

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY	
PAGERS TAID	
DATE: 21 FEB 2023	DAY: TUESDAY
TABLED BY: DEPUTY MAJORITY	LEADER OF PARTY
CLERK-AT-THE-TABLE: IMZOPU	MWALE

REPORT

OF

THE AUDITOR-GENERAL

ON

KENYA UTALII COLLEGE

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



Kenya Utalii College

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Email: info@utalii.co.ke
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OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

08 AUG 2022

RECEIVED

ANNUAL REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2021

**PREPARED IN ACCORDANCE WITH THE
ACCRUAL BASIS OF ACCOUNTING
METHOD UNDER THE INTERNATIONAL
PUBLIC SECTOR ACCOUNTING
STANDARDS (IPSAS) ACCRUALS**

Kenya Utalii College,

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Kenya Utalii College,

KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Kenya Utalii College is a public hospitality training institution established under the Tourism Act, No.28 of 2011. The College is represented by the Cabinet Secretary for Ministry of Tourism who is responsible for the general policy and strategic direction of the College.

(b) Principal Activities

The principal activity/mission is to develop a highly qualified human resource base for the Hospitality and Tourism Industry through Training, Research, Consultancy and related services.

(c) Key Management

The College day-to-day management is under the following key organs:

- Ministry of Tourism(State Department Of Tourism);
- College Council, Management

(d) Fiduciary Management

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

<u>No.</u>	<u>Designation</u>	<u>Name</u>
1.	Principal & Chief Executive Officer	Mr. Hashim D. Mohamed
2	Director of Studies	Mr. Wilson Mwangi
3.	Finance Manager	Mr. Benard K.Chepkwony
4.	General Manager -Hotel	Mr. Anthony K. Mbehelo
5.	Human Resources & Admin. Manager	Ms.Judith A. Oketch
6.	Director of Research and Corporate Planning	Mr. Charles k. Githonga
7.	Head of Internal Audit	Ms. Jane Kawira

(e) Fiduciary Oversight Arrangements

The College oversight role is vested in various officers among them the following:

- **Audit and Finance Committees of the Council:**

Kenya Utalii College,

The committees provide oversight and advice on the financial activities of the College and the financial reporting process to ensure balance, transparency and integrity of published financial information.

➤ **Parliamentary Public Accounts and Public Investments Committees:**

These review reports and recommendations of the Auditor General on the state of affairs of the College.

The committees have power to interrogate any adverse findings by the Auditor General

(f) Headquarters

P.O.BOX 31052 - 00600
Thika Road, Ruaraka
Nairobi, KENYA

(g) Contacts

Telephone : (254) - 020-2458627, 0722205891, 0733410005
E-mail: info@utalii.ac.ke
Website: www.utalii.co.ke

(h) Bankers

ABSA Bank Kenya Plc
Queensway House Branch
P.O Box 30011 - 00200
Nairobi.

Co-operative Bank of Kenya Limited
Stima Plaza Branch
P.O.Box 38764 - 00600
Nairobi.

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

Kenya Utalii College,

I. THE COLLEGE COUNCIL

According to the Tourism Act, the running of the College is vested in a Council appointed by the Cabinet Secretary as set out in the Act.

COLLEGE COUNCIL -INDEPENDENT MEMBERS (FY 2020/2021)

 <p>Mr. Mukasa Mwambu Muliro 1953 Chairman</p>	<ul style="list-style-type: none">▪ Post Graduate – Finance with courses in Accounting, Economics and Organisation Behaviour▪ Undergraduate – Finance with courses in the Economics of Less Developed Countries▪ Chemelil Sugar Company (February, 2007 to July, 2007) – Chairman of the Board▪ Xerox Kenya Limited (1982-2001) – Credit Controller / Assistant to the Managing Director and Personnel Manager / Personnel Officer / Human Resources Manager▪ Interlink Forwarders (1981-1982) – Station Manager▪ Suffolk County District Attorney's Office, Boston Massachusetts (1975-1977) – Records Clerk
 <p>Hon. Joseph Lekuton Member (chairperson , Finance & Human Resource Committe</p>	<ul style="list-style-type: none">▪ Masters of International Education Policy▪ Masters of Administration▪ Bachelor of Economics – Economic Development▪ Bachelor of Government in International Relations▪ Parliamentary Service Commission (2008-2013) - Commissioner

Kenya Utalii College,



Mr. Leonard Mwendwa Mudachi

Member
Chairperson , Technical & Strategy
Committee

- Bachelor of Arts in Hotel and Restaurant Administration (Washington State University)
- Higher Diploma in Hotel Management (Switzerland)
- Nairobi Java House Limited (August, 2014 to 2021) – Chief Operating Officer
- Nairobi Java House Limited (January, 2014 to August, 2014) – Business Development Director
- Blanco's Holdings Limited (February, 2006 to December, 2013) – Executive Director
- Tamarind Management Limited (2000-2006) – Deputy General Manager, The Carnivore Restaurant
- The Stanley Hotel (1999-2000) – Restaurant Manager
- Hyatt Regency Houston, Texas, USA (1998-1999) – Assistant Manager Food and Beverage (Management Trainee)
- Crazy Palace Discotheque, Switzerland (1996-1997) – Bar Supervisor
- Reanissance Zurich, Switzerland (1995) – Room service and Banqueting.



Ms. Grace Wambui Nderitu

16th February ,1977

Member
(Chairperson, Council Audit
Committee)

- PhD in Project planning and management
- MBA (Project Management)
- BA (Tourism & Communication)
- Ecotourism Kenya(may, 2014 to 2021)- CEO/Projects Director
- Basecamp Foundation (February,2011 to April, 2014-Projects Co-ordinator/Communication Manager.
- Ecotourism Kenya (March ,2007 to February ,2011)-Membership , Marketing & Communication Office

Kenya Utalii College,



Ms. Rosemary Kirumba Mugambi
Member

- Diploma, Hotel Management
- Serena Hotels East Africa (November, 2011 to date) – Regional Sales and Marketing Director
- Serena Hotels East Africa (July, 2000 to October, 2011) – Group Sales Manager
- Samburu Serena Safari Lodge (July, 1997 to June, 2000) – Lodge Manager
- Serena Beach Hotel (October, 1996 to June, 1997) – Food and Beverages Manager
- Serena Beach Hotel (September, 1994 to September, 1996) – Personnel Manager / Rooms Division Manager
- Samburu Serena Safari Lodge (May, 1989 to June, 1990) – Food and Beverage Manager
- Mombasa Serena Beach Hotel (November, 1988 to April, 1989) – Assistant Food and Beverage Manager
- Amboseli Serena Safari Lodge (April, 1988 to October, 1988) – Trainee Manager



Mr. David William Stogdale
14th August, 1950

Member

- Higher National Diploma in Hotel Management and Catering Studies (Manchester Polytechnic)
- DWS Africa (February, 2009 to present) – Owner & Managing Director
- Heritage Hotels (January, 1999 to January, 2009) – Managing Director
- Windsor Hotels International/Conservation Corporation Africa (November, 1988 to December, 1988) – Group Chief Executive
- Block Hotels (November, 1976 to October, 1988) – Group Operations Manager / Group Operations Director / Managing Director
- Mnarani Club, Kilifi (August, 1974 to September, 1976) – General Manager
- Trade Winds Hotel, Diani (May, 1972 to July, 1976) – General Manager
- Trust House Forte and Park Lane Hilton, London (July, 1969 to September, 1971) – Trainee Manager

Kenya Utalii College,



4th April , 1967

Mr. George Musyoka Maingi
Member

- Business Administration (Georgia State University, Atlanta, Georgia, USA)
- George Musyoka Consulting (January, 2014 to date) – Business Development Consultant
- Quadco 110 Limited (January, 2008 to current) – Director
- Tyrezone Limited (January, 2003 to May, 2007) – Director
- Kenya Tyres Distributors Limited (February, 1996 to January, 2003) – Sales Director
- Kenya Tyres Distributors Limited (June, 1993 to February, 1996) – Sales Man
- Coca Cola Company, Atlanta, Georgia (September, 1992 to March 1993) - Intern




MEMBERS OF THE COUNCIL WHO ARE PUBLIC OFFICERS- FY 2020/2021



Mr. David Mwangi

- Ag. Chief Executive Officer, Tourism Fund
(10.07.2020)

Kenya Utalii College,

 <p>DR. Erastus Mutembei Kanga HSC</p>	<ul style="list-style-type: none">▪ Alternate for Principal Secretary, State Department for Tourism (16.09.2020)
 <p>Mr. Richard Githenya Gakunya</p>	<ul style="list-style-type: none">▪ Alternate for cabinet secretary, National Treasury & Planning (14.10.2015)
 <p>Mr. Darius Mogaa Ogutu</p>	<ul style="list-style-type: none">▪ Alternate for principal secretary, Ministry of Education (05.04.2016)

Kenya Utalii College,



Mr. Hashim D. Mohamed
Principal and Chief Executive
Officer

- MBA(Business Administration)
- Bachelor of Science in Tourism Management
- Diploma in Hotel Management
- YOB: 1974
(16.01.2017)



Mr. Daniel N. Kinuthia
Corporation Secretary

- Masters of Laws
- Bachelor of Law
- Member, LSK
- Member, ICS
- YOB:1985

Kenya Utalii College,

Council Committees:

Finance and Human Resource Committee

The following members served in the Committee:

Hon. John Lekuton	: Chairperson
Mr. Richard Gakunya	: Member
Mr. George M. Maingi	: Member
Mr. David Mwangi	: Member
Mr. Leonard Mudachi	: Member
Ms. Joyce M. Wesonga	: In attendance
Dr. Erustus M. Kanga	: Member

Audit Committee

The following members served in the Committee:

Ms. Grace W. Nderitu	: Chairperson
Ms. Rosemary Mugambi	: Member
Dr. Erustus M. Kanga	: Member
Mr. Richard Gakunya	: Member
Ms. Joyce M. Wesonga	: In attendance
Mr. Darius Mogaka Ogutu	: Member

Technical and Strategy Committee

The following members served in the Committee:

Mr. Leonard Mudachi	: Chairperson
Mr. David Stogdale	: Member
Mr. George M. Maingi	: Member
Ms. Grace Nderitu	: Member
Hon. Joseph Lekuton	: Member
Mr. Darius Mogaka Ogutu	: Member
Ms. Rosemary Mugambi	: Member
Dr. Erustus M. Kanga	: Member
Ms. Joyce M. Wesonga	: In attendance

Kenya Utalii College,

II. MANAGEMENT TEAM



Mr. Hashim D. Mohamed
Principal and Chief Executive Officer

- MBA(Business Administration)
- Bachelor of Science in Tourism Management
- Diploma in Hotel management
- YOB: 1974



Mr. Wilson K. Mwangi
Ag. Director of Studies

- Master of Science –Hospitality Management
- Certificate In Front Office
- YOB :1962



Mr. Bernard K. Chepkwony
Finance Manager

- MBA (Finance)
- BA(Economics)
- CPS(K)
- CPA(K)
- YOB:1978

Kenya Utalii College,



Mr. Anthony K. Mbehelo
General Manager – Hotel

- MBA (Operation Management)
- B.Com (Management Science)
- Diploma in Hotel Management and Administration
- YOB:1975



Ms. Judith A. Oketch
Human Resource and Administration
Manager



- MBA (Strategic Management)
- B.Com (HR Option)
- Diploma in HR Management
- Advanced Certificate in Business Management
- YOB:1968



Mr. Charles k. Githonga
Director of Research and Corporate

- MBA (Strategic Management)
- BSC in Hospitality Management
- Diploma in Hotel Management
- CPS (K)
- YOB: 1962

Kenya Utalii College,

Planning	
 <p>Ms. Jane Kawira Ag.Head of Internal Audit</p>	<ul style="list-style-type: none">• MBA(Finance)• Bachelor of Commerce• Certified Public Accountant(K)• YOB:1974
 <p>Mr. Daniel N. Kinuthia Corporation Secretary</p>	<ul style="list-style-type: none">• Master Of Laws• Bachelor of Law• Member, LSK• Member,ICS• YOB:1985

Kenya Utalii College,

III. CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to present the annual accounts for the financial year 2020/2021 that ended 30th June 2021. These accounts have been prepared in accordance with International Public Sector Accounting Standards (IPSAS). The financial performance of the past year has faced challenges. Despite these challenges the Kenya utalii college council is proud of the achievements that Kenya utalii college (KUC) has made. Among these is the placement of our alumni to opportunities for work in the UK.


During the early days of the pandemic, the outlook for business around the world, especially for those in the Tourism and Hospitality sector, was bleak. KUC was affected and like other training institutions, the college was closed for a number of months following a presidential directive. The financial performance for the year 2020/2021, was significantly impacted by the pandemic.

The institution continues to face difficulties in raising adequate revenue to meet its general operating Costs. During the financial year the college witnessed a reduction in remittances from Tourism Fund. We appreciate the Government of Kenya, which through National Treasury intervention provided funding the college that enabled us to cover the budget Shortfall.

One of the key projects that the college continues to invest in is the construction of individual Training kitchen (ITK) for our students, this will increase the capacity to provide training for a popular course that has been severely affected because of our limited capacity. The completion of this additional Training capacity will increase student enrolment in the coming years.

I thank the Government of Kenya, college council, principal, management team, members of staff and stakeholders for their respective contribution towards the performance of the college.

We look forward to a more positive 2021/2022


Mr. Mukasa M. Muliro

Chairman – KUC Council

IV. PRINCIPAL'S STATEMENT

The financial year 2020/2021 was characterized by a tough economic environment as a result of Covid-19 pandemic. This disrupted the college operations in March 2021 due to early closure of the college and reduction of funds from Tourism Fund.

The college successfully celebrated its 45th graduation with three hundred and Eighty two students completing different courses at a time when the entire world is depressed as a result of the devastating effects of covid-19. The ceremony is a major milestone for the college and a clear demonstration that despite the prevailing challenges, we continue to passionately implement our mandate of undertaking training and capacity building for the hospitality and Tourism sector.

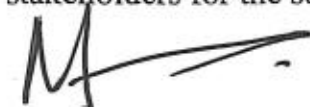
We had great plans and aspirations for this esteemed institution at the beginning of year 2020. We would have conducted countrywide Refresher Courses, Management Development Programs, National Tourism Competitions and other Tailor-made training programs, among many other activities. However, human beings make plans but unforeseen occurrences such as Covid-19 give life a new perspective. But we have learnt to live with the new norm.

As we begin the Financial Year, we are well prepared as an institution to ensure that we carry out our training activities while adhering to the set health protocols. Secondly, with the new health and safety requirements in hospitality and tourism, the college is ready to begin offering tailor-made training programmes that will be key for the industry's compliance. I call upon hospitality and tourism industry players to partner with us as we forge forward in actualizing the Tourism Industry Recovery strategy.

I am nevertheless glad to report that during the pandemic, we have been able to begin the construction of the Individual Training Kitchen Block project which is now 70% complete.

We are at the forefront in executing the National Tourism Blueprint whose vision states in part, that by 2030, vibrancy and innovation will characterize Kenya's booming and sustainable tourism industry. As an institution mandated with the industry's capacity building, we always carry out market surveys to ensure that we match what we train to requirements of the labour market.

I sincerely thank the College Council, the management team, staff and all our stakeholders for the support and commitment to the Institution.



Prof. Charles Musyoki, PhD, OGW

Principal & Chief Executive Officer

V. STATEMENT OF KENYA UTALII COLLEGE PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2020/21

The Strategic Plan for 2021-2026 period, sets out the strategic direction for the development of KUC in the medium term. Over this period, the tourism and hospitality landscape will continue to change – and so the Strategic Plan will be reviewed and adapted, to ensure its ongoing relevance. The strategy will also be supported by specific shorter annual work plans, including the College's marketing strategy, which is refreshed on a regular basis due to changes in stakeholder preferences, and behaviour.

The Strategy is developed and designed to unite efforts across all areas of KUC's operation with priorities and actions targeted towards shifting the current performance of the College to one of sustainable growth over the plan period and beyond. Five priority objectives are identified that, if delivered, will make a material impact on the trajectory of tourism and hospitality training in Kenya. These key priority areas are:

- i. Improving the quality of tourism & hospitality industry training and capacity building;
- ii. Ensuring financial sustainability of the College
- iii. Enhancing research, consultancy & collaboration portfolio
- iv. Repositioning the KUC Brand as a market leader
- v. Developing Human Capital and operational excellence

Within each priority objective are specific actions to achieve identified goals in the short and medium term. Implementing the strategy's actions through to 2026 will create the momentum to attract collaborations and prepare the College to deliver high quality programmes in an increasingly diverse stakeholder environment.

KUC has three Strategic pillars and objectives within the current strategic plan for the financial year 2020/2021. These strategic pillars are as follows.

- Workforce Development
- Collaboration across Industry
- Government Reinforce the actions identified within key priorities.

Kenya Utalii College develops its work plans based on the above three pillars. KUC achieved its performance targets set out for the FY 2020/2021 Period for its three strategic pillars as indicated in the Diagram below

Kenya Utalii College,

Strategic Pillar	Objective	Key performance Indicators	Activities	Achievements
Workforce Development	<ul style="list-style-type: none"> Develop Human Capital and Operational Excellence 	<ul style="list-style-type: none"> No of Staff Trained 	<ul style="list-style-type: none"> Training 	<ul style="list-style-type: none"> Trained 4 managers on Corporate Governance Group training on Job Evaluation- 30 members of Staff Trained
Collaborations across Industry	<ul style="list-style-type: none"> Enhancing Research, Consultancy & Collaboration Portfolio 	<ul style="list-style-type: none"> No of Research, collaboration & Consultancies Done 	<ul style="list-style-type: none"> 3 Academic research studies Kephis Kenya Navy MTRH 	<ul style="list-style-type: none"> Analysis of Skills gap in Tourism & Hospitality Customer Care F&B Technique KOT Technique
Government Reinforce the actions identified within key priorities	<ul style="list-style-type: none"> Ensure Financial Sustainability 	<ul style="list-style-type: none"> Grants 	<ul style="list-style-type: none"> Grants 	<ul style="list-style-type: none"> Gok provided ksh.596,838,913 as Recurents

VI. CORPORATE GOVERNANCE STATEMENT

Corporate governance is the manner in which the power over and the power of a corporation is exercised in the stewardship of its total portfolio of assets and resources with the primary objective of increasing and sustaining shareholders value while satisfying the needs of all stakeholders in the context of the mission and vision of that corporation. The College Council is committed to ensuring that the College is run in a Professional, transparent just and equitable manner. The College endeavours to adhere to good corporate governance by adhering to guideline issued by centre of corporate governance and benchmarking its activities with the best practices in the industry.

a) Board Attendance

A record of attendance of board meetings and board committee meetings was kept during the period under review. The provisions of the corporations Act and the mwongozo code of Governance for State Corporation pertaining to attendance and absence from meetings have been adhered to.

- Almanac For The College Council

Meeting	No of Sitzings
Full Council	8
Finance and HR Committee	7
Technical & Strategy Committee	6
Audit Committee	13

b) Conflict of interest

Board members are required to disclose any conflict of interest in relation to matters that are brought before them for deliberations. The corporation secretary maintain a register of conflict of interest which is updated where a conflict is declared.

c) Statement of Compliance

The college conducted its business affairs in full compliance with all applicable laws, rules,, regulations, relevant executive orders and circulars.

d) Board Oversight

The board is responsible for the formulation, implementation and monitoring of the college strategic plan thus providing appropriate strategic direction for the college.

Kenya Utalii College,

The board ensures that the college espouses proper corporate governance, practices and is also responsible for managing the college risks. The board recognises and is committed to delivering its responsibility to all stakeholders.

e) Board Remuneration

The board is remunerated in accordance with the approved terms and condition of service prescribed under various Government circulars

f)Corporation Secretary

The council is assisted by a qualified, competent and experience corporation secretary. The corporation secretary coordinates the board activities and ensures in consultation with the chairman and chief executive that the board meetings are held procedurally and as per the approved calendar.

g)Separation of Roles

The roles of the council is separate from that of the management; the office of the chairperson and that of the chief Executive officer are held by different persons, Also the office of the chief executive officer and that of the Corporation secretary are held by different persons.

h)Board Attendance

A board meeting attendance register is maintained for all board committee and board meeting; where a member did not attend any meeting, an acceptance apology was duly received by the chairman and recorded by the corporation secretary

COLLEGE VISION

To be a globally recognized and transformative premier tourism and hospitality training centre.

MISSION STATEMENT

To develop a highly qualified and globally competitive human resource for the Hospitality and Tourism Industry by providing quality tourism and hospitality education, purposeful research and consultancy.

VII. MANAGEMENT DISCUSSION AND ANALYSIS

a) The college operational & financial performance

KUC develops highly qualified and globally competitive human resource for the Tourism and hospitality industry by providing quality Training on Tourism, Hospitality Education, purposeful research and Consultancy.

KUC has a weak cash flow position unable to meet obligation as they fall due as stated by the office of the Auditor General.

b) College compliance with statutory Requirements

The college has complied with all statutory obligations including PAYE, NHIF, NSSF, HELB, and VAT Except for Bank loans which is outstanding for three months in the financial year 2020/2021.

c) Key Projects and Investment Decision the College is Implementing

The college is currently carrying out the following project

❖ Practical Training Block

The entire project consists of Individual training kitchen (ITK), and Food and beverage lab, the project is ongoing and has phases as follows:

Phase one

1) Construction of Practical Training block which is ongoing. Currently is at 70% completion rate. Entails;

- Main Builders work
- Mechanical works
- Electrical works
- Structural Cabling and Fire Suppression and Extractor hoods work

Phase Two

2) Equipping of the practical training block which has not started will involve;

- Complete Cooking range
- Operations tools
- Cold storage equipment
- Food Processing Equipment's
- Equipment for Food and service Practical

Proposed Project Outputs

- i) Increased number of student intake from 2,200 to 5,000
- ii) Increase in revenue of internally generated revenue
- iii) Improve the quality of tourism training by using the modern facilities to acquire new skills which will the demand for the industry.

VIII. ENVIRONMENTAL AND SUSTAINABLE REPORTING

Tourism and Hospitality industry has positioned itself to lead the country into sustainable economic growth and development in the last few decades.

This comes at a time when the country is striving to ensure sustained economic growth despite the global economic meltdown. Kenyas Tourism and Hospitality sector requires accelerated usage of specialized knowledge, information, and innovativeness to support and expand its contribution to the country's GDP.

The Kenya Utalii College is critical for the realization of the country's tourism and hospitality objectives through provision of the much needed skills by the industry on: promotion and marketing of domestic tourism, development and promotion of conference tourism, development of cultural tourism, standardization and diversification of tourism products, as well as development of modern tourism infrastructure e.g. development of ultra-modern conference facility among others.

i) Sustainability strategy and profile

These are the conditions that are critical for KUC to realize its strategic goals. These include:-

- Ensuring growth of teaching and other staffs both in capacity and numbers along with the college's growth.
- Commitment to embrace a robust financial management system through diversification of income generation for sustainability and self-reliance.
- Willingness to facilitate all the KUC's programmes identified.
- Institute-wide commitment to implementing the strategic plan activities in phases through performance contracting and evaluation. This will be demonstrated through communication, cooperation, and coordination.

ii) Environmental Performance

The college offers training in hospitality and Tourism; accommodation as well as conferencing services at the hotel. However the college has inadequate facilities ranging from: inadequate tuition blocks with a deficit of 220 students per sitting; inadequate training lab capacities with deficits of 90 students capacity per sitting for the language lab, 40 student capacity per sitting for computer lab, 47 and 46 student capacities per sitting for front office and tourism labs respectively. The college's library also lacks about 75,000 volumes of books as well as e-book resources.

The college administration block lack adequate offices and the need for optimal use of the college grounds is also evident while the utalii village on the other hand however is not adequate to accommodate all the College Staff members.

iii) CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Kenya Utalii College is committed to assisting the underprivileged in the community, partnering with other government organizations, as well, as taking care of the environment from which our industry is a major beneficiary. The Institution therefore carries out Corporate Social Responsibility (CSR) activities, and these also happen to be part of our Performance Contract obligations.

The 2020/2021 Financial Year had extremely low activities, occasion by the Covid-19 restrictions. We however participated in the following three CSR activities: -

1. On Tuesday the 22nd December 2020, we partnered with Kamiti Medium Security prison in their endeavor to uplift the morale of their inmates, as they rehabilitate them. We donated a 20 kg cake as they celebrated the 2020 Christmas Festive season.
2. On Thursday the 28th of January 2021, we provided 200 bottles of drinking water to the East Africa Tour Guides & Drivers Association (EATGA) in support of their good work, during their AGM at the Bomas of Kenya. EATGA is an association that seeks to represent the new face of tour guiding which promotes professionalism and safe tour guiding practices in the country.
3. On Saturday the 6th of March 2021, the College sponsored 100 students to join hands with Kenya Association of Women in Tourism (KAWT) in a tree-planting exercise during the Association's 10th anniversary. KAWT, a non-profit-making association, is a key stakeholder in the Tourism Industry. Its primary mandate is to unite and mobilize women in the tourism and hospitality sector; encouraging them to take active roles in the promotion of tourism in Kenya and come up with programs that promote and enhance social harmony.

Kenya Utalii College,

Below is a summary of the CSR activities during the 2020/2021 Financial Year.

NO.	ACTIVITY	DATE	AMOUNT (KSHS)
1.	20 kg Christmas Cake Presented to Kamiti Prison	Tuesday, 22/12/2020	30,000.00
2.	East Africa Tour Guides & Drivers Association During AGM - 800 Bottles of Water @ 50/=	Thursday, 28/01/2021	40,000.00
3.	Joined in the KAWT CSR activity of Tree Planting during the Tenth Anniversary. Contributed 500/= p.p. for the 100 students who participated.	Saturday, 06/03/2021	50,000.00
Total			120,000.00

VIII. REPORT OF THE COLLEGE COUNCIL

The College Council submit their report together with the financial statements for the year ended June 30, 2021 which show the state of Kenya Utalii College affairs.

Principal Activities

The principal activity/mission is to develop a highly qualified human resource base for the Hospitality and Tourism Industry through Training, Research, Consultancy and related services.

Results.

The results of the entity for the year ended June 30, 2021 are set out on page 1-5.

Council

The members of the Council who served during the year are shown on page iii and were appointed by the cabinet secretary of the ministry of Tourism and wildlife.

Surplus remission

Kenya Utalii College did not make any Surplus during the financial year 2020/2021 and hence no remittance to the Consolidated Fund.

Auditors

The auditor General is responsible for the statutory audit of the entity in accordance with the Public Finance Management (PFM) Act, 2012.

Office of the Auditor General shall carry out Audit of Kenya Utalii College financial Statements for the year ended 30th June 2021.

By Order of the Board

.....
Corporation Secretary

Nairobi

Date..... 22 July, 2022

Kenya Utalii College,

IX) STATEMENT OF COLLEGE COUNCIL RESPONSIBILITIES

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

The Council is responsible for the preparation and presentation of the Kenya Utalii College's financial statements which give a true and fair view of the state of affairs of the College for and as at the end of the financial year ended on June 30, 2021. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College;
- (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 College;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

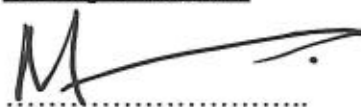
The Council accept responsibility for the Kenya Utalii College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Council is of the opinion that the College financial statements give a true and fair view of the state of College's transactions during the financial year ended June 30, 2021, and of the College's financial position as at that date. The Council further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The College's financial statements were approved by the College Council on 27th September 2021, and signed on its behalf by:

Principal & CEO


Date 22-07-2022


Chairman - KUC Council

22-07-2022
Date

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KENYA UTALII COLLEGE FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Utalii College set out on pages 1 to 32 which comprise of the statement of financial position as at 30 June, 2021,

Report of the Auditor-General on the Kenya Utalii College for the year ended 30 June, 2021

and the statement of financial performance, statement of cash flow, statement of changes in net assets, consolidated statement of comparison of budget and actual amounts and notes to the financial statements and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kenya Utalii College as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accruals Basis) and comply with the Public Finance Management Act, 2012 and the Tourism Act, 2011.

Basis for Qualified Opinion

1. Unsecured House and Car Loans

The statement of financial position as at 30 June, 2021 reflects a staff loans fund balance of Kshs.22,628,774, as disclosed in Note 21 to the financial statements. Included in the balance is a loan scheme principal advances amount of Kshs.10,518,860 which relates to car and house loan principal amount outstanding as at 30 June, 2021. However, Management did not provide for audit the log - books and title deeds which were used as security for loans amounting to Kshs.3,373,393, contrary to the provisions of the College's car and house loan rules and regulations of 1998 that require staff house and car loans be secured. In addition, two (2) staff members had not made any repayments on their loans amounting to Kshs.995,347 for a period of more than one (1) year and Management did not provide evidence of efforts made to recover the outstanding amounts .

In the circumstances, the recoverability of the debts of Kshs.22,628,774 as at 30 June, 2021 could not be confirmed.

2. Long Outstanding Receivables

The statement of financial position reflects receivables from exchange transactions balance of Kshs.893,991,724, as disclosed in Note 13 to the financial statements. Included in the balance are Hotel and College accounts receivables totaling Kshs.100,875,399 or 11% which have been outstanding for more than four (4) years as indicated in the debtor's ageing analysis. Although the Management of the College has shown efforts of recovery through demand letters, the efforts have not yielded any results.

In the circumstances, it was not possible to confirm the accuracy, completeness of the receivables from exchange transactions balance of Kshs.100,875,399 . Further, the recoverability of this balance remains in doubt.

The audit was conducted in accordance with International Public Sector Accounting Standards and Audit Institutions (ISSAIs). I am independent of the Kenya Utalii College

Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Material Uncertainty related to Going Concern

The statement of financial position indicates that the College had current liabilities of Kshs.5,637,603,118 against current assets of Kshs.1,354,434,674 thus resulting to a negative working capital of Kshs.4,283,168,444 as at 30 June, 2021. The College is therefore technically insolvent and may not be able to meet its short term obligations as and when they arise. This is despite a disclosure in the financial statements under the statement of compliance and basis of preparation - IPSAS 1 that the Institution will be in existence for the next one year and will meet its short-term obligations. Further, the College's continued existence as a going concern is mainly dependent on financial support from the Government and its creditors.

In the circumstances, these events or conditions indicate that a material uncertainty exists that may cast significant doubt about the College's ability to continue as a going concern.

My opinion is not modified in respect of this matter.

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 other key audit matters to report in the year under review.

Other Matter

1. Budgetary Control and Performance

The consolidated statement of comparison of budget and actual amounts reflects a total budgeted expenditure of Kshs.763,388,732 against an actual on comparable basis expenditure of Kshs.1,080,490,280 resulting to an over expenditure of Kshs.317,101,548 or 41%. The over expenditure has, however, not been supported by a supplementary budget or authorization by the College Council.

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Recovery of Salary Advance

During the audit, it was noted that the College had issued salary advance to some of its staff in the year 2017/2018, 2018/2019 and 2019/2020 totalling to Kshs.314,000. Management however failed to recover the said amounts within the stipulated time frame of 8 months as provided in the College's Human Resource Manual. Further, the College issued salary advances amounting to Kshs.393,000 from the year 2011/2012 to the year 2019/2020 to various employees which had not been recovered as at 30 June, 2021 contrary to Section 3.9.7 of the College's human resource manual.

In the circumstances, Management was in breach of the human resource manual.

2. Lack of Contract Agreement for Fuel Supplies

Review of procurement records revealed that there was no contract agreement between a local fuel company and the College for supplies totaling Kshs.3,976,554 during the year under review, contrary to Section 135(2) of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer of a procuring entity shall enter into a written contract with the person submitting the successful tender based on the tender documents and any clarifications that emanate from the procurement proceedings.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the procedures performed, except for the matters reported under Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing has come to my attention to

cause me to believe that internal controls, risk management and overall governance were not effective.

Basis of Conclusion

Variance Between Payroll Summary (PAYE Deductions) and the Accounting System Generated Report

The payroll summary provided for audit review indicated that Management had deducted a total of Kshs.93,649,762 as Pay as You Earn (PAYE) from the employees of the College in the year under review. Further, the summary report provided by the College which was generated from the accounting system reflected a total PAYE deduction of Kshs.57,672,609 thereby leading to unexplained variance of Kshs.35,977,153. It is not clear why the management is not using the same system to deduct all the statutory deductions and chooses to use a different system for PAYE deductions.

In the circumstances, the reliability of the PAYE reports generated from the two systems could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit so as to obtain limited assurance as to whether effective 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 College 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 College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to terminate the College 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 College Council is responsible for overseeing the financial reporting process, reviewing the effectiveness of how the College monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

31 August, 2022

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2021

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

	Note	2020/2021	2019/2020
		Kshs	Kshs
Revenue from non-exchange transactions			
Incomes from non commercial transacti	3	712,811,702	552,251,568
		712,811,702	552,251,568
Revenue from exchange transactions			
Utalii Hotel Net Profit(Loss)	4	(70,080,873)	(91,846,972)
Revenue From Commercial Activities	4	31,303,252	102,962,622
Fees From Students	5	58,527,399	50,439,776
		19,749,778	61,555,426
Total revenue		732,561,480	613,806,994
Expenses			
Employee costs	6	359,508,256	384,946,371
College Council Expenses	7	11,867,607	16,794,301
Depreciation and amortization expense	8	46,359,763	44,619,632
Repairs and maintenance	9	9,962,594	13,297,085
Contracted services	10	16,843,580	18,257,742
General expenses	11	547,531,596	603,443,222
Total expenses		992,073,396	1,081,358,352
Deficit before tax		(259,511,916)	(467,551,359)
Taxation (Note Kenya Utalii College is a training Institution hence exempted from Corporate tax)			
Deficit before tax		(259,511,916)	(467,551,359)

The notes on page 6 - 29 form an integral part of the financial statements

Approval of the financial statements

The College's financial statements were approved by the College Council and signed on its behalf by:

Principal & CEO

Name *Charles Mwangi*

Date *22-07-2022*

Head of Finance

Name *Bernard K. Chepkwony*

ICPAK No. *7572*

Mwangi

Chairman, College Council

Name *M. Mwanbu Muliro*

Date *22-07-2022*

Kenya Utalii College,
Annual Report and Financial Statements For The Year Ended 30th June 2021
STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2021

	Note	2020/2021 Kshs	2019/2020 Kshs
Assets			
Current assets			
Cash and cash equivalents	12	155,036,189	162,428,274
Receivables from exchange transactions	13	893,991,724	817,250,223
Receivables from non-exchange transactions	14	289,605,090	129,903,787
		1,338,633,003	1,109,582,284
Inventories	15	15,801,671	19,080,884
		1,354,434,674	1,128,663,167
Non-current assets			
Staff Loans Fund	21	22,628,774	22,180,870
Property, plant and equipment	25	6,349,041,840	6,361,292,953
		6,371,670,614	6,383,473,823
Total assets		7,726,105,288	7,512,136,991
Liabilities			
Current liabilities			
Refundable deposits from customers	16	3,086,711	2,668,787
Trade and other payables from exchange trans	17	5,443,315,095	4,970,688,767
Provisions	18	191,201,312	182,363,281
		5,637,603,118	5,155,720,835
Non-current liabilities			
Borrowings (GOK Loan)	19	122,125,028	122,125,028
Staff Loans Fund	21	22,628,774	22,180,871
Capital Reserve - Refurbishment of Utalii Ho	22	157,823,032	162,902,294
Revaluation Reserve	23	3,787,364,894	3,864,409,403
Accumulated Fund	24	(2,126,439,552)	(1,940,201,441)
Capital Grants	26	125,000,000	125,000,000
		2,088,502,177	2,356,416,157
Total liabilities		7,726,105,288	7,512,136,991

The notes on page 6 - 29 form an integral part of the financial statements

Approval of the financial statements

The College's financial statements were approved by the College Council and signed on its behalf by:

Principal & CEO
Name *Charles Musyuni*
Date *22-07-2022*

Head of Finance
Name *Bernard K. Chop Kwany*
ICPAK No. *7192*
Musyuni

M. M. Muliro
Chairman, College Council
Name *M. Mwanambwa Muliro*
Date *22-07-2022*

STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2021


	Note	2020/2021	2019/2020
		Kshs	Kshs
Cash flows from operating activities			
Deficit for the year before tax		(259,511,916)	(467,551,359)
Adjusted for:			
Depreciation		46,359,763	44,619,632
Amortized Reserves		(5,079,262)	(5,079,262)
Contribution to provisions		8,838,031	224,587
Working capital adjustments:			
Increase/Decrease in inventory		3,279,213	677,851
Increase/Decrease in receivables		(236,442,804)	(545,298,826)
Increase/Decrease in payables		473,544,382	961,752,189
Net cash flows from operating activities	20	30,987,408	(10,655,188)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(38,379,491)	(36,784,071)
Net cash flows used in investing activities	25	(38,379,491)	(36,784,071)
Cash flows from financing activities			
Repayment of borrowings		-	(5,000,000)
Net cash flows used in financing activities		-	(5,000,000)
Net increase/(decrease) in cash and cash equivalents		(7,392,082)	(52,439,259)
Cash and cash equivalents at 1 July 2020	12	162,428,277	197,807,284
Cash and cash equivalents at 30 June 2021	12	155,036,190	162,428,277


The notes on page 6 - 29 form an integral part of the financial statements

Approval of the financial statements

The College's financial statements were approved by the College Council and signed on its behalf by:

Principal & CEO 
 Name Charles Musyuni
 Date 22-07-2022

Head of Finance
 Name Bernard K. Chigikonyi
 ICPAK No. 7192



 Chairman, College Council
 Name M. Mwalili
 Date 22-07-2022

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2021

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 2021

Attributable to the owners of the controlling entity

Reserves

	Staff Loan Fund Kshs	Accumulated Surplus Kshs	Capital Reserve Kshs	Capital Grants Kshs	Revaluation Reserve Kshs	TOTAL Kshs
As at 1st July 2019	21,562,328	(1,548,454,359)	167,981,556	125,000,000	3,940,213,680	2,706,303,206
Capital Grants						
Hotel Revenues Account						
Funds received during the year	618,545					618,545
Amortization on Revaluation Reserve charge for the year		75,804,277			(75,804,277)	(0)
Capital Grants						
Grants Amortized			(5,079,262)			(5,079,262)
Deficit for the year		(467,551,359)				(467,551,359)
Balance as at 30 June 2020	22,180,872	(1,940,201,440)	162,902,294	125,000,000	3,864,409,403	2,234,291,129
As at 1st July 2020						
Capital Grants						
Funds received during the year	447,903					447,903
Amortization on Revaluation Reserve charge for the year						
Prior Year Adjustment		77,044,509			(77,044,509)	0
Capital Grants						
Transfers/adjustments						
Grants Amortized			(5,079,262)			(5,079,262)
Deficit for the year		(259,511,916)				(259,511,916)
Balance as at 30 June 2021	22,628,775	(2,122,668,847)	157,823,032	125,000,000	3,787,364,894	1,970,147,854

The notes on page 6 - 30 form an integral part of the financial statements

**Kenya Utalii College,
Annual Report and Financial Statements For The Year Ended 30th June 2021
Consolidated statement of comparison of budget and actual amounts for the year ended 30 June 2021**

	Original budget 2020/2021 Kshs	Final budget 2020/2021 Kshs	Actual on comparable basis 2020/2021 Kshs	Performance difference 2020/2021 Kshs	% of Utilisation	Variance Explanation
Revenue						
Revenue from non-exchange transactions						
Other income	708,929,208	550,162,000	712,811,702	162,649,702	130	
Revenue from exchange transactions						
Fees From Students	55,751,000	48,900,000	58,527,399	9,627,399	120	Few Foreign students
Gross Revenue from commercial activities	209,272,589	51,079,000	67,444,662		132	low students intake in campuses
Gross Revenue from hotel	240,000,000	68,000,000	28,554,364	(39,445,636)	42	Low hotel business/Closure Due to Covid 19
Total Income	1,213,952,797	718,141,000	867,338,127		121	
Expenses						
Employee costs	424,190,585	383,129,860	359,508,256	23,621,604	94	No employment or promotions
Remuneration of College Council	25,000,000	12,000,000	11,867,607	132,393	99	
Repairs and maintenance	18,194,000	16,930,000	9,962,594	6,967,406	59	Cut down on expenditure
Contracted services	35,570,000	33,900,000	16,843,580	17,056,420	50	Cut down on expenditure
Hotel expenses	171,964,157	113,247,732	98,635,237	14,612,495	87	low hotel business
Commercial activities expenses	106,154,577	35,338,057	36,141,410	(803,353)	102	low intake
General expenses	325,116,103	168,843,083	547,531,596	(378,688,514)	324	Interest on GOK Loan
Total Expenses	1,106,189,422	763,388,732	1,080,490,280	25,699,142	142	
Development expenditure			38,379,491			
Total	1,106,189,422	763,388,732	1,080,490,280		142	
Depreciation and Amortization			46,359,763			
Surplus for the period			(259,511,916)			

I. NOTES TO THE FINANCIAL STATEMENTS

1. Statement of compliance and basis of preparation –IPSAS 1

The entity's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings (Kshs), which is the functional and reporting currency of the entity. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the indirect method and the financial statements are prepared on accrual basis.

The Institution will be in existence for the next one year and will meet its short term obligations as they arise.

2. Summary of significant accounting policies

a) Revenue recognition IPSAS 23

i) Revenue from non-exchange transactions

a) Related party transactions

i. Revenue from Tourism Fund

This is the revenue collected by Tourism Fund from hotels and restaurants to cater for both training and marketing needs in the hotel and tourism sector. It is shared between Kenya Utalii College, Kenya Tourism Board and Tourism Fund in accordance with approved budgets.

ii. Grants from Government of Kenya

This is in respect of assistance from the Government of Kenya During the year, through the Ministry of Tourism and Wildlife. It is recognized as revenue when received. The College received Kshs. 596,838,913 for recurrent. Where an official commitment is received from the government or timing differences occur between the time the Government sends the funds and actual receipt, the grants are accrued / deferred.

iii. Rent Income from Housing Units

This is the income arising from rent charged to members of staff occupying the College's housing units

Kenya Utalii College,
Notes to the Financial Statements for the year ended 30th June 2021

ii) Revenue from exchange transactions –IPSAS 9

Rendering of services-Fees revenue.

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

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

Students' fees are recognized at the beginning of the term and cover the whole term. Fees paid in advance are treated as liabilities to the College whereas fees in arrears are treated as receivables. Other revenues are recognized in the period they are earned net of VAT and discounts.

Revenue from Commercial Activities

This represents revenue generated from part-time courses and other revenue generating activities by the various departments. This amount is shown net of direct expenses.

Sale of goods and Services -Utalii Hotel

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

b) Budget information IPSAS 24

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the College. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

The original budget for FY 2020-2021 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

c) Property, plant and equipment IPSAS 17

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

Depreciation is calculated on straight line basis, at annual rates estimated to write-off carrying values of the assets over their expected useful lives.

The annual depreciation rates in use are:-

	Rate	Estimated Useful Life
Freehold Land	Nil	
Leasehold Land		
Main College		53 Years
Library Complex		69 Years
Utalii Sports Club		68 Years
Utalii Village		54 Years
Vipingo		76 Years
Buildings	2.5%	40 Years
Plant and Machinery	10%	10 Years
Furniture, Technical & Teaching Equipment	20%	5 Years
Motor Vehicles	25%	4 Years
Computers	30%	3 ¹ / ₃ Years
Intangible Assets	20%	5 Years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

d) Inventories IPSAS 12

Inventories comprising of food, beverage and general merchandise together with returnable containers and drugs have been measured at the lower of cost and net realisable value.

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

e) Provisions –IPSAS 19

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

f) A specific provision amounting to **Kshs 191,265,595** has been recognized. In addition a 5% general provision for doubtful debts has been created in the financial statement.

	PROVISION FOR BAD AND DOUBFUL DEBTS		
DETAILS	ACCOUNTS RECEIVABLE	SPECIFIC ACCOUNTS	TOTAL
SPECIFIC	67,265,835	115,097,445	182,363,281
5% 2020-2021 PROVISION	852,966	8,049,348	8,902,314
5% 2019-2020 PROVISION	293,074,89	(68,488)	224,586.62

g) Nature and purpose of reserves

The College creates and maintains reserves in terms of specific requirements. The following are the reserves that are maintained by the College and their appropriate policies adopted.

Revaluation Reserve

The College's Assets were revalued in October 2014 by an independent Valuer, Nile Real Appraisers (EA) Ltd. The Revaluation exercise was carried out in order to establish the fair carrying value of the assets. This resulted in a revaluation surplus of kshs 4,320,753,492. Depreciation on the revaluation surplus is charged to the revaluation Reserve Account

Kenya Utalii College,

Notes to the Financial Statements for the year ended 30th June 2021

Capital Reserve – Refurbishment of Utalii Hotel and Individual Kitchen

During the 2003/2004, 2005/2006 and 2007/2008 financial years, the College received capital grants from the Government of Kenya and Special Capital Grant from Catering and Tourism Development Levy Trustees to refurbish Utalii Hotel and Individual Training Kitchen amounting to Kshs.113,170,486, 15,000,000 and 30,000,000 respectively. These grants are amortized over the expected useful life of the building and useful life of the Equipment on a straight line basis.

The balance has been arrived at as follows:

	2020/2021	2019/2020
	Kshs.	Kshs.
Balance at beginning of year	162,902,294	167,981,556
Less: Amortization	5,079,262	5,079,262
Balance at end of year	157,823,032	162,902,294

h) Employee benefits IPSAS 25

Retirement Benefit Obligations

The College operates a defined contribution benefits scheme for its permanent employees. The assets of the scheme are held in a separate trustee administered fund that is funded by both the College and employees.

The contribution by the Employer and Employee depends on the grade and it varies from one grade to the other.

The College also contributes to a statutory defined contribution pension scheme, the National Social Security Fund (NSSF). Contributions are determined by NSSF Act and are currently limited to Kshs.200 per employee per month. The College's contributions to the above schemes are charged to the income and expenditure account in the year to which they relate.

i) Cash and cash equivalents

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

Kenya Utalii College,
Notes to the Financial Statements for the year ended 30th June 2021

i) Taxation

Kenya Utalii College is exempted from taxation under the first schedule of the Income Tax Act Cap 470.

j) Contingent Liabilities and Assets

Contingent Asset

There were no contingent assets that could lead to possible inflow of resources embodying economic benefits or service potential for the period.

Contingent Liability

There were no contingent liabilities that could lead to possible outflow of resources embodying economic benefits or service potential for the period.

k) Capital Commitments

There were no capital commitments During the Year.

l) Financial Instruments-IPSAS 29

Financial Assets

Staff Loans Scheme Fund and Receivables

Loans and receivables are non- derivative financial assets with fixed or determinable payments that are not quoted in an active market. The receivables include trading debtors, student debtors and the staff loan scheme fund.

After initial measurement the financial assets are subsequently measured at amortized cost using the effective interest method less impairment. Losses arising from impairment are recognized in the surplus or deficit.

The Entity assesses at each reporting date whether there is objective evidence that a financial asset is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the

estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include the following indicators:

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

Financial Liabilities

Staff Loans Scheme Fund and GOK Loan

Financial liabilities are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. The liabilities include GOK loan and the staff loan scheme fund

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

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

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

m) Subsequent Events IPSAS 14

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021

n) Significant Judgements and Sources of Estimation Uncertainty

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

Kenya Utalii College,**Notes to the Financial Statements for the year ended 30th June 2021**

Depreciation is calculated on straight line basis, at annual rates estimated to write-off carrying values of the assets over their expected useful lives.

The annual depreciation rates in use are:-

	Rate	Estimated Useful Life
Freehold Land	Nil	
Leasehold Land		
Main College		53 Years
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Utalii Sports Club		68 Years
Utalii Village		54 Years
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Buildings	2.5%	40 Years
Plant and Machinery	10%	10 Years
Furniture, Technical & Teaching Equipment	20%	5 Years
Motor Vehicles	25%	4 Years
Computers	30%	3 ¹ / ₃ Years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Inventories comprising of food, beverage and general merchandise together with returnable containers and drugs have been measured at the lower of cost and net realisable value.

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

A specific provision amounting to Kshs 191,265,595 has been recognized. In addition a 5% general provision for doubtful debts has been created in the financial statement.

	PROVISION FOR BAD AND DOUBFUL DEBTS		
DETAILS	ACCOUNTS RECEIVABLE	SPECIFIC ACCOUNTS	TOTAL
SPECIFIC	67,265,835	115,097,445	182,363,281
5% 2020-2021 PROVISION	852,966	8,049,348	8,902,314
5% 2019-2020 PROVISION	293,074,89	(68,488)	224,586.62

Kenya Utalii College,

Notes to the Financial Statements for the year ended 30th June 2021

o) Related Parties IPSAS 20

The key management personnel are the members of College management and College Council. The College Council consists of members appointed by the Cabinet Secretary Ministry of Tourism & Wildlife as set out in the Tourism Act of 2011.

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

College Management;

<u>No.</u>	<u>Designation</u>	<u>Name</u>
1.	Principal & Chief Executive Officer	Mr. Hashim D.Mohamed
2.	Director of Studies	Mr. Wilson k. Mwangi
3.	Finance Manager	Mr. Bernard K. Chepkwony
4.	General Manager Utalii Hotel	Mr. Anthony K. Mbehelo
5.	Human Resource & Administration Manager	Ms. Judith A Oketch
6.	Director of Research and Corporate Planning	Mr. Charles K Githonga
7.	Ag. Head of Internal Audit	Ms. Jane Kawira

College Council;

<u>No.</u>	<u>Name</u>
1.	Mr. Mukasa Mwambu Muliro
2.	Mr. Leonard Mudachi
3.	Hon. Joseph Lekuton
4.	Ms. Grace W. Nderitu
5.	Mr. George Maingi
6.	Ms. Rosemary Mugambi
7.	Mr. David William Stogdale
8.	Mr. David Mwangi
9.	Dr. Erustus M. Kanga
10.	Mr. Richard Gakunya
11.	Mr. Darius Mogaka
12.	Ms. Joyce M. Wesonga

Kenya Utalii College,
Notes to the Financial Statements for the year ended 30th June 2021

The following transactions were carried out with related parties;

	2020/2021	2019/2020
i) College Council remuneration		
Allowances paid to Council	11,867,607	16,794,301
ii) Grants from related parties		
Grants from Government of Kenya (GOK)	596,838,913	82,900,000
Grants from Tourism Fund (TF)	70,000,000	427,500,000

p) Comparative Figures

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

q) Intangible Assets IPSAS 31

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite. Amortization is calculated on a straight line basis over estimated useful lives not exceeding period of 5 years.

r) Changes in accounting policies and estimates-IPSAS 3

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

s) Ultimate and Holding Entity

The entity is a State Corporation under the Ministry of Tourism and Wildlife. Its ultimate parent is the Government of Kenya

t) Currency

The Financial Statements are presented in Kenya Shillings (Kshs)

u) Events after the reporting period

There are no material non-adjusting events after the reporting date

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2021

Notes to the Financial Statements for the year ended 30th June 2021

3. Incomes From Non Commercial (Exchange) Activities/Transactions

	2020/2021	2019/2020
	Kshs	Kshs.
Rent Income from staff housing units	28,287,729	28,818,133
Grants from Government of Kenya - Recurrent	596,838,913	82,900,000
Revenue from Tourism Fund	70,000,000	427,500,000
Other Income Receipts	1,283,355	2,835,430
Capital Grants from Government of Kenya - amortization	5,079,262	5,079,262
Call Account-Accrued Interest	11,322,443	5,118,742
Total	712,811,702	552,251,568

Other Incomes

This comprises of:

	2020/2021	2019/2020
	Kshs.	Kshs.
Sale of Discarded items	202,172	50,098
Identity cards & Lost items	192,277	270,250
Sale of Meal vouchers	171,069	347,575
Other Miscellaneous Income	351,705	571,400
Graduation fee	366,132	1,596,107
Total	1,283,355	2,835,430

3b) Transfers from Ministries ,Departments and Agencies (MDAs)

Name of the Entity Sending the Grant	Amount recognized to Statement of Financial Performance	2020/2021	2019/2020
		Kshs.	Kshs.
Ministry of Tourism		596,838,913	82,900,000
Tourism Fund		70,000,000	427,500,000

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2021

Notes to the Financial Statements for the year ended 30th June 2021

4. Revenue from Commercial (Exchange) Activities

This represents revenue generated from part-time courses and other revenue generating activities by the various departments. This amount is shown net of direct expenses, and is summarized as follows:

	2020/2021 Kshs	2019/2020 Kshs.
Self Sponsored Courses	17,016,939	42,282,640
Pioneer Courses	9,708,687	33,802,930
MDP & Refresher Courses	-	112,517
Bakery Sales	15,078	188,009
Laundry Services	585,643	4,823,004
Sports Club Bar Sales	-	512,678
Jifunze Bar Sales	1,920	36,732
Hire of facilities - Grounds and Hostels	30,321,140	34,468,670
Bookshop Sales & Photocopying	68,377	164,683
Barber Shop Rent	75,000	120,000
Degree Programmes	500	16,145,350
Consultancy	9,526,127	8,158,833
Project Revenue- Bomas	125,252	50,208,200
Sub-Total	67,444,662	191,024,246
Less: Direct Expenses	36,141,410	88,061,623
Total	31,303,252	102,962,622

Kenya Utalii College,

Notes to the Financial Statement for the year ended 30th June 2021

UTALII HOTEL TRADING, ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2021

	2020/2021 Kshs	2019/2020 Kshs.
Revenue from exchange transactions		
Hotel Room sales	7,907,759	22,558,649
Hotel Food Sales	14,989,520	47,001,881
Hotel Beverage Sales	2,915,887	9,489,874
Other Income Receipts	2,817,116	5,308,130
GYM	(75,918)	1,628,630
Total revenue	28,554,364	85,987,164
Less: Cost of Sales	8,289,561	40,858,259
Gross Profit	20,264,803	45,128,905
Expenses		
Employee costs	74,151,066	103,506,155
Repairs and maintenance	1,700,908	2,614,639
Contracted services	3,077,612	3,527,842
General expenses	11,356,646	26,785,394
Finance costs	59,444	541,847
Total expenses	90,345,676	136,975,877
Surplus / Deficit before tax	(70,080,873)	(91,846,972)
Surplus / Deficit for the period	(70,080,873)	(91,846,972)
Number of staff		
Permanent	60	65
Contract	3	39
Intern	1	-

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2021

Notes to the Financial Statements for the year ended 30th June 2021

5. Fees From Students

Actual	2020/2021 Kshs	2019/2020 Kshs.
Fees From Local Students	45,656,328	34,153,127
Fees From Foreign Students	10,108,270	11,744,528
Application Fees	777,001	1,705,969
Examination & First Aid Fee	1,985,800	2,836,152
Total	58,527,399	50,439,776
Grand Revenue Total	732,561,480	613,806,994

6. Employee costs

	2020/2021 Kshs	2019/2020 Kshs.
Employee related costs		
Salaries - Expatriate Staff	4,276,902	1,026,434
Salaries - Permanent Academic Staff	118,438,810	128,131,569
Salaries - Part-time Academic	95,240	160,400
Salaries - Administrative Staff	236,697,305	255,627,969
Total	359,508,256	384,946,371
Number of staff		
Permanent	239	250
Contract	93	143
Interns	19	2

7. College Council Expenses

	2020/2021 Kshs	2019/2020 Kshs.
Sitting Allowance	5,620,000	7,672,000
Travelling And Subsistence	2,929,400	5,077,700
Honararia	960,000	960,000
Mileage Allowance	1,066,720	1,317,277
Other Allowance	1,291,487	1,767,324
Total	11,867,607	16,794,301

8. Depreciation and amortization expense

	2020/2021 Kshs	2019/2020 Kshs.
Property, plant and equipment	46,359,763	44,619,632
Total	46,359,763	44,619,632

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2021

Notes to the Financial Statements for the year ended 30th June 2021

9. Repairs and Maintenance

	2020/2021 Kshs	2019/2020 Kshs.
Maintenance and Repair of Buildings	2,748,444	3,989,068
Maintenance and Repair of Equipment	2,165,886	2,511,593
Maintenance and Repair of Vehicles	5,048,265	6,796,423
Total	9,962,594	13,297,085

10. Contracted Services

	2020/2021 Kshs	2019/2020 Kshs.
Contracted Services	16,843,580	18,257,742
	16,843,580	18,257,742

11. General Expenses

The following are included in General expenses:

	2020/2021 Kshs	2019/2020 Kshs.
Medical Expenses	20,534,886	17,476,723
Staff Development	2,849,144	6,923,736
Staff and Students' Recreation Activities	50,700	2,938,358
Staff Welfare	3,127,959	6,214,910
Travelling and Subsistence Expenses	4,991,025	7,614,160
Industrial Training Expenses	126,814	616,651
Special Courses	215,871	2,794,397
Class Text Books, Library Books, & Periodicals	1,817,830	2,895,350
External Examination Expenses	1,001,618	2,106,632
Research Expenses	154,000	1,461,514
Bursaries Expenses	4,172,114	4,869,152
Professional Clothes and Uniforms	2,589,211	2,051,571
Food and Beverage	51,457,900	56,895,121
Printing and Stationery	666,641	2,323,743
Cleaning Materials	1,133,366	3,124,294
Entertainment and Public Relations	1,704,781	12,375,433
Renewal and Replacement	2,618,559	4,403,198
Heat, Light and power	20,058,138	34,386,594
Water, Sewerage and Land Rates	16,476,707	22,867,087
Postage and Telephone	2,720,190	2,487,016
Licences and Professional Services	2,917,307	7,078,778
Quality Assurance	-	1,029,675
Alumni, Placement & Collaboration	88,543	1,853,944
Finance Costs	383,177,942	383,586,207
Increase in Provision for Bad and Doubtful Debts	8,838,031	224,587
Insurances	13,578,318	12,380,390
Audit fee	464,000	464,000
Total	547,531,596	603,443,222

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2021

Notes to the Financial Statements for the year ended 30th June 2021

Provision For Bad and Doubtful Debts for the year Ended 30th June 2021

	2020/2021 Kshs	2019/2020 Kshs.
Increase/(Decrease in Provision for bad and doubtful debts)	8,838,031	224,587
Total	8,838,031	224,587

Finance costs for the year ended 30th June 2021

	2020/2021 Kshs	2019/2020 Kshs.
Bank Charges	2,559,146	1,954,380
(Loss)/Gain on Foreign Exchange	(1,213,868)	(200,837)
Interest on Loan from G.O.K	381,832,664	381,832,664
Total	383,177,942	383,586,207

Grand Expenses Total	992,073,396	1,081,358,352
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12. Cash and cash equivalents

	2020/2021 Kshs	2019/2020 Kshs.
Cash in Hand -College	70,418	59,992
Cash in Hand -Hotel	34,380	41,839
Cash at Bank -College		
Co-Operative -Nairobi	3,896,516	(2,247,578)
Co-Operative -Mombasa	4,113	(1,164,294)
Co-Operative -Kisumu	14,113	(1,547,772)
Co-Operative -Development Account	113,510,609	104,804,858
ABSA - Shillings	11,807,325	50,352,014
ABSA - Foreign	19,205,787	2,962,852
Cash at Bank -Hotel		
Co-Operative - Shillings	553,472	3,821,872
Co-Operative - Foreign	36,868	17,121
Floats -College	4,325,000	4,445,000
Floats & M-Pesa	1,577,589	882,369
	155,036,189	162,428,274

12(a). Cash and cash equivalents

a) Current account			
ABSA-Shillings	0945027746	11,807,325	50,352,014
ABSA-Foreign	022700324	19,205,787	2,962,852
Co-operative Bank of Kenya	01129070937100	3,896,516	(2,247,578)
Co-operative Bank of Kenya	01129070937101	4,113	(1,164,294)
Co-operative Bank of Kenya	01129070937102	14,113	(1,547,772)
Co-operative Bank of Kenya-Hotel	01136070937100	553,472	3,821,872
Co-operative Bank of Kenya-Hotel	02120070070937100	36,868	17,121
		35,518,193	52,194,215

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2021

Notes to the Financial Statements for the year ended 30th June 2021

b)Staff Car Loan			
ABSA	0946134406	4,935,222	4,762,811
		4,935,222	4,762,811

c)On- Call Deposits			
Co-operative Bank of Kenya	01150070937102	113,510,609	104,804,858
		113,510,609	104,804,858

d)Others			
Cash In Hand-College		70,418	59,992
Cash In Hand-Hotel		34,380	41,839
Floats-College		4,325,000	4,445,000
Floats-Hotel		1,577,589	882,369
		6,007,387	5,429,200
Grand Total		159,971,411	167,191,084

13. Receivables from exchange transactions/Trade and other receivables

	2020/2021 Kshs	2019/2020 Kshs.
Current receivables		
College Accounts Receivable College	35,138,535	44,062,760
Utalii Hotel-Hotel	105,726,141	102,734,204
Project Debtors	45,542,676	45,300,916
Hotel Accounts Receivable	142,443,171	138,824,213
Students' Accounts Receivable	87,784,179	65,715,424
Hotel Staff Debtor	591,325	537,245
Utalii Hotel Debtor	476,765,698	420,075,460
Total current receivables	893,991,724	817,250,223
Non-current receivables		
Total non-current receivables		
Total receivables	893,991,724	817,250,222.95

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2021

Notes to the Financial Statements for the year ended 30th June 2021

14. Receivables from non-exchange contracts/Special accounts receivables

Current receivables	2020/2021 Kshs	2019/2020 Kshs.
Staff Advances Account College	4,541,999	1,592,704
Staff Advances Account Hotel	493,955	266,750
Imprests Account College	1,349,329	2,124,859
Medical Advances Account College	1,085,084	1,037,615
Medical Advances Account Hotel	-	5,900
Curtain & Furniture Advances College	851,103	6,110,596
Curtain & Furniture Advances Hotel	1,313,778	2,309,585
Hospitalization Deposit	868,726	2,115,320
AHTSA	872,225	737,225
Warwick International	3,116,184	3,116,184
Kenya Revenue Authority	96,422,078	96,422,078
Prepayments College and COD	2,902,780	7,879,201
Incom From Gok	159,467,413	-
Accrued Interest income	11,322,443	-
Prepayments Hotel and COD	930,424	1,036,702
Deposits	4,067,569	5,149,069
Total current receivables	289,605,090	129,903,787

15. Inventories

	2020/2021 Kshs	2019/2020 Kshs.
Food Stores -College	1,904,437	2,706,062
Food Stores -Hotel	2,470,701	2,747,593
Beverage Stores- College	1,034,351	1,918,877
Beverage Stores -Hotel	735,411	868,089
General and Maintenance -College	4,941,829	6,422,498
General and Maintenance -Hotel	1,987,434	2,338,286
Containers Stores- College	429,547	310,897
Containers Stores- Hotel	393,750	509,700
Zawadi Shop	73,682	68,307
Drugs Stores -College	1,830,530	1,190,575
Total inventories at the lower of cost and net realizable value	15,801,671	19,080,884

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2021

Notes to the Financial Statements for the year ended 30th June 2021

16. Refundable Deposits from Customers

	2020/2021 Kshs	2019/2020 Kshs.
Hotel Deposits Account	3,086,711	2,668,787
Total	3,086,711	2,668,787

17. Trade and other payables from exchange transactions

	2020/2021 Kshs	2019/2020 Kshs.
Accrued Expenses College	66,238,702	48,944,235
Accrued Expenses Hotel	380,544	152,905
Utalii hotel-Hotel	476,765,698	420,075,461
Suppliers' Accounts College	132,838,360	126,381,344
Utalii hotel-College	105,726,141	102,734,204
Suppliers' Accounts Hotel	37,241,735	33,024,596
NHIF	538,500	660,750
P. A. Y. E	6,273,346	16,191,384
N.S.S.F	260,150	891,850
Staff Shortages	104,053	140,775
Kenya Sacco	932,988	(1,273,612)
Kenya Housing Sacco	2,034,877	1,136,955
Pension Deductions	16,828,143	10,746,314
Higher Education Loans Board	107,678	36,343
Education Levy	1,876,082	1,876,082
Select Management Services Ltd	547,584	156,184
Faulu Kenya Ltd	8,315,860	2,137,646
Other Staff Co-operative Societies	32,184,441	11,121,027
Barclays Bank Staff Loans Deductions	2,360,196	1,261,101
KCB Staff Loan deductions	3,304,348	927,282
Standard Chartered Bank Loan Deduction	7,846,894	2,560,581
Staff Loans Scheme Deduction Account	7,174,692	2,632,402
Staff Service Charge Account College	777,461	832,354
Staff Service Charge Account Hotel	1,271,444	601,856
Students Control Account	1,058,115	-
Salaries Control Account College	295,911	14,763,499
Payroll deduction Hotel	17,870,104	9,661,496
Utalii hotel	621,086	447,500
External exams (IATA) Contra	870,183	67,183
Insurance Claims and Others	1,790,363	1,833,286
Staff Welfare Fund Account	2,540,811	2,898,011
Pension Scheme Refunds Account	1,975,262	2,039,741
Deceased Special Fund Account	801,334	14,843,001
Prepaid Fees Account	12,707,100	15,003,676
University of Surrey	351,931	351,931
Total Taxes	29,013,387	40,669,696
Training Levy college	377,338	377,338
Catering Levy College	1,021,286	1,021,286
Catering Levy Hotel	5,757,478	5,250,772
Students' Caution Money	7,505,842	7,194,842
Students' Council Account KUCSA	271,321	151,838
Bursaries Ac	-	(4,172,114)
Degree program identity card and Food Handlers	746,690	719,690
Students class funds & clubs	177,844	168,937
Watalamu Renovation Hotel-hotel	6,325,382	6,325,382
Watalamu Renovation Hotel-college	(6,325,382)	(6,325,382)
Deferred Revenue/ Income- College	3,518,701	13,166,710
Accrued Interest for GOK	4,442,113,092	4,060,280,428
Total trade and other payables	5,443,315,095	4,970,688,767

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2021

Notes to the Financial Statements for the year ended 30th June 2021

18 Current Provisions

Year 2020	Trade receivables	Specific Accounts	Total
	Kshs.	Kshs.	Kshs.
Balance at the beginning of the year	66,120,419	115,165,933	181,286,353
Additional provisions raised	1,145,416	(68,488)	1,076,928
Balance as at 30 June 2020	67,265,835	115,097,445	182,363,281

Year 2021	Trade receivables	Specific Accounts	Total
	Kshs.	Kshs.	Kshs.
Balance at the beginning of the year	67,265,835	115,097,445	182,363,281
Additional provisions raised	852,966	7,985,065	8,838,031
Balance as at 30 June 2021	68,118,802	123,082,510	191,201,312

19. Borrowings

	2020/2021	2019/2020
	Kshs	Kshs.
Loan from G.O.K	122,125,028	122,125,028
Total non-current borrowings	122,125,028	122,125,028

N/B Change of figure is as a result of reconciliation between Kenya Utalii College and National Treasury

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2021

Notes to the Financial Statements for the year ended 30th June 2021

20. Cash generated from operations

	2020/2021	2019/2020
	Kshs	Kshs.
Deficit for the year before tax	(259,511,916)	(467,551,359)
Adjusted for:		
Depreciation	46,359,763	44,619,632
Amortized Reserves	(5,079,262)	(5,079,262)
Contribution to provisions	8,838,031	224,587
Working capital adjustments:		
Increase/Decrease in inventory	3,279,213	677,851
Increase/Decrease in receivables	(236,442,804)	(545,298,826)
Increase/Decrease in payables	473,544,382	961,752,189
Net cash flows from operating activities	30,987,408	(10,655,188)

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2021

Notes to the Financial Statements for the year ended 30th June 2021

21. **INCOME AND EXPENDITURE ACCOUNT**
FOR THE YEAR ENDED 30TH JUNE 2021

	2020/2021 Kshs	2019/2020 Kshs.
INCOME		
Interest earned from staff loans	457,503	628,744.82
Bank interest earned		
	457,503	628,745
LESS: EXPENDITURE		
Bank charges	9,600	10,200.00
Surplus	447,903	618,545

STAFF LOANS SCHEME FUND AS AT 30TH JUNE 2021

	2020/2021 Kshs	2019/2020 Kshs.
Staff Loans Scheme Fund	22,180,871	21,562,327
Surplus	447,903	618,545
Amount received from Kenya Utalii College		
	22,628,774	22,180,871

REPRESENTED BY:

Loan Scheme Principal Advances	10,518,860	14,785,656
Bank Account balance	4,935,222	4,762,811
Amount Receivable from Kenya Utalii College	7,174,692	2,632,402
	22,628,774	22,180,870

NOTE: The staff loans is in relations to Car,Housing and Car Insurance Loan to Members of staff

	2020/2021 Kshs	2019/2020 Kshs.
Workings.		
Interest Car loan	298,631	458,953
House loan	158,872	169,792
	457,503	628,745
Less Bank Charges	9,600	10,200
	447,903	618,545

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2021

Notes to the Financial Statements for the year ended 30th June 2021

22. Capital Reserve – Refurbishment of Utalii Hotel and Individual Kitchen

During the 2003/2004, 2005/2006 and 2007/2008 financial years, the College received capital grants from the Government of Kenya and Special Capital Grant from Catering and Tourism Development Levy Trustees to refurbish Utalii Hotel and Individual Training Kitchen amounting to Kshs. 113,170,486, 15,000,000 and 30,000,000 respectively. These grants are amortized over the expected useful life of the building and useful life of the Equipment on a straight line basis.

The balance has been arrived at as follows:

	2020/2021 Kshs	2019/2020 Kshs.
Balance at beginning of year	162,902,294	167,981,556
Add: Development Grants		
Less: Amortization	5,079,262	5,079,262
Balance at end of year	157,823,032	162,902,294

23. Revaluation Reserve

The College's Assets were revalued in October 2014 by an independent Valuer, Nile Real Appraisers (EA) Ltd. The Revaluation exercise was carried out in order to establish the fair value of the assets. This resulted in a revaluation surplus of kshs 4,320,753,492. Amortisation on the revaluation surplus is charged to the revaluation Reserve Account

24. Accumulated Fund as at 30th June 2021

ACCUMULATED FUND AS AT 30TH JUNE 2021

	2020/2021 Kshs	2019/2020 Kshs.
Balance Brought Forward	(1,940,201,441)	(1,548,454,359)
Amortization of Revaluation Reserves	77,044,509	75,804,277
Total	(1,863,156,932)	(1,472,650,082)
Deficit for the Year	(259,511,916)	(467,551,359)
Balance carried Forward	(2,126,439,552)	(1,940,201,441)

26. Capital Grants

This relates to the development grants received in relation to the practical training block

	2020/2021 Kshs	2019/2020 Kshs.
Balance Brought Forward	125,000,000	125,000,000
Capital Grants received during the year		-
Total	125,000,000	125,000,000

Annual Report and Financial Statements For The Year Ended 30th June 2021

Notes to the Financial Statements for the year ended 30th June 2021

REVALUATION RESERVE AS AT 30TH JUNE 2021						
ITEM	LAND	BUILDINGS	PLANT AND MACHINERY	FURNITURE TECHNICAL AND EQUIPMENT	MOTOR VEHICLES	COMPUTERS HARDWARE
	KSHS	KSHS	Kshs	KSHS	KSHS	KSHS
COST / VALUATION						
Revaluation Account College as at 1st July 2019	4,216,634,500	184,271,396	(37,862,769)	(18,133,580)	(11,748,001)	(33,548,722)
Revaluation Account Hotel as at 1st July 2018			(1,968,352)	23,394,320	(285,300)	-
						21,140,668
At 30th June 2020	4,216,634,500	184,271,396	(39,831,121)	5,260,740	(12,033,301)	(33,548,722)
						4,320,753,492
DEPRECIATION/ARMOTIZATION						
Balance as at 1st July 2019	338,790,431	23,033,925	-	18,715,456	-	-
Charge for the Year to Revaluation Reserve Account	71,197,492	4,606,785	-	-	-	-
						75,804,277
Accumulated Depreciation as at 30th June 2020	409,987,923	27,640,710	-	18,715,456	-	-
						456,344,089
Net Book Value as at 30.6.2020 (Revalued figure)	3,806,646,577	156,630,686	(39,831,121)	(13,454,716)	(12,033,301)	(33,548,722)
						3,864,409,403
COST / VALUATION						
Revaluation Account College as at 1st July 2020	4,216,634,500	184,271,396	(37,862,769)	(18,133,580)	(11,748,001)	(33,548,722)
Revaluation Account Hotel as at 1st July 2020			(1,968,352)	23,394,320	(285,300)	-
						21,140,668
At 30th June 2021	4,216,634,500	184,271,396	(39,831,121)	5,260,740	(12,033,301)	(33,548,722)
						4,320,753,492
DEPRECIATION/ARMOTIZATION						
Balance as at 1st July 2020	409,987,923	27,640,710	-	18,715,456	-	-
Charge for the Year to Revaluation Reserve Account	72,437,724	4,606,785	-	-	-	-
						77,044,509
Accumulated Depreciation as at 30th June 2021	482,425,647	32,247,495	-	18,715,456	-	-
						533,388,598
Net Book Value as at 30.6.2021 (Revaluation A/c)	3,734,208,853	152,023,901	(39,831,121)	(13,454,716)	(12,033,301)	(33,548,722)
						3,787,364,894
Net Book Value as at 30.6.2020 (Revaluation A/c)	3,806,646,577	156,630,686	(39,831,121)	(13,454,716)	(12,033,301)	(33,548,722)
						3,864,409,403

Kenya Utalii College,
Annual Report and Financial Statements For The Year Ended 30th June 2021
Notes to the Financial Statements for the year ended 30th June 2021

25. Property, plant and equipment									
	LAND	BUILDINGS	W.L.P WORK IN PROGRESS	PLANT AND MACHINERY	FURNITURE TECHNICAL AND EQUIPMENT	MOTOR VEHICLES	COMPUTERS HARDWARE	INTANGIBLE ASSETS	TOTAL
	KSHS	KSHS	KSHS	KSHS	KSHS		KSHS	KSHS	KSHS
COST / VALUATION									
Balance as at 1st July 2019 -College	4,900,000,000	1,564,629,890	47,201,193	28,768,919	76,673,186	69,740,790	35,922,672	9,769,737	6,732,706,388
Balance as at 1st July 2019-Hotel	-	26,325,382	-	2,047,072	38,808,305	9,925,000	9,983,969	-	87,089,728
Revaluation College	-	-	-	-	-	-	-	-	-
Revaluation Hotel	-	-	-	-	-	-	-	-	-
Additions College	-	-	-	-	-	-	-	-	-
Additions Hotel	-	-	34,797,945	-	1,275,000	-	711,128	-	36,784,071
Transfers/adjustments- COLLEGE	-	-	-	-	-	-	-	-	-
Transfers/adjustments- HOTEL	-	-	-	-	-	-	-	-	-
Less Disposal	-	-	-	-	-	-	-	-	-
At 30 June 2020	4,900,000,000	1,590,955,272	81,999,138	30,815,991	116,756,491	79,665,790	46,617,769	9,769,737	6,856,580,187
DEPRECIATION / ARMOTIZATION									
Balance as at 1st July 2019	-	196,088,146	-	11,043,707	105,650,145	83,338,197	51,409,050	3,118,356	450,667,601
Charge for the Year	-	39,115,747	-	3,081,599	255,000	-	213,338	1,953,947	44,619,632
Disposal	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Accumulated Depreciation At 30 June 2020	-	235,203,893	-	14,125,306	105,905,145	83,338,197	51,622,388	5,072,303	495,287,233
Net book values as at 30.6.2020	4,900,000,000	1,355,751,379	81,999,137	16,690,685	10,851,346	(3,692,407)	(5,004,619)	4,697,433	6,361,292,953
Net book values as at 30.6.2019	4,900,000,000	1,394,867,126	47,201,192	19,772,284	9,831,346	(3,692,407)	(5,502,410)	6,651,385	6,369,128,515
COST / VALUATION									
Balance as at 1st July 2020 -College	4,900,000,000	1,564,629,890	81,999,138	28,768,919	77,948,186	69,740,790	36,633,800	9,769,737	6,769,490,460
Balance as at 1st July 2020-Hotel	-	26,325,382	-	2,047,072	38,808,305	9,925,000	9,983,969	-	87,089,728
Revaluation College	-	-	-	-	-	-	-	-	-
Revaluation Hotel	-	-	-	-	-	-	-	-	-
Additions College	-	-	-	-	-	-	-	-	-
Additions Hotel	-	-	37,125,147	0	136,759	(0)	1,117,586	(0)	38,379,491
Less Disposal	-	-	-	-	-	-	-	-	-
At 30 June 2021	4,900,000,000	1,590,955,272	119,124,285	30,815,991	116,893,250	79,665,790	47,735,355	9,769,737	6,894,959,679
DEPRECIATION / ARMOTIZATION									
Balance as at 1st July 2020	-	235,203,893	-	14,125,306	111,004,219	83,789,447	50,362,903	5,072,307	499,558,075
Charge for the Year	-	39,773,883	-	3,081,599	1,177,806	-	372,528	1,953,947	46,359,763
Accumulated Depreciation At 30 June 2021	-	274,977,776	-	17,206,905	112,182,025	83,789,447	50,735,431	7,026,254	545,917,839
Net book values as at 30.6.2021	4,900,000,000	1,315,977,495	119,124,285	13,609,086	4,711,225	(4,123,657)	(3,000,076)	2,743,482	6,349,041,840
Net book values as at 30.6.2020	4,900,000,000	1,355,751,379	81,999,137	16,690,685	10,851,346	(3,692,407)	(5,004,619)	4,697,433	6,361,292,953
The College's assets were revalued in October 2014 by an independent Valuer, Nile Real Appraisers (EA) Ltd. The revaluation exercise was carried out in order to establish the fair value of the assets. This resulted in a revaluation surplus of Kshs. 4,320,753,492									
NOTE: W.I.P (Work in progress)									
This is in relation to equipments and other items that will be delivered in the financial year 2021/2022									

Other Notes

Financial Risk Management

The board maintains investment guidelines it uses to ensure that risks related to investment is well managed. The Board also have risk safeguards to assist in mitigating the business and market environment risks. The risk safeguards cover all areas of instruments such as Payables, Receivables, Cash and Cash Equivalents.

The current risks that the Board is exposed to are liquidity risk, foreign Exchange risk and market risk.

Types of risk	Low	Medium	High
Liquidity risk	✓		
Foreign Currency Risk	✓		
Market risk	✓		

- **Foreign Currency risk**

KUC has transactional currency exposure. Such exposure arises through purchase of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

- **Market risk**

KUC has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

- **Liquidity risk management**

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

Kenya Utalii College,

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS FY 2017/2018

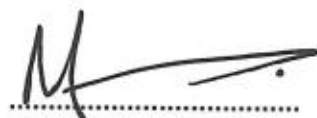
The following is the summary of Observation raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved /Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Financial Performance	Request sent to Min of Tourism and Wildlife for waiver of accrued interest on GOK loan	National Treasury	In progress	
2.	Trade and other payables	This is as a result of interest accrued on GOK	National Treasury	In progress	
3.	Long Outstanding Receivables	Proposal for writeoff	Management	In progress	
4.	Loan from the Government of Kenya	Request sent to Ministry of Tourism and Wildlife for waiver of accrued interest. Principal amount to be converted into Grants	National Treasury	In progress	
5.	Development Grant	Savings to have Kshs. 60 million to be used in Development	Management	In progress	
6.	Delivery and installation of Student Access Control System	To Contact supplier so as to finalise	Management	In progress	
7.	Inventories	To capitalise Library Books	Management	In progress	

Kenya Utalii College,

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved /Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Other matters Overall Budget Analysis	Interest on Gok Seeking Waiver	National Treasury	In progress	
2.	Failure to implement IFMIS	In Communication with National Treasury to integrate	Management	In progress	
3.	Mombasa Campus and Nairobi Library Facilities	Books in put to the System	Magement	In progress	

Principal & CEO



Date 22-07-2022


Chairman-KUC Council

22-07-2022

Date

