collaborations in alignment with strategic university interest | Number of signed and active local MoUs Number of signed and active international MOUs | Increase the number of strategic partners by seeking, signing and implementing MOUs | 3 local MOUs 1 international MOU |
| Technology Transfer | To transfer and commercialize technology from the University, other institutions and | Development towards being an Entrepreneurial University | Number of short training developed and offered Consultancies carried out | Built capacity for entrepreneurship through consultancy and short trainings | Coffee value addition training Food value addition training Project Management course developed |

| | | | | | |
|-----------------------|---|--|---|--|---|
| | collaborators, | | | | and in offer to the County Government of Laikipia Consultancy services offered by GIS & Remote Sensing department |
| | To establish the directorate of Research, innovation management and linkages | Set up the directorate of Research, innovation management and linkages | Approved establishment plan Directorate established and operationalized | Allocate funds for establishment of the Directorate of Research, Innovation Management and Linkages Operationalize the directorate | Directorate established and operationalized |
| | | To promote commercialisation of products | Number of commercialised products | Develop prototypes Market and establish clients Get approval by relevant bodies Test the products Handover to client | Speed governor 70% development and commercialisation of ventilator 70% development and commercialisation of N95 mask making machine |
| Resource Mobilisation | To mobilize financial resources to support University mandate. | Increased revenue from training | Increase students' enrolment | Market University programmes Conduct recruitment campaigns at secondary schools | The student enrolment increased from 7094 (2018/2019) to 8402 (2019/2020). Total increase 1308 |
| | | Increased income from IGUs | Grow income generated from the products by | Income generated DeKUT products and services | Income from IGUs grew from 11M to Kshs. 16,083,924 |

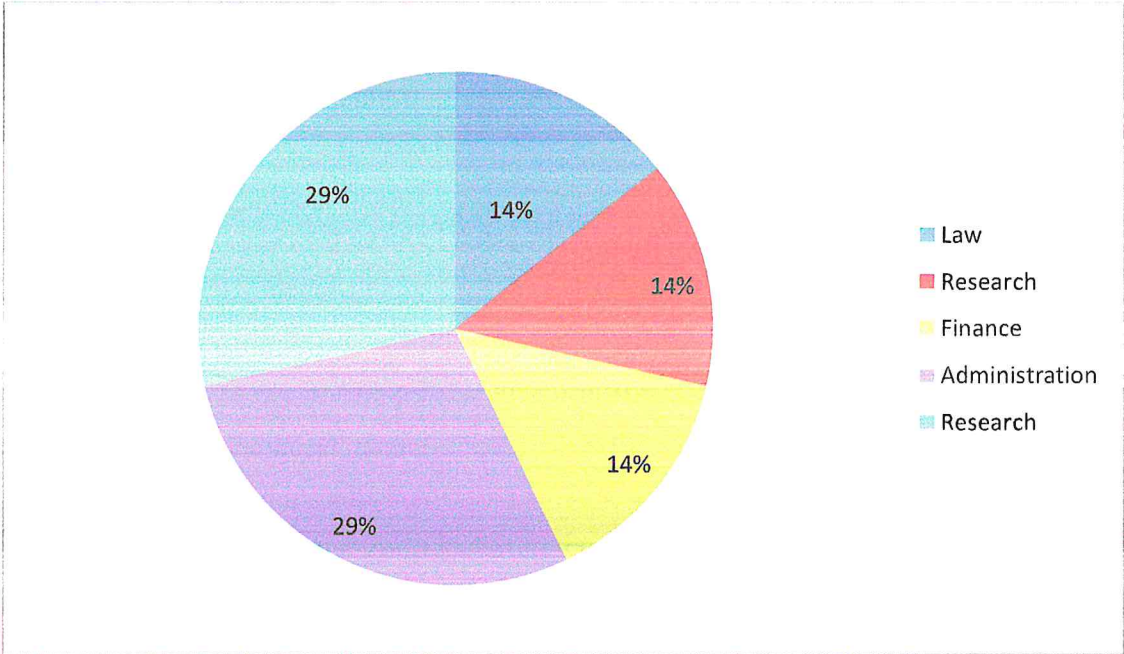
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| | | | | | |
|---|---|--|---|--|--|
| | | | 20% | Yogurt Coffee Soap Laboratory services- Bookshop Catering services Press unit Training on short courses Hire of facilities | |
| Attracting funded grants | Establish an institutional advancement office | Established and operational institutional advancement office | Develop establishment plan Equip, appoint human resource and allocate funds | Office established | |
| To increase revenue from consultancy services and short courses | Increase funds raised through research and scholarship grants | Amount raised from consultancies | Carry out consultancies for the university and external clients | Kshs. 6,590,423 was realised from consultancies | |
| To reduce University debts ratio | Payment of debts | % debt ratio | Processing of payment chronologically Adherence to service delivery charter on payment of debts within 90 days | The University reduced the debt ratio from 4.8% to 2.1% | |

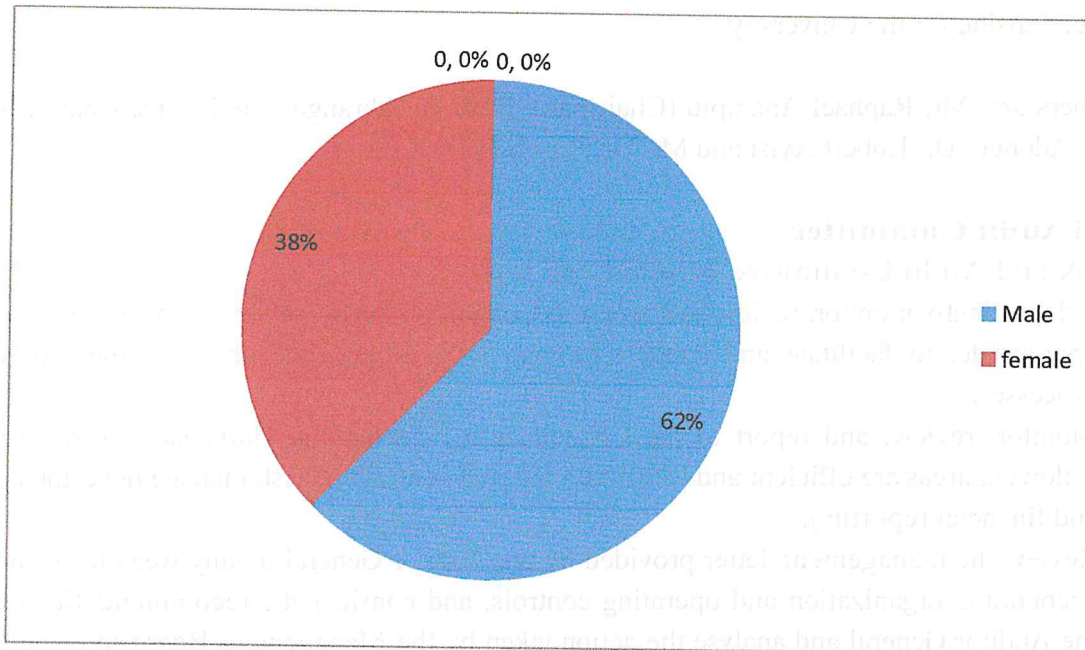
7. CORPORATE GOVERNANCE STATEMENT

DeKUT’s Council is established under Section 35 of the Universities Act and comprises of the Chairman, 5 independent members, Principal Secretaries to the National Treasury and the State Department responsible for University Education. The Vice-Chancellor is an *ex-officio* member and secretary to the Council. The Board brings together members from different professional backgrounds with diverse skills, competences and complies broadly with the constitutional and gender balance requirements as shown in Pie Chart 1 and 2

Pie Chart 1: Board Competences



Pie Chart 1: Board gender representation



Role of the Chairman

The Chairman utilises his/her expertise, experience, skill and leadership to facilitate the governance process. The Chairman is responsible for ensuring that meetings are conducted competently and ethically and is expected to provide effective leadership in formulating the strategic direction for the University.

The Chairman chairs Council meetings and may also attend all other Council Committees meetings by invitation.

Board Committees

There are five standing committees of the Board which assist her to discharge its functions and responsibilities effectively. The operations of each committee are defined in the Statutes. The Council Committees are as follows:-

Finance Committee

The Finance Committee is responsible for:-

1. the oversight of the University's entire finances and recommends to Council for approval, the University's annual budget and certain items of major expenditure;
2. the administration of special funds benefactions;
3. the investment policy;
4. the University budget;
5. the quarterly financial reports and final accounts;
6. staff loan schemes;
7. analysing the financial consequences of the decisions of the Terms of Service Committee;

8. considering reports on fee revisions;
9. ensuring the preparations of proper reports and records of accounts of income and expenditure, assets and liabilities of the University;
10. receiving and considering the University audit reports
11. fundraising for the University.

Its members are; Mr. Raphael Anampiu (Chairman), Prof. P. Ndirangu Kioni (Vice-Chancellor), Mr . Kennedy Adongo, Dr. Robert Ayisi and Mr. Dr. Roselida Owour.

Risk and Audit Committee

The Risk and Audit Committee is mandated to:-

1. Independently monitor, review and report to Council on the processes of governance and, where appropriate, to facilitate and support through its independence, the attainment of effective processes.
2. Monitor, review, and report to the Council as to whether the University's processes in the following areas are efficient and effective:- internal control and risk management; internal audit; and financial reporting.
3. Review the management letter provided by the Auditor General on any weaknesses in internal accounting, organization and operating controls, and consider the recommendations made by the Auditor General and analyse the action taken by the Management Board in response to the suggestions.
4. Review the Audit, Risk and Compliance Department's reports on any weaknesses in internal accounting, organization and operating controls, and consider there commendations made by the Chief internal Auditor and analyse the action taken by the Management Board in response to the suggestions.
5. Review and or initiate any other act necessary to ensure: - compliance with policies, plans, procedures, laws and regulations; safeguarding of University assets; Economic and efficient use of resources; and accomplishment of established objectives and goals for operations or programs.
6. Ensure that attention is drawn to any failure to take prompt remedial action relating to previously identified shortcomings.
7. Review the proposed scope of the internal and the external audit function.
8. Review performance of the internal audit function.
9. Appraise the effectiveness of the audit by discussing the approach to the examination and areas where special attention is considered necessary.
10. Approve annual audit plans for the year.
11. identify, assess, and evaluate the University's risk areas and ensure that all the risks identified are mitigated and more so in the major risks which are:-
 - (a) Financial risks.
 - (b) Technical risks.
 - (c) Managerial risks.
 - (d) Behavioral risks.
 - (e) Legal risks.

12. to perform any other duty delegated to the Risk and Audit Committee by the Council.

Its members are; Dr. Janet Kabebere-Macharia (Chairman), Prof. Ruthie C. Rono, Dr. Robert Ayisi and Dr. Roselida Owour.

Strategic Planning and Development Committee

The Strategic, Planning and Development Committee is responsible for:-

1. The management of the University's planning, building, farm development, and other development projects;
2. Receiving and considering progress proposals of development plans from the University Management Board on issues of development planning, academic affairs, income generating activities and cause them to receive approval by Council;
3. The general supervision of campus development including such issues as the use of planning and location of building;
4. Receiving, considering and processing proposals of development plans from the University Management Board;
5. Causing the University Development Plans to be prepared and approved by the Council; and
6. Receiving and reviewing performance contract reports.

Its members are; Dr. Ayisi (Chairman), Prof. P. Ndirangu Kioni (Vice-Chancellor), Mr. Raphael Anampiu, and Dr. Roselida Owour.

Human Resource and Staff Welfare Committee

The Human Resource and Staff Welfare Committee is responsible for appointments, staff welfare and disciplinary matters as indicated below:-

1. Staff Appointment

- (a) To consider staff and recommend to Council for appointment and promotions into all established academic and administrative posts provided that the Vice-Chancellor can make temporary appointments to such posts for renewable contractual periods not exceeding one year. When this is done, due care should be taken regarding relevance and adequacy of qualification of the persons being so appointed.

2. Staff Welfare matters

- (a) To initiate and review amendments to the disciplinary procedure.
- (b) To review and approve those materials published either in the handbooks or other such compilation affecting the welfare of Administrative/Academic Staff for purposes of providing current and accurate information to staff.

3. Staff Housing matters

- (b) To set up and review the University's housing policies and schemes as and when necessary and make recommendations thereon to Council
- (c) To review staff entitlement to housing as and when necessary and make recommendations there on to Council.

4. **Staff disciplinary matters** – To consider charges and evidence of staff in disciplinary cases and recommend to Council appropriate action to be taken.

Its members are; Prof. Ruthie C. Rono (Chairman), Prof. P. Ndirangu Kioni (Vice-Chancellor), Dr. Janet Kabeberi- Macharia, Mr. Kennedy Adongo and Dr. Roselida Owour.

Sealing Committee

The Sealing Committee is mandated to authorize, on behalf of Council, the application of the University Seal on documents.

Its members are; Dr. Jane Nyakang'o (Chairman), Prof. P. Ndirangu Kioni (Vice-Chancellor), Dr. Janet Kabeberi- Macharia, Mr. Kennedy Adongo.

a) Board meetings held and the attendance to those meetings by members

Council holds meetings at least four times annually. The meetings are held on a quarterly basis, in accordance with the calendar of meetings approved by Council. Council has established five standing Committees which also meet quarterly. Council and its Committees held meetings as follows:

- Full Council - 6 meetings
- Special Full Council - 3 Meetings
- Human Resource & Staff Welfare –5 meetings
- Finance - 5 meetings
- Sealing - 2 meetings
- Audit, Risk & Compliance - 4 meetings
- Strategic, Planning & Development – 4 meetings

| Council Member | Classification | Designation | HR& Staff Welfare Committee | Finance Committee | Audit, Risk & Compliance Committee | Strategic, Planning & Development Committee | Full & Special Council | Sealing Committee |
|------------------------------------|----------------|--|-----------------------------|-------------------|------------------------------------|---|------------------------|-------------------|
| Dr. Jane Nyakang'o | Independent | Council Chair | | | | | 7 | 2 |
| Amb. Prof. Ruthie C. Rono | Independent | Chair person, Human Resource & Staff Welfare | 3 | | 2 | | 6 | |
| Dr. Janet Wahito Kabeberi-Macharia | Independent | Chairperson, Audit, Risk & Compliance | 3 | | 4 | | 3 | 2 |
| Eng. John Kisenga | Independent | Chairman Strategic, | | | 4 | 2 | 7 | 1 |

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| | | Planning & Development | | | | | | |
|--|--------------------------------|------------------------|---|---|---|---|---|---|
| Mr. Raphael Anampiu | Independent | Chairman, Finance | | 3 | | 2 | 5 | 2 |
| Mr. Kennedy Adongo | Independent | Council Member | 3 | 4 | | | 7 | |
| Mr. James Kiburi | Rep. PS. Ministry of Education | Council Member | 3 | 2 | 3 | 2 | 7 | |
| Mr. Kennedy Nyachiro | Rep. PS. National Treasury | | 1 | 2 | 2 | 1 | 4 | |
| Mr. Joseph Kiarri Rep. PS. National Treasury | Rep. PS. National Treasury | | | 2 | 2 | 1 | 3 | |
| Prof. P. N Kioni | Vice-Chancellor | | 3 | 4 | 4 | 2 | 7 | |

b) Succession Plan

Council has put in place a succession plan for top Management and staff across the University and reviews the same regularly. This is through the Succession Planning Policy, 2018, which focuses on ways of building capacity by ensuring that vacancies are filled from within the organisation while at the same time encouraging competitiveness in filling such positions. Some of the succession management strategies include:

- i. Replacement of retiring staff through promotion of serving staff, and recruitment in key service areas.
- ii. Introduction of management trainee programmes to facilitate annual recruitment at entry level for purposes of succession, through graduate assistantship programme, appointment of adjunct professors, mentorship and coaching, among others.
- iii. Addressing staff turnover through provision of conducive working environment and reviewing of terms and conditions.
- iv. Continuous human resource planning through workload analysis, reconciliation of staff establishment records and keeping of skills inventory.
- v. Addressing staff stagnation through reviewing of scheme of service, and strengthening of human resource audit.
- vi. Ensuring recruitment and selection process is competence-based and is supported by human resource plans.

- vii. Continuous training and development of the staff through upgrading of skills, induction and graduate assistantship programmes.
- viii. Introduction of leadership training and development programmes through bonding, benchmarking, sabbatical leave and secondment.
- ix. Reviewing of performance management framework, to effectively measure institutional and individual performance.
- x. Creation of knowledge and talent management systems, to help in attraction and retention of right employees.

c) Existence of a Board Charter

Council has an approved Board Charter which serves as a reference guide on Council's operations. It seeks to expound and explain to each Council Member the collective and individual powers, duties, obligations, responsibilities and liabilities of Council. It also highlights the requirements of good corporate governance which are necessary to bring the level of standards of corporate governance in DeKUT to international best practice.

The Charter also helps Council in directing the University to maximise on the long term value of services that are provided to all stakeholders. It assists the Council members to understand their individual and collective roles with the purpose of helping the University fulfil its mandate.

The Charter has been adopted by the University, acting in accordance with *Mwongozo, Code of Governance for State Corporations* ('the Code'), and is complementary to the statutory requirements of Council as contained in applicable Kenyan Laws and regulations.

d) Process of Appointment and removal of Council Members

Council members are appointed by the Cabinet Secretary and they hold office for a period of three years. They are eligible for re-appointment.

The office of a member of the Council shall become vacant if not being an ex-officio member, where the member resigns his/her office by writing to the Cabinet Secretary.

e) Roles and functions of the Board

Council has authority to exercise all the powers conferred upon it by the Universities Act 2012, the DeKUT Charter and the DeKUT Statutes.

Council also exercises leadership, enterprise, integrity, and sagacious judgment in directing DeKUT so as to achieve continuing prosperity and should always act in the best interest of DeKUT. Council is also responsible for ensuring that DeKUT is financially viable and properly managed so as to protect and enhance its (DeKUT) interests at all times. In achieving this purpose, Council carries out the following key tasks:

- (a) Subject to the provisions of the Act to make new or additional regulations, and alter, amend or revoke existing Statutes;

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- (b) making and approving Statutes for gazettment in accordance with the Act, for any purpose in respect of which Statutes are required;
- (c) Subject to the Act and the Statutes, to determine the method of recruitment, appointment and promotion of all staff of the University;
- (d) making the appointments authorized by the Act and the Statutes and to determine the terms and conditions of service for all staff of the University;
- (e) conferring after a report from the Senate, the title of Emeritus Professor, Visiting Professors, Honorary Professor, Honorary Lecturer or Honorary Fellow;
- (f) approving the budget;
- (g) promoting and to make financial provisions and facilities for execution of the functions of the University;
- (h) Subject to the laid down Government procedures, to approve the investment of any money belonging to the University including any unutilized income, in such stocks, funds, fully paid shares or securities as Council may from time to time deem fit, in accordance with the general Law for the investment of trust moneys or in the purchase of freehold or leasehold properties, including rents and subject to the Act with the powers of varying such investment from time to time by sale or re-investment or otherwise;
- (i) Subject to the laid down Government procedures, to approve sale, purchase, exchange, take on, or lease of movable and immovable property on behalf of the University;
- (j) 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;
- (k) On the recommendation of Senate to provide in accordance with the Statutes, for the creation of new Divisions, Faculties, Schools, Institutes, Departments, Centres or other bodies of learning, research and production in the University, whether formed by the sub-division of any one or more than one of any such new body or otherwise, and for the abolition from time to time of any such body, and to approve the establishment, abolition or subdivision of any such body however so described;
- (l) instituting on the recommendation of Senate fellowships, scholarships, studentships, exhibitions, bursaries, prizes and other aids to study and research;
- (m) To approve the terms and conditions upon which Internal and External examiners shall be appointed by Senate;
- (n) The Council may empower any such committees to act jointly with any Committees appointed by Senate, provided that Council shall not delegate to the Chairperson or to a Committee the powers to approve without further reference to the Council the annual estimates of expenditure;
- (o) Approve regulations governing the conduct and discipline of the students of the University;
- (p) Shall receive, on behalf of the University, donations, endowments, gifts, grants or other moneys and make legitimate disbursements wherefrom;

- (q) 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 and is accountable for its finances;
- (r) Shall provide for the welfare of the staff and students of the University;
- (s) May, after consultations with the University Management Council approve regulations governing the recruitment, conduct and discipline of the staff of the University;
- (t) Recommend for appointment of the Vice-Chancellor, Deputy Vice-Chancellors and Principals of constituent colleges through a competitive process
- (u) Monitor and evaluate the implementation of strategies, policies, and the management criteria and plans of the University;
- (v) Constantly review the viability and financial sustainability of the University, and shall do so once every year;
- (w) Ensure that the University complies with all the relevant Laws, Regulations, governance practices, accounting and auditing standards;
- (x) Subject to the Act and the Statutes, the Council may refer any matters affecting the academic policy of the University to Senate for advice.
- (y) Undertake other functions as set out under the Universities Act 2012, DeKUT Charter and the DeKUT Statutes.

f) Induction and Training

Training and development programs are developed to equip Council with the necessary skills for effective discharge of their mandate. Newly appointed Members underwent a detailed induction process that enhanced their understanding of the University's Mandate and their obligations under all Statutes underpinning the University's operations and the Mwongozo Code of Governance for State Corporations. Each Council member was provided with sufficient information on appointment to enable him perform his or her duties. These included copies of:

- a) The Constitution of Kenya 2010;
- b) The Universities Act 2012
- c) The DeKUT Charter;
- d) The DeKUT Council Charter
- e) The DeKUT Statutes;
- f) The DeKUT Code of Conduct and Ethics
- g) The State Corporations Act;
- h) The Public Procurement and Disposal Act 2015;
- i) The Public Officer Ethics Act 2003;
- j) The Ethics and Anti-Corruption Act;
- k) The DeKUT Strategic Plan 2014-2019;
- l) The Performance Contracts between the Council and the Government of Kenya and Vice-Chancellor;
- m) The Council calendar and work plan for the year.

g) Board and Member performance

Board evaluation is key in assessing the performance, efficiency and effectiveness of an organisation. Council undertakes regular annual performance evaluation to enable it to review its strategies to ensure continuous growth and sustainability. This evaluation exercise is conducted by the State Corporation Advisory Committee (SCAC). In previous reviews, the Council performed remarkably well.

h) Conflict of Interest

Council members and staff are obligated to fully disclose and declare any potential or real conflict of interest, which comes to their attention, whether direct or indirect. At any meeting of the University, Council members and staff are expected to declare any interest they may have in any agenda item under discussion. In case of conflict of interest the affected member or staff is excluded from any discussion or decision on the matter in question.

i) Board Remuneration

Council Members are entitled to a sitting allowance for every meeting attended, lunch allowance (in lieu of lunch being provided), accommodation allowance and mileage reimbursement where applicable. This is done within the limits set by the Government for State Corporations. In addition, the Chairman is paid a monthly honorarium.

j) Ethics, Conduct and Governance Audit

Council ensures that a governance audit of the University is undertaken on an annual basis. The purpose of the governance audit is to ensure that the University conforms to the highest standards of good governance. The governance audit covers the following parameters among others:-

- (a) Leadership and strategic management;
- (b) Transparency and Disclosure;
- (c) Compliance with Laws and Regulations;
- (d) Communication with stakeholders;
- (e) Council independence and governance;
- (f) Council systems and procedures;
- (g) Consistent shareholder and stakeholders' value enhancement; and
- (h) Corporate social responsibility and investment

i) Internal Audit and Assurance

The University has an Internal Audit department whose main objective is to provide assurance of the risk management, internal control and governance processes. The assurance is meant to deepen good governance practices and support the achievement of the best internal controls through continual improvement and engagement. The University's system of internal controls has been defined by approved policies and procedures which contain operational and financial controls that ensure that the assets are safeguarded, transactions authorized and accurately recorded. Further, they ensure that material errors and irregularities are either prevented or detected within a reasonable time.

ii) Corruption Prevention Strategies

The University continued to implement the Anti- Corruption Policy and Corruption prevention strategies through the guidance of the Corruption Prevention Committee. The main objectives of the anti-corruption policy is to marshal the efforts and resources of various stakeholders to progressively and systematically reduce to the extent possible, the causes and the destructive effects of corruption in the institution.

The specific objectives are;-

1. To involve all departments and stakeholders in fighting and preventing corruption where they are, wherever it is or is expected to surface.
2. To create awareness of the causes and terrible effects of corruption and the role of the stakeholders in the prevention and eradication.
3. To promote good governance in all the functional departments of the institution in order to fight and prevent corruption.
4. To encourage all functional departments to develop their strategies for preventing and fighting corruption.
5. To encourage all departments and stakeholders to contribute towards the evaluation, improvement and reinforcement of the policy.
6. To create an environment where corrupt activity is seen and expressed as a social aberration.
7. To enhance collaboration among all stakeholders in ensuring that all corruption cases are reported, effectively and expeditiously investigated and prosecuted.

Further, the University carried out a Corruption Risk Assessment in all its functional areas, developed and implemented appropriate mitigation plans. As a result, zero cases of corruption were reported during the year under review.

iii) Whistle Blowing Policy

The University is committed to protecting the identity and well-being of all employees and stakeholders when they provide information regarding corruption related activities or participate in investigations towards this, it has established reporting channels through which anonymous reports on unethical/fraudulent behaviour can be made without fear of retaliation from the suspected individuals. The channels are the corruption reporting hotline, email and corruption reporting boxes.

iv) Code of Conduct

Council has developed and put in place a code of ethics outlining the values, ethics and beliefs that guide the policy and behaviour of DeKUT and define the ethical standards applicable to it and to all who deal with it.

v) Risk Management

Risk Management is one of the strategic functions and is applied in the day –to day operations of the University. This ensures that all risks are managed optimally. In the year under review, the University continued to implement the various mitigation strategies to ensure that the risk levels were minimised.

8. MANAGEMENT DISCUSSION AND ANALYSIS

(a) Operational performance of the University as at 30th June 2020

i) Staff Welfare

By offering competitive packages, workplace incentives and training opportunities, DeKUT has created a great University culture and we have positioned ourselves as an employee of choice for all the whole country. In 2019/2020 FY, we recruited 17 Graduate Student in various academic departments as indicated below.

The University has representation in 45 counties out of 47. The University gender representation improved by 2 percent. 6 staff on PhD Training completed their studies.

In 2019/2020 FY, we recruited 16 and promoted 15 academic staff, 45 administrative staff were promoted to higher grades, and 26 new staff joined the University in various departments. In 2019/2020 FY, we offered 40 attachments and 18 internships opportunities.

The Public Service Commission (PSC) deployed 64 interns to the University, who deployed sent to various departments for coaching and mentorship. The first cohort will be finishing their one year internship in October 2020. Three HR policies were approved during the financial year.

ii) Students Welfare

The Directorate of Students' Welfare (DSW) has always been on the frontline to champion seamless service delivery to the students and promote their welfare, in a bid to give them a great University experience. During 2019/2020 academic year, DSW diligently provided services to its customers by utilizing its budgetary allocation in the most practical way possible. The Directorate attained remarkable outcomes in various aspects pertinent to its operations – a continuation of previous year's work. Some of the major achievements are outlined below.

A. DSW Administrative Activities

- The DSW served over 11,000 clients during the year.
- DSW, in conjunction with the Schools Committee, oversaw the delivery of successful DeKUTSO electoral process.
- DSW facilitated Kimathi Week activities which were successfully held between 17th and 22nd February, 2020.
- Designated DSW members of staff attended and participated in scheduled University meeting and other meetings outside the University.
- The DSW facilitated the provision of transport services to and from various residential areas and also for various games and sports activities.
- Students were facilitated to secure both internal and external accommodation.
- Over twenty-five (25) students' complaints were handled by DSW with cases requiring attention from other offices forwarded for further action.
- The DSW webpage was continuously updated throughout the year.

- The DSW cascaded the Performance Contract signed by the University with the Ministry to all members. The 360 degree and half-year PC appraisals for staff members were done and documents forwarded to Human Resource office.
- The Directorate facilitated faith-based groups to conduct their activities by ensuring availability of space for worship and storage of the equipment and furniture for various groups.
- During the year, Counselling department served 1,134 clients, comprising of students, staff and parents as well as dependants were served at the department.
- A visit to Karia Rehabilitation Centre on that took place on 21st February, 2020. It was attended by 5 staff and 45 students participated; note books, pens, yoghurt fruits and toiletries were donated as gifts.
- Health Awareness Campaign Week - a four-day event - was held in February, 2020.
- During the 2019/2020 financial year seventy-nine (79) students benefited from the University bursary amounting to Ksh.769, 821.
- DeKUTSO dispatched bursary amounting to Ksh 150,000 to nineteen (19) financially challenged students
- Work-study programme proceeds worth Ksh. 763,209 benefitted 131 students during the 2019/2020 financial year.
- During the year, eleven (11) financially challenged students benefitted from free accommodation provided by nine (9) different hostels.
- The Directorate facilitated 'Climb to Educate' Season six where a total of one hundred and thirty-five (135) participants took part in the expedition.
 - 1st trip took place between 24th and 28th October, 2019.
 - 2nd trip took place between 7th and 11th November 2019.
- The Directorate mobilized KES 34,000 (KES 11,000 from staff and KES 23,000 from students) in support of the family of the late Isaac Odhiambo Ochieng. The student passed on while undergoing treatment at Nairobi hospital and accumulated a bill of over KES 9.7 M. The family had not laid the late Isaac to rest due to the unmet bill.
- DeKUTSO Students' Council paid a visit to Little Angels Children's home in Kamakwa and donated 20 mattresses and other consumables worth Ksh. 40,000. The visit was sponsored by the University.
- Members of DSW donated food stuff, stationery, toiletries and face masks valued at 15,000 on 9th June, 2020, to Little Angels Children's home.

iii) Quality teaching programs

DeKUT is one of the best equipped Universities in the region for the programmes she offers. The University has also been a beneficiary of the African Development Bank equipment program; a Ministry of Education project; under which it has received equipment for Civil, Electrical and Mechanical Engineering which facilitate the Engineering programs In this regard, the University has 11 laboratories which are adequately equipped.

Further, to enrich and broaden the student experience and to fill gaps which are not easy to bridge, DeKUT has a number of MOUs with the industry and other public education institutions. Under the

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auspices of these MOUs, students and staff are able to access the equipment necessary to fulfil academic programme requirements.

The University has a total land area of approximately 347.37 Ha (858 acres) on which physical facilities have been developed for teaching and learning. These include lecture halls of various capacities, seminar rooms, lecture theatres, science laboratories, computer laboratories, engineering workshops among others. These are accessible by people with disability.

Further, the University has 33 accredited programmes. 24 programmes have been submitted to CUE for evaluation and are at different points of accreditation. Additionally 9 new programmes were launched during the 2019/20 financial year. During the year, the University revised its curricula on all its programmes to ensure that curricula are linked with the respective industry's demand. The University also recruited 4 staff members who are PhD holders.

DeKUT has a 5 years accreditation and has a CUE accredited Campus at Pension Towers, Nairobi. It facilitates Criminology and Geothermal programmes which are unique to DeKUT.

iv) Disability issue

The University has created a conducive environment for people living with disability by, representation in the students' leadership, construction of a ramp at the Resource Centre III and the Lecture theatre and procurement of a TukTuk for ferrying by the PWDS. During the year that ended, a sensitization workshop on disability issues was also conducted.

v) Gender and diversity

DeKUT adhered to the provisions of the Constitution of Kenya 2010 and the National Cohesion and Integration Act on Ethnic Diversity and the rights of the minorities and marginalised groups. The University has embraced strategies like coming up with an Affirmative Action Policy and taking steps to institutionalise diversity in the University

Further, the University has an established Gender, Disability and Equity affairs Directorate which handles upcoming issues on ethnic diversity and inclusivity. This office has accomplished the following:-

- a. Established a fully operational Day-care
- b. Trained 30 gender violence and recovery champions
- c. Conducted a Peer counsellor's gender mainstreaming awareness.
- d. Established a clear Gender Violence reporting and recovery mechanism
- e. Review of the curriculum on HIV aids to handle reproductive health and sexuality
- f. Conducted quarterly Seminars to students on reproductive health
- g. Mentorship to High schools on inclusion of Female in STEM.
- h. Senate Representation:
- i. Empowered mom graduates

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The University has progressively improved on diversity compliance and had a representation of 36 counties in its staff population as per the table below:-

| STAFF COUNTY DISAGGREGATION | | | | | | | |
|------------------------------------|-----------------------|----------------------------|-----------------------------|-----------------------|----------------|------------------|--------------|
| County | No of staff | | | | | | |
| | Top Management | Admin (Grade 1 - 7) | Admin (Grade 8 - 15) | Academic staff | TAs/TFs | Technical | Total |
| Mombasa | - | - | 1 | 1 | - | - | 2 |
| Kwale | - | - | - | - | - | - | - |
| Kilifi | - | - | - | - | - | - | - |
| Tana River | - | - | - | - | - | - | - |
| Lamu | - | - | - | 1 | - | - | 1 |
| TaitaTaveta | - | 1 | 1 | - | - | - | 2 |
| Garissa | - | - | - | - | - | - | - |
| Wajir | - | - | - | - | - | - | - |
| Mandera | - | - | - | - | - | - | - |
| Marsabit | - | 1 | 1 | - | - | - | 2 |
| Isiolo | - | - | - | - | - | - | - |
| Meru | - | 5 | 6 | 9 | 1 | 4 | 25 |
| Tharaka--Nithi | - | 1 | 1 | - | - | - | 2 |
| Embu | 1 | 1 | 3 | 1 | - | 4 | 10 |
| Kitui | - | - | - | 1 | - | - | 1 |
| Machakos | - | 3 | 1 | 5 | 2 | - | 11 |
| Makueni | - | 1 | - | 2 | - | 1 | 4 |
| Nyandarua | 1 | 3 | 3 | 5 | - | 2 | 14 |
| Nyeri | 2 | 63 | 52 | 42 | 4 | 10 | 173 |
| Kirinyaga | - | 2 | 3 | 6 | - | 5 | 16 |
| Murang'a | - | 9 | 14 | 11 | 3 | 4 | 41 |

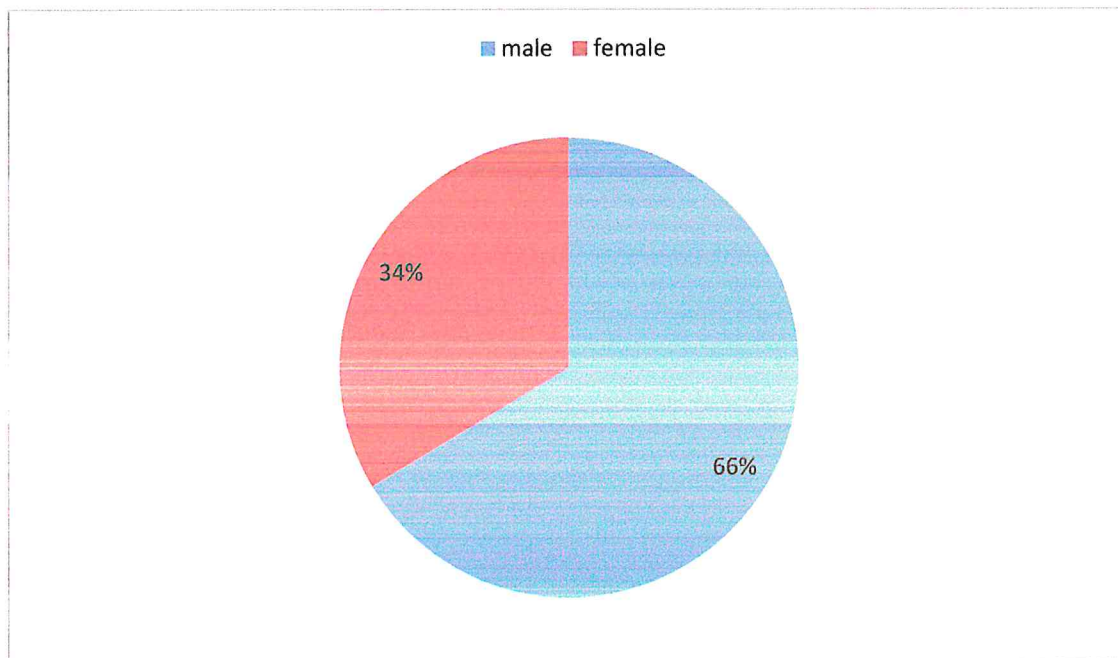
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| | | | | | | | |
|-----------------|---|----|----|----|---|---|----|
| Kiambu | - | 7 | 13 | 20 | 1 | 5 | 46 |
| Turkana | - | - | - | - | - | - | - |
| West Pokot | - | - | - | - | - | - | - |
| Samburu | - | 3 | - | 1 | - | - | 4 |
| Trans-Nzoia | - | - | 1 | - | 1 | - | 2 |
| UasinGishu | - | - | 1 | 2 | - | 1 | 4 |
| Elgeyo-Marakwet | - | - | - | - | - | - | - |
| Nandi | - | - | 1 | 4 | 2 | - | 7 |
| Baringo | - | 23 | 2 | 3 | - | 2 | 30 |
| Laikipia | - | 5 | 2 | - | - | - | 7 |
| Nakuru | - | 5 | 5 | 1 | 1 | 2 | 14 |
| Narok | - | - | - | - | - | - | - |
| Kajiado | - | 1 | - | 3 | - | - | 4 |
| Kericho | - | 2 | - | 5 | 1 | - | 8 |
| Bomet | - | - | - | 1 | - | 2 | 3 |
| Kakamega | - | - | 4 | 5 | 3 | 1 | 13 |
| Vihiga | - | 1 | 1 | 1 | - | - | 3 |
| Bungoma | - | - | 2 | 4 | - | 3 | 9 |
| Busia | - | 1 | - | 2 | - | 1 | 4 |
| Siaya | - | - | 1 | 1 | 1 | - | 3 |
| Kisumu | - | 2 | 1 | 2 | 1 | - | 6 |
| Homa Bay | - | - | 2 | 1 | - | - | 3 |
| Migori | - | - | - | 1 | - | - | 1 |
| Kisii | - | 1 | 2 | 9 | - | 4 | 16 |
| Nyamira | | | | | 1 | | |

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| | | | | | | | |
|--------------|----------|------------|------------|------------|-----------|-----------|------------|
| | - | - | - | 1 | | 1 | 3 |
| Nairobi | - | 2 | 7 | 10 | 4 | - | 23 |
| Diaspora | - | - | 1 | 4 | - | - | 5 |
| Total | 4 | 143 | 132 | 165 | 26 | 52 | 522 |

The staff establishment further met the Gender rule requirement as per the figure below



vi) DeKUT Enterprises Company (DeKUTES)

DeKUTES was operationalised as a corporate business entity that aspires to be more effective, efficient and sustainable. It is a company where the University professionals bring together their expertise with an objective of providing appropriate business, research and innovative solutions.

vii) Dedan Kimathi Science and Technology Park

The University has established the Dedan Kimathi Science and Technology Park on 177.8 acres of land and has already entered into agreements with two anchor clients.

viii) Automation

In view of leveraging on ICT to improve service delivery, efficiency of internal operations and engagement with stakeholders and the general public, the University continued to implement automation process. A dedicated team from the University has developed an ERP software (NAV 2018) which already in implementation stage by the University. We intend to be a solution provider to a number of public and private entities.

ix) Quality Management System

The University was certified to ISO 9001:2015. The Quality Management System (QMS) has been maintained and continually improved through regular internal audits as well as surveillance audits done by certifying body, SGS.

(b) Financial performance of the University as at 30th June 2020

The COVID-19 pandemic has caused an unprecedented human and health crisis. The measures necessary to contain the virus have triggered an economic downturn. At this point, there is great uncertainty about its severity and length. The latest Global Financial Stability Report shows that the financial system has already felt a dramatic impact, and a further intensification of the crisis could affect global financial stability.

Through a collaborative process of management working together with staff, with the full support of the University Council, we have continuously worked to ensure that the University meets its financial obligations for sustainability and for expansion as a not-for-profit institution.

In 2020, the growth of the University's activities was marked by 8% growth in incomes. The University was able to make a surplus of Kshs 118, 850,677 an improvement from the previous year deficit of Kshs. 57,802,556. More details about our performance are included in the financial statements from page 1. This has been as result of corroboration by all stakeholders to ensure business continuity despite the COVID-19 pandemic.

As a University, we continue to explore other sources of revenues to avoid being over-reliant on student fees. One of the key areas we are venturing into is consultancies and short courses by collaborating and engaging with County Governments and Ministry of Education.

Resource Mobilisation

We are pleased to report a year of financial sustainability. The University continues to rely on the exchequer for funding its activities. This is supplemented by internally generated revenues mainly from students and other investment incomes. During the year, the University received an allocation of Kshs 978,387,316 while Appropriation in Aid (AIA) was Kshs 586,688,241 against an original budget of Ksh. 622,563,029. Though we missed the target slightly due to the effects of COVID-19 this was an improvement comparing the AIA received during the previous reporting period which amounted to Kshs 536,540,161 in 2018/19 FY.

The University continues to explore sustainability and ensuring implementation of planned activities in the wake of growing competition demands at the exchequer level. Prioritization and expected impact analysis will continue to inform our allocation of financial resources while our internal systems will be enhanced for efficiency, effectiveness and accountability.

For more information about our financial performance please refer to the Financial Statements Section.

(c) Key projects/investments decision implemented/ongoing

The university has three ongoing main projects i.e construction of Lecture theatre, Academic block phase II and Resource centre phase III which are expected to be complete in financial year 2121/2022. The completion rate for the three projects are as follows

- i) Construction of Resource Centre Phase III 97%
- ii) Construction of the Main Lecture Theatre 88%
- iii) Construction of Academic Block Phase II 87%

The lecture theatre will provide space for large groups of students and especially students taking common units this will lead to reduction of teaching costs.

The Academic block and Resource Centre III will increase access to education by providing space and facilities for quality education, learning and teaching which is in line with the Government of Kenya strategic objective of increasing access to University education in support of vision 2030. The University will also be in a position to increase the number of students it admits.

During the financial year 2019/2020 the following projects were financed as tabulated below:

- i. Construction of Resource Centre Phase III (Kshs. 97,851,319)
- ii. Construction of the Main Lecture Theatre (Kshs. 75,443,000)
- iii. Construction of Academic Block Phase II(Kshs. 54,917,153)

(d) Compliance with statutory requirements

The University Audit department conducts quarterly statutory compliance audits and tables the reports to the Audit, Risk and Compliance Committee and subsequently to the Full Council.

Further, the University is also audited by the office of the Auditor General and is compliant with all her statutory requirements.

a) Major risks facing the University

The University's activities are exposed to a variety of financial risks including; Credit risk, Market risk and Liquidity risk. The University's overall risk management frameworks focuses on unpredictability of changes in the business environment and seeks to minimise the potential advance effects of such risks on its performance by setting acceptable levels of risk. The specific details of each risk component have been discussed below:

(i) Credit risk

The University has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due resulting in financial loss to the University. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the University Management based on prior experience and their assessment of the current economic environment. Credit risk on liquid funds with financial institutions is low because the counter parties are banks with high credit ratings and students whose balances are manageable since students are not allowed to sit for examinations or graduate with outstanding fees balances.

The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

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

(ii) Liquidity risk management

Liquidity risk is the risk to the University's financial condition or safety and soundness arising from her inability (whether real or perceived) to meet her conditional obligation. To manage this risk, Dedan Kimathi University ensures availability of funds before committing an expenditure or collateral to fulfil those needs at the appropriate time. The University manages liquidity risk by maintaining banking facilities and through continuous monitoring of forecasts and actual cash flows.

Ultimate responsibility for liquidity risk management rests with the entity's management, 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.

(iii) Market risk

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

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

Effective risk management and control are essential pillars for the sustainable growth of the University. The role of risk management is to evaluate, respond to, and monitor risks in the execution of our strategy. The University Council is responsible for determining the system of internal control operated by the University and for monitoring its adequacy and effectiveness. Risk management is also a significant ongoing part of the University's system of internal control.

The University has implemented a global risk-based approach to the design, application and review of its risk management systems and internal controls. The risk assessment practices are incorporated into planning, budgeting and financial reporting processes through risk registers which have been developed for all of the University operations. The risk register identifies, evaluates and manages all

the material risks facing the University. A department that deals with Audit risk and compliance is fully operationalized.

The University's objectives for Audit risk and compliance are

1. Promoting constructive change and accountability through continuous appraisal of internal controls, processes and procedures
2. Managing the principal risks to the efficient and effective achievement of the University's aims and objectives;
3. Determining that systems have been established to ensure compliance with policies, procedures, plans, laws, regulations and controls

The University Council accepts that it is neither possible nor desirable to build a control environment that is free from risk. The University's system of internal control therefore only provide reasonable but not absolute assurance over the governance, operational, compliance, management, reputational and financial risks to the University. The University has established policies and supporting structures designed to prevent and detect corruption, fraud, bribery and other irregularities.

DeKUT's Council recognises that risk management cannot eliminate all risk, particularly where risks are outside the University's control. The following processes have been established to review the adequacy and effectiveness of the system of internal Control for the University:

- Each operational unit in the University assess risks inherent in its operations and records them in the list Register
- The University's risk working committee aggregates risks to a University wide register and is in charge of implementing the Enterprise Risk Management initiative
- The University council meets at least four times in the year to discuss reports on audit risk and compliance
- The council reviews the effectiveness of the University's system of internal control risk management and compliance to ensure systems have generally operated as intended up to the date of approval of the audited financial Statements.
- The University monitors areas of high risk and has set in place a programme of activities to minimize the impact of these risks.

9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Sustainability strategy and profile

Dedan Kimathi University's Corporate Social Responsibility (CSR) policy refers to our commitment as an organization beyond our core business objectives, as a responsible and ethical participant in the global community. We recognize that as a University of Technology, we have an impact on the world in which we live, and the people we interact with. Our actions impact our students, employees, suppliers, the communities in which we live and work, and the environment. CSR represents the University's commitment to operate in an economically, socially, and environmentally sustainable manner, while recognizing the interests of its stakeholders. As a result, CSR is closely linked with the practice of Sustainable Development, and extends beyond philanthropic activities and reaches out to the integration of social and business goals. The University take its corporate responsibilities ("CSR") seriously and is committed to advancing its policies and systems to ensure it addresses and monitors all aspects of CSR that are relevant to it. These include good ethical behaviour, concern for employee health and safety, care for the environment and community involvement. We recognize that our social, environmental and ethical conduct has an impact on the University's reputation.

The council and the University management has anchored CSR activities in its strategic plan under the key result area of community outreach. CSR programmes carried out should be relevant, sustainable and in line with the institutions mandate. Each Financial year, the University budgets for CSR activities based on need basis and available funds. The University endeavours to conduct its business in accordance with the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership. Despite the effects of COVID-19 pandemic the University has continued to offer her services to the community which are centred on four pillars:

- i. Environmental performance
- ii. Employee welfare
- iii. Market place practices
- iv. Community Engagements

Environmental performance

Dedan Kimathi University recognises environmental sustainability as the greatest challenge of the 21st century and commits to ensuring that all of her major strategies and operations consider their environmental and ecological aspects and impacts.

To support the surrounding community maintain a conducive environment for students and local community, the University has given provision for sewer connection. This has greatly impacted community around the University since there is proper waste management in the area. The community is able to live in a clean and sanitary environment.

Employee welfare

Dedan Kimathi University is committed to being a good employer, as an employer the University is committed in ensuring that all staff members are fully supported in their work by providing a conducive working environment, and are fairly rewarded. The University engages with recognised trade unions which represent and protect the interests of its staff.

By offering competitive packages, workplace incentives and training opportunities, DeKUT has created a great University culture and we have positioned ourselves as an employer of choice for all the whole country. In 2019/2020 FY, we recruited 17 Graduate Students in various academic departments as indicated below.

The University has representation in 45 counties out of 47. The University gender representation improved by 2 percent. 6 staff on PhD Training completed their studies.

In 2019/2020 FY, we recruited 16 and promoted 15 academic staff, 45 administrative staff were promoted to higher grades, and 26 new staff joined the University in various departments. In 2019/2020 FY, we offered 40 attachments and 18 internships opportunities.

The Public Service Commission (PSC) deployed 64 interns to the University, who were sent to various departments for coaching and mentorship. The first cohort will be finishing their one year internship in October 2020. Three HR policies were approved during the financial year.

In order to achieve this, the University commits to;

- Provide an in-house quality medical scheme for her staff
- Has encouraged staff to join staff welfare for the University

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- Has an operating and successful pension scheme
- Has Developed staff reward policy to recognise staff achievements in various areas
- Brings staff together during planned staff fun days every year.
- Ensuring staff can achieve their full potential through training, mentoring and other staff development activities

The University is also striving to create a framework to ensure that DeKUT offers a supportive environment for all members of the University community. The University's commitment to all PWDs (students, staff and visitors) is having an enabling environment that will foster University –led and University specific strategies to make a deliberate effort to ensure that Persons with Disabilities are accorded equal opportunities in all spheres their University of life. This means ensuring that disabled person have a voice in the future development of the university community, that they are able to benefit from the new opportunities that the said developments brings, have access to the resources needed and share in a higher education. For this purpose the DeKUT has established the University Disability mainstreaming Committee, whose overall objective being to address the social, cultural and economic disadvantages experienced by many persons with disabilities. This is done by mainstreaming disability in all University's policies and programmes.

Market place practices

The Marketplace Responsibility Principles is a Corporate Social Responsibility (CSR) framework which maps out what the University should seek to achieve in relationship with customers, suppliers and governments, as well as in terms of impacts of products and services on third parties.

a) Responsible competition practice.

Dedan Kimathi University is a chartered University and attracts students from all over the country due to her strategic investment in teaching facilities. Students apply for theirs programmes of choice and placement is usually done by KUCCPS. The University has an established marketing department whose mandate is to publicise the University and uses the media, social media platforms as well as face to face marketing strategies while adhering to all ethical issues pertaining advertisement and publicity.

b) *Responsible Supply chain and supplier relations*

At the beginning of every financial year, the University is supposed to recruit suppliers of goods and services, this is done through an open and competitive tendering process. These suppliers are supposed to be in the service of the University for a period of twelve months. The University has a customer service charter and the suppliers are supposed to be paid within 90 days. This process is free from internal and external interruptions which may lead to corruption.

c) *Responsible marketing and advertisement*

Ethical marketing refers to the process by which the University markets her programs and services by focusing not only on how their products benefit customers, but also how they benefit socially responsible or environmental causes. DeKUT focuses on offering education programs which are relevant to the market and self-reliance. DeKUT is one of the most progressive Universities in Africa with keen focus on quality education, holistic development of students and production of relevant human resources and leaders to contribute to growth and development."

The Institution endeavours to provide academically stimulating, culturally diverse and quality learning environment that fosters research, innovation and technology development towards producing relevant technical and managerial human resource and leaders to contribute to attainment of national development goals.

The mix of academic programmes are spread over Engineering, ICT, Food Technology, Health Sciences, Applied Sciences, and Business Studies - fit for this purpose. Of critical importance is that all our Academic Programmes are accredited by both local and international accrediting bodies. Locally, the University's Programmes have been accredited by the Regulatory Body, Commission for University Education, and respective Professional Bodies where they apply.

Through effective application of the trimester system of study, DeKUT ensures that her students complete their courses within the shortest time possible while not compromising quality. For instance, students taking four year's course graduate within three and half years while those taking five year's course graduate within four and half years. Apart from the trimester system, time advantage is a privilege that DeKUT students get through ensuring

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that the semesters and learning is not interrupted by strikes and any issues that can be solved amicably between the students and management as well as the management, staff and the government. As the Vice Chancellor likes to say, “Time is a valuable resource that once wasted can never be recovered and proper utilization of time sets you apart.”

State of the art facilities: At DeKUT, we do not gamble with quality. The University has invested in facilities geared towards providing students education that does not just give them good grades but add value. From laboratories where students interact with the most modern machines and technologies with the help of their lecturers and the lab technicians to the library that provides competitive, adequate and relevant information services in support of learning, teaching and research. Several students have featured with great innovations developed using these technologies and others have challenged the existing technologies through research.

Promoting Research, Innovation and Entrepreneurship:

Quality Education, Research and Technology Transfer is core at Dedan Kimathi University. It is as a result of this that the University has a trade mark of locally produced coffee from the University farm, yoghurt in three different flavors (coffee, strawberry and vanilla) as well as Chia and Bamboo yoghurt . Training of students backed by practical sessions in the Food Technology Workshops gave birth to these products. The Director IFBT, Dr. Eddy Owaga, says that the Institute looks forward to maintaining the best quality in all the products. The next plan is to develop other value added products from non-conventional fruits and vegetables towards satisfying the demand for natural healthy foods. The institute will later diversify to meat products particularly sausage from the pork reared at DeKUT farm. Our students from the institute of food and bio-resources technology are involved in such processes enhancing what they learn in class.

Community Engagements

Dedan Kimathi University has been engaged in various activities that benefit the community, among them are;

i. Chia Project

In Kenya demand for functional food with multiple health benefits has increased with increasing public health awareness worldwide. Chia (*Salvia hispanica* L.) is an exotic plant in Kenya whose health benefits have not been well understood by the public. It has a promising future for food security, improved nutrition and health.

The University has been undertaking project on chia research project where farmers are involved. Through the project the university hold Chia Stakeholder workshop to educate farmers on the chia plant, its production, processing and benefits. This has seen farmer and consumer education take place as well as the development of chia enriched foods and recipes.

ii. Muringato Primary School Project

The University allocated Kshs. 2 Million to support the construction of classrooms at Muringato Primary School in an effort to uplift the standards of the current facilities. The construction of modern classrooms will improve the standards of infrastructure in the school will go a long way in supporting children from the local community.

iii. Coffee Education, Processing and seedling growing

As part of the CSR activity, the University has been growing coffee seedlings which are supplied to farmers at affordable rates in order to improve the coffee varieties in the region. The University has also embarked into coffee processing to spur value addition in the industry as well as educate the cooperatives and farmers on coffee value addition. Through this program the University has trained young people from the cooperatives as well as the coffee growing regions in coffee processing.

Most recently the University embarked on a project to use natural coffee flavor in yoghurt production, birthing the natural coffee flavored yoghurt. This innovation led the University partner with a small scale cooperative, Mukurwe-ini Wakulima Dairy Ltd in a unique University-Industry partnership. Under this partnership, the University licensed its natural coffee flavored yoghurt innovation to the dairy cooperative under the product “Royal Coffee Flavored Yoghurt which is available in outlets countrywide. This has empowered the cooperative which serves small scale farmers in the region it is domiciled.

iv. Charity Golf Tournament

The University held its 4th Charity Golf Tournament this year, aimed at raising funds towards supporting needy but bright students. This was sparked by statistics that’s showed that a number of students at the University dropped out because of lack of fees.

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The endowment funds a goal of supporting talented students to access and successfully complete the highly competitive programmes offered by the University through scholarships and bursaries. This will ensure that they go back to contribute to and improve the communities from which they come from.

v. Security

The University also provides patrol services in liaising with local police post to areas around the University such as the external hostels where most of our students reside. This has impacted the community as it has led to reduction of crimes around the University making it safer for the community as well as our students.

10. REPORT OF THE COUNCIL MEMBERS

The Council members submit their report together with the audited financial statements for the year ended June 30, 2020 which show the state of the University's affairs.

Principal activities

The principal activities of the entity are as follows:-

- a) Advancement of knowledge through teaching, scholarly research and scientific investigation;
- b) Promotion of learning in the student body and society generally;
- c) Promotion of cultural and social life of society;
- d) Support and contribution to the realisation of national economic and social development;
- e) Promotion of the highest standards in, and quality of, teaching and research;
- f) Dissemination of the outcomes of the research conducted by the university to the general community;
- g) Facilitation of life-long learning through provision of adult and continuing education;
- h) Fostering of a capacity for independent critical thinking among its students;
- i) Promotion of gender balance and equality of opportunity among students and employees.
- j) Promotion of equalization for persons with disabilities, minorities and other marginalized groups.

Results

The results of the University for the Year ended June 30, 2020 are set out from page 1 to 58

Directors

The Council members who served during the year are as shown on page viii - xii. During the year, six Council member retired and six Council members were appointed effective 10th March 2020 for a period of three years.

Auditors

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

By Order of the Council



Prof. P. N. Kioni
Vice Chancellor DeKUT
Date: 21st December 2020



Dr. Jane Nyakang'o
Council Chairman
Date: 21st December 2020

11. STATEMENT OF COUNCIL MEMBER'S RESPONSIBILITIES

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

The Council members are responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the University; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the University; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Council members accept responsibility for the University's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Universities Act, 2012. The Council members are of the opinion that the University's financial statements give a true and fair view of the state of University's transactions during the financial year ended June 30, 2020, and of the University's financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The University's financial statements were approved by the University council on 13th August 2020 and signed on its behalf by:



Chairperson of the University Council



Vice Chancellor

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Dedan Kimathi University of Technology set out on pages 1 to 53, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Dedan Kimathi University of Technology as at 30 June, 2020, 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 Universities Act, 2012 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

Failure to Disclose Material Uncertainty in Relation to Going Concern

The University recorded a surplus of Kshs.118,093,127 during the financial year ended 30 June, 2020 (2018/2019 - a deficit of Kshs.57,220,556), which marginally improved its accumulated surplus from negative Kshs.343,015,704 as at 30 June, 2019 to negative Kshs.224,922,557 as at 30 June, 2020. However, the current liabilities balance of Kshs.561,063,233 exceeded the current assets balance of Kshs.452,391,966, resulting to a negative working capital of Kshs.108,671,267 as at 30 June, 2020.

The precarious financial performance and position is an indication of the existence of a material uncertainty which may cast significant doubt on the University's ability to continue as a going concern and to meet its obligations as and when they fall due. The financial statements have been prepared on a going concern basis on the assumption that the University will continue to receive financial support from the National Government and its creditors. However, this material uncertainty in relation to going concern and any mitigating measures put in place by the University Management to reverse the

undesirable precarious financial situation have not been disclosed in the notes to the financial statements.

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, one issue was raised under the report on Lawfulness and Effectiveness in Use of Public Resources. However, the Management has not resolved the issue or given explanation for failure to adhere to the provision of the Public Sector Accounting Standards Board Templates and The National Treasury's Circular Ref: No. AG.4/16/3 Vol.1(9) dated 24 June, 2020.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Delayed Filling of Acting Positions

A review of records of the University revealed that the two employees have been in acting capacity positions for a period of twenty-two (22) and eighteen (18) months respectively, contrary to the provisions of the University's Human Resource Manual, which states that the period of acting appointment shall not exceed a period of six (6) months in any particular case.

The University's Management has not given satisfactory explanation for failure to advertise and fill the positions with substantive office holders within a reasonable time after they became vacant.

2. Failure to Adhere to a Third Rule on Basic salary

A review of the University's payroll revealed that eighty-three (83) employees earned net salaries which were below one-third of their basic pay. This is contrary to Section 19(3) of the Employment Act, No.17 of 2007, which requires that, "without prejudice to any right of recovery of any debt due, and notwithstanding the provisions of any other written law, the total amount of all deductions which under the provisions of subsection (1), may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of such wages or such additional or other amount as may be prescribed by the Minister either generally or in relation to a specified employer or employee or class of employers or employees or any trade or industry."

3. Delayed Completion of Academic Block

Disclosed in Note 36 to the financial statements under property, plant and equipment is capital work in progress balance of Kshs.1,577,542,685. Included in the balance is an amount of Kshs.54,917,153 in respect of additions on construction of Academic Block Phase II as disclosed further under Note 37 to the financial statements. A review of records revealed that the project has taken over 8 years and is still incomplete.

Further, the construction cost for the project cumulatively totals to Kshs.200,565,689, since inception, which is more than the initial contract cost of Kshs157,100,200. This translates to a cost increase of Kshs.43,465,489 or 28% of the original contract sum. The cost increase of Kshs.43,465,489 would have been avoided had the project been funded within the initial contract period.

Consequently, the validity and value for money on the expenditure already incurred could not be confirmed.

4. Affirmative Action on Gender, Ethnicity and Regional Distribution

A review of the personnel records and establishment revealed that the University's total number of employees was 517 for the year ended 30 June, 2020 out of which 354 (68.5%) comprised staff from one dominant ethnic community. This is contrary to the requirements of Section 7(2) of the National Cohesion and Integration Act, 2008 which states that, no public establishment shall have more than one third of its staff from the same ethnic community.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Long Outstanding Receivables

Disclosed in Note 32 to the financial statements under receivables from exchange transactions are gross student debtors totalling Kshs.273,387,947 as at 30 June, 2020. The student debtors includes debts totalling Kshs.93,967,179.80 which have been outstanding for more than one-year despite being collectable within one financial year. In addition, the University has not been able to recover an amount of Kshs.1,409,708 due from sundry debtors with some of the debtors dating back to financial year 2013/2014.

In the circumstances, the University has not instituted measures including legal action where appropriate, to ensure prompt payment of amounts due as required by regulation 64(1) of Public Finance Management (National Government) Regulations, 2015.

2. Long Outstanding Payables

The statement of financial position as at 30 June, 2020 reflects trade and other payables from exchange transactions balance of Kshs.297,136,465 (2018/2019 - Kshs.324,017,295). However, out of the total of Kshs.297,136,465, an amount of Kshs.179,438,542.05 relates to long outstanding payable bills brought forward from financial year 2018/2019 and prior years. In addition, included in the trade and payables is an amount of Kshs.170,645,000 relating to part time teaching staff which has been outstanding for long.

Consequently, the Management strategies and processes put in place to clear the long outstanding payables could not be confirmed.

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

Responsibilities of Management and the University Council

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

Basis) and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

The University Council is responsible for overseeing the University's financial reporting process, reviewing the effectiveness of how the Management monitors compliance with the relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of 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 an 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 assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in

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

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

28 January, 2022

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13. STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2020

| | Notes | 2019-2020 | 2018-2019 |
|--|-------|----------------------|----------------------|
| | | Kshs | Kshs |
| Revenue from non-exchange transactions | | | |
| Transfers from Government | 9 | 978,387,319 | 734,840,704 |
| Revenue from exchange transactions | | | |
| Rendering of services (tuition and other fees) | 10 | 508,565,042 | 462,840,536 |
| sales of goods | 11 | 45,953,972 | 55,398,132 |
| Rental revenue from facilities and equipments | 12 | 5,619,457 | 1,225,410 |
| Finance income | 13 | 2,107,454 | 1,932,271 |
| Other income | 14 | 24,442,316 | 15,143,812 |
| Total revenue | | 1,565,075,560 | 1,271,380,865 |
| Expenses | | | |
| Use of Goods and Services | 15 | 83,049,718 | 82,696,462 |
| Employee Costs | 16 | 1,102,959,004 | 947,484,423 |
| Remuneration of Council | 17 | 6,041,473 | 7,440,813 |
| Depreciation and Amortization | 18 | 55,466,670 | 57,829,823 |
| Repairs and Maintenance | 19 | 10,982,792 | 7,283,399 |
| Contracted Services | 20 | 2,638,745 | 1,286,579 |
| Grants and Subsidies | 21 | 9,882,909 | 15,984,448 |
| Academic costs | 22 | 31,451,395 | 36,438,083 |
| General Expenses | 23 | 119,445,031 | 135,963,788 |
| Finance costs | 24 | 0 | 0 |
| Farm expenses | 29 | 24,307,146 | 36,775,603 |
| Total expenses | | 1,446,224,883 | 1,329,183,421 |
| Other Gains/losses | | | |
| Gain in Value of Biological Assets | 30 | 434,000 | 2,108,000 |
| Impairment (loss) in Value of Biological Assets | 30 | (1,191,550) | (1,526,000) |
| Total gains/(losses) | | (757,550) | 582,000 |
| Net Surplus/(deficit) for the year | | 118,093,127 | (57,220,556) |
| | | | |
| | | | |
| | | | |

The notes set out on pages 7 to 52 form an integral part of these Financial Statements

**14. STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

| | Notes | 2019-2020 | 2018-2019 |
|---|-------|-----------------------------|-----------------------------|
| | | Kshs | Kshs |
| Assets | | | |
| Current assets | | | |
| Cash & Cash Equivalents | 31(a) | 55,282,101 | 75,010,727 |
| Receivables from exchange Transactions | 32 | 291,306,598 | 168,133,975 |
| Receivables from non exchange Transactions | 33 | 102,591,991 | 83,674,195 |
| Inventories | 34 | <u>3,211,276</u> | <u>6,396,822</u> |
| | | 452,391,967 | 333,215,719 |
| Non-current assets | | | |
| Property Plant and Equipments | 36 | 5,968,212,745 | 2,778,304,895 |
| Investments | 39 | 0 | - |
| Biological assets | 40 | <u>13,669,300</u> | <u>14,426,850</u> |
| | | 5,981,882,045 | 2,792,731,745 |
| Total assets | | 6,434,274,012 | 3,125,947,464 |
| Liabilities | | | |
| Current liabilities | | | |
| Bank Overdraft | 41 | 16,647,474 | 46,924,560 |
| Trade and other payables from exchange transactions | 42 | 297,136,465 | 324,017,295 |
| Trade and other payables from non-exchange transactions | 43 | 83,081,232 | 112,985,555 |
| Employee benefit obligations | 44 | 128,051,724 | 62,280,425 |
| Payments received in advance | 45 | <u>36,146,338</u> | <u>39,143,894</u> |
| Total liabilities | | 561,063,233 | 585,351,729 |
| Net asset | | <u>5,873,210,779</u> | <u>2,540,595,735</u> |
| Accumulated surplus | 46 | (224,922,577) | (343,015,704) |
| Revaluation reserve | 47 | 3,591,561,637 | 594,561,637 |
| Capital fund | 48 | 2,506,571,719 | 2,289,049,802 |
| Total net assets and liabilities | | <u>5,873,210,779</u> | <u>2,540,595,735</u> |

The Financial Statements set out on pages i to 58 were signed on behalf of the University



Council
Vice Chancellor
Prof. P. N. Kioni



Ag. Finance officer
CPA Abraham Mwangi
ICPAK Member Number: 9164



Council Chairman
Dr. Jane Nyakang'o

Date: 21st Dec. 2020

Date: 21st Dec. 2020

Date: 21st Dec. 2020

**15. STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2020**

| | Capital Fund | Revaluation reserve | Accumulated Surplus | Total |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
| Balance as at 01/07/2018 | 2,054,252,711 | 594,561,639 | (285,795,148) | 2,363,019,202 |
| Surplus/(deficit) for the period | - | - | (57,220,556) | (57,220,556) |
| Revaluation additions | - | - | - | - |
| Capital development grants | 234,797,091 | - | - | 234,797,091 |
| Balance as at 30/06/2019 | <u>2,289,049,802</u> | <u>594,561,639</u> | <u>(343,015,704)</u> | <u>2,540,595,737</u> |
| | | | | |
| Balance as at 01/07/2019 | 2,289,049,802 | 594,561,639 | (343,015,704) | 2,540,595,737 |
| Surplus/(deficit) for the period | - | - | 118,093,127 | 118,093,127 |
| Revaluation additions | - | 2,997,000,000 | - | 2,997,000,000 |
| Capital development grants | 217,521,917 | - | - | 217,521,917 |
| Balance as at 30/06/2020 | <u>2,506,571,719</u> | <u>3,591,561,639</u> | <u>(224,922,577)</u> | <u>5,873,210,779</u> |

**16. STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

| | Notes | 2019-2020 | 2018-2019 |
|---|-------|----------------------|----------------------|
| | | Kshs | Kshs |
| Cash-flows from operating activities | | | |
| Receipts | | | |
| Transfers from Government | | 875,795,328 | 651,166,509 |
| Rendering of services (tuition and other fees) | | 401,827,475 | 432,001,318 |
| sales of goods | | 42,502,015 | 63,422,123 |
| Rental revenue from facilities and equipments | | 1,906,122 | 1,225,410 |
| Finance income | | 2,107,454 | 1,932,271 |
| Other income | | <u>15,527,473</u> | 12,960,833 |
| | | | |
| Total Receipts | | 1,339,665,867 | 1,162,708,464 |
| Payments | | | |
| Use of Goods and Services | | 76,068,595 | 65,301,522 |
| Employee Costs | | 1,031,997,436 | 901,143,981 |
| Remuneration of Council | | 6,041,473 | 7,440,813 |
| Repairs and Maintenance | | 8,250,757 | 5,010,041 |
| Contracted Services | | 2,638,745 | 749,058 |
| Grants and Subsidies | | 9,882,909 | 15,520,049 |
| Academic costs | | 31,451,395 | 33,266,639 |
| General Expenses | | 109,743,885 | 123,722,818 |
| Finance costs | | 0 | 0 |
| Farm expenses | | 22,189,609 | 34,179,114 |
| Total Payments | | 1,298,264,804 | 1,186,334,035 |
| Net cash flows from operating activities | 56 | 41,401,063 | (23,625,571) |
| Cash-flows from investing activities | | | |
| Investing in fixed assets | | <u>(244,606,313)</u> | <u>(213,714,553)</u> |
| Net cash-flows used in investing activities | | (244,606,313) | (213,714,553) |
| Cash-flows from financing activities | | | |
| Development grant | | 213,753,709 | 234,797,091 |
| Bank Overdraft | | <u>(30,277,086)</u> | <u>14,076,434</u> |
| Net cash-flows used in financing activities | | 183,476,623 | 248,873,525 |
| Net increase/(decrease) in cash and cash equivalents | | (19,728,626) | 11,533,402 |
| | | | |
| Cash and cash equivalents as at 1 JULY | 31 | 75,010,727 | 63,477,326 |
| Cash and cash equivalents as at 30 JUNE | 31 | 55,282,101 | 75,010,727 |

Dedan Kimathi University Of Technology
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17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30 JUNE 2020

| | Original budget | | Adjustments | | Final budget | | Actual on comparable basis | | Performance difference | |
|--|----------------------|------|---------------------|------|----------------------|------|----------------------------|------|------------------------|-------------------|
| | 2019-2020 | Kshs | 2019-2020 | Kshs | 2019-2020 | Kshs | 2019-2020 | Kshs | 2019-2020 | Kshs |
| Revenue | | | | | | | | | | |
| Transfers from Government | 875,795,325 | | 102,591,991 | | 978,387,316 | | 978,387,319 | | | 3 |
| Rendering of services (tuition and other fees) | 541,725,110 | | (129,787,639) | | 411,937,471 | | 508,565,042 | | | 96,627,571 |
| sales of goods | 53,642,719 | | (14,000,000) | | 39,642,719 | | 45,953,972 | | | 6,311,253 |
| Rental revenue from facilities and equipments | 2,295,200 | | 2,964,000 | | 5,259,200 | | 5,619,457 | | | 360,257 |
| Finance income | - | | 2,324,146 | | 2,324,146 | | 2,107,454 | | | (216,692) |
| Other income | 24,900,000 | | 8,885,000 | | 33,785,000 | | 24,442,316 | | | (9,342,684) |
| Total income | 1,498,358,354 | | (27,022,502) | | 1,471,335,852 | | 1,565,075,560 | | | 93,739,708 |
| Expenses | | | | | | | | | | |
| Use of Goods and Services | 84,227,815 | | (6,665,115) | | 77,562,700 | | 83,049,718 | | | (5,487,018) |
| Employee Costs | 1,094,523,977 | | 55,901,991 | | 1,150,425,968 | | 1,102,959,004 | | | 47,466,964 |
| Remuneration of Council | 9,178,000 | | (3,274,000) | | 5,904,000 | | 6,041,473 | | | (137,473) |
| Repairs and Maintenance | 10,076,689 | | 874,000 | | 10,950,689 | | 10,982,792 | | | (32,103) |
| Contracted Services | 1,853,176 | | 900,000 | | 2,753,176 | | 2,638,745 | | | 114,431 |
| Grants and Subsidies | 21,935,953 | | (11,249,625) | | 10,686,328 | | 9,882,909 | | | 803,419 |
| Academic costs | 52,148,950 | | (15,350,783) | | 36,798,167 | | 31,451,395 | | | 5,346,772 |
| General Expenses | 137,622,090 | | (24,488,835) | | 113,133,255 | | 119,445,031 | | | (6,311,776) |
| Finance costs | 5,000,000 | | (1,800,000) | | 3,200,000 | | 0 | | | 3,200,000 |
| Depreciation | - | | - | | - | | 0 | | | |
| Farm expenses | 23,791,705 | | 0 | | 23,791,705 | | 24,307,146 | | | (515,441) |
| Total expenditure | 1,440,358,355 | | (5,152,367) | | 1,435,205,988 | | 1,390,758,213 | | | 44,447,775 |
| Surplus for the period | 58,000,000 | | 21,870,135 | | 36,129,864 | | 174,317,347 | | | |

Budget notes

ADJUSTMENTS FROM THE ORIGINAL BUDGET TO FINAL BUDGET

- i. **Rendering of services (Tuition and other Fee):** As a result of COVID 19 pandemic which resulted to closure of all academic institutions in March 2020, it was expected that May August semester would be disrupted and this resulted the University Management to revise the expected revenue from Kshs 541,725,110 to Kshs 411,937,471.
- ii. **Sales of goods:** this comprise of farm sales and kitchen sales. Due to the closure of the University, the University Management did not expect to collect kitchen sales hence the revision of the original budget from Kshs 53,642,719 to Kshs 39,642,719.
- iii. **Rental revenue from facilities:** during the financial year, the University got a new client in the science and technology park whose lease amounted to Kshs.2,964,000.
- iv. **Other income:** As a result of the increased demand and production of Ppes and sanitizers, this caused the University to second more staff to DEKUTES in order to manage the rising production.
- v. **Use goods and services:** the university management analyzed the costs that are directly related to the students being within the university hence the reduction of the budget accordingly.
- vi. **Employee costs:** The budget adjustment was done to incorporate Kshs 102,591,991 which was expected to be received from the GoK for the 2017-2021 CBA. The University Management also reallocated an amount of Ksh 70 million from the part-time teaching vote as a result of cost reduction measures put in place by the University.
- vii. **Remuneration of council members:** a reallocation of Kshs 3,274,000 was done due to the fact that the university chancellor has not been appointed and most of the meetings were held in Nairobi campus and virtual meetings hence reduced expenditures.
- viii. **Grants and subsidies:** there were minimal research activities due to COVID 19 pandemic
- ix. **Academic costs:** The learning programs were interrupted in the third and fourth quarters due COVID 19 pandemic and as a result, the direct academic activities votes were revised down wards.
- x. **General expenses:** due to COVID 19 pandemic, most of the university activities were scaled down hence the reallocation of funds

VARIANCES BETWEEN THE FINAL BUDGET ACTUALS

- i. Rendering of services increase was due to revision of budget downwards as a result of Covid 19 Pandemic but initiatives like online teaching were undertaken hence there was business continuity.
- ii. High coffee sales as a result of favorable weather conditions and prices boosted the University income
- iii. Other income under performed due to low income from Income Generating Units as a result of closure of academic programmes due to Covid 19 Epidemic.
- iv. Academic costs – Academic costs are directly related to students activities, due to the students absence from the University during the third and fourth quarters of the Financial year due Covid 19 Pandemic there were minimal activities during this period, hence reduced expenditure.

18. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Dedan Kimathi University of Technology was established by and derives its authority and accountability from University Act 2012 (No 42 of 2012). The University is wholly owned by the Government of Kenya and is domiciled in Kenya. The University principal activity is to provide education, research and effective application of knowledge and skills to life, work and welfare of citizens of Kenya.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act 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. Relevant new standards and amendments to published standards effective for the year ended 30 June 2020

| Standard | Impact |
|---|---|
| IPSAS 40: Public Sector Combinations | Applicable: 1st January 2019 The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations. |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

| Standard | Effective date and impact: |
|---|---|
| <p>IPSAS 41: Financial Instruments</p> | <p>Applicable: 1st January 2022: 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 University's future cashflows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. |
| <p>IPSAS 42: Social Benefits</p> | <p>Applicable: 1st January 2022 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ol 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 University's financial performance, financial position and cash flows. |

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| Standard | Effective date and impact: |
|--|---|
| Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments | <p>Applicable: 1st January 2022:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> |
| Other Improvements to IPSAS | <p>Applicable: 1st January 2021:</p> <ul style="list-style-type: none"> 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 b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. 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. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard |

iii. **Early adoption of standards**

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

4 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a) **Revenue recognition**

i) **Revenue from non-exchange transactions**

Fees, taxes and fines

The University recognizes revenues from fees, taxes and fines 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 University 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.

Rendering of services

The University recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

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

Sale of goods

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

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2019-2020 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of 102,591,991 on the 2019-2020 budget following the governing body's approval.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under page 5 of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the University operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Taxes (Continued)

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

e) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes there placement cost of components of an existing investment property at the time that cost is incurred if there cognition 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.

f) 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Research and development costs (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- 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 Entity determines the classification of its financial liabilities at initial recognition.

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

Loans and borrowing

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Inventories (Continued)

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 University 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Nature and purpose of reserves

The University creates and maintains reserves in terms of specific requirements. These reserves are accumulated surplus and deficit over years.

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

The University operates a contributory pension scheme for eligible employees. The assets of the scheme are held separately in a trustee administered fund that is funded by both employees and the University. The University also contributes to the National Social Security Fund (NSSF) Contributions to this fund are determined by the local statutes.

The contributions made to the above schemes by the University are charged to the income statement during the year in which they relate

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Related parties

The University 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 University, or vice versa. Members of the University Council are regarded as related parties.

q) Service concession arrangements

The University 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 University 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2020.

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The University based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the 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 University
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (Continued)

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. e.g provision for bad debts.

Going Concern

The University has been operating in deficit for the past periods, however measures to reverse these deficits were put in place during the year 2017/2018 and as indicated in our financial statements the University management has been able to turn around the loss to a surplus of 118 million during the year that ended 30th June 2020. The following strategies were applied and it is expected that they will work even in the coming years.

- i. Restructuring the academic divisions through reduction of teaching costs while maintaining the quality of education offered. This was possible through consolidating all the common units taught in the University, this has saved the University more that 25% of the teaching costs.
- ii. Restructuring of the Non- Teaching division. The University used to operate with three Deputy Vice Chancellors, this number was reduced to two and this saves the University more than 10 million annually
- iii. The University has also embarked on increasing the student population, students enrolment increased from 7094 (2018/2019) to 8402 (2019/2020) and this increase is expected in the coming years

These among other strategies has the indication that the University will remain a going concern for at least the next twelve months from the date of this statement.

Rendering of Services (Tuition Fees)

After the outbreak of the Covid-19 in the country in March 2020 the University Management anticipated a drop in the fees income and adjusted the expected tuition fees budget downwards. After mitigation measures were put in place, online learning was introduced and as a result fees income realized for the financial year 2019/2020 was greater than the budgeted amount.

Other Income (DEKUTES)

DEKUTES is a newly established company wholly owned by Dedan Kimathi University of Technology Limited by Guarantee. DEKUTES is on its initial operating stages hence the University Management decided to charge management fees to cater for Salaries of the personnel who are deployed to work in the Company.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PROPERTY TAXES REVENUE

| Description | 2019-2020 | 2018-2019 |
|--------------------------------------|-----------|-----------|
| | KShs | KShs |
| Actual | | |
| Taxable land and buildings | | |
| Residential | 0 | 0 |
| Commercial | 0 | 0 |
| State | 0 | 0 |
| Penalties | 0 | 0 |
| Sub- total property and taxes | 0 | 0 |
| Income forgone | 0 | 0 |
| Total property taxes revenue | 0 | 0 |

7 PUBLIC CONTRIBUTIONS AND DONATIONS

| Description | 2019-2020 | 2018-2019 |
|---|-----------|-----------|
| | KShs | KShs |
| The Green Belt Movement | 0 | 0 |
| Other public donations | 0 | 0 |
| Total transfers and sponsorships | 0 | 0 |
| Reconciliation of public contributions and donations | | |
| Balance unspent at beginning of the year | 0 | 0 |
| Current year receipts | 0 | 0 |
| Conditions met - transferred to revenue | 0 | 0 |
| Conditions to be met - remain liabilities | 0 | 0 |

8 LEVIES, FINES AND PENALTIES

| Description | 2019-2020 | 2018-2019 |
|--------------|-----------|-----------|
| | KShs | KShs |
| Fuel levy | 0 | 0 |
| Fines | 0 | 0 |
| Total | 0 | 0 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 TRANSFERS FROM OTHER GOVERNMENTS

(a)

| Description | 2019-2020 | 2018-2019 |
|--|--------------------|--------------------|
| | KShs | KShs |
| Unconditional grants | | |
| Ministry grants recurrent | 875,795,328 | 651,166,509 |
| Supplementary grants | 102,591,991 | 83,674,195 |
| | | |
| Total government grants and subsidies | 978,387,319 | 734,840,704 |

9b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

| Name of the Entity sending the grant | Amount recognized to Statement of Comprehensive Income KShs | Amount deferred under deferred income KShs | Amount recognised in capital fund. KShs | Total grant income during the year KShs | 2019-2020 KShs |
|--|---|--|---|---|----------------------|
| Ministry of Education Science and Technology | 978,387,319 | 0 | 0 | 978,387,319 | 978,387,319 |
| Ministry of Education Science and Technology | 0 | 0 | 213,753,709 | 213,753,709 | 213,753,709 |
| Total | 978,387,319 | 0 | 213,753,709 | 1,192,141,028 | 1,192,141,028 |

10 RENDERING OF SERVICES

| Description | 2019-2020 | 2018-2019 |
|---|--------------------|--------------------|
| | KShs | KShs |
| Tuition and other fees | 501,974,619 | 462,840,536 |
| Short courses (CPDS) | 6,590,423 | 0 |
| Total revenue from the rendering of services | 508,565,042 | 462,840,536 |

Tuition and other fees are the fees collected from the students who have enrolled in the programs offered by the University.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 (a) SALE OF GOODS

| Description | 2019-2020 | 2018-2019 |
|---|-------------------|-------------------|
| | KShs | KShs |
| Sale of goods | | |
| Kitchen sales | 23,247,584 | 25,916,317 |
| DeKUTES Income | 0 | 5,971,362 |
| Farm sales (11b) | 22,706,388 | 23,510,453 |
| Total revenue from the sale of goods | 45,953,972 | 55,398,132 |

b) FARM SALES

| Description | 2019-2020 | 2018-2019 |
|------------------|-------------------|-------------------|
| | KShs | KShs |
| Coffee | 15,275,776 | 14,245,920 |
| Milk | 2,954,177 | 3,473,825 |
| Horticulture | 2,259,368 | 2,572,169 |
| Livestock Sales | 471,925 | 1,249,620 |
| Miscellaneous | 110,280 | 28,450 |
| Charcoal Sales | 48,494 | 363,204 |
| Piggery Sales | 541,318 | 0 |
| Coffee seedlings | 1,045,050 | 1,577,265 |
| | 22,706,388 | 23,510,453 |

Farm sales is the income generated by the University farm.

12 RENTAL REVENUE FROM FACILITIES AND EQUIPMENT

| Description | 2019-2020 | 2018-2019 |
|----------------------------------|------------------|------------------|
| | KShs | KShs |
| Staff Quarters Rent | 259,200 | 295,200 |
| Science and Technologically Park | 5,360,257 | 930,210 |
| Total rentals | 5,619,457 | 1,225,410 |

13 FINANCE INCOME - EXTERNAL INVESTMENTS

| Description | 2019-2020 | 2018-2019 |
|--|------------------|------------------|
| | KShs | KShs |
| Interest from call deposit | 2,107,454 | 1,932,271 |
| Total finance income-external investments | 2,107,454 | 1,932,271 |

(This in interest generated from money held on call deposit)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 (a) OTHER INCOME

| Description | 2019-2020 | 2018-2019 |
|----------------------------|-------------------|-------------------|
| | KShs | KShs |
| Miscellaneous income (14b) | 6,541,265 | 7,884,351 |
| Research grants | 4,070,874 | 6,473,193 |
| DeKUTES Management fees | 13,830,177 | 0 |
| Mathira TTI | 0 | 786,268 |
| Total other income | 24,442,316 | 15,143,812 |

(b) MISCELLANEOUS INCOME

| Description | 2019-2020 | 2018-2019 |
|------------------------|------------------|------------------|
| | KShs | KShs |
| Bookshop Sales | 164,225 | 437,670 |
| Conservancy Sales | 93,450 | 88,283 |
| Coffee Sales | 104,250 | 272,966 |
| Detergent Sales | | 93,905 |
| Ground Charges | 78,220 | 34,000 |
| Library | 40,049 | 101,340 |
| Medical Fee | 118,400 | 89,907 |
| Utility fee | 2,205,918 | 126,501 |
| Transport Hire | 229,915 | 324,902 |
| Sewer | 341,664 | |
| Yoghurt Sales | | 260,792 |
| ITOHM sale | 163,331 | 64,350 |
| Music Festival | | 2,527,141 |
| Innovation | 1,330,000 | |
| Siemens | | 819,660 |
| COVID 19 Donations | 1,050,308 | - |
| Conference income | 232,795 | 2,632,061 |
| Sale of tree-seedlings | 388,740 | 10,875 |
| Total | 6,541,265 | 7,884,351 |

15 USE OF GOODS AND SERVICES

| Description | 2019-2020 | 2018-2019 |
|--------------------------------------|------------|------------|
| | KShs | KShs |
| Electricity | 14,728,630 | 12,129,673 |
| Water | 8,246,316 | 7,945,911 |
| Security | 2,210,000 | 5,353,000 |
| Contracted Professional services | 3,816,300 | 3,023,375 |
| Subscriptions to professional bodies | 388,837 | 338,180 |
| Internet services | 12,763,079 | 12,298,461 |

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| | | |
|--------------------------------|-------------------|-------------------|
| Gas and fuel | 797,070 | 924,685 |
| Fumigation services | 94,440 | 87,525 |
| Utensils and crockery | 0 | 223,048 |
| Purchase of Drugs | 2,160,785 | 2,838,937 |
| Medical expenses | 32,516,964 | 27,440,067 |
| Optical and Dental | 2,116,374 | 1,920,277 |
| Bank Charges | 3,015,137 | 6,063,157 |
| Marketing Expenses | 195,786 | 2,110,166 |
| Total good and services | 83,049,718 | 82,696,462 |

16 EMPLOYEE COSTS

| | 2019-2020 | 2018-2019 |
|--------------------------------|----------------------|--------------------|
| | KShs | KShs |
| Basic Salaries | 470,824,153 | 429,861,349 |
| CBA Salary Arrears | 104,868,054 | - |
| Casual workers | 52,116,051 | 51,558,393 |
| Part time teaching | 20,766,400 | 37,891,000 |
| Gratuity and pension | 72,486,415 | 67,499,072 |
| House to Office allowance | 54,386,186 | 49,975,086 |
| Other personal allowances | 72,778,603 | 77,878,421 |
| Passage and Baggage | 326,930 | 274,283 |
| Group life (pension) insurance | 4,154,177 | 4,121,534 |
| House allowances | 232,806,753 | 214,948,043 |
| Graduate sponsorship programme | 14,878,242 | 10,898,512 |
| Leave allowance | 2,567,040 | 2,578,730 |
| Employee costs | 1,102,959,004 | 947,484,423 |

17 REMUNERATION OF COUNCIL MEMBERS

| Description | 2019-2020 | 2018-2019 |
|------------------------------------|------------------|------------------|
| | KShs | KShs |
| Chancellor Allowance | 0 | 0 |
| Chairman's Allowance | 1,044,000 | 1,044,000 |
| Council Sitting Allowance | 3,192,250 | 3,496,500 |
| Council Insurance | 55,750 | 810,013 |
| Council travelling & Accommodation | 1,749,473 | 2,090,300 |
| Total director emoluments | 6,041,473 | 7,440,813 |

18 DEPRECIATION AND AMORTIZATION EXPENSE

| Description | 2019-2020 | 2018-2019 |
|--|-------------------|-------------------|
| | KShs | KShs |
| Property, plant and equipment | 55,466,670 | 57,829,823 |
| Total depreciation and amortization | 55,466,670 | 57,829,823 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19 REPAIRS AND MAINTENANCE

| Description | 2019-2020 | 2018-2019 |
|--------------------------------------|-------------------|------------------|
| | KShs | KShs |
| Buildings | 4,580,916 | 1,802,701 |
| Water and sewerage | 213,285 | 339,935 |
| Equipment and machinery | 3,797,048 | 2,216,325 |
| Vehicles | 2,139,783 | 2,306,341 |
| Computers and accessories | 0 | 7,500 |
| Roads and grounds | 251,760 | 610,597 |
| Asset tagging | 0 | 0 |
| Total repairs and maintenance | 10,982,792 | 7,283,399 |

20 CONTRACTED SERVICES

| Description | 2019-2020 | 2018-2019 |
|----------------------------------|------------------|------------------|
| | KShs | KShs |
| Hygiene services | 540,056 | 293,203 |
| Legal expenses | 2,098,689 | 401,721 |
| ISO Certification Expenses | 0 | 591,655 |
| Total contracted services | 2,638,745 | 1,286,579 |

21 GRANTS AND SUBSIDIES

| Description | 2019-2020 | 2018-2019 |
|-----------------------------------|------------------|-------------------|
| | KShs | KShs |
| Internal research grants | 2,550,558 | 1,704,356 |
| International Conference | 774,991 | 1,188,255 |
| Innovation and technology | 345,125 | 97,880 |
| DeHub | 396,225 | 163,755 |
| Science park | 1,489,954 | 4,037,380 |
| National Cancer Hospital | 0 | 972,800 |
| Wind energy (Nairutia) | 255,182 | 480,251 |
| NRF Project | 2,674,962 | 3,738,231 |
| Data Science Africa Project | 498,458 | 368,791 |
| Volcanic Geothermal Resources | 0 | 1,861,319 |
| DePUK Project | 867,454 | 80,310 |
| Bioacoustics Project | 0 | 24,942 |
| VLIR-Belgium project | 30,000 | 479,910 |
| Mathira TTI | 0 | 786,268 |
| Total grants and subsidies | 9,882,909 | 15,984,448 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22 ACADEMIC COSTS

| Description | 2019-2020 | 2018-2019 |
|---------------------------------------|-------------------|-------------------|
| | KShs | KShs |
| Examination materials | 4,746,240 | 4,301,540 |
| Attachment expenses | 4,809,492 | 4,871,990 |
| Academic Travelling and accommodation | 1,765,885 | 1,464,211 |
| Payment of use of lab | 55,500 | 88,500 |
| Library | 3,173,577 | 683,530 |
| Field courses | 990,425 | 895,443 |
| Coffee Centre | 0 | 757,545 |
| Yogurt expenses | 0 | 1,080,061 |
| Graduation expenses | 460,618 | 4,599,004 |
| Teaching materials | 4,054,810 | 2,319,560 |
| CUE Institutions Accreditations | 932,100 | 3,820,000 |
| KUCCPS admission expenses | 3,004,500 | 2,487,725 |
| Purchase of software | 957,580 | |
| Hire of teaching facilities | 196,087 | 860,066 |
| Purchase of Gowns | 0 | 632,650 |
| Curriculum Development | 630,138 | 303,237 |
| Siemens | 2,874,026 | 4,580,119 |
| TIVET | 2,551,022 | 1,467,398 |
| Final year project | 249,395 | 1,225,504 |
| Internship | 0 | - |
| Total academic costs | 31,451,395 | 36,438,083 |

23 GENERAL EXPENSES

| Description | 2019-2020 | 2018-2019 |
|------------------------------------|-----------|-----------|
| | KShs | KShs |
| Advertising and Publicity | 1,741,412 | 5,364,857 |
| Conferences and seminars | 2,697,964 | 4,350,829 |
| Vehicle fuel and oil | 5,887,629 | 6,604,924 |
| Insurance premiums | 2,783,371 | 4,525,850 |
| Vehicle licenses & insurance | 821,154 | 727,500 |
| Postal expenses | 137,865 | 105,365 |
| Publishing & Printing | 2,218,970 | 603,410 |
| Stationery and stores | 6,140,565 | 6,501,879 |
| Admin Travelling and accommodation | 4,271,115 | 5,654,011 |
| Committee Facilitation | 335,755 | 990,821 |
| Staff Welfare | 1,845,000 | 1,551,500 |
| Guest house Expenses | 188,604 | 166,760 |
| Alumni Association | 946,100 | 1,406,926 |
| Recruitment expenses | 0 | 26,000 |
| Telephone expenses | 2,058,260 | 2,065,746 |

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| | | |
|--|--------------------|--------------------|
| Purchase of uniforms | 505,162 | 244,670 |
| Public celebrations/Demise | 203,068 | 380,390 |
| University Public Functions | 905,414 | 286,770 |
| Exchange Programme | 532,155 | 606,030 |
| Catering | 23,345,505 | 25,922,080 |
| Cleaning materials | 1,562,667 | 667,938 |
| Set up of ICT infrastructure | 664,535 | 892,810 |
| External travelling | 2,502,846 | 3,008,609 |
| Training expenses | 6,652,795 | 7,691,029 |
| Book shop expenses | 162,875 | 371,167 |
| Performance Contract | 585,257 | 167,630 |
| Show and Exhibitions Expenses | 1,357,816 | 1,012,695 |
| Staff Entertainment | 424,249 | 70,390 |
| Work permit | 648,196 | 1,463,400 |
| Music festivals | 0 | 3,178,450 |
| Levies (NEMA/NITA/Energy board) | 250,150 | 387,350 |
| DKUT Affiliation Associations | 2,903,721 | 0 |
| HIV & AIDS | 0 | 27,980 |
| Newspapers | 377,544 | 512,387 |
| Conservancy Expenses | 59,263 | 9,820 |
| Provision for doubtful debt (students fee) | 5,187,000 | 8,482,397 |
| Audit Fee | 870,000 | 870,000 |
| Sports and Games | 2,576,980 | 2,462,920 |
| Students insurance | 1,071,420 | 534,976 |
| Student benevolent fund | 306,085 | 289,435 |
| Mt. Kenya expedition climb to educate | 1,004,992 | 1,050,870 |
| Students conference/workshops | 0 | 80,312 |
| Work-study | 763,210 | 775,845 |
| Outreach programs | 0 | 34,360 |
| Student Awards | 405,976 | 349,500 |
| Student bursary | 987,586 | 829,106 |
| Counselling expenses | 298,985 | 267,920 |
| Entertainment | 675,721 | 877,096 |
| Rent | 24,042,064 | 24,981,180 |
| Kimathi students union allow | 1,345,834 | 1,761,978 |
| Sports equipments | 326,510 | 169,720 |
| Corporate social responsibilities | 95,000 | 123,000 |
| External examination | 3,770,686 | 4,475,201 |
| Total general expenses | 119,445,031 | 135,963,788 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24 FINANCE COSTS

| Description | 2019-2020 | 2018-2019 |
|---|-----------|-----------|
| | KShs | KShs |
| Borrowings (amortized cost)* | 0 | 0 |
| Finance leases (amortized cost) | 0 | 0 |
| Unwinding of discount | 0 | 0 |
| Interest on Bank overdrafts | 0 | 0 |
| Interest on loans from commercial banks | 0 | 0 |
| Total finance costs | 0 | 0 |

25 GAIN ON SALE OF ASSETS

| Description | 2019-2020 | 2018-2019 |
|-------------------------------------|-----------|-----------|
| | KShs | KShs |
| | 0 | 0 |
| Property, plant and equipment | 0 | 0 |
| Intangible assets | 0 | 0 |
| Other assets not capitalised | 0 | 0 |
| Total gain on sale of assets | 0 | 0 |

26 UNREALIZED GAIN ON FAIR VALUE INVESTMENTS

| Description | 2019-2020 | 2018-2019 |
|---------------------------|-----------|-----------|
| | KShs | KShs |
| Investments at fair value | 0 | 0 |
| Total gain | 0 | 0 |

27 IMPAIRMENT LOSS

| Description | 2019-2020 | 2018-2019 |
|-------------------------------|-----------|-----------|
| | KShs | KShs |
| Property, plant and equipment | 0 | 0 |
| Intangible assets | 0 | 0 |
| Total impairment loss | 0 | 0 |

28 TAXATION

| Description | 2019-2020 | 2018-2019 |
|--|-----------|-----------|
| | KShs | KShs |
| Current in come tax charge | 0 | 0 |
| Deferred tax: [Note 52] | 0 | 0 |
| Relating to original and reversal of temporary differences | 0 | 0 |
| Income tax expense reported in the statement of financial performance | 0 | 0 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

29 FARM EXPENSES

| Description | 2019-2020 | 2018-2019 |
|----------------------------------|-------------------|--------------------|
| | KShs | KShs |
| Seeds-Hort | 270,724 | 412,910 |
| Horticulture - Labour | 1,876,529 | 1,748,406 |
| Chemicals-Hort | 232,646 | 269,389 |
| Fertilizers-Hort | 224,384 | 147,490 |
| Farm inputs | 83,750 | 438,284 |
| Coffee Labour | 6,387,081 | 5,561,064 |
| Coffee picking expenses | 1,628,550 | 1,158,300 |
| Fertilisers-coffee | 1,188,270 | 1,221,451 |
| Herbicides-Coffee | 1,017,154 | 444,319 |
| Fungicides-coffee | 325,995 | 229,290 |
| Insecticides-coffee | 128,588 | 20,140 |
| Coffee nylex& sisal twine | 114,303 | 132,508 |
| Gratuity and Pension | 0 | 1,116,097 |
| Administration salaries | 0 | 15,408,933 |
| Farm Tools | 26,290 | 0 |
| Certified Coffee Seeds | 1,000 | 0 |
| Feeds/Fodder | 1,291,513 | 2,240,820 |
| Labour - Livestock | 1,614,422 | 1,044,530 |
| Veterinary bills & A.I | 340,414 | 259,735 |
| Grooming and local treatment | 56,980 | 107,009 |
| Acaricides | 64,320 | 115,330 |
| Piggery feeds | 312,100 | 735,380 |
| Polythene & Twine-Dairy | 70,000 | 48,000 |
| Fish rearing expenses | 24,300 | 58,600 |
| Buildings maintenance | 66,619 | 72,960 |
| Machinery maintenance | 291,859 | 703,578 |
| Electricity-irrigation | 863,543 | 2,922,204 |
| Electricity-wet mill | 135,602 | 36,321 |
| Electricity- office/stores/dairy | 79,788 | 90,014 |
| Travel & Subsist | 163,196 | 237,658 |
| Stationery & printing | 4,250 | 30,115 |
| Security | 29,880 | 22,680 |
| Licences and legal fees | 26,000 | 31,000 |
| Insurance | 427,061 | 76,895 |
| Staff entertainment | 23,261 | 215,046 |
| Fuel and oils | 1,212,622 | 1,145,881 |
| Telephone | 87,080 | 3,050 |
| Protective clothing | 25,128 | 94,034 |
| Cleaning Materials | 17,739 | 23,497 |
| Packaging materials | 17,555 | 15,695 |
| Printing & Publishing | 79,435 | 9,500 |
| Indirect labour | 1,094,014 | 941,121 |
| Stock Movement | <u>2,383,201</u> | <u>(2,813,631)</u> |
| Total Farm Expenses | 24,307,146 | 36,775,603 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

30 GAINS/ (LOSS) OF BIOLOGICAL ASSETS

| Description | 2019-2020 KShs | 2018-2019 KShs |
|--|-------------------|-------------------|
| Biological assets as at 1/7/2019 | 14,426,850 | 13,844,850 |
| Gain in value of biological assets | 434,000 | 2,108,000 |
| Impairment (loss) in value of biological assets | (1,191,550) | (1,526,000) |
| Biological assets as at 30/6/2020 | 13,669,300 | 14,426,850 |

31 CASH AND CASH EQUIVALENTS

| Description | 2019-2020 KShs | 2018-2019 KShs |
|---------------------------------|-------------------|-------------------|
| Current account | 20,188,368 | 10,369,660 |
| On- call deposits | 35,093,733 | 64,641,068 |
| Total cash and cash equivalents | 55,282,101 | 75,010,728 |

31 (a) DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

| Financial institution | Account number | 2019-2020 KShs | 2018-2019 KShs |
|--------------------------------|----------------|-------------------|-------------------|
| Standard chartered bank | | | |
| DEKUT Fee collection A/C | 0102045131200 | 304,017 | 96,586 |
| DEKUT Fee collection A/C | 0102045131201 | 166,643 | 2,833,508 |
| DEKUT Farm Operating A/C | 0102045131202 | 138,158 | 1,122,574 |
| DEKUT Fee collection A/C | 0102045131203 | 45,030 | - |
| Consolidated bank | | | |
| DEKUT Payment main A/C | 10061200000061 | - | - |
| DEKUT Fee collection A/C | 10061200000062 | 9,960,116 | 513,658 |
| DeKUT Project A/C | 10061203000003 | 1,039,370 | 716,800 |
| DEKUT TIVET A/C | 10061203000002 | - | - |
| DEKUT DeKUTES A/C | 10061202000162 | - | 1,716,399 |
| Call Deposit | | 35,093,733 | 64,641,068 |
| Family Bank | | | |
| DEKUT Payment A/C | 055000028807 | 0 | 497,144 |
| DEKUT Mathira TTI A/C | 055000031309 | 148,367 | 1,130,630 |
| DEKUT Farm Operating A/C | 055000032397 | 10 | 67 |
| Call Deposit | | | - |
| Kenya commercial bank | | | |
| DEKUT Fee collection A/C | 1121318274 | 729,362 | 448,755 |
| DEKUT Coffee research Fund A/C | 1158874847 | 7,264,702 | 1,293,539 |

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| | | | |
|--------------------------|---------------|-------------------|-------------------|
| Equity bank | | | |
| DEKUT Fee collection A/C | 1150297300480 | 392,592 | - |
| Cash balances | | - | - |
| Sub- total | | 55,282,101 | 75,010,727 |

32 RECEIVABLES FROM EXCHANGE TRANSACTIONS

| Description | 2019-2020 | 2018-2019 |
|------------------------------------|--------------------|--------------------|
| | KShs | KShs |
| Student debtors | 273,387,947 | 169,647,936 |
| Provision for doubt-full debt | (5,187,000) | (8,482,397) |
| | 268,200,947 | 161,165,539 |
| Prepayments | - | 273,278 |
| Sundry debtors | 20,259,128 | 3,460,117 |
| Farm debtors (coffee sales) | 0 | 0 |
| Staff debtors | 579,380 | 967,898 |
| Deposits | 2,267,143 | 2,267,143 |
| V.A.T. arrears | 2,985,164 | 2,985,164 |
| Impairment of VAT receivables | (2,985,164) | (2,985,164) |
| Total Exchange transactions | 291,306,598 | 168,133,975 |

33 RECEIVABLES FROM NON-EXCHANGE CONTRACTS

| Description | 2019-2020 | 2018-2019 |
|----------------------------------|--------------------|-------------------|
| | KShs | KShs |
| Current receivables | | |
| CBA Salary Arrears | 102,591,991 | 83,674,195 |
| Total current receivables | 102,591,991 | 83,674,195 |

34 INVENTORIES

| Description | 2019-2020 | 2018-2019 |
|--|------------------|------------------|
| | KShs | KShs |
| Farm stocks | 3,211,276 | 6,396,822 |
| Total inventories at the lower of cost and net realizable value | 3,211,276 | 6,396,822 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

35 INVESTMENTS

| Description | 2019-2020 | 2018-2019 |
|---|-----------|-----------|
| | KShs | KShs |
| a) Investment in Treasury bills and bonds | | |
| Financial institution | | |
| CBK | 0 | 0 |
| CBK | 0 | 0 |
| Sub- total | 0 | 0 |
| b) Investment with Financial Institutions/ Banks | | |
| Bank x | 0 | 0 |
| Bank y | 0 | 0 |
| Sub- total | 0 | 0 |
| c) Equity investments (specify) | | |
| Equity/ shares in entity xxx | 0 | 0 |
| Sub- total | 0 | 0 |
| Grand total | 0 | 0 |

d) Shareholding in other entities

For investments in equity share listed under note 34 above, list down the equity investments under the following categories:

| Name of entity where investment is held | No of shares | | | Nominal value of shares | Fair value of shares | Fair value of shares |
|---|---------------------|-----------------------|------------------------|-------------------------|----------------------|----------------------|
| | Direct shareholding | Indirect shareholding | Effective shareholding | | | |
| | % | % | % | | | |
| | | | | Shs | Shs | Shs |
| Entity A | 0 | 0 | 0 | 0 | 0 | 0 |
| Entity B | 0 | 0 | 0 | 0 | 0 | 0 |
| Entity C | 0 | 0 | 0 | 0 | 0 | 0 |
| Entity D | 0 | 0 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 | 0 | 0 |

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36 PROPERTY, PLANT AND EQUIPMENT

| | Land | Buildings | Motor vehicles | Computers | Plant and machinery | Tractor | Furniture and equipment | Capital Work in progress | Total |
|-------------------------------------|----------------------|--------------------|-------------------|-------------------|---------------------|-------------------|-------------------------|--------------------------|----------------------|
| | Shs | Shs | Shs | Shs | Shs | Shs | Shs | Shs | Shs |
| Depreciation rates | NIL | 2% | 25% | 30% | 12.5% | 37.5% | 12.5% | NIL | |
| Cost | | | | | | | | | |
| At 1 July 2018 | 435,000,000 | 823,353,412 | 77,113,693 | 72,063,735 | 24,992,766 | 12,887,572 | 550,831,682 | 1,146,721,972 | 3,142,964,833 |
| Additions | - | - | 895,000 | 846,000 | - | - | 9,895,362 | 202,078,191 | 213,714,553 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers/adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| At 30th June 2019 | 435,000,000 | 823,353,412 | 78,008,693 | 72,909,735 | 24,992,766 | 12,887,572 | 560,727,044 | 1,348,800,163 | 3,356,679,386 |
| Additions | - | - | 850,506 | 9,188,890 | - | - | 9,592,603 | 228,742,522 | 248,374,521 |
| Disposals | - | - | - | - | - | - | - | - | - |
| Valuation | <u>2,997,000,000</u> | - | - | - | - | - | - | - | <u>2,997,000,000</u> |
| At 30th June 2020 | 3,432,000,000 | 823,353,412 | 78,859,199 | 82,098,625 | 24,992,766 | 12,887,573 | 570,319,647 | 1,577,542,685 | 6,602,053,907 |
| Depreciation and impairment | | | | | | | | | |
| At 1 July 2018 | - | 93,383,363 | 67,036,002 | 65,794,086 | 17,636,928 | 11,615,435 | 265,078,853 | - | 520,544,667 |
| Depreciation | - | 14,599,401 | 2,743,173 | 2,134,695 | 919,480 | 477,051 | 36,956,024 | - | 57,829,823 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer/adjustment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| At 30th June 2019 | - | 107,982,764 | 69,779,174 | 67,928,781 | 18,556,407 | 12,092,486 | 302,034,877 | - | 578,374,490 |
| Depreciation | - | 14,307,413 | 2,270,006 | 4,250,953 | 804,545 | 298,157 | 33,535,596 | - | 55,466,670 |
| Disposals | - | - | - | - | - | - | - | - | - |

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|-------------------------------|----------------------|--------------------|------------------|------------------|------------------|----------------|--------------------|----------------------|----------------------|---|---|---|---|---|---|---|---|-------------|---|
| Impairment | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer/adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| At 30 th June 2020 | - | 122,290,177 | 72,049,180 | 72,179,734 | 19,360,952 | 12,390,643 | 335,570,473 | - | - | - | - | - | - | - | - | - | - | 633,841,160 | - |
| Net book values | | | | | | | | | | | | | | | | | | | |
| At 30 th June 2020 | <u>3,432,000,000</u> | <u>701,063,235</u> | <u>6,810,018</u> | <u>9,918,891</u> | <u>5,631,814</u> | <u>496,928</u> | <u>234,749,174</u> | <u>1,577,542,685</u> | <u>5,968,212,745</u> | | | | | | | | | | |
| At 30 th June 2019 | <u>435,000,000</u> | <u>715,370,648</u> | <u>8,229,518</u> | <u>4,980,954</u> | <u>6,436,359</u> | <u>795,085</u> | <u>258,692,167</u> | <u>1,348,800,163</u> | <u>2,778,304,895</u> | | | | | | | | | | |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

37 WORK-IN PROGRESS

| Description | | | | |
|-------------------------|-------------------|----------------------|--------------------|----------------------|
| WORK-IN-PROGRESS | Description | BAL B/F | ADDITIONS | TOTAL |
| Hostels | Buildings | 14,619,741 | - | 14,619,741 |
| Academic Block P1 | Buildings | 385,679,549 | - | 385,679,549 |
| Academic Block P2 | Buildings | 139,376,669 | 54,917,153 | 194,293,822 |
| Dining Hall | Buildings | 231,249,404 | - | 231,249,404 |
| Resource III | Buildings | 311,556,899 | 97,851,319 | 409,408,218 |
| Lecture Hall | Buildings | 84,443,909 | 75,443,000 | 159,886,909 |
| link Road | Land improvements | 85,445,658 | - | 85,445,658 |
| Engineering Annex | Buildings | 79,254,269 | 531,050 | 79,785,319 |
| Conservancy Phase 11 | Buildings | 5,478,581 | - | 5,478,581 |
| Ambulation Block | Buildings | 7,862,213 | - | 7,862,213 |
| University Gate | Buildings | 3,833,272 | - | 3,833,272 |
| Bal c/d | | <u>1,348,800,164</u> | <u>228,742,522</u> | <u>1,577,542,686</u> |

38 INTANGIBLE ASSETS-SOFTWARE

| Description | 2019-2020 | 2018-2019 |
|------------------------------------|-----------|-----------|
| | KShs | KShs |
| Cost | | |
| At beginning of the year | 0 | 0 |
| Additions | 0 | 0 |
| At end of the year | 0 | 0 |
| Additions—internal development | 0 | 0 |
| At end of the year | 0 | 0 |
| Amortization and impairment | | |
| At beginning of the year | 0 | 0 |
| Amortization | 0 | 0 |
| At end of the year | 0 | 0 |
| Impairment loss | 0 | 0 |
| At end of the year | 0 | 0 |
| NBV | 0 | 0 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

39 INVESTMENT PROPERTY

| Description | 2019-2020 | 2018-2019 |
|---|-------------|-------------|
| | KShs | KShs |
| i) One (1) ordinary shares of Ksh 20.00 in Kenya Farmers Association | 20 | 20 |
| ii) 130175 redeemable ordinary shares of ksh 10.00 each with Kenya Planters Co-operative Union Ltd. | 1,301,750 | 1,301,750 |
| Impairment of investment | (1,301,770) | (1,301,770) |
| | <u>0</u> | <u>0</u> |

40 BIOLOGICAL ASSETS

| Description | 2019-2020 | 2018-2019 |
|-------------------------------------|-------------------|----------------------|
| | KShs | KShs |
| Livestock | 5,154,000 | 5,427,000.00 |
| Coffee trees | | |
| Number of Coffee trees (170,306@50) | 8,515,300 | 8,999,850.00 |
| Total | 13,669,300 | 14,426,850.00 |
| This was at net realisable value | | |

41 BANK OVERDRAFT

| | | | |
|-------------------------------|----------------|-------------------|-------------------|
| Consolidated Payment main A/C | 10061200000061 | 16,581,864 | 44,635,206 |
| Family Bank Payment A/C | 055000028807 | 65,610 | - |
| Standard chartered | 0102045131203 | - | 817,702 |
| Equity Fee collection A/C | 1150297300480 | - | 1,471,651 |
| Sub- total | | 16,647,474 | 46,924,560 |

42 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

| Description | 2019-2020 | 2018-2019 |
|---------------------------------------|--------------------|--------------------|
| | KShs | KShs |
| Trade and other payables | 284,452,401 | 316,248,565 |
| Provisions (audit fees) | 870,000 | 870,000 |
| Research grants | 11,814,064 | 6,898,730 |
| Total trade and other payables | 297,136,465 | 324,017,295 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

43 TRADE AND OTHER PAYABLES FROM NON-EXCHANGE TRANSACTIONS

| Description | 2019-2020 | 2018-2019 |
|--|-------------------|--------------------|
| | KShs | KShs |
| Prepayment (AFDB, CUE, HELB) | 37,327,937 | 66,952,820 |
| Capital Development Retention Funds | 45,753,295 | 46,032,735 |
| Total Non-Exchange transactions | 83,081,232 | 112,985,555 |

44 EMPLOYEE BENEFIT OBLIGATIONS

| Description | Define d benefit plan | Post- employem t medical benefits | Other Provisio ns | 2019-2020 | 2018-2019 |
|-----------------------------|--------------------------------|--|-------------------------|--------------------|-------------------|
| | KShs | KShs | KShs | KShs | KShs |
| Pension arrears | 0 | 0 | 0 | 23,183,670 | 26,740,533 |
| CBA Salary Arrears | | | | 104,868,054 | |
| June 2019 Salary deductions | 0 | 0 | 0 | 0 | 35,539,892 |
| | | | | 128,051,724 | 62,280,425 |

The University 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 obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.400 per employee per month.

45 PAYMENTS RECEIVED IN ADVANCE

| Description | 2019-2020 | 2018-2019 |
|-------------------|-------------------|-------------------|
| | KShs | KShs |
| Student creditors | 36,146,338 | 39,143,894 |
| | 36,146,338 | 39,143,894 |

46 ACCUMULATED SURPLUS

| Description | 2019-2020 | 2018-2019 |
|---|----------------------|----------------------|
| | KShs | KShs |
| Bal as at 1/7/2019 | (343,015,704) | (285,795,148) |
| University Surplus/deficit for the period | 118,093,127 | (57,220,556) |
| Bal as at 30/6/2020 | (224,922,577) | (343,015,704) |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

47 REVALUATION ACCOUNTS

| Description | 2019-2020 | 2018-2019 |
|----------------------|----------------------|--------------------|
| | KShs | KShs |
| Bal as at 1/7/2019 | 594,561,637 | 594,561,637 |
| Addition in the year | 2,997,000,000 | 0 |
| Bal as at 30/6/2020 | <u>3,591,561,637</u> | <u>594,561,637</u> |

48 CAPITAL FUND

| Description | 2019-2020 | 2018-2019 |
|---------------------|----------------------|----------------------|
| | KShs | KShs |
| Bal as at 1/7/2019 | 2,289,049,802 | 2,054,252,711 |
| Development fund | 213,753,709 | 234,797,091 |
| Donation | 3,768,208 | 0 |
| Bal as at 30/6/2020 | <u>2,506,571,719</u> | <u>2,289,049,802</u> |

49 REFUNDABLE DEPOSITS FROM CUSTOMERS

| Description | 2019-2020 | 2018-2019 |
|-----------------------|-----------|-----------|
| | KShs | KShs |
| Consumer deposits | 0 | 0 |
| Other deposits | 0 | 0 |
| Total deposits | 0 | 0 |

50 CURRENT PROVISIONS

| Description | Leave provision | Bonus provision | Other provision | Total |
|---|-----------------|-----------------|-----------------|----------|
| | KShs | KShs | KShs | KShs |
| Balance b/d(1.07.2019) | 0 | 0 | 0 | 0 |
| Additional Provisions | 0 | 0 | 0 | 0 |
| Provision utilised | (0) | (0) | (0) | (0) |
| Change due to discount and time value for money | (0) | (0) | (0) | (0) |
| Transfers from non -current provisions | 0 | 0 | 0 | 0 |
| Total provisions as at 30.6.2020 | 0 | 0 | 0 | 0 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

51 FINANCE LEASE OBLIGATION

| Description | Minimum lease payments | Future finance charges | Present value of minimum lease payments | 2018-2019 |
|-------------------------------------|------------------------|------------------------|---|-----------|
| | KShs | KShs | KShs | KShs |
| Within current year | 0 | 0 | 0 | 0 |
| Long term portion of lease payments | 0 | 0 | 0 | 0 |
| Total provisions | 0 | 0 | 0 | 0 |

52 DEFERRED INCOME

| Description | 2019-2020 | 2018-2019 |
|------------------------------------|-----------|-----------|
| | KShs | KShs |
| National government | 0 | 0 |
| International funders | 0 | 0 |
| Public contributions and donations | 0 | 0 |
| Total deferred income | 0 | 0 |

The deferred income movement is as follows:

| | National government | International funders | Public contributions and donations | Total |
|--------------------------------|---------------------|-----------------------|------------------------------------|----------|
| Balance brought forward | 0 | 0 | 0 | 0 |
| Additions | 0 | 0 | 0 | 0 |
| Transfers to Capital fund | (0) | (0) | (0) | (0) |
| Transfers to income statement | (0) | (0) | (0) | (0) |
| Other transfers | (0) | (0) | (0) | (0) |
| Balance carried forward | 0 | 0 | 0 | 0 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

53 NON-CURRENT PROVISIONS

| Description | Long service leave | Gratuity | Other Provisions | Total |
|---|--------------------|----------|------------------|----------|
| | KShs | KShs | KShs | KShs |
| Balance at the beginning of the year | 0 | 0 | 0 | 0 |
| Additional Provisions | 0 | 0 | 0 | 0 |
| Provision utilised | (0) | (0) | (0) | (0) |
| Change due to discount and time value for money | 0 | 0 | 0 | 0 |
| Less: Current portion | (0) | (0) | (0) | (0) |
| Total deferred income | 0 | 0 | 0 | 0 |

54 BORROWINGS

| Description | 2019-2020 | 2018-2019 |
|---|-----------|-----------|
| | KShs | KShs |
| Balance at beginning of the period | 0 | 0 |
| External borrowings during the year | 0 | 0 |
| Domestic borrowings during the year | 0 | 0 |
| Repayments of external borrowings during the period | 0 | 0 |
| Repayments of domestic borrowings during the period | 0 | 0 |
| Balance at end of the period | 0 | 0 |

The analyses of both external and domestic borrowings are as follows:

| | 2019-2020 | 2018-2019 |
|--|-----------|-----------|
| | KShs | KShs |
| External Borrowings | | |
| Dollar denominated loan | 0 | 0 |
| Sterling Pound denominated loan | 0 | 0 |
| Euro denominated loan | 0 | 0 |
| Domestic Borrowings | | |
| Kenya Shilling loan from KCB | 0 | 0 |
| Kenya Shilling loan from Barclays Bank | 0 | 0 |
| Kenya Shilling loan from Consolidated Bank | 0 | 0 |
| Total balance at end of the year | 0 | 0 |

| Description | 2019-2020 | 2018-2019 |
|--|-----------|-----------|
| | KShs | KShs |
| Short term borrowings(current portion) | 0 | 0 |
| Long term borrowings | 0 | 0 |
| Total | 0 | 0 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

55 SERVICE CONCESSION ARRANGEMENTS

| Description | 2019-2020 | 2018-2019 |
|--|-----------|-----------|
| | KShs | KShs |
| Fair value of service concession assets recognized under PPE | 0 | 0 |
| Accumulated depreciation to date | (0) | (0) |
| Net carrying amount | <u>0</u> | <u>0</u> |
| Service concession liability at beginning of the year | 0 | 0 |
| Service concession revenue recognized | 0 | 0 |
| Service concession liability at end of the year | <u>0</u> | <u>0</u> |

56 CASH GENERATED FROM OPERATIONS

| | 2019-2020 | 2018-2019 |
|--|--------------------|---------------------|
| | KShs | KShs |
| Surplus/Deficit for the year before tax | 118,093,127 | (57,220,556) |
| Adjusted for: | | |
| Depreciation | 55,466,670 | 57,829,823 |
| Gain/(Loss) in revaluation | 757,550 | (582,001) |
| | 174,317,347 | 27,266 |
| Working Capital adjustments | | |
| Increase in inventory | 3,185,546 | (2,218,249) |
| Increase in receivables | (142,090,419) | (120,991,139) |
| Increase in payables | 8,986,145 | 93,357,303 |
| Increase in payments received in advance | -2,997,556 | 6,199,247 |
| Net cash flow from operating activities | 41,401,063 | (23,625,571) |

57 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 entity'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 entity 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, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for

NOTES TO THE FINANCIAL STATEMENTS (Continued)

doubtful receivables, estimated by the entity'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 2020 | | | | |
| Receivables from exchange transactions | 291,306,598 | 291,306,598 | 0 | 0 |
| Receivables from non exchange transactions | 102,591,991 | 102,591,991 | 0 | 0 |
| Bank balances | 55,282,101 | 55,282,101 | 0 | 0 |
| Total | 449,180,690 | 449,180,690 | 0 | 0 |
| At 30 June 2019 | | | | |
| Receivables from exchange transactions | 168,133,975 | 168,133,975 | 0 | 0 |
| Receivables from non exchange transactions | 83,674,195 | 83,674,195 | 0 | 0 |
| Bank balances | 75,010,727 | 75,010,727 | 0 | 0 |
| Total | 326,818,897 | 326,818,897 | 0 | 0 |

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

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

(ii) Liquidity risk management

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

The table below represents cash flows payable by the entity 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

| | Less than 1 month | Between 1-3 months | Over 5 months | Total |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|
| | Kshs | Kshs | Kshs | Kshs |
| At 30 June 2020 | | | | |
| Trade payables | 10,723,649 | 11,831,650 | 357,662,398 | 380,217,697 |
| Current portion of borrowings | 0 | 0 | 0 | 0 |
| Provisions | 0 | 0 | 0 | 0 |
| Deferred income | 0 | 0 | 0 | 0 |
| Employee benefit obligation | 104,868,054 | 0 | 23,183,670 | 128,051,724 |
| Total | 115,591,703 | 11,831,650 | 380,846,068 | 508,269,421 |
| At 30 June 2019 | | | | |
| Trade payables | 9,903,519 | 5,677,168 | 421,422,163 | 437,002,850 |
| Current portion of borrowings | 0 | 0 | 0 | 0 |
| Provisions | 0 | 0 | 0 | 0 |
| Deferred income | 0 | 0 | 0 | 0 |
| Employee benefit obligation | 35,539,892 | 0 | 26,740,533 | 62,280,425 |
| Total | 45,443,411 | 5,677,168 | 448,162,696 | 499,283,275 |

(iii) Market risk

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

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

a) Foreign currency risk

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

The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

NOTES TO THE FINANCIAL STATEMENTS (Continued)

| | Ksh | Other currencies | Total |
|---|---------------------|------------------|---------------------|
| | Kshs | Kshs | Kshs |
| At 30 June 2020 | | | |
| Financial assets | | | |
| Investments | 0 | 0 | 0 |
| Cash | 0 | 0 | 0 |
| Debtors | 393,898,589 | 0 | 393,898,589 |
| Total financial assets | 393,898,589 | 0 | 393,898,589 |
| Financial Liabilities | | | |
| Trade and other payables | 544,415,759 | 0 | 544,415,759 |
| Borrowings | 0 | 0 | 0 |
| Total financial liabilities | 544,415,759 | 0 | 544,415,759 |
| Net foreign currency asset/(liability) | -150,517,170 | 0 | -150,517,170 |

The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

| | Ksh | Other currencies | Total |
|---|---------------------|------------------|---------------------|
| | Kshs | Kshs | Kshs |
| At 30 June 2019 | | | |
| Financial assets | | | |
| Investments | 0 | 0 | 0 |
| Cash | 0 | 0 | 0 |
| Debtors | 251,808,170 | 0 | 251,808,170 |
| Total financial assets | 251,808,170 | 0 | 251,808,170 |
| Financial Liabilities | | | |
| Trade and other payables | 538,427,169 | 0 | 538,427,169 |
| Borrowings | 0 | 0 | 0 |
| Total financial liabilities | 538,427,169 | 0 | 538,427,169 |
| Net foreign currency asset/(liability) | -286,618,999 | 0 | -286,618,999 |

Foreign currency sensitivity analysis

The following table demonstrates the effect on the entity's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Foreign currency sensitivity analysis (Continued)

| | Change in currency rate | Effect on Profit before tax | Effect on equity |
|-------------|----------------------------|--------------------------------|---------------------|
| | Kshs | Kshs | Kshs |
| 2020 | | | |
| Euro | 0 | 0 | 0 |
| USD | 0 | 0 | 0 |
| 2019 | 0 | | |
| Euro | 0 | 0 | 0 |
| USD | 0 | 0 | 0 |

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 endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage.

Fair value of financial assets and liabilities

a) *Financial instruments measured at fair value*

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the entity's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The *entity* considers relevant and observable market prices in its valuations where possible.

The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

| | Level 1 Kshs | Level 2 Kshs | Level 3 Kshs | Total Kshs |
|------------------------------|-----------------|-----------------|----------------------|----------------------|
| At 30 June 2020 | | | | |
| Financial Assets | | | | |
| Quoted equity investments | 0 | 0 | 0 | 0 |
| Non- financial Assets | | | | |
| Investment property | 0 | 0 | 0 | 0 |
| Land and buildings | 0 | 0 | 4,133,063,235 | 4,133,063,235 |
| | 0 | 0 | 4,133,063,235 | 4,133,063,235 |
| At 30 June 2019 | | | | |
| Financial Assets | | | | |
| Quoted equity investments | 0 | 0 | 0 | 0 |
| Non- financial Assets | | | | |
| Investment property | 0 | 0 | 0 | 0 |
| Land and buildings | 0 | 0 | 1,150,370,648 | 1,150,370,648 |
| | | | <u>0</u> | <u>0</u> |
| | 0 | 0 | 1,150,370,648 | 1,150,370,648 |

There were no transfers between levels 1, 2 and 3 during the year.

Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) **Capital Risk Management**

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

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| | 2019-2020 | 2018-2019 |
|---|----------------------|----------------------|
| | Kshs | Kshs |
| Revaluation reserve | 3,591,561,637 | 594,561,637 |
| Retained earnings | (224,922,577) | (343,015,704) |
| Capital reserve | 2,506,571,719 | 2,289,049,802 |
| Total funds | 5,873,210,779 | 2,540,595,735 |
| Total borrowings | 0 | 0 |
| Less: cash and bank balances | 55,282,101 | 75,010,727 |
| Net debt/(excess cash and cash equivalents) | 55,282,101 | 75,010,727 |
| Gearing | 0 | 0 |

58 RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Council Members
- iv) DeKUTES

| | 2019-2020 | 2018-2019 |
|--|-------------------|------------------|
| | Kshs | Kshs |
| Transactions with related parties | | |
| a) Sales to related parties | | |
| DEKUTES | | |
| Sales of goods | 0 | 5,971,362 |
| Sales of services | 13,830,177 | 0 |
| Total | 13,830,177 | 5,971,362 |
| b) Grants from the Government | | |
| Grants from National Govt | 1,192,141,028 | 734,840,704 |

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| | | |
|--|----------------------|--------------------|
| Grants from County Government | 0 | 0 |
| Donations in kind | 0 | 0 |
| Total | 1,192,141,028 | 734,840,704 |
| c) Expenses incurred on behalf of DEKUTES | | |
| Payments of salaries and wages | 13,830,177 | 0 |
| Payments for goods and services | 0 | 5,971,362 |
| Total | 13,830,177 | 5,971,362 |
| d) Council Members | | |
| Council' emoluments | 6,041,473 | 7,440,813 |
| Compensation to the CEO | 0 | 0 |
| Compensation to key management | 0 | 0 |
| Total | 6,041,473 | 7,440,813 |

59 SEGMENT INFORMATION

Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an entity to present segmental information of each geographic region or department to enable users understand the entity's performance and allocation of resources to different segments

60 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

| Contingent liabilities | 2019-2020 | 2018-2019 |
|---|------------------|------------------|
| | Kshs | Kshs |
| Court case against the entity | 0 | 0 |
| Bank guarantees in favour of subsidiary | 0 | 0 |
| Total | 0 | 0 |

61 CAPITAL COMMITMENTS

| Capital commitments | 2019-2020 | 2018-2019 |
|-------------------------------|------------------|------------------|
| | Kshs | Kshs |
| Authorised for | 0 | 0 |
| Authorised and contracted for | 0 | 0 |
| Total | 0 | 0 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

62 DIVIDENDS/SURPLUS REMISSION

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. Or: the entity remitted Nil (FY 2019/2020). The entity did not make any surplus during the year (FY 2019/2020) and hence no remittance to the Consolidated Fund.

63 TAXATION

| | 2019-2020 | 2018-2019 |
|--|-----------|-----------|
| | Kshs | Kshs |
| At beginning of the year | 0 | 0 |
| Income tax charge for the year (note 26) | 0 | 0 |
| Under/(over) provision in prior year/s (note 26) | 0 | 0 |
| Income tax paid during the year | 0 | 0 |
| At end of the year | 0 | 0 |

64 DEFERRED TAX LIABILITY

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year end is attributable to the following items:

| | 2019-2020 | 2018-2019 |
|---|-----------|-----------|
| | Kshs | Kshs |
| Accelerated capital allowances | 0 | 0 |
| Unrealised exchange gains/(losses) | 0 | 0 |
| Revaluation surplus | 0 | 0 |
| Tax losses carried forward | 0 | 0 |
| Provisions for liabilities and charges | 0 | 0 |
| Net deferred tax liability/(asset) | 0 | 0 |
| The movement on the deferred tax account is as follows: | | |
| Balance at beginning of the year | 0 | 0 |
| Credit to revaluation reserve | 0 | 0 |
| Under provision in prior year | 0 | 0 |
| Income statement charge/(credit) | 0 | 0 |
| Balance at end of the year | 0 | 0 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

65 EVENTS AFTER THE REPORTING PERIOD

The University Management carried out valuation of the University land using an independent valuer. The new land value was established at Kshs. **3,432,000,000** from Kshs. **435,000,000** and the necessary adjustments effected in the financial statement.

66 ULTIMATE AND HOLDING ENTITY

The University is a State Corporation under the Ministry of Education. Its ultimate parent is the Government of Kenya.

67 Currency

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

19. APPENDICES

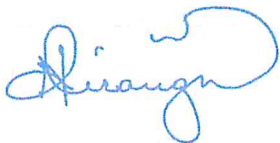
APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---|--|----------------------------|---|--|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

NB: The university management have not received the auditor's report for the financial year 2018/2019 hence no comment.

Vice chancellor



Date: 21stDecember 2020

APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

Projects implemented by the State Corporation/ SAGA Funded by development partners

| Project title | Project Number | Donor | Period/ duration | Donor commitment | Separate donor reporting required as per the donor agreement (Yes/No) | Consolidated in these financial statements (Yes/No) |
|---------------------|----------------|-------|------------------|------------------|---|---|
| 1 Resource III | | GOK | 3 Years | 100% | NO | YES |
| 2 Lecture Theatre | | GOK | 3 Years | 100% | NO | YES |
| 3 Academic Block P2 | | GOK | 3 Years | 100% | NO | YES |

Status of Projects completion

| | Project | Total project Cost | Total expended to date | Completion % to date | Budget | Actual | Sources of funds |
|---|-------------------|--------------------|------------------------|----------------------|-------------|------------|------------------|
| 1 | Resource III | 475,096,810 | 409,408,218 | 97% | 104,361,405 | 97,851,319 | GOK |
| 2 | Lecture Hall | 234,428,237 | 159,886,909 | 88% | 75,809,669 | 75,443,000 | GOK |
| 3 | Academic Block P2 | 285,899,378 | 194,293,822 | 87% | 55,262,000 | 54,917,153 | GOK |

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APPENDIX III: INTER-ENTITY TRANSFERS

| ENTITY NAME: | | DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY | | |
|---|--------------------|--|----------------------|--|
| Break down of Transfers from the State Ministry of Education Science and Technology | | | | |
| FY 2019/2020 | | | | |
| a. | Recurrent Grants | | | |
| | | <u>Bank Statement Date</u> | <u>Amount (KShs)</u> | <u>Indicate the FY to which the amounts relate</u> |
| | | 09-08-19 | 72,982,944 | 2019/2020 |
| | | 29-08-19 | 72,982,944 | 2019/2020 |
| | | 27-09-19 | 72,982,944 | 2019/2020 |
| | | 06-11-19 | 72,982,944 | 2019/2020 |
| | | 05-12-19 | 72,982,944 | 2019/2020 |
| | | 22-01-20 | 72,982,944 | 2019/2020 |
| | | 12-02-20 | 72,982,944 | 2019/2020 |
| | | 06-03-20 | 72,982,944 | 2019/2020 |
| | | 03-04-20 | 72,982,944 | 2019/2020 |
| | | 12-05-20 | 72,982,944 | 2019/2020 |
| | | 10-06-20 | 72,982,944 | 2019/2020 |
| | | 26-06-20 | 72,982,944 | 2019/2020 |
| | | Total | 875,795,325 | |
| b. | Development Grants | | | |
| | | <u>Bank Statement Date</u> | <u>Amount (KShs)</u> | <u>Indicate the FY to which the amounts relate</u> |
| | | 22-11-19 | 119,071,644 | 2019/2020 |
| | | 13-03-20 | 94,682,065 | 2019/2020 |
| | | Total | 213,753,709 | |
| c. | Direct Payments | | | |
| | | <u>Bank Statement Date</u> | <u>Amount (KShs)</u> | <u>Indicate the FY to which the amounts relate</u> |
| | | | 0 | |

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| | | | | |
|----|----------------|-----------------------|----------------------|---------------------------------|
| | | | 0 | |
| | | | 0 | |
| | | Total | 0 | |
| | | | | |
| d. | Donor Receipts | | | |
| | | <u>Bank Statement</u> | <u>Amount (KShs)</u> | <u>Indicate the FY to which</u> |
| | | <u>Date</u> | | <u>the amounts relate</u> |
| | | | 0 | |
| | | | 0 | |
| | | | 0 | |
| | | Total | 0 | |
| | | | | |
| | | | | |

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

Ag. Finance Officer
 Dedan Kimathi University of Technology

Sign:



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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

| Name of the MDA/Donor Transferring the funds | Date received | Nature: Recurrent/Development/Others | Total Amount - KES | Where Recorded/recognized | | | | Total Transfers during the Year | |
|--|---------------|--------------------------------------|--------------------|------------------------------------|--------------|-----------------|-------------|---------------------------------|---------------------------|
| | | | | Statement of Financial Performance | Capital Fund | Deferred Income | Receivables | | Others - must be specific |
| Ministry of Education Science and Technology | 09-08-19 | Recurrent | 72,982,944 | 72,982,944 | 0 | 0 | 0 | 0 | 72,982,944 |
| | 29-08-19 | Recurrent | 72,982,944 | 72,982,944 | 0 | 0 | 0 | 0 | 72,982,944 |
| | 27-09-19 | Recurrent | 72,982,944 | 72,982,944 | 0 | 0 | 0 | 0 | 72,982,944 |
| | 06-11-19 | Recurrent | 72,982,944 | 72,982,944 | 0 | 0 | 0 | 0 | 72,982,944 |
| | 22-11-19 | Development | 0 | 0 | 119,071,644 | 0 | 0 | 0 | 119,071,644 |
| | 05-12-19 | Recurrent | 72,982,944 | 72,982,944 | 0 | 0 | 0 | 0 | 72,982,944 |
| | 22-01-20 | Recurrent | 72,982,944 | 72,982,944 | 0 | 0 | 0 | 0 | 72,982,944 |
| | 12-02-20 | Recurrent | 72,982,944 | 72,982,944 | 0 | 0 | 0 | 0 | 72,982,944 |
| | 06-03-20 | Recurrent | 72,982,944 | 72,982,944 | 0 | 0 | 0 | 0 | 72,982,944 |

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| | | | | | | | | | |
|--------------|----------|-------------|--------------------|--------------------|--------------------|----------|--------------------|-------------|----------------------|
| | 13-03-20 | Development | 0 | 0 | 94,682,065 | 0 | 0 | 0 | 94,682,065 |
| | 03-04-20 | Recurrent | 72,982,944 | 72,982,944 | 0 | 0 | 0 | 72,982,944 | |
| | 12-05-20 | Recurrent | 72,982,944 | 72,982,944 | 0 | 0 | 0 | 72,982,944 | |
| | 10-06-20 | Recurrent | 72,982,944 | 72,982,944 | 0 | 0 | 0 | 72,982,944 | |
| | 26-06-20 | Recurrent | 72,982,944 | 72,982,944 | 0 | 0 | 0 | 72,982,944 | |
| | 06-07-20 | Recurrent | | | | | 102,591,991 | 102,591,991 | |
| Total | | | 875,795,325 | 875,795,325 | 213,753,709 | 0 | 102,591,991 | 0 | 1,192,141,025 |