REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

TAITA TAVETA UNIVERSITY

FOR THE YEAR ENDED 30 JUNE, 2020

TAITA TAVETA UNIVERSITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2020

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

Table of Content

1. KEY TAITA TAVETA UNIVERSITY INFORMATION AND MANAGEMENT

a.Background information

Taita Taveta University was initially established as a Campus of JKUAT in 2008, became a Constituent College of Jomo Kenyatta University of Agriculture and Technology via Legal Notice Number 156 of 18th October, 2011, and was elevated to a fully-fledged University through award of the Taita Taveta University Charter on **7th October, 2016**. Over the years of TTU's establishment and operations, the University Council, Management, staff and students have collectively embraced a transformative journey aimed at positioning the University as a strategic player in national and regional development, and an academic centre of excellence with a special focus on Mining, Mineral Processing and Natural Resource Management. Progressively, Taita Taveta University has accordingly established itself as the University of Mining, Applied Sciences and Entrepreneurship. The University hosts the Centre of Excellence in Mining, Environmental Engineering and Natural Resource Management (CEMEREM) supported by the DAAD of Germany.

b.Principal Activities

The principal activity of Taita Taveta University is teaching, research and community outreach. The vision, mission and core values that underpin our principal activity are as outlined below.

c.Vision Statement

An educated and transformed society in sustainability of natural resources.

d.Mission Statement

To be a University for research, education, teaching and community service in management of mineral and natural resources.

e.Core Values

i)**Result Oriented**- budgeting and planning is geared towards achieving desired results with minimum expenses

ii)**Quality**- All work is done to ensure products and services of the highest quality are achieved.

iii)**Innovativeness**- in the face of many challenges, innovation is championed to ensure set targets are achieved

iv)**Transparency and accountability** –All dealings should be open and accountable to stakeholders

Professionalism and ethical conduct -staff are required to uphold the highest professional and ethical standards in their assignment.

f. Key Management

The Taita Taveta University's day-to-day management falls under the following three key organs:

1) Vice Chancellor – The CEO, Administrative and Academic Head
2) Deputy Vice Chancellor in charge of Administration, Finance & Planning– Divisional Head
3) Deputy Vice Chancellor in charge of Academic, Research & Outreach – Divisional Head

g. Fiduciary Management

The key management personnel who held office during the financial year ended June 30, 2020 and who had direct fiduciary responsibility were:

Designation	Name
Ag. Vice Chancellor	Prof. Fred Simiyu Barasa
Ag. Deputy Vice Chancellor (Administration Finance & Planning)	Prof. Kiptanui Arap Too
Deputy Vice Chancellor (Academic, Research & Outreach)	Prof. Christine Akoth Onyango
Ag. Registrar (Academic, Research & Outreach)	Dr. Meshack Mwandoe Pongah
Director Administration, Planning and Development (APD)	Mr. Habib Mruttu
Head of Procurement	Mr. Simon Kamos Ndiwa
Director of Finance	Mr. Peter Kisombe

h. Fiduciary Oversight Arrangements

A. University Council	
Membership is as listed under University Council	
1.Dr. Morompi Ole Ronkei	Chairman
2.Ms. Jane Kimbwarata	Member
3.Mr. Tom Kiptoon Kandagor	Member
4.Ms. Sophia Akinyi Yego	Member
5.Ms. Jane Mumbi Weru	Member
6.Ms. Jayne K. Mwanza	Member
7.Mr. Joseph Kiarii - Representing PS, The National Treasury.	Member
8.Mr. Johnson Nanjakululu - Representing PS, State Department for University Education and Research, Ministry of Education.	Member
9.Prof. Fred Simiyu Barasa	Secretary

B. Finance, Development and General Purpose Committee	
1.Mr. Tom Kiptoon Kandagor	Chairman
2.Mr. Johnson Nanjakululu- Representing PS, State Department for University Education and Research, Ministry of Education	Member
3.Ms. Sophia Akinyi Yiega	Member
4.Mr. Joseph Kiarii - Representing PS The National Treasury	Member

C. Audit, Risk and Governance Committee	
1.Ms. Jane Mumbi Weru	Chairman
2.Mr. Johnson Nanjakululu- Representing PS, State Department for University Education and Research, Ministry of Education	Member
3.Mr. Joseph Kiarii - Representing PS The National Treasury	Member
4.Ms. Jane Kimbwarata	Member
5.Mr. John Runga-HOD Audit/ Secretary (Ex-Official)	Member

D.Human Resource and Development Committee	
1.Ms. Jane Kimbwarata	Chairman
2. Ms. Jayne Mwanza	Member
3. Mr. Johnson Nanjakululu - Representing PS, State Department for University Education and Research, Ministry of Education	Member
4. Mr. Joseph Kiarii - Representing PS The National Treasury	Member

E.Sealing Committee	
1.Ms. Jayne Mwanza	Chairman
2.Mr. Tom Kiptoon Kandagor	Member
3.Ms. Jane Mumbi Weru	Member
4.Mr. Joseph Kiarii - Representing PS The National Treasury	Member
5.Mr. Johnson Nanjakululu- Representing PS, State Department for University Education and Research, Ministry of Education	Member

Note: All members of Committees listed above, except Ms Jayne Mwanza, Mr. Joseph Kiarii and Mr. Johnson Nanjakululu, had their terms expire on 10th March 2020. However, as at the end of FY 2019/2020, no appointments or re-appointments had been made. Accordingly, their fiduciary responsibilities of governance applies to the period between 1st July 2019 and 10th March 2020.

i.Taita Taveta University Head quarters

Taita Taveta University
Main Campus (off Voi-Mwatate Road)
P. O. Box 635 – 80300
VOI, KENYA.

j.Taita Taveta University Contacts

Telephone :(254) 0662 322234
E-mail: vc@ttu.ac.ke
Website: www.ttu.ac.ke

k.Taita Taveta University Bankers

Kenya Commercial Bank Ltd
Voi Branch
P.O. Box 137 - 80300
Voi, Kenya

Equity Bank Ltd
Voi Branch
P.O. Box 325 - 80300
Voi, Kenya

l. Independent Auditors

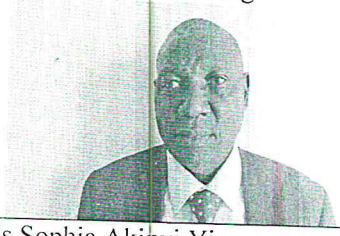
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P. O. Box 30084 - 00100
Nairobi, Kenya

m. Principal Legal Adviser

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

UNIVERSITY COUNCIL NOTE: In the Financial Year 2019/2020, the term of service for the Council members who had served for the 1st, 2nd and part of the 3rd Quarter expired on 10th March 2020, except for Ms Jayne Mwanza, Mr. Joseph Kiarii and Mr. Johnson Nanjakululu.

2. THE UNIVERSITY COUNCIL MEMBERS

1.Dr. Morompi Ole Ronkei 	Born:1960 Doctor of Philosophy (Univ. Of Oregon) He had previously worked at Daystar University, and later at Compassion International as CEO for many years, and is currently working as a communications consultant. He is the chairman of Council. His term expired on 10th March 2020.
2.Ms. Jane Kimbwarata 	Born: 1972 Master of Science, Information Science, Moi University. She is the Chair of the Human Resource Development Committee of Council. She has 19 years' experience working in the Public Sector. Her term expired on 10th March 2020.
3.Ms.Jane Mumbi Weru 	Born 1963. Master in Management of NGO's. A lawyer by profession with over 20 years working experience. She is the chairman of the Audit, Risk and Governance Committee of Council. Her term expired on 10th March 2020.
4.Mr.Tom Kiptoo Kandagor 	Born 1955. MBA, Maaschrict University. He has over 26 years of experience in the Banking industry. He is the Chairman of Finance, Development and General Purpose Committee of Council. His term expired on 10th March 2020.
5.Ms.Sophia Akinyi Yiega 	Born 1968. Master of Education in Psychology. Has over 20 years working experience, 10 years of which she has worked with the National Government and the other 10 years working with NGO's in education, civil society and community development. Her term expired on 10th March 2020.

6.Ms. Jayne K.Mwanza 	Born 1965. MBA (Human Resource Management) Kenyatta University (KU), Bachelor of Arts (B.A) Degree, University of Nairobi (UoN) and Higher Diploma in Human Resource Management, Kenya Polytechnic. She worked as the Assistant Registrar in charge of Examinations and Admissions of Jomo Kenyatta University of Agriculture and Technology (JKUAT) and at University of Nairobi (UoN). She has over 20 years working experience in Human Resource Management and currently works as the Chief Executive Officer, Rock Global Ltd. She is a member of the Human Resource Development Committee of Council.
7. Mr. Johnson Nanjakululu 	Born: 1962 M.E.D (University of Nairobi), Currently the Deputy Director, Higher Education. He is a Competency Based Education and Training Specialist. He has 34 years of working experience.
8. Mr. Joseph Kiarii 	Born: 1966 Bachelor of Commerce (BCom), Accounting Option, University of Nairobi (UON). He has over 20 years' experience in Public Finance Management. He is currently working at The National Treasury and is a member of Institute of Certified Financial Analysts (ICFA).
9. Prof. Fred Simiyu Barasa 	Born: 1960 PhD in Comparative and International Education (University of Natal); MA(Ed.) and BEd (Sc) – Kenyatta University; Has previously served as the Executive Director/CEO of the African Council for Distance Education (ACDE); Manager (Academic Program Development and Management at the African Virtual University (AVU); Director, College of Distance Education (Egerton University); Dean, School of Education, Arts and Theology (Kabarak University); Dean, Faculty of Education and Human Resources (Egerton University), and Chairman, Department of Educational Foundations. He has also served as Deputy Principal (Administration, Finance and Planning), TTUC as well as Deputy Vice Chancellor (Administration, Finance and Planning), TTU. He is currently the Acting Vice Chancellor and Secretary to the Council. Ex-officio member of council

3. MANAGEMENT TEAM

1. Prof. Fred Simiyu Barasa  PhD, Comparative and International Education, University of Natal, RSA	**Ag. Vice Chancellor** Accounting Officer/ Chief Administrative and Academic Head of the Institution
2.Prof. Christine Onyango  PhD in Food Science and Post-Harvest Technology, Jomo Kenyatta University of Agriculture and Technology.	**Deputy Vice Chancellor (Academic, Research and Outreach)** Head of Division and responsible for Academic, Research and Outreach functions of the institution.
3. Prof. Kiptanui Jonah Arap Too  PhD in Civil Engineering specialised in Geotechnical Engineering, Kyoto University, Japan.	**Ag. Deputy Vice Chancellor (Administration, Finance and Planning)** Head of Division and responsible for Administration, Finance and Planning functions of the University.

4. CHAIRMAN'S STATEMENT

The financial year 2019/2020 marks the ninth year of our stewardship over financial and other resources entrusted to us. Conscious of our mandate and guided by our motto of "Home of Ideas", we endeavour to prudently manage resources at our disposal in addition to offering the highest quality of service to our clients and all stakeholders. Taita Taveta University continues to ensure strict financial discipline, focused execution of the management agenda and resolute pursuit of agreed strategies.

The FY 2019/2020 presented great opportunities for development and growth but also significant financial shortfall challenges. However, the resources allocated and received have been instrumental in facilitating infrastructure and human resource development, and in particular the support towards personnel emolument commitments. Ongoing infrastructural projects include: construction of Phase II and III of the state-of-the art Centre for Mining, Fuels and Mineral Processing Engineering; construction of the Central Administration office block at the Main Campus; and construction of the office and classroom block at Taveta, in addition to support for various staff pursuing PhD, Master and Bachelor degree study programmes. Further, the University continued delivering academic programmes prudently while maintaining and securing her assets.

Despite the development and growth achievements highlighted above, Taita Taveta University faced and still faces many challenges. Inadequate funding from the exchequer, decline in both recurrent and capital funds allocated to the University for FY 2019/2020, and low staffing levels for both academic and administrative staff are among the challenges experienced. As Taita Taveta University transits and implements Commission for University Education (CUE) Regulations, Universities Standards and Guidelines on increasing staffing levels, construction of a Modern Library, expansion of office and classroom space, equipping and modernizing laboratories and workshops, construction of a Security Access Control Gate and supply of clean water through connection to the Mzima Springs pipeline, will continue being the University's highest priority.

In planning and budgeting, the University takes into account the Big Four Agenda, Medium Term Planning, Sustainable Development Goals (SDGs) and Vision 2030 among other National priorities.

The University Council is committed to continuous improvement in the Governance and Management of Taita Taveta University.

Sincerely,

JCM.

Ms. Jayne Mwanza
Independent Council Member
For Chairman of Council

5. REPORT OF THE VICE CHANCELLOR

Introduction

The financial year 2019/2020 has been an eventful year. The COVID -19 pandemic which led to the closure of the University on 18th March 2020 brought major challenges in the operation of the University. We have struggled with insufficient cash flows shortfalls, increasing food prices, as well as reduction in internally generated funds and capital funds. Further, we struggled but successfully managed our service providers, especially Suppliers and Part-Time Lecturers. We have nevertheless made significant progress, towards becoming International Organization for Standardization (ISO) 2015 Certified, implementation of Phase II of the Centre of Excellence for Mining, Environmental Engineering and Resource Management (CEMEREM) project at Taita Taveta University in collaboration with German Universities and winning of various other Research and Development Projects, and steady execution of the TAITAGIS project undertaken in partnership with the University of Helsinki. In the year under review, the University managed to enter into a funding contract with KALRO whereby four projects, that is, Taita Banana, Taita Pastures, Taita Soils and Taita Feeds were funded and are being implemented. Further, the University undertook various austerity measures aimed at cost reduction and cost containment. We appreciate the support and goodwill of the University Council and the Government of Kenya. Despite the challenges, they have continued to support our innovative ideas and Taita Taveta University has made good progress on all fronts.

Financial Performance

In the FY 2019/2020, Taita Taveta University received from the Government of Kenya a total of **Kshs. 433,090,848** for recurrent expenditure and **Kshs. 128,996,193** for development expenditure and was able to generate Appropriation-in-Aid of **Kshs. 152,727,451**.

During the year under review, the University realized a surplus of **Kshs. 13,504,262**. The surplus was as a result of restating all the accrued expenses in the year under review to the previous financial year. Further, the University benefitted from allocation by the Government of additional supplementary budget of **Kshs.42, 063,036** for implementation of the 2017 -2021 CBA.

Moreover, during the year under review, TTU closed the financial year with total pending bills of **Kshs. 173,577,336.00,** arising from unpaid supplier invoices, unpaid part time teaching claims, other service providers' dues, provision for retention, student fees overpayments and hospital bills. (See note 28 for details). The bulk (52%:) of pending bills **(Kshs. 89,663,196.00)** is part-time lecturer's arrears arising as a consequence of significant understaffing for academic staff. Though the financial resources are limited as compared with the daily University financial needs, TTU management is committed to reducing the pending bills over time.

As at 30 June, 2020, the University had a total of 2,796 students. The University graduated a total of 448 graduands in November 2019 the distribution of the graduands is as indicated in the table below:

Award	Male	Female	Total
Certificates	9	10	**19**
Diploma	18	12	**30**
Bachelor's Degrees	277	121	**398**
Masters Degrees	1	0	**1**
Total	**305**	**143**	**448**

To cater for the current and projected increase in student numbers, and in line with Government policy of prioritizing completion of ongoing projects during the period under review, the University focused on completion of the construction of the Mining and Mineral Processing Center (MMPE) Complex, the Central Administration Office Block and the Office and Classroom Block at Taveta as the major on-going projects which are aimed at increasing the number of laboratories, engineering workshops, teaching and office space to improve teaching, research and work environment. To ensure quality of teaching and learning, the University has continued to systematically revise and update its academic programs and develop new niche areas in line with identified national priorities especially the big four agenda.

The financial year ended 30th June, 2020 has seen the institution continue implementing austerity measures including restructuring the current organizational structure to mitigate the spiralling costs without corresponding increase in revenue. During the period under review, the University Management continued to engage the Line Ministry and the National Treasury in order for the University's budget allocation to be reviewed upwards to a level that may more reasonably be able to carter for the growing needs of the University. Further the University continued to experience significant water shortage and was forced to continue relying on private water boozers for water supply for both consumption and cleaning. Accordingly, the call for Government support to help us actualize the plans to connect the University to the reliable Mzima Springs water supply is still of highest priority.

This fiscal year, the Management Team identified protecting and strengthening the balance sheet, increasing IGU income, efficient and transparent debtors' and creditors' management, strategic capital expenditure as well as strengthening and diversifying international collaborations in research and development as its key priorities. However, the institution still relied largely on the Bank Overdraft facility currently capped at Kshs.50 Million to ensure that service provision was offered to clients uninterrupted.

During the period under review, TTU strived to comply with all the statutory requirements. All payments for taxes deducted from staff salaries and suppliers, NHIF contributions, NSSF and PAYE were remitted on time to the relevant authorities. However, some delays in remitting some staff salary

deductions was experienced due to a deficit arising from reduced Government capitation against rising costs.

TTU has no major financial improbity as per internal audit/TTU Council Audit, Risk and Governance Committee, external auditors, or other National Government Agencies providing oversight. Additionally, there are no governance issues among the Council members and top management including conflict of interest.

Conclusion

The University is grateful to the Government of Kenya and the Ministry of Education for the continued support. The Taita Taveta University community will continue to work hard to meet targets as set in the Strategic Plan and mandate as provided in the Universities Act 2012 and its amendments and the Taita Taveta University Charter. In addition, the University takes into account the Big Four Agenda, Medium Term Plan (MTP), Sustainable Development Goals (SDG) and Vision 2030 among other National priorities in planning and budgeting.

Prof. Fred Simiyu Barasa, PhD
AG. VICE CHANCELLOR

6. REVIEW OF THE UNIVERSITY'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.

Taita Taveta University (TTU) has six strategic pillars and underlying strategic objectives within its Strategic Plan for the FY 2018/2019- 2022/2023. These strategic pillars are as follows:

Pillar 1: Excellence in Research, Teaching, and Engagement: To increase research, academic & engagement capacity and impact;

Pillar 2: Facilities and Learning Environment: To provide high quality infrastructure to support teaching & Learning and provide sustainable and reliable water supply;

Pillar 3: Student Management and Experience: To promote the health and well-being of students including strengthening of Sports, Culture and Art and strengthen the capacity of TTU alumni unit;

Pillar 4: Human Resource Capacity: To attract and retain optimum number of qualified staff to meet the current and future needs;

Pillar 5: Financing and Resource Mobilization: To strengthen the financial management and resource policies and strategies;

Pillar 6: Strategic Leadership, Management and Good Corporate Governance: To strengthen TTU's institutional and governance organs for decision making; to strengthen the strategic partnerships and networking and to Strengthen TTU's corporate identity and visibility in the region and internationally.

TTU develops its annual work plans based on the above *6* pillars. Assessment of the Council's performance against its annual work plan is done on a quarterly basis by way of quarterly performance contract progress reports, and on annual basis by way of annual performance contract evaluation report and annual Council Performance Evaluation conducted by the State Corporations Advisory Committee (SCAC). The University largely achieved its performance targets set for the FY 2019/2020 period for its six strategic pillars, as indicated in the table below:

Strategic Pillar	**Objective**	**Key Performance Indicators**	**Activities**	**Achievements**
Pillar 1: Excellence in Research, Teaching, and Engagement	Increase research and publication annually	18 Refereed publications		100%
	Establish a renowned University journal and increase peer reviewed publications	Editorial Committee appointed and Mining Journal Published	Develop ToRs and appoint a Journal Committee. Secure ISSN Number, Make calls for Papers, review and publish inaugural copy of Journal	100%
Pillar 2:	Provide high quality	The Mines	Identify needs for	

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Facilities and Learning Environment	infrastructure to support teaching and learning	Labs set up, completion rate for construction of the new administration block raised from 42% to 82%, and completion rate for construction of the administration and classroom block at Taveta raised from 53% to 81%.	Advertising and award of tender for setting up Mines Labs. Continuing construction by contractors and meetings f the Project Management Committee	30% for setting up Mines labs 44% for Administration block 52% for Administration and Classroom Block at Taveta. The rate of construction was significantly slowed down due to COVID-19 pandemic
Pillar 3: Student Management and Experience	Enhance lecturer's teaching capacity and students involvement in evaluation of teaching quality	Lecturers trained in pedagogical skills Lecturer online evaluation by students established and functional	Conduct training workshop on pedagogy for all lecturers Developing and administering online lecturer evaluation form	100% for training of Lecturers in pedagogy 60% for online evaluation of lecturers teaching by students. The process was not completed due to COVID-19 interruptions of academic calendar.
Pillar 4: Human Resource Capacity	Attract and retain Productive and motivated staff and increase skills of staff	Two staff trained at internationally recognized universities in Germany Two MSc programmes in Mining launched and students	Appoint and sponsor two staff members for PhD training Mining and Mineral Process Engineering in Germany Appoint and sponsor two staff members to Germany for short term training in advanced laboratory techniques in process	100%

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
		admitted	engineering. .	
Pillar 5: **Financing and Resource Mobilization**	Strengthen financial management, resource policies and strategies, and increase revenue streams	Revenue streams diversified Cost cutting strategies identified and implemented	Ad hoc Committees for reforms in academic programmes, health services, farms, catering services and human resources appointed and reform strategies identified Secure Council approval for proposed reform strategies and progressively implement.	100%
Pillar 6: **Strategic Leadership, Management and Good Corporate Governance**	To strengthen TTU's institutional and governance organs for decision making; strengthen the strategic partnerships and networking; and strengthen TTU's corporate identity and visibility in the region and internationally.	Management structure for administrative positions reviewed and University Statutes revised to align Identified University Council members trained in Corporate Governance and Strategic Management	Identify and sponsor Council members for training in corporate governance and leadership Undertake stakeholder driven review of administrative structure and University Statutes and secure Council approval Implement progressively approved structures	90% Structure reviewed and some of the approved positions filled. Review of Statutes commenced but not yet finalised by close of FY 2019/2020 due to expiry of Council term of service.

Prof. Fred Simiyu Barasa, PhD
AG. VICE CHANCELLOR

7. CORPORATE GOVERNANCE STATEMENT

The University is over sighted by a Council constituted in accordance with the Universities Act 2012. The Council members were appointed for a period of 3 years with effect from 10th March, 2017 vide Gazette Notice Number 2350 dated 14th March, 2017. In the Financial Year 2019/2020, the term of service for five (5) of the six (6) independent Council members (including the Chairman) who had served for the 1st, 2nd and 3rd Quarter expired on 10th March 2020.

During the year under review, the Full Council, the Human Resource Development (HRD) Committee, Finance Development and General Purpose (FDGP) Committee and the Audit Risk and Governance (ARG) Committee each held regular quarterly meetings as required, except the 4th Quarter when the term of service had expired. The attendance to these meetings was at least 99% on all occasions.

Taita Taveta University is required to prepare financial statements, which give a true and fair view of the state of affairs of the University as at the end of financial year, and of its surplus or deficit for the year.

The University is required to ensure that proper accounting records that disclose, with reasonable accuracy, at any time the financial position of the University, are maintained.
The Council is also responsible for safeguarding the assets of the University. The Council accepts responsibility for annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates, in conformity with International Financial Reporting Standards.

The Council confirms that the financial statements give a true and fair view of the state of financial affairs of the University as at June 30, 2020 and its deficit for the year that ended. The Council further confirms the accuracy and completeness of the accounting records maintained by the University, which may be relied upon in the presentation of the financial statements, as well as on the accuracy of the systems of internal controls.

Nothing has come to the attention of the Council to indicate that the University will not remain a going concern for at least twelve months from the date of this statement. The Council thanks the Staff for their dedication and hard work in the last financial year.

The Annual Report and Financial Statements have been submitted to an Ad Hoc Committee of Council consisting of the remaining Members of Council for consideration and approval to submit the Accounts for Audit. However, the same will be ratified by the Full Council once appointed.

Prof. Fred Simiyu Barasa, PhD
Ag. Vice Chancellor, Taita Taveta University

8. MANAGEMENT DISCUSSION AND ANALYSIS

University's Operational and Financial Performance

During the financial year 2019/2020, the University registered a surplus of Kshs. 13.504 million compared to the deficit of Kshs.77.774 million registered in 2018/2019. During the year under review, the University recorded total revenue of Kshs.620.196 million compared to Kshs.557.176 million recorded in 2018/2019.

Revenues

Government Capitation

Taita Taveta University being a Government owned entity, receives recurrent and development capitation to finance its operations. In 2019/2020, the University received a total of Kshs.433.091 million and Kshs. 128.996 million for recurrent and development expenditure respectively.

Student Fees

These comprise of fees from Government sponsored students and Self-sponsored students (Module II) and accounts for 22% of the total revenue. During the financial year 2019/2020, the student fees declined because of the outbreak of the Corona virus as a result of Covid-19 that resulted to the closure of the University on 18th March 2020 following the directive of the President of the Republic of Kenya. The University managed to raise Kshs.135.73 million from student fees.

Research Grants

The University works in partnership with International Donors in implementing research and development projects that are aimed at building the capacity of students and staff. The key research projects implemented in the financial year 2019/2020 include: the Centre of Excellence for Mining, Environmental Engineering and Resource Management (CEMEREM) in partnership with the University of Applied Sciences Dresden (HTWD) and the Technische Universitat Bergakademie Freiberg (TU BAF) these German Universities funded by DAAD, the TaitaGIS project undertaken in partnership with the University of Helsinki funded by the Finland Government, the Sustainable Artisanal and Small-Scale Mining (SustASM) project implemented in partnership with the University of Nottingham, TaitaRice project funded by the National Research Fund (NRF), and four other projects (Taita Banana, Taita Pastures, Taita Soils and Taita Feeds) being implemented in partnership with KALRO. A total of Kshs.34.377 million was received from the International Partners in the financial year 2019/2020.

Other Incomes

Included under this category are incomes from accommodation, catering services and Income Generating Units (IGUs). A total of Kshs.16.997 million was raised in the year under review. The catering services and IGUs were affected by the closure of the University due to the outbreak of the Covid-19 pandemic.

Expenses

Staff Costs

Staff costs account for about 69% of the total University expenditure. The net recurrent capitation in the year under review financed 95% of the payroll costs leaving the University to reallocate the 5% from the internally generated funds to bridge the payroll funding gap. The University has continued to experience this funding gap challenge meaning the operations are affected due to the utilization of part of the internally generated income to fund staff costs.

Operating and Administrative expenses

This accounts for 33% of the total expenditure. Included under this category are:

i. Expenditure relating to research grants projects
ii. Expenditure on Income Generating Activities
iii. Repair and Maintenance expenses
iv. Teaching and Office running expenses
v. Transport and Travel expenses
vi. ICT expenditure
vii. Medical expenses

Capital Development Expenditure

In the year under review, the capital development capitation was significantly reduced from Kshs.226.465 million to 128.996 million. This affected the implementation and progress of the on-going projects.

The financial year ended 30th June, 2020 has seen the institution continue implementing austerity measures including restructuring the current organizational structure to mitigate the spiralling costs without corresponding increase in revenue. During the period under review, the University Management continued to engage the Line Ministry and the National Treasury in order for the University's budget allocation to be reviewed upwards to a level that may more reasonably be able to carter for the growing needs of the University. Further the University continued to experience significant water shortage and was forced to continue relying on private water boozers for water supply for both consumption and cleaning. Accordingly, the call for Government support to help us actualize the plans to connect the University to the reliable Mzima Springs water supply is still of highest priority.

This fiscal year, the Management Team identified protecting and strengthening the balance sheet, increasing IGU income, efficient and transparent debtors' and creditors' management, strategic capital expenditure as well as strengthening and diversifying international collaborations in research and development as its key priorities. However, the institution still relied largely on the Bank Overdraft

facility currently capped at Kshs.50 Million to ensure that service provision was offered to clients uninterrupted.

During the period under review, TTU strived to comply with all the statutory requirements. All payments for taxes deducted from staff salaries and suppliers, NHIF contributions, NSSF and PAYE were remitted on time to the relevant authorities. However, some delays in remitting some staff salary deductions was experienced due to a deficit arising from reduced Government capitation against rising costs.

TTU has no major financial improbity as per internal audit/TTU Council Audit, Risk and Governance Committee, external auditors, or other National Government Agencies providing oversight.
Additionally, there are no governance issues among the Council members and top management including conflict of interest.

Prof. Fred Simiyu Barasa, PhD
AG. VICE CHANCELLOR

9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY

Taita Taveta University exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on the six pillars: Excellence in Research, Teaching, and Engagement; Facilities and Learning Environment; Student Management and Experience; Human Resource Capacity; Financing and Resource Mobilization and Strategic Leadership, Management, and Good Corporate Governance. Below is a brief highlight of our achievements in each pillar:

1. Sustainability strategy and profile

TTU's strategic plan 2018 -2023 aims at strengthening the capacity of TTU to provide relevant and responsive higher education on sustainable development in the areas of mining and natural resources management. Besides offering Undergraduate and Postgraduate courses on Mining and Mineral processing engineering, TTU established the Centre of Excellence in Mining Environmental Engineering and Resource Management (CEMEREM).

In the year under review, the University actively engaged in partnerships and collaborations with other institutions of higher learning, research organizations, industry and the private sector in ensuring sustainability of the programmes. To this end, the University implemented a total of seven research funded projects that were funded by different strategic partners aimed at building the capacity of students and staff.

2. Environmental performance

The University acknowledges that her activities have an impact on the environment. It is for this reason that the University has an Environment policy that clearly indicates the University's commitment to environmental sustainability. Whereas the University is located in a semiarid climate zone, through the Policy the University has been able to maintain her Grounds in an environmentally sensitive way (Landscaping and Tree planting) having regard to the protection of natural habitats and local Wildlife. The University is on the journey of creating a micro climate within the University by creating a mini forest cover through tree planting

3. Employee welfare

Gender Ratio

The University has several policies in place to cater for its employee's welfare including its Chapter Collective Bargaining Agreements (CBAs) and the Human Resource Manual which specifically guide its recruitment and management of staff welfare in terms of ensuring representation of all genders and other special groups. In addition, the University has a specific clause in its advertisement encouraging the Women and people living with disability to apply and an additional mark for women and people living with disability. *See extract of the KUSU chapter CBA 2.5.4, HR Manual 12.1.2 (d), sample advertisement and interview scoring tool attached*

Stakeholder Engagement

As a practice all the polices developed by the University has a clause entrenched to ensure engagement of various stakeholders that the policy developed shall govern. *See sample policy with*

stakeholder engagement clause and extract of the KUSU Chapter CBA 13.1.1 and HR manual 12.1.4 on representation of various stakeholders during policy development.

Improving skills and managing careers, appraisal and reward systems

The University conducts an annual staff appraisal to determine performance of its staff and identify various gaps in skills. *See sample appraisal tool.*

Similarly, a staff recognition and award scheme and its regulations developed and approved and is due for roll out in the third quarter of the FY 2020/2021. *See copy of the scheme and its regulations.*

To comply with the requirements of the Occupational Safety and Health Act of 2007;

The University has acquired the following annual insurance covers for its staff in addition to regular sensitization of its members on work place safety and hazards;

- ✓Work Injury Benefits Act Insurance
- ✓Group Personal Accident
- ✓Group Life Assurance

The HR Manual also outlines various obligations of employees and the University as far as safety at work place or during work is concerned. *See extract of Section 15 of the manual.*

Similarly, the University secured an inclusion of COVID – 19 insurance risk cover to its members of staff on the existing covers, developed and implemented a return to work and continuous sensitization of staff on COVID – 19. *See letter of undertaking from the insurance broker, copy of return-to-work plan, invitation and schedule for staff sensitization.*

4.Market place practices

a). Responsible competition practice

The University Management ensures responsible competition practices:

Anti-corruption – The Management ensures the staff, students and customers are treated fairly, equally and in accordance with established policies and procedures that govern every activity within the University. The Management adheres to national laws and regulations in regard to preventing corruption within the University and has established relevant committees not only to prevent corruption but also how whistle blowers can report cases of real or suspected corruption. It regularly submits quarterly reports to the Economic and Anti-Corruption Commission (EACC). The University Management has displayed at conspicuous places messages that the University is a 'Corruption Free Area'.

Responsible political involvement – The University Management has established policies and mechanisms that do not allow partisan politics among staff or students within her compound. The staff are allowed to join and participate in union activities that are registered and formally recognized by the University while students are allowed to elect officials to the Students' Governing Councils on an annual basis.

The University Management adheres to rules of fair competition and respect for competitors. It believes in the principles of equal opportunities for employees, students and customers as well as affirmative action as enshrined in the Constitution of Kenya and related laws and regulations

b). Responsible Supply chain and supplier relations

The University Management adheres to the principles of fair and cordial business dealings with its business partners as guided by various laws, regulations and policies. The university has customer service delivery charter and quality management system that promotes good business practices that is cascaded from the top to the lower levels.

The University suppliers are given equal opportunity and reasonable time to participate in tenders for supply and delivery of goods, works and services in an open, fair and transparent manner and in strict adherence to the Constitution of Kenya, Public Procurement and Asset Disposal Act, 2015 and attendant Regulations, 2020. The terms and conditions of the contracts entered between the University and the suppliers are honoured and respected; where there's a dispute or misunderstanding, a dispute resolution mechanism is used to find an amicable solution. Supplier invoices for payment of goods, works and services are settled upon inspection and acceptance that they are of the right quality and quantity.

c). Responsible marketing and advertisement

The University Management strives to promote its unique programmes to the customers that enhances trust and build a strong brand through print, electronic media and social media. The advertisements are honest and trustworthy, and geared towards forging a strong bond with the target customers.

d). Product stewardship

The management has established a mechanism for open communication with customers through provision of telephone, postal and email address. When customer rights are infringed, there are customer boxes and complaint registers in the University for them to report and seek redress accordingly. The University has a quality management system and service delivery charter that outlines procedures to safeguard customer rights and interests.

5. Community Engagements

Taita Taveta University is committed to continuous engagement with the local communities, the County Government of Taita Taveta and the National Government to fight poverty, ignorance and environmental degradation so as to contribute to sustainable development. Some of the strategies deployed at Taita Taveta University towards Corporate Social Responsibility are anchored in our previous Strategic Plan that covered the period (2013-2018) and the current Strategic Plan 2018-2023. They include:

1. Short Courses in relevant subjects targeting community needs, like Gemmology.
2. Employing an open door policy towards members of the community and other stakeholders so as to provide an opportunity for continuous engagement.
3. Offering scholarship programs for students from the community in collaboration with the Taita Taveta County Government, the Isanga Iwishi Group Ranch Community, the Jones Mwaruma Foundation and our International Partners.
4. Introducing more tailor-made courses for capacity building of the community.
5. Identifying and researching on challenges and problems afflicting the community.

6. Entering into collaborations with local communities and the Taita Taveta County Government on various developmental issues.
7. Engaging the community and other stakeholders in the provision of services to them and vice-versa.

In this respect, during this financial year, the University conducted and/or hosted various capacity building workshops involving artisanal and small scale miners, teachers, students, local community, secondary school students within Taita Taveta County and senior officials of the Taita Taveta County Government.

Prof. Fred Simiyu Barasa, PhD
AG. VICE CHANCELLOR

10. REPORT OF THE COUNCIL

The Council submit their report together with the Financial Statements for the year ended 30 June, 2020 which shows the state of the Taita Taveta University affairs.

Principal activities

The principal activities of the Taita Taveta University are Teaching, Research and Community Outreach.

Results

The results of the Taita Taveta University for the year ended 30 June, 2020 are set out on page 27 to page 61.

Directors

The members of the University Council who served during the year are shown on page 6 and 7.

Auditors

The Auditor General is responsible for the statutory audit of the Taita Taveta University in accordance with Article 129 (4) of The Constitution of Kenya, Section 89 of the Public Finance Management (PFM) Act, 2012 and Public Audit Act, 2015.

By Order of the Council.

Prof. Fred Simiyu Barasa, PhD
AG. VICE CHANCELLOR
Taita Taveta University
Voi

Date: 24th September, 2020.

11. STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

Section 89 of the Public Finance Management Act, 2012 and cap 446 section 14 of the State Corporations Act, require the Council Members to prepare financial statements in respect of Taita Taveta University, which give a true and fair view of the state of affairs of the Taita Taveta University at the end of the financial year/period and the operating results of the Taita Taveta University for that year/period. The Council Members are also required to ensure that the Taita Taveta University keeps proper accounting records which disclose with reasonable accuracy the financial position of the Taita Taveta University. The Council Members are also responsible for safeguarding the assets of the Taita Taveta University.

The Council Members are responsible for the preparation and presentation of the Taita Taveta University financial statements, which give a true and fair view of the state of affairs of the Taita Taveta 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 Taita Taveta 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 Taita Taveta 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 Taita Taveta University 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 State Corporations Act, 2012. The Council Members are of the opinion that the Taita Taveta University financial statements give a true and fair view of the state of Taita Taveta University transactions during the financial year ended June 30, 2020, and of the Taita Taveta University financial position as at that date. The Council Members further confirm the completeness of the accounting records maintained for the Taita Taveta University, which have been relied upon in the preparation of the Taita Taveta University 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 Taita Taveta 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 Taita Taveta University Financial Statements were approved by the Ad Hoc Committee of Council consisting of the remaining Members of Council. However, the same will be ratified by the Full Council once appointed.

Mr. Johnson Nanjakululu
Representing PS, State Department for University Education and Research, Ministry of Education

Mr. Joseph Kiarii
Representing PS,
The National Treasury

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON TAITA TAVETA UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Taita Taveta University set out on pages 27 to 58, 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 effect of the matters discussed in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Taita Taveta University 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 the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Failure to Disclose Material Uncertainty Related to Sustainability of Services

The statement of financial position as at 30 June, 2020 reflects total current liabilities of Kshs.274,033,507 which exceeded total current assets balance of Kshs.107,509,906, resulting to a negative working capital of Kshs.166,523,601 (2019 - negative Kshs.268,804,896) as at 30 June, 2020. The above is an indication of the existence of a material uncertainty which may cast a significant doubt on the University's ability to sustain its services and to meet its financial obligations as and when they fall due. The financial statements have been prepared on a sustainability of services basis on the assumption that the University will continue to receive financial support from the Government.

However, this material uncertainty in relation to sustainability of services and any mitigating measures put in place to reverse the undesirable financial position has not been disclosed in the financial statements.

In the circumstances, the continued ability of the University to sustain its services is dependent on the Government financial support and its creditors

2. Inaccuracies in the Financial Statements

Review of the University's financial statements for the year ended 30 June, 2020 revealed a number of inaccuracies as detailed below:

i. The statement of financial performance reflects a comparative balance of Kshs.11,872,788 for University Council activities expenses while the audited financial statements for 2018/2019 reflected an amount of Kshs.10,458,596, resulting in an unreconciled variance of Kshs.1,414,192.

ii. The statement of financial position as at 30 June, 2020 reflects property, plant and equipment restated comparative balance of Kshs.3,828,693,713 while Note 24 to the financial statements reflects a balance of Kshs.3,789,289,807, resulting to an unexplained variance of Kshs.39,403,906.

iii. The statement of cash flows excludes revenue from non-exchange transactions amounting to Kshs.467,468,203 and finance costs of Kshs.5,725,369. Consequently, the net negative cash and cash equivalents balance of Kshs.27,441,346 shown in the statement is misstated.

iv. The statement of cash flows reflects a net negative cash and cash equivalents balance of Kshs.30,250,284 as at 30 June, 2019 while the brought forward balance as at 1 July, 2019 was positive Kshs.30,250,284, resulting in a misstatement of the closing net negative balance of Kshs.27,441,346 as at 30 June, 2020 by Kshs.60,500,568.

v. As detailed in Note 13 to the financial statements, the statement of the financial performance reflects an expenditure of Kshs.417,286,573 in respect of personal emoluments. However, payroll analysis reflects an expenditure of Kshs.413,330,707, leading to an unreconciled variance of Kshs.3,955,866.

vi. The statement of comparison of budget and actual amounts reflects actual income balances which differs significantly with the balances reflected in the statement of financial performance as shown below:

No.	Details	Comparison of Budget and Actual Amounts (Kshs.)	Statement of Financial Performance (Kshs.)	Variance (Kshs.)
1.	Income from Other Services Rendered	19,449,325	11,134,804	8,314,521
2.	Donor Projects	33,921,024	-	33,921,024
3.	Donations	456,331	-	456,331
4.	Income from Other Activities	-	5,861,841	(5,861,841)

Consequently, the accuracy and completeness of the financial statements for the year ended 30 June, 2020 could not be confirmed.

3. Cash and Cash Equivalents

As disclosed in Note 19 to the financial statements, the statement of financial position reflects cash and cash equivalents balance of Kshs.10,415,202 as at 30 June, 2020. However, review of records revealed the following discrepancies: -

3.1 Student Fees Account

The balance includes an amount of Kshs.63,111 held in a commercial bank student fees account. However, review of the bank reconciliation statement indicates that the balance contains long outstanding receipts in bank statements not yet recorded in cash books amounting to Kshs.104,096 and payments in bank statements not in cash books (unrepresented cheques) amounting to Kshs.74,525. No explanation was provided why the receipts have not been posted in cash book.

3.2 Equity Student Fees Account

Further, the balance includes an amount of Kshs.161,776 held at another student fees bank account in Equity Bank. However, bank reconciliation statement indicates long outstanding receipts in bank statements not yet recorded in cash books of Kshs.149,526, out of which receipts totalling Kshs.46,396 relate to the period between September, 2019 to March, 2020. Management has not explained why the same have not yet been recorded in cash book.

3.3 Reconciliation of Projects Account

In addition, the balance constitutes an amount of Kshs.3,915,248 under Cemerem Project bank account. However, review of the bank reconciliation statement revealed a payment in bank statement not yet recorded in cash book of Kshs.444,150. Similarly, the balance also constitutes an amount of Kshs.3,226,659 in respect of Taita GIS Project bank account balance. Review of the bank reconciliation statement for the year ended 30 June, 2020 revealed payment in bank statement not yet recorded in cash book of Kshs.95,500 but details of the payments were not provided for audit verification.

In absence of adequate reconciliations and explanations, the accuracy and completeness of cash and cash equivalents balance of Kshs.10,415,202 as at 30 June, 2020 could not be confirmed.

4. Unsupported Income from Other Services Rendered

As disclosed in Note 10 to the financial statements, the statement of the financial performance reflects income from other services rendered amounting to Kshs.135,730,848 which includes a balance of Kshs.68,906,577 comprising of Kshs.59,105,511 and Kshs.9,801,066 in respect of tuition fees and student damages charges respectively. However, the amounts were not supported with detailed schedules indicating the names of the students, their registration numbers, students' invoices and semesters attended. Further, tuition fees amounting to Kshs.59,105,511 differs with the

balance of Kshs.88,313,166 reflected in the signed nominal roll, resulting in an unexplained variance of Kshs.29,207,655.

Consequently, the accuracy, and completeness of income from other services rendered of Kshs.135,730,848 reflected in the statement of the financial performance for the year ended 30 June, 2020 could not be ascertained.

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

Key Audit Matters

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

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 of Conclusion

1. Long Outstanding Imprests

As disclosed in Note 20 to the financial statements, the statement of financial position as at 30 June, 2020 reflects receivables from exchange transaction balance of Kshs.46,643,491 which includes an amount of Kshs.1,180,800 in respect to outstanding imprests as at 30 June, 2020. However, the imprests had been outstanding for more than three months. This is contrary to Regulation 92 of the Public Finance Management (National Government) Regulations, 2015 which states that, "a holder of a temporary imprest shall account or surrender the imprest within 7 working days after returning to duty station."

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

2. Non-Compliance with the One Third of Basic Salary Rule

Review of the University's payroll indicated that during the month of December, 2019, thirty-nine (39) employees earned a net salary of less than a third (1/3) of their respective basic salary contrary to Section C.1(3) of the Public Service Commission (PSC) Human Resource Policies, 2016. The Management has not given explanation for failure to comply with the policy and Section 19(3) of the Employment Act, 2007 which stipulates that, "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."

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

3. Failure to Utilize an Enterprise Resource Planning (ERP)

As previous reported, records provided for audit review indicated that the University contracted a firm to supply, install and commission an Enterprise Resource Planning (ERP) system on 18 September, 2015 at a contract sum of Kshs.17,580,103, with a commencement date of 1 October, 2015 and implementation timeline of 14 weeks. Although the University made full payment of Kshs.17,580,103 over five years ago, the contractor has not handed over the ERP system to the client and is not on site. This has hindered the smooth transition of University operations to the new ERP system as evidenced by the number of modules which are not in use and the inaccuracies of reports generated.

Consequently, the value for money on the expenditure of Kshs.17,580,103 could not be confirmed.

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. A review is limited primarily to analytical procedures and to inquiries, and therefore provides less assurance. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of an Effective University Council

Review of records indicated that the Taita Taveta University Council term of office ended on 10 March, 2020 but the Council Members continue to be in office and executed duties seamlessly. No new appointments had been made and Management did not provided evidence of extension of terms of the Council Members. As a result, the decisions and resolutions made by the Council may not be effective and could be challenged. Management should push for appointment of the Council Members as provided under Section 20(1)(U) of the Taita Taveta University Charter, 2016.

In the circumstances, the University has a weak Governance structure as the Council decisions are vulnerable to legal challenges.

2. Understaffing of Key Departments

The University has an approved staff establishment of eight hundred and seventy-four (874) staff members. However, during the year under review, only two hundred and forty-five (245) staff members were in service, indicating an under-establishment by six hundred and thirty-nine (639) staff members. In particular, the academic function which is the core function of the University was under-staffed by two hundred and ninety-three (293) staff members, the administrative function was under-staffed by one hundred and ninety (190) staff members while the internal audit function had only two (2) officers against the optimal staff establishment of five auditors.

Consequently, it has not been possible to confirm whether the University has capacity to discharge its mandate of providing quality education, research and training services to students and other stakeholders.

3. Long Outstanding Trade and Other Payables from Exchange Transactions

As disclosed in Note 28 to the financial statements, the statement of financial position as at 30 June, 2020 reflects trade and other payables balance of Kshs.173,577,336 (2019 - Kshs.270,780,361) which includes balances amounting to Kshs.39,607,899 which have been outstanding for more than two years with some dating as far back as 2015. Consequently, it has not been possible to ascertain whether the University has the ability to discharge its obligation when the fall due.

4. Lack of Fixed Assets Register

As disclosed in Note 24 to the financial statements, the statement of financial position as at 30 June, 2020 reflects property, plant and equipment balance of Kshs.3,825,906,241. However, the fixed assets register was not updated with such details as costs, dates of acquisition, deprecation charge and net book values.

In the circumstances, the existence of an effective management to safeguard and ensure proper custody of the University assets cannot be established.

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

Responsibilities of Management and the University Council

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of 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 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

09 February, 2022

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

	Note	2019/2020	2018/2019
		KShs	*KShs*
REVENUE			Restated
Revenue from non-exchange transactions			
Government Grant Income	8	433,090,848	360,725,664
Other Incomes	9	34,377,355	34,621,752
		467,468,203	**395,347,416**
Revenue from exchange transactions			
Rendering of Services	10	135,730,806	143,841,182
Income from Other Services Rendered	11	11,134,804	15,800,665
Income from other activities	12	5,861,841	2,186,680
		152,727,451	**161,828,528**
Total revenue		**620,195,654**	**557,175,944**
EXPENDITURE			
Employee Costs	13	417,286,573	396,312,236
Maintenance Work Costs	14	3,166,194	2,449,161*
Use of Goods and services	15	134,108,732	190,122,239 **
Council, Activities	16	11,141,127	11,872,788
Finance Cost	17	5,725,369	1,040,380
Depreciation & amortization expense	18	35,263,397	33,153,192
Total expenses		606,691,392	634,949,996***
(Deficit) / Surplus for the year		**13,504,262**	**(77,774,052)****
NET PROFIT/(LOSS) BEFORE TAX		**13,504,262**	**(77,774,052)**
Tax expense		-	-
(DEFICIT)		**13,504,262**	**(77,774,052)**

-Taxation charge
The University is a public institution hence exempted from paying corporate tax.

The notes set out on pages 33 to 61 form an integral part of these Financial Statements

*The Maintenance work costs for 2018/2019 have been restated as a result of charging the expenses paid in FY 2019/2020. The figures have moved from **Kshs. 1,804,279** to **Kshs. 2,449,161.**
**The Use of goods and services figure for 2018/2019 has been restated as a result of various accrued expenses in 2019/2020 being moved back. A journal entry showing the movement has been recorded.
***The total expenses figure in 2018/2019 has changed due to the restatement explained above.
**** The overall performance for 2018/2019 has been restated from Kshs. **(19,001,172)** to **Kshs. (77,774,052)** due to the effect of the above restatement.

14. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

ASSETS	Note	2019/2020	2018/2019
		KShs	KShs
CURRENT ASSETS			Restated
Cash and cash equivalent	19	10,415,201.67	11,391,984
Receivables from Exchange transactions	20	46,643,491	37,542,517
Receivables from non-echange transactions	21	42,063,036	38,662,520
Inventories	22	7,851,178	6,919,351
Biological Assets	23	537,000	1,234,542
		107,509,906	**95,750,914**
NON CURRENT ASSETS			
Property, Plant and Equipment	24	3,825,537,499	3,828,693,713*
Intangible Assets	25	17,643,182	17,664,209
		3,843,180,681	**3,846,357,923**
TOTAL ASSETS		**3,950,690,587**	**3,942,108,837****
LIABILITIES			
CURRENT LIABILITIES			
Trade and other Payables from exchange transactions	28	173,577,336	270,780,361***
Bank Overdraft	29	37,856,548	41,642,270
Employee benefit obligation	30	47,947,732	32,480,157****
Payment received in Advance	31	14,651,891	19,653,022
		274,033,507	**364,555,810**
NON-CURRENT LIABILITIES			
IPPUCCF (GoK)	26	35,200,000	35,200,000
KCB Loan	27	3,947,110	7,468,164
		39,147,110	**42,668,164**
NET ASSETS			
Capital fund	Pg 29	1,090,318,274	961,322,081
Reserve fund	Pg 29	(403,010,462)	(416,514,724)*****
Revaluation Reserve	Pg 29	2,950,202,159	2,990,077,507
		3,637,509,970	**3,534,884,864**
TOTAL NET ASSETS AND LIABILITIES		**3,950,690,587**	**3,942,108,837**

The Financial Statements set out on pages 27 to 32 were signed on behalf of the University Council by:

*The Property, Plant and Equipment; ** Total Assets; *** Trade and other payables from exchange transactions, ****Employee benefit obligation and *****Reserve fund figures have been restated. Journal entries have been passed for the restatement.

Prof. Fred Simiyu Barasa, PhD
AG. VICE CHANCELLOR

Date. 13/01/2021.

Peter M. Kisombe
Director of Finance
ICPAK Member NO.10342

Date. 13/01/2021

Ms. Jayne K. Mwanza
Independent Council Member
For Chairman of Council

Date. 13/01/2021

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

	Capital development replacement reserve	Accumulated Reserve Fund	Revaluation Reserve	Total
	KShs	*KShs*	*KShs*	*KShs*
year ended 30-06-2020:				
As at 1st July 2019	961,322,081.00	(416,514,724)*	2,990,077,507	3,534,884,864
Surplus / (Deficit) for the period		13,504,262 *		13,504,262
Additions in the year	128,996,193			128,996,193
Depreciation			(39,875,348)	(39,875,348)
At 30 June 2020	**1,090,318,274.00**	**(403,010,462)***	**2,950,202,158.62**	**3,637,509,970.43**
year ended 30-06-2018:				
As at 30 june 2018	832,546,365.00	(338,740,672)	3,030,774,525	3,524,580,218
Surplus / (Deficit) for the period		(77,774,052)*		(77,774,052)
Additions in the year	128,775,716			128,775,716
Depreciation			(40,697,018)	(40,697,018)
At 30 June 2019	**961,322,081.00**	**(416,514,724)***	**2,990,077,507.00**	**3,534,884,863.58****

*The Reserve fund figures have been restated and journal entries passed to explain the movement.

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

		2019/2020	2018/2019
	Note	*KShs*	*KShs*
Cash flows from operating activities			**Restated**
Receipts			
Property taxes		-	-
Fines,penalties and levies		-	-
Government grants and subsidies	8	562,087,041	489,501,380
Donor Funded projects	9	34,377,355	34,621,752
Rendering of Services	10	135,730,806	143,841,182
Income from other services rendered	11	11,134,804	15,800,665
Finance income		-	-
Other income,rental and agency fees	12	5,861,841	2,186,841
Total Receipts		**749,191,847**	**685,951,820**
Payments			
Compensation of employees	13	417,286,573	396,312,236
Maintence works	14	3,166,194	2,449,161*
Use of Goods and services	15	134,108,732	190,122,239**
Council activities	16	11,141,127	11,872,788
Total Payments		**565,702,626**	**600,756,424**
Net cash flows from operating activities		**183,489,221**	**85,195,396**
Cash flows from investing activities			
Purchase of property,plant,equipment and Intangible assets		(110,206,488)	(73,397,124)
Proceeds from sale of property,plant and Equipment		-	-
Decrease in trade and other payables from exchange transactions		(97,203,025)	-
Increase in investments		-	-
Net cash flows used in investing activities		(207,409,513)	**(73,397,124)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings			-
Repayment of borrowings	27	(3,521,054)	(3,997,666)
Increase in deposits			-
Net Cash flows used in Financing Activities		**(3,521,054)**	**(3,997,666)**
Net Increase (Decrease) in cash and cash equivalents			
Cash and cash equivalents at 1 July 2019		30,250,284	58,983,289
Cash and cash equivalents at 30 June 2020		**(27,441,346)**	7,800,606
SUMMARY OF CASH AND BANK BALANCES			
Cash Book Balance	19	**10,415,202**	**11,391,986**
(Negative) Cash and Bank Balance	29	**(37,856,548)**	**(41,642,270)**
TOTAL		**(27,441,346)**	**(30,250,284)**

*The Maintenance work costs for 2018/2019 have been restated as a result of charging the expenses paid in FY 2019/2020. The figures have moved from **Kshs. 1,804,279** to **Kshs. 2,449,161.**

**The Use of goods and services figure for 2018/2019 has been restated as a result of various accrued expenses in 2019/2020 being moved back.

17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020

Particulars	Original budget (A)	Adjustments (B)	Final budget (C=A+B)	Actual on comparable basis	Performance difference
	2019/2020	*2019/2020*	*2019/2020*	*2019/2020*	*2019/2020*
Revenue	*Kshs*	Kshs	Kshs	Kshs	Kshs
Government grant income	*391,027,813.00*	42,063,035	433,090,848	433,090,848	-
Tuition fees income	151,662,728.00	- 15,931,922	135,730,806	135,730,806	-
Income from other services rendered	19,000,000.00	449,326	19,449,326	19,449,325	1.00
Donor project-Receipts	31,079,386.00	18,483,911	49,563,297	33,921,024	15,642,273.00
Donations	-	456,331	456,331	456,331	-
Total income	**201,742,114**	**45,520,681**	**638,290,608**	**622,648,334**	**15,642,274**
Expenses					
Personal emoluments	422,022,498	25,370,442.00	447,392,940	417,286,573	30,106,367
Maintenance work cost	2,650,000	- 25,000	2,625,000	3,166,194	- 541,194
Use of Goods and Services	104,746,386	16,377,319	121,123,705	134,108,732	- 12,985,027
Council Activities	11,700,000	- 1,855,000	9,845,000	11,141,127	- 1,296,127
Finance Cost	1,200,000	- 1,200,000	-	5,725,369	- 5,725,369
Total expenditure	**542,318,884**	**38,667,761**	**580,986,645**	**571,427,995**	**15,284,019**
Surplus/(Deficit)for the year	- 340,576,770	6,852,920	57,303,963	51,220,339	358,255

18.NOTES TO THE FINANCIAL STATEMENTS

1.GENERAL INFORMATION

Taita Taveta University was initially established as a Campus of JKUAT in 2008, became a Constituent College of Jomo Kenyatta University of Agriculture and Technology via Legal Notice Number 156 of 18th October, 2011, and was elevated to a fully-fledged University through award of the Taita Taveta University Charter on **7th October, 2016.**

The principal activity of Taita Taveta University is teaching, research and community outreach.

2.STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The Taita Taveta University Financial Statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the Taita Taveta University. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis. The level of rounding off used is to two decimal places.

3.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue Recognition

Revenues are recognized as income during the actual period in which such revenues become due. If such revenue is not received, a debtor is created in the ledger.

3.2 Revenue from non-exchange transactions – IPSAS 23

Other incomes, donations

The Taita Taveta University recognizes revenues from donations 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.

Government grants

Non-exchange transactions revenue from government entities are recognized as an asset when, and only when it is probable that the future economic benefits or service potential related to the asset will flow to Taita Taveta University and the fair value of the asset can be measured reliably.

3.3Revenue from exchange transactions – IPSAS 9

Rendering of services

The Taita Taveta 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 fees payable.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Sale of goods and services

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually 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 Taita Taveta University.

3.4 Budget information – IPSAS 24

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the entity. During the year Taita Taveta University Budget was prepared using historical cost but during adoption it was apportion on cash basis based on printed estimated allocated to the university therefore there are differences that would require reconciliation between the actual comparable amounts in the statement of budget and actual and statement of Financial performance amounts presented. Original budget is the initial approved budget for the budget period

3.5 Property, plant and equipment – IPSAS 17

All property, plant and equipment are stated at revalued amount, which is fair value at revaluation date less subsequent depreciation and impairment losses. Revaluation of respective classes of assets is carried out regularly.

When significant parts of property, plant and equipment are required to be replaced at intervals, Taita Taveta University recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognized as recurrent expenses (in surplus or deficit) as incurred.

3.6 Depreciation and impairment of property, plant and equipment

Assets are usually depreciated, using the reducing balance approach, in order to offset the impact of increasing maintenance costs occasioned by wear and tear as the asset grows old. However, where an asset's maintenance does not greatly vary with age such assets are depreciated on an even basis e.g. land and building. In the case of investment properties, no depreciation is provided as such properties are often maintained in good shape in order to attract good business. Investment properties are normally stated at their market value. With the exception of investment property therefore, assets are depreciated evenly over its useful life.

Depreciation on property, plant and equipment is recognised in the income statement on a straight-line basis to write down the cost of each asset or the re-valued amount to its residual value over its estimated useful life. The annual rates in use are shown in the table below:

CATEGORY	RATE	ASSET LIFE EST.	BASIS
Land & Building	2%	50yrs	Even
Motor Vehicles	25%	4yrs	Even
Office Equipment	10%	10yrs	Even
Furniture	12, 5%	8yrs	Even
Tools	10%	10yrs	Even
Computers	25%	4yrs	Even

NOTES TO THE FINANCIAL STATEMENTS (Continued)

A full year's depreciation charge is recognised both in the year of asset purchase and in the year of asset disposal.

Items of property, plant and equipment are reviewed annually for impairment. Where the carrying amount of an asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognised so that the asset is written down immediately to its estimated recoverable amount.

3.7 Intangible assets – IPSAS 31

Intangible assets acquired are initially recognized at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets comprise purchased computer software licences, which are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over the estimated useful life of the intangible assets from the year that they are available for use, usually over three years. Development costs of intangible assets are capitalized only after technical and commercial feasibility of the resulting product or service have been established.

3.8 Amortisation and impairment of intangible assets

Amortisation is calculated on the straight-line basis over the estimated useful life of computer software of three years.

All computer software is reviewed annually for impairment. Where the carrying amount of an intangible asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognised so that the asset is written down immediately to its estimated recoverable amount.

3.9 Borrowing costs- IPSAS 5

Taita Taveta University capitalize borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset.

All other borrowing costs that do not satisfy the conditions for capitalization are expensed when incurred.

7.10 Inventories – IPSAS 12

Stock are stated at the lower of the cost or their net realizable value IPSAS (12). Library Books and Perishables are written off to expenditure as incurred.

7.11 Changes in accounting policies and estimates – IPSAS 3

The Taita Taveta 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3.12 Pension

Taita Taveta University has established a pension scheme for her staff which has now been operationalized. The employer contributes 20% while the employee remits10% of the basic pay. Additionally a contribution of Ksh. 200 for staff on contract is remitted to NSSF.

3.13Taxation

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 Entity operates and generates taxable income.

Taita Taveta University, as a public entity, is exempted from corporate tax of 30%.

3.14 Biological Assets

Agricultural activities at the School of Agriculture, Earth and Environmental Sciences (SAEES) have been accounted as per IPSAS 27. All Biological assets are measured at fair value less costs to sell. Under IPSAS 27 Agricultural Produce is measured at fair value at the point of harvest less costs to sell.

4. RELATED PARTY DISCLOSURES

i. Government of Kenya

The Government of Kenya is the principal shareholder of the University. The Government of Kenya has provided full guarantees to all long-term lenders of the entity.

ii. Inter Public Universities Consultative Council Forum(IPUCCF)

Taita Taveta University benefited from Collective Bargaining Agreements between Trade Unions and Inter Public Universities Consultative Council Forum (IPPUCF) in the year 2012/2013, Kshs. 69,600,000 and the year 2013/2014, Kshs. 69,600,000 which totalled to Kshs. 139,200,000. The University refunded

Kshs.42, 423,070 in the financial year 2013/2014 and Kshs.61, 576,930 in the year 2014/2015.

iii.Comparative

This is the seventh year of preparing financial statements. Comparison is made with the sixth year, financial year 2018/2019.

iv.Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at the commercial banks at the end of the financial year and reconciled bank balances.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

(a). Going concern

The financial statements of the University were prepared on the assumptions that it is a going concern. The Accrual method of income and expenditure recording was also applied in maintaining the books of accounts.

(b). Estimates and assumptions

Taita Taveta University based its assumptions and estimates on parameters available when the financial statements were prepared. It assumed that learning sessions will go on uninterrupted and the government, through Ministry of Education, Science & Technology, will remit the amounts due to the University in time. 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 shall be reflected in the assumptions when they occur.

(c). 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 date the asset is put into use

-The condition of the asset based on the assessment of experts employed by the Entity

-The nature of the asset, its susceptibility and adaptability to changes in technology and processes

-The nature of the processes in which the asset is deployed

-Availability of funding to replace the asset

-Changes in the market in relation to the asset.

(d). Provision for bad debts

The University makes a provision for bad debts at a rate of 5% of the total outstanding student fees balances as per the University Bad Debts Policy. This is the 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. When reviewed, it will be reported in the Financial Report at the time of Revision as per IPSAS 19.

Provision is made for the estimated cost to be incurred in case the debtors failed to honour its obligations in full. The provision is based the provisions of the International Public Sector Accounting Standards (IPSAS19).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Revenue from Non Exchange Transactions

Month	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**
Aug-19	State department for University Education	32,585,651			32,585,651	32,585,651
Aug-19	State department for University Education	32,585,651			32,585,651	32,585,651
Sept-19	State department for University Education	32,585,651			32,585,651	32,585,651
Nov-19	State department for University Education	32,585,651			32,585,651	32,585,651
Nov-19	State department for University Education	32,585,651			32,585,651	32,585,651
Nov-19	State department for University Education			83,900,446	83,900,446	
Dec-19	State department for University Education	32,585,651			32,585,651	32,585,651
Feb-20	State department for University Education	32,585,651			32,585,651	32,585,651
Mar-20	State department for University Education	32,585,651			32,585,651	32,585,651
Mar-20	State department for University Education			45,095,747	45,095,747	
Apr-20	State department for University Education	32,585,651			32,585,651	32,585,651

May-20	State department for University Education	32,585,651			32,585,651	32,585,651
Jun-20	State department for University Education	32,585,651			32,585,651	32,585,651
Jun-20	State department for University Education	32,585,651			32,585,651	32,585,651
Jul-20	State department for University Education		42,063,036		42,063,036	42,063,036
		391,027,812	**42,063,036**	**128,996,193**	**562,087,041**	**433,090,848**

9.Donor Funded projects/ Donations	**2019/2020**	**2018/2019**
	Kshs.	**Kshs.**
CEMEREM	17,965,258	19,193,176
TaitaGIS	6,295,120	11,200,509
Brics	-	4,228,067
TAITARICE (NRF)	4,361,100	-
Sust ASM Project	2,866,096	-
Taita Banana Project	1,954,271	-
Taita Pasture Project	226,500	-
Taita Feeds Project	39,000	-
Taita Soils Project	213,679	-
Donations- Cemerem	456,331	-
Total	**34,377,355**	**34,621,752**

Note: Donation came from Cemerem partners in Germany as a result of bus accident in Josa from Ngerenyi campus.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. Rendering of Services	2019/2020	2018/2019
Tuition Fees	59,105,511.00	74,430,280
Residential Fees	9,444,960.00	7,908,410
ID/Registration Fees	2,516,164.00	2,461,393
Examination Fees	14,513,148.00	15,301,525
Medical Fees	9,282,048.00	9,820,597
Internet Fees	5,526,854.00	5,661,973
Computer Fees	4,496,254.00	5,456,343
Library Fees	3,707,239.00	3,820,734
Field Trip/Attachment	8,737,996.00	10,282,682
Student Activity Fees	3,450,816.00	3,435,245
SOTTUC	1,346,500.00	1,420,000
CISCO	51,000.00	-
C.U.E QUALITY ASSURANCE	2,595,750.00	2,731,250
PROJECT	170,000.00	126,000
KUCCPS	877,500.00	972,750
Retake fees	108,000.00	12,000
Student Damages	9,801,066.00	-
	135,730,806	**143,841,182**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11.Income from other services rendered	**2019/2020**	**2018/2019**
Application Fees	68,500.00	110,000
Accommodation Charges	5,200.00	63,100
Students P.A.Y.E.	2,992,368.00	3,686,048
Staff cafeteria	1,148,510.00	1,585,601
Shop Rent	89,185.00	222,122
TTU Hospital Cost Sharing	125,237.00	135,523
Seminar Charges	30,000.00	4,223,706
Miscellaneous Income	1,247,335.00	909,365
Supplementary exam fees	1,017,480.00	766,400
Graduation fees	1,990,200.00	4,008,300
Short Courses Fees		90,500
Third Parties Refund	1,477,675.00	-
Training Levy	653,114.00	-
Insurance recoveries	290,000.00	-
	11,134,804	**15,800,665**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Income from other activities	2019/2020	2018/2019
Bookshop	-	9,771
Guest House	136,050.00	102,445
Farm Income	403,881.00	552,009
Facility rental/lease	211,065.00	201,014
Bakery Unit income	27,720.00	379,471
Tailoring/Laundry Unit	-	3,820
Swimming Pool	-	14,400
Consultancy Fees	-	923,750
IGU External Functions	5,083,125.00	-
	5,861,841	**2,186,680**

Note:
The significant variance in personnel costs between financial year 2018/2019 and 2019/2020 is due to salary arrears paid to staff for the 2017/2021 CBA.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13.Employee Costs	*Kshs*	*Kshs*
	2019/2020	**2018/2019**
		Restated
Staff Salary	338,451,490	329,063,333
Casual Wages	15,862,535	18,540,451
Gratuity	9,102,960	43,178,286
Pension Contribution	53,747,645	4,756,992*
Internship Allowance	121,943	773,174
TOTAL	**417,286,573**	**396,312,236**

*The Pension contribution paid in 2019/2020 has been restated to 2018/2019.

14.Maintenance Costs	2019/2020	2018/2019
	Kshs	Kshs
		Restated
Maintenance of plant/mach/equip	49,800	240,994
Repair & Maintenance of Furniture	-	-
Maintenance of buildings	2,435,345	2,019,559*
Maintenance of water/sewerage	235,820	-
Maintenance of Roads/Grounds	407,714	154,099
Maintenance of Ngerenyi Campus	37,515	34,509
TOTAL	**3,166,194**	**2,449,161**

*Maintenance of buildings expenses paid in 2019/2020 have been restated to 2018/2019.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. Use of goods and services	2019/2020	2018/2019
	Kshs	Kshs
		Restated
Cleaning Materials	1,034,443	1,158,607*
Uniforms/ Clothing`s	157,282	868,662*
Stationary	4;383,011	8,506,277*
Medical Exp. In-Patient/Out-Patience	9,352,810	14,776,001*
Medical Drugs and stores	561,265	5,566,575*
IGU Investment (Seed Money)	467,556	718,664
External travelling	-	1,771,836
Travelling and accommodation	6,145,042	6,498,807*
Telephone Expenses	77,575	52,900
Postal & telegrams expenses	85,563	67,250
Official entertainment	47,160	93,072
Conference & seminars	760,100	624,910
Public celebrations/funerals	391,000	640,165
Publishing & printing	661,323	353,396*
Advertising & Publicity	1,417,559	1,347,777*
Audit/Legal fees	-	2,404,000*
ISO Expenses	770,720	188,410
Rent and Rates	145	1,072
Contracted professional services	128,252	1,587,986*
Hire of transport & machinery	237,700	181,200
Motor vehicle insurance	56,544	281,705
General Insurance	3,167,509	4,648,635*

Fees, Coms And Out of Pocket	104,080	242,000
Part Time Teaching	14,945,327	12,979,793*
Purchase of Teaching/Production Materials	1,149,861	3,108,531*
Field Attachment Expenses	6,442,723	12,952,604*
Joint Admission Board	-	32,000
KUCCPS	-	1,482,000*
Quality Assurance of University programmes		3,254,928*
Examination Expenses	442,700	2,166,502
Research Expenses	329,650	1,961,778
Staff Training expenses	126,260	1,076,515
Vice Chancelor award	-	45,000
Graduation expenses	2,680,095	2,730,307
Gas and Cooking fuel	1,863,750	1,368,150
Food and rations	9,017,629	13,519,607*
Crockery and utensils	133,685	24,800
Inter- university games	838,100	1,466,718
SATTUC	1,413,500	1,384,018
Dean of Students	5,000	43,980
DSTV Subscription	534,584	819,060
TTU Alumni association		706,000
Work Study	-	28,950
Subscription to Professional Bodies	230,000	99,160
Contingence& Disaster Mgt	2,262,249	15,000
Internet Connectivity	5,211,846	5,846,985
Computer Accessories & Software	100,000	300,549*
Electricity expenses	4,176,547	12,135,443
Water expenses	515,920	3,982,320*
Fuel for Generator	117,504	152,430
Transport Operating expenses	2,420,815	4,095,769
Library Expenses	1,082,840	1,790,670*
Bank charges	559,386	8,500,101
Provision for bad debts	2,388,058	1,847,501.00

Provision for Audit fees	900,000	-
Farm works expenses	121,412	239,061*
Animal Expenses	56,770	203,655*
Drug and Substance Abuse Expenses		30,000
Gender Mainstreaming Expense	39,470	26,760
Tender Committee Expenses	8,000	-
New programmes implementation	372,400	43,019
Tender Evaluation Committee Expenses	442,100	282,800
TaitaRice Project	5,946,245	1,963,600
Cemerem Project	21,754,689	8,749,848
Brics Project	180,690	5,399,230
TaitaGis	8,805,636	8,278,485
Final accounts & Budget committee	43,500	56,000
Strategic plan expenses	-	623,004
Group Life Insurance	841,660	877,339
Disposal Committee	8,000	-
IGU-External functions (Expenses)	3,459,165	-
Sust ASM PROJECT	1,974,327	-
TAITA BANANA- KALRO	160,000	-
Pending bills	-	10,852,363
TOTAL	**134,108,732**	**190,122,239**

*Some of these expenses were paid in 2019/2020, have been restated to 2018/2019.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. Council Activities	2019/2020	2018/2019
	KShs	KShs
Allowance/Honoraria	9,795,627	10,458,596
Chancellor's Expenses	1,345,500	1,414,192
	11,141,127	**11,872,788**

17. Finance Costs	2019/2020	2018/2019
	KShs	KShs
Interest on KCB Loan	721,194	1,040,380
Interest on Bank Overdraft	5,004,175	-
	5,725,369	**1,040,380**

18. Depreciation and Amortization expense	2019/2020	2018/2019
	KShs	KShs
Property, Plant and Equipment	34,201,494	33,150,591
Intangible assets	1,061,903	2,601
	35,263,396.82	**33,153,192**

19. Cash and Bank Balances	2019/2020	2018/2019
	KShs	KShs
KCB TTUC Student Fees account	63,111	(552,167)
KCB TTUC Catering account	80,956.71	183,512.16
Equity Student Fees account	161,776.12	122,436.12
Schedule Account	2,886,869.45	1,175,834.25
KCB TTUC Salary account	40,939.95	47,044.95
CEMEREM PROJECT	3,915,248.45	4,926,031.45
Petty cash(Cash in hand)	39,641.00	4,116.00
TAITAGIS	3,226,658.54	5,485,176.50
	10,415,201.67	**11,391,984.43**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. Trade and Other Receivables From Exchange Transactions	2019/2020	2018/2019
	KShs	KShs
Student fees balance	47,761,162.95	36,950,010
Tuck Shops rent & electricity	89,586.00	200,698
Staff Advances (Outstanding Imprests)	1,180,800.00	2,239,310
Provision for bad debts	(2,388,058)	(1,847,501)
	46,643,491	**37,542,517**

21. Trade and Other Receivables From Non-Exchange Transactions	2019/2020	2018/2019
	KShs	KShs
State department of University Education	42,063,036.00	38,662,520
	42,063,036.00	**38,662,520**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. Inventories	2019/2020	2018/2019
	KShs	KShs
Stationary Store	1,431,688.00	1,431,882
Catering Store	1,581,308.00	847,720
Maintenance Store	1,759,827.20	887,108
Drug Store	619,465.40	282,041
MMPE Workshop	709,538.40	2,536,888
Examinations Store	1,607,101.00	933,712
Transport store	142,250.00	-
	7,851,178	**6,919,351**

23. Biological Assets	2019/2020	2018/2019
	KShs	KShs
Dairy Cows	535,000	1,231,542
Rabbits	2,000	3,000
	537,000	**1,234,542**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24.PROPERTY AND EQUIPMENT								
				Furniture &				
	W.I.P	Land	Building	Fittings	Computer & Equipments	Motor Vehicles	Plant & Machinery	Total
year ended 30-09-2020:	*KShs*	*KShs*	*KShs*	*KShs*	*KShs*	*KShs*	*KShs*	*KShs*
DEPN. RATES			*2%*	*13%*	*25%*	*25%*	*10%*	
COST								
As at 01-07-2019	442,614,809	1,065,000,000	2,554,542,504	31,447,776	81,204,005	36,743,633	6,173,952	4,217,726,679
Additions	101,974,580	-	-	-	272,640	-	7,959,268	110,206,488
Revaluation	-							-
Disposal	-							-
Water Tank 4.5M litres								-
ERP System	118,046							118,046
Isanga Iwishi								-
Adjustments	-							-
As at 30-06-2020	**544,707,435**	**1,065,000,000**	**2,554,542,504**	**31,447,776**	**81,476,645**	**36,743,633**	**14,133,220**	**4,328,051,212**
DEPRECIATION & IMPAIREMENT								
As at 01-07-2019	-	-	296,840,876	16,793,931	77,273,545	36,390,919	1,137,601	428,436,871
As At 30th June, 2016 (Attributable to Revalued Assets)								-
Charge for the for the Year 2019-2020			30,048,192	1,790,036	1,050,775	-	1,312,491	34,201,494
Charge for the Year 2019-20 attributable to revalued assets			39,788,395	21,615	-	-	65,339	39,875,348

As at 30-06-2020	-	-	366,677,463	18,605,581	78,324,320	36,390,919	2,515,431	502,513,714
NET BOOK AMOUNT								
As at 30-06-2019	442,614,809	1,065,000,000	2,257,701,628	14,653,845	3,930,460	352,715	5,036,351	3,789,289,807
As at 30-06-2020	**544,707,435**	**1,065,000,000**	**2,187,865,041**	**12,842,195**	**3,152,325**	**352,715**	**11,617,789**	**3,825,537,499**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

WORK IN PROGRESS SCHEDULE									
DETAILS	2012/2013 B/F	2013/2014 Additions	Additions 2014/2015	Additions 2015/2016	Additions 2016/2017	Additions 2017/2018	Additions 2018/2019	Additions 2019/2020	TOTAL
	KShs	*KShs*	*KShs*	*KShs*	*KShs*	*KShs*	*KShs*	*KShs*	*KShs*
Construction of Water tank	1,446,464	9,867,298	3,138,993	-	410,408	2,049,840	1,245,107	1,432,293	19,590,403
Construction of Water Treatment Plant-Main Campus		6,539,750	8,292,272	4,228,486			20,800.00	-	19,081,308
Construction of Water Treatment Plant-School of Agriculture					663,274		-	-	663,274
Construction of Mines, Fuels & Mineral Processing Centre-Phase I		7,343,552	88,751,352	23,054,435	25,705,310	5,499,450	1,735,402	4,217,325	156,306,826
Construction of Mines, Fuels & Mineral Processing Centre-Phase II					48,375,486	27,416,026	18,729,385	13,874,480	108,395,377
Fencing of Taveta Land				5,496,660	5,080,361	6,159,355	-	-	16,736,377
Construction of Incinerators					746,604		-	-	746,604
Construction of Dairy Unit/Classroom-School of Agriculture					3,840,847	2,343,055	-	-	6,183,902

Construction of Admin block main campus						27,051,415	70,739,365	57,508,159	155,298,939
Construction of Admin block Taveta campus						9,226,716	24,074,987	24,769,180	58,070,882
Isanga Iwishi Land						115,276	3,227,077	173,143	3,515,496
TOTAL	**1,446,464**	**23,750,600**	**100,182,617**	**32,779,581**	**84,822,290**	**79,861,133**	**119,772,123**	**101,974,580**	**544,589,388**

25. Intangible Assets – Software	**2019/2020**	**2018/2019**
	KShs	**KShs**
Balance b/d	84,107	86,708
Amortization	(21,027)	(2,601)
Balance c/d	63,080	84,107
Add: Work In Progress (ERP)	17,580,102	17,580,102
TOTAL	**17,643,182.25**	**17,664,209**

26.Inter Public University Councils Consultative Forum (IPUCCF)	**2019/2020**	**2018/2019**
	KShs	**KShs**
Balance b/f	35,200,000	35,200,000
Addition within the year	-	-
Total Loan	**35,200,000**	**35,200,000**
Repayment made in the year	-	-
	35,200,000	**35,200,000**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

27. Financing Lease/KCB Loan	2019/2020	2018/2019
	KShs	KShs
Balance B/F	7,468,164	8,534,188
Addition within the year	-	2,931,642.00
Total Loan	**7,468,164**	**11,465,830**
Loan Repayment	3,521,054	3,997,666
	-	-
	3,947,110	**7,468,164**

28. Trade and other Payable from Exchange transaction	2019/2020	2018/2019
	KShs	KShs
Sundry creditors	29,291,456	87,625,807
JKUAT Arrears	3,987,392	4,581,823
TUM Arrears	3,537,503	3,537,503
Hospital Bills	8,752,139	16,880,034
Part-time lecturers	89,663,196	135,116,698.43
Provision for retention	29,945,833	22,490,496
Provision for Audit fees	900,000	548,000
Insurance Claims	3,209,829	-
Pending Constraction certificates	4,289,988	
TOTAL	**173,577,336**	**270,780,361**

29. Bank Overdraft	2019/2020	2018/2019
	KShs	KShs
KCB TTUC Main account	37,856,548.02	41,642,270.43
	37,856,548	**41,642,270**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

30. Employee benefit obligation	2019/2020	2018/2019
	KShs	KShs
		Restated
Accrued employee gratuity	2,837,323	-
Payroll Provisions	45,110,409	32,480,157*
TOTAL	**47,947,732**	**32,480,157**

*The payroll expenses paid in 2019/2020 have been restated to 2018/2019.

31. Payment received in advance	2019/2020	2018/2019
	KShs	KShs
Fees prepayment	14,651,891.45	19,653,021.92
TOTAL	**14,651,891.45**	**19,653,021.92**

19. APPENDICES

APPENDIX 1. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S 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 For the issue to be resolved)
1.Financial Performance	The total current liabilities of Kshs.267,705,843 exceeds total current assets balance of Kshs.95,750,915 resulting to a negative working capital of Kshs.171,954,928.	The difference is as a result of trade and other payables that had not been settled as at 30 June, 2019 due to low funding. Management is closely monitoring the liabilities to ensure timely payment.	Mr. Peter Kisombe (Director of Finance)	Resolved	
2.Cash and cash equivalents	Balance of Kshs.11,391,784 not reconciled in the KCB Fee Collection A/c and KCB TaitaGIS A/c.	The balance of Kshs.11, 391,784 was reconciled and the amounts cleared from the two bank accounts.	Mr. Peter Kisombe (Director of Finance)	Resolved	
3.Audit Fees	A provision of Kshs.212,000 for audit fees not sufficient.	This has been corrected and a realistic figure for audit fees has been provided.	Mr. Peter Kisombe (Director of Finance)	Resolved	
4.Bank Overdraft	The statement of financial performance reflected a bank overdraft of Kshs.11,643,631.	The overdraft at KCB Main account was capped at Kshs.50 Million in February 2019 as per the approval of The National Treasury.	Mr. Peter Kisombe (Director of Finance)	Resolved	
5. Trade and other payables from exchange transactions	Included in the trade and other payables balance of Kshs.218, 595,409 as at 30 June 2019.	The amount in question was reconciled and Management has continued to prioritize the payment of Creditors.	Mr. Peter Kisombe (Director of Finance)	Resolved	
6.Acting Allowance	The payment of Kshs.2,043,609 for the year under review as acting allowances could have been avoided by either	The positions of Ag. Registrar (AFP) and Ag. Finance Officer were restructured to Director (Administration, Planning & Development) and Director of Finance respectively and filled substantively thereby eliminating Acting allowances. The position of	Mr. Peter Kisombe (Director of Finance)	Resolved	

	confirmation or returning the said staff to their former position.	Vice Chancellor still awaits recruitment as it was advertised by the Public Service Commission (PSC). Once the VC position is filled, the Ag. DVC (AFP) and Ag. Registrar (ARO) positions will be filled.			

Guidance Notes:

(i)Use the same reference numbers as contained in the external audit report;

(ii)Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;

(iii)Before approving the report, discuss the timeframe with the appointed Focal Point persons within Taita Taveta University responsible for implementation of each issue;

(iv)Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

Prof. Fred Simiyu Barasa, PhD
AG. VICE CHANCELLOR
Date.....13/01/2021.....

Ms. Jayne K. Mwanza
Independent Council Member
For Chairman of Council
Date.....13/01/2021.....

APPENDIX II: PROJECTS IMPLEMENTED BY THE UNIVERSITY

Status of Projects Completion

S/No	Project	Total Project Cost Kshs.'000'	Total Expended to date	Completion % to date	Budget Kshs'000'	Actual as at 30th June 2020	Sources of Funds
1	Construction of Administration Block at Main Campus (TTU/T/01/2017/2018)	280,871	141,142	44%	90,000	141,142	GoK
2	Completion of Mines, Fuels and Mineral Processing Centre, Phase II (TTUC/T/04/2016/2017) and Equipping of the Mines Labs Phase II	102,251	94,036	96%	22,000	94,036	GoK
3	Completion and Equipping of Administration and Classroom Block at Taveta Campus (TTU/T/02/2017/2018)	87,532	58,071	52%	28,465	58,071	GoK
4	Completion of Water Treatment Plant and Dairy Shed at Taita Taveta University -Ngerenyi Centre (TTUC/T/06/2016-2017)	5,340	2,340	46%	3,000	2,340	GoK
5	Completion of Classroom Block Phase 1 at Taita Taveta University -Ngerenyi Centre (TTUC/T/05/2016/2017)	8,840	3,840	48%	5,000	3,840	GoK
6	Proposed Construction and Equipping of the Mines, Fuel and Mineral Processing Laboratory Phase 111 at Main Campus (TTU/OT/01/2019 - 2020)	104,774	5,916	3%	100,000	5,916	GoK

APPENDIX 111: INTER –ENTITY TRANSFERS

TAITA TAVETA UNIVERSITY

Break down of Transfers from the State Department of University Education and Research

FY 2019/2020

a	Recurrent Grants	Bank Statement Date	Amount (Kshs)	FY
	Recurrent Grant	08/08/2019	32,585,651	2019/2020
	Recurrent Grant	29/08/2019	32,585,651	2019/2020
	Recurrent Grant	27/09/2019	32,585,651	2019/2020
	Recurrent Grant	01/11/2019	32,585,651	2019/2020
	Recurrent Grant	29/11/2019	32,585,651	2019/2020
	Recurrent Grant	27/12/2020	32,585,651	2019/2020
	Recurrent Grant	04/02/2020	32,585,651	2019/2020
	Recurrent Grant	02/03/2020	32,585,651	2019/2020
	Recurrent Grant	03/04/2020	32,585,651	2019/2020
	Recurrent Grant	08/05/2020	32,585,651	2019/2020
	Recurrent Grant	05/06/2020	32,585,651	2019/2020
	Recurrent Grant	26/06/2020	32,585,651	2019/2020
	Recurrent Grant	06/07/2020	42,063,036	2019/2020
		Total	**433,090,848**	

b	Development Grants	Bank Statement Date	Amount (Kshs)	FY
	Development Grant	21/11/2019	83,900,446	2019/2020
	Development Grant	12/03/2020	45,095,747	2019/2020
		Total	**128,996,193**	

Peter Kisombe

Director of Finance