


REPUBLIC OF KENYA



*Enhancing Accountability*

## REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 16 AUG 2021	DAY: Wed
TABLED BY:	LDM
CLERK-AT THE-TABLE:	Anna Musandu

**THE AUDITOR-GENERAL**

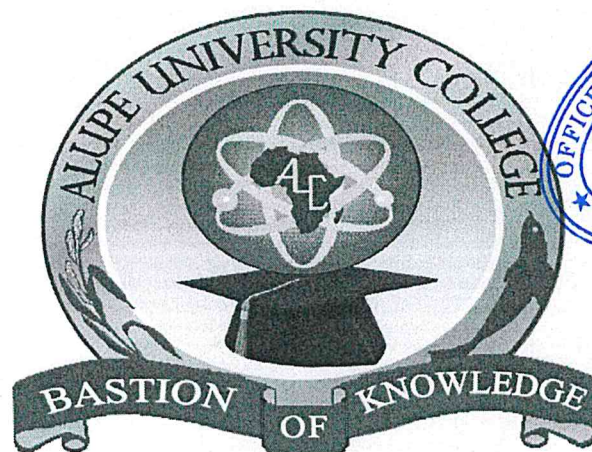
**ALUPE UNIVERSITY COLLEGE**

**FOR THE YEAR ENDED  
30 JUNE, 2020**





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**ALUPE UNIVERSITY COLLEGE**  
**(A Constituent College of Moi University)**

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**REVISED ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2020**

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

## **ABBREVIATIONS**

GoK	Government of Kenya
CBA	Collective Bargaining Agreement
KCB	Kenya Commercial Bank
AUCSO	Alupe University College Student Organization
IGU	Income Generating Unit
COBES	Community Based Education and Service



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## KEY ALUPE UNIVERSITY COLLEGE INFORMATION AND MANAGEMENT

### **(a) Background Information**

Alupe University College was established on 24<sup>th</sup> July 2015 vide a Legal notice number 153 as a Constituent College of Moi University. The University College is a body corporate established under Alupe University College Order 2015 vide legal notice No.153 of 24<sup>th</sup> July 2015. Alupe University College is domiciled in Kenya and so far has no branches. The University College Council was appointed under special gazette notice of 7<sup>th</sup> November 2016.

The University College has a total of four schools, namely;

1. School of Health Sciences
2. School of Science
3. School of Education and Social Sciences and
4. School of Business, Economics and Human Resource Development.

The University College has a total of 16 departments in the four Schools.

### **(b) Principal Activities**

The principal activities of the University College are as follows:

- (i) To provide directly or in collaboration with other institutions of higher learning, facilities for university education (including technology, scientific and professional education) integration of teaching, research and effective application of knowledge and skills to the life and work and welfare of the citizens of Kenya.
- (ii) To participate in the discovery, transmission, preservation and enhancement of knowledge and to stimulate the intellect participation of students in the economic, social, scientific, technological and cultural development of Kenya.
- (iii) To provide and enhance University education and training to appropriately qualified candidates leading to the conferment of degrees and award of diplomas and certificates and such other qualifications as the Council and the senate may from time to time determine and in so doing contribute to the manpower needs.
- (iv) To conduct examinations for such academic awards as maybe provided for in the statutes pertaining to the University College.
- (v) To examine and make proposals for the new Schools, Institutes, departments, resource and research centers, degree courses and subjects of study
- (vi) To play a leading role in the development and expansion of the opportunities for higher education and research.
- (vii) To contribute to industrial and technological development through innovations and technological transfer
- (viii) To develop as an institution of excellence in teaching, training, scholarship, entrepreneurship, innovations, research and consultancy services.



- (ix) To participate in commercial ventures and other activities for the benefit of the University College, the community and stakeholders
- (x) To facilitate student mobility between different programs at different technical training institutions, Universities and Industry; and
- (xi) To foster the general welfare of all staff and students.

### **Vision**

To be a world-class University that is committed to achieving academic excellence, integrity and quality research

### **Mission**

To create, evaluate, apply, preserve and share knowledge in a free, open and inclusive environment of intellectual inquiry, for the betterment of society

### **Motto**

Bastion of Knowledge

### **Core Values**

- **Professionalism**  
Embrace integrity in teaching, learning and research
- **Creativity and Innovation**  
Commitment to promoting and supporting resourcefulness and the advancement of new ideas
- **Excellence**  
Commitment to quality teaching, research and service delivery
- **Good Corporate Governance**  
Prudent management of resources and best practice in leadership
- **Customer focus**  
Endeavour to provide services that meet the needs of the client
- **Teamwork**  
Promotion of a spirit of working together, internally and externally in an open and respectful way

**(c) Key Management**

Alupe University College's day to-day management is undertaken by the following key organs:

- University College Council
- University College Management Board
- Deans Committee

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Prof. Fabian Esamai
2.	Deputy Principal Administration, Finance & Development	Prof. Emmy Kipsoi
3.	Deputy Principal Academic, Research & Student Affairs	Prof. Peter Barasa
4.	Head of Finance	CPA Imelda Akhonya
5.	Head of Procurement	Mr. Kennedy Ogola
6.	Human Resource	Mrs. Pamela Nyongesa

**(e) Fiduciary Oversight Arrangements****1. The Audit and Risk Committee**

Alupe University College has an active five-member audit and risk management committee that plays an oversight role. The mandate of this committee is as listed below;

Members of this committee are:

- |      |                            |   |                              |
|------|----------------------------|---|------------------------------|
| i.   | Mrs. Phyllis B. Chepkemboi | - | Chair                        |
| ii.  | Mr. Ben Sabwami            | - | Member                       |
| iii. | Mr. Isaac Odek             | - | Member                       |
| iv.  | Mr. Joseph M Oyile         | - | Member                       |
| v.   | Ms. Lucy Nyakioire         | - | Member                       |
| vi.  | Mr. Nobert Musina          | - | Secretary( Internal Auditor) |

The mandate of the Audit Committee includes:

- i. Formulation of policies on internal controls that will enhance security, accountability of resources management and improve on efficiency and transparency.
- ii. Examine internal and External Auditors' findings and recommendations for improvement of internal controls. Monitor management's response to and implementation of internal control.



- iii. Assist the Principal in enhancing internal controls in order to improve efficiency, transparency and accountability.
- iv. Resolving unsettled and unimplemented issues raised by the Public Investment Committee (PIC).
- v. Enhancing communication between management, internal and external audit and fostering effective internal audit function.
- vi. Reviewing the systems established to ensure sound public financial management and internal controls as well as compliance with policies, laws, regulations, procedures, plans and ethics.
- vii. Initiating special audits/ investigation on any allegation, concerns and complaints regarding corruption, lack of accountability and transparency in consultation with the principal.
- viii. Advice on quality and performance monitoring.
- ix. Perform an oversight function as may be requested by the University College Council from time to time.

## 2. Finance, Planning and Development Committee

Members of this committee are:

- |                         |   |           |
|-------------------------|---|-----------|
| i. Mr. Samuel Kabiaru   | - | Chair     |
| ii. Prof. Fabian Esamai | - | Secretary |
| iii. Mr. Isaac Odek     | - | Member    |
| iv. Ms. Lucy Nyakiore   | - | Member    |
| v. Mr. Ben Sabwami -    |   | Member    |
| vi. Mrs. Nereah Olick   | - | Member    |

The mandate of the FPD Committee includes:

- i. Coordinating the infrastructural planning, development of the University College both at short and long term planning and acquisition and utilization of property. It ensures that all the development of the University is in line with its master plan and consistent with the laws of the land and that appropriate funding had been sought before commencement of the projects.
- ii. To develop appropriate and conducive policies to guide and promote resource mobilization and income generation activities in the University College.
- iii. To be responsible for authorizing expenditure for all maintenance work with the provision that the committee will have authority to delegate the minor maintenance work to an executive sub-committee of the University College.

- iv. To provide progress reports to the Council.
- v. To recommend and effect as appropriate any modification in physical facilities as may be necessary.

### **3. Academic, Research and Extension Committee**

Members of this committee are:

- |                          |   |           |
|--------------------------|---|-----------|
| i. Eng. Lucy Nyakiore    | - | Chair     |
| ii. Prof. Fabian Esamai  | - | Secretary |
| iii. Mr. Mohammed M. Ali | - | Member    |
| iv. Mr. Isaac Odek       | - | Member    |
| v. Prof. Isaac Kimengi   | - | Member    |
| vi. Mr. Samuel Kabiaru   | - | Member    |
| vii. Mr. Ben Sabwami     | - | Member    |
| viii. Mrs. Nereah Olick  | - | Member    |

The mandate of the ARE Committee includes the following:

- i. To provide policy guidelines on University wide research activities and trainings to put in place comprehensive research and training structures for resource mobilization and funding.
- ii. To review all research training and progresses and to deal with all matters related with statutes in terms of format and the contents of the University statutes.
- iii. To set priorities and targets for research activities and advice council on consultancies, technology transfers and intellectual property rights.

### **4. Human Resource, Development & Administration Committee**

Members of this committee are:

- |                             |   |           |
|-----------------------------|---|-----------|
| i. Mr. Joseph M Oyile       | - | Chair     |
| ii. Prof. Fabian Esamai     | - | Secretary |
| iii. Ms. Phyllis Chepkemboi | - | Member    |
| iv. Mr. Isaac Odek          | - | Member    |
| v. Mr. Mohammed M. Ali      | - | Member    |
| vi. Mr. Ben Sabwami         | - | Member    |
| vii. Mrs. Nereah Olick      | - | Member    |

The mandate of the HRD & A Committee includes the following:

- i. To review, evaluate and make recommendations on the overall organizational structure, staff establishments, remuneration structure, terms and conditions of service and to provide for the welfare of staff as and when necessary or whenever directed to do so by the Council.



- ii. To review, evaluate and make recommendations for approval of policies and other processes of accountability, internal controls and risk management, taking into account sustainability, ethics and compliance with the Constitution, all applicable laws, regulations and standards.
- iii. To review the Code of Conduct and Ethics of the University employees.
- iv. To institute, through a sub-committee, regular reviews of individual members of staff grading with a view to determining whether a member of staff should be promoted.
- v. To exercise such other functions as the Council may confer from time to time
- vi. To make recommendations to Council for ratification.

## **5. Staff appeals Committee**

Members of this committee are:

- |      |                         |             |
|------|-------------------------|-------------|
| i)   | Mrs. Phyllis Chepkemboi | - Chair     |
| ii)  | Prof. Fabian Esamai     | - Secretary |
| iii) | Mr. Mohammed H. Ali     | - Member    |
| iv)  | Mr. Ben SabwamiMuliro   | - Member    |
| v)   | Mr. Isaac OmondiOdek    | - Member    |
| vi)  | Mrs. NereaOlick         | - Member    |

The mandate of the appeal Committee is to consider appeals from students and members of staff to make appropriate recommendations to the Council. The committee did not hold any meeting during the 2019/2020 financial year since there was no appeal to be heard and determined.

From the analysis below, it is worth noting that the College Council was not able to hold the mandatory number of meetings for both full council and committee meetings for the year in their process of governance due to insufficient funds.

### **(f) Headquarters of the University College**

Alupe University College  
P.O. Box 845-50400  
Busia  
Off Busia - Malaba road  
KENYA

### **(g) University College Contacts**

Telephone :( 254)0741217185/0736044469/0724400189  
E-mail: [principal@auc.ac.ke](mailto:principal@auc.ac.ke)  
Website: [www.auc.ac.ke](http://www.auc.ac.ke)

**(h) University Bankers**

1. Kenya Commercial Bank  
Busia Branch  
P.O. Box 27-50400  
Busia  
Kenya
2. Co-operative Bank of Kenya  
Busia Branch  
P.O. Box 326-50400  
Busia

**(i) Independent Auditors**




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





**(j) Principal Legal Adviser**





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



# UNIVERSITY COLLEGE COUNCIL MEMBERS

Members of the university College Council	Key Qualifications
<p>1.</p>  <p><b>Dr. Virginia W. Kimani,61, Chairlady</b></p> <ul style="list-style-type: none"> <li>• Doctor of Philosophy (1997)</li> <li>• Crop Science (focus on pesticides Epidemiology)-UON</li> <li>• M.Sc. Plant pathology Pesticides and Residues(1988) –UON</li> <li>• B.Sc. Agriculture (1993) – UON</li> </ul>	<p>Dr. Virginia was born on 7th Feb 1959 and she is the chair of the AUC council which she joined on 8<sup>th</sup> November 2016 for a 4 year term. She is an independent council member. She is an agriculturist who runs a private consultancy firm on pesticides in Nairobi since 1999.</p> <p>She has worked with KARI and Ministry of Agriculture between 1984 and 1999 in various capacities.</p>
<p>2.</p>  <p><b>Mr. Joseph Vincent Oyile,64 Member</b></p> <ul style="list-style-type: none"> <li>• MSc Political Science, BIAS, International relations, University of Lagos, Nigeria</li> <li>• BA Political Science, Nagpur University, India</li> <li>• BSc(Agriculture)UON</li> </ul>	<p>Mr. Oyile was born on 2<sup>nd</sup> February 1956 and he is an independent AUC council member which he joined on 8<sup>th</sup> November 2019. He is also the chair of Human Resource Development and Administration committee of council.</p> <p>He has served as a Deputy County Commissioner. He has also served as a Provincial Local Government Officer from July 2003- January 2007. He has also served as District Officer, Administrative Office (1988-1999), and Assistant Secretary in the Ministry of Finance, Planning and National Development Department of Regional and International Cooperation.</p>
<p>3</p>  <p><b>Mr. Samuel Kabiari, 37 Member</b></p> <ul style="list-style-type: none"> <li>• MBA , KU</li> <li>• BSc, Agribusiness Egerton</li> </ul>	<p>Mr. Kabiari was born on 19<sup>th</sup> September 1982 and he is an independent AUC council member which he joined on 8<sup>th</sup> November 2019. He is also the chair Finance, Planning and Development committee of council.</p> <p>He is in the banking industry and currently serving as the branch Manager of I&amp;M Bank Nyeri.</p>

4.	 <p><b>Mr. Bernard Sabwami- 43 Member</b></p> <ul style="list-style-type: none"> <li>• MBA JKUAT</li> <li>• BBM Moi</li> </ul>	<p>Mr. Sabwami was born on 15<sup>th</sup> Feb 1977 and he is an Alternate Director National Treasury &amp; Planning which he joined on 8<sup>th</sup> Nov 2019.</p> <p>He is an accountant with a MBA in Finance. He has CPAK. And final KATC. He has gone through strategic leadership courses at Kenya School of Government.</p>
5.	 <p><b>Eng. Lucy .S. Nyakioire- member</b></p> <ul style="list-style-type: none"> <li>• MSC Marketing (UON),2018-2019- (Global Marketing Management, Brand and Sales Management)</li> <li>• Ongoing PhD- Doctor of Business Administration</li> <li>• MBA in Marketing &amp; International Business Management (UON),2003-2005</li> <li>• BSC, Agriculture Engineering (JKUAT), 1992-1997</li> <li>• Graduate Engineer, Member of Institute of Engineers of Kenya</li> <li>• Member of Marketing Society of Kenya (MSK)</li> <li>• Associate Member of Chartered Institute of Marketing (CIM)</li> </ul>	<p>Eng. Lucy is an independent AUC council member which she Joined on 8<sup>th</sup> November 2019. She is also the chair of Academic Research and Extension Committee of Council.</p> <p>She is a registered engineer and member of the Institute of Engineers. Has a vast experience working with Kenya Tea Development Agency in various capacities and Water Way Limited.</p> <p>Currently serving Board of Management Member at Mang'u High school since June 2019</p>
6.	 <p><b>Mrs. Phyllis Chepkemboi,39 Member</b></p> <p>MBA (Maseno University) – 2012</p> <p>Post graduate Diploma in Law (Kenya School of Law)- 2008</p> <p>Bachelor of Law (LLB)- Moi University 2004</p> <p>Associate Member- Mediation Training International</p> <p>Undertaking CPSK training- KASNEB</p> <p>Member of Law Society of Kenya, FIDA – Kenya, Life member Kenya Red Cross</p>	<p>Mrs Phyllis was born on 6<sup>th</sup> August 1981 and she is an independent AUC council member which she Joined in 8<sup>th</sup> November 2019. She is also the chair of Audit and Finance Management Committee of Council.</p> <p>She is the managing partner at Chepkemboi Phyllis &amp; Associates Advocates (CPAA) from 2019. She also worked with Lake Victoria South Water Services Board from 2011 to 2015. Mumma Nyagaka &amp; Company advocates from 2005</p>
7.	 <p><b>Mr. Isaac. Odek,53 Member</b></p> <ul style="list-style-type: none"> <li>• Bed Arts (KU), 1990,</li> <li>• Master of Business Finance (KU), 2006.</li> </ul>	<p>Mr. Odek was born on 29<sup>th</sup> January 1965 and he is an independent AUC council member which he Joined in 8<sup>th</sup> November 2016 and was re-appointed in January 2020</p> <p>He works in state Corporations Inspectorate and has served in several parastatal boards and councils since 2014. He has a vast experience as Assistant Director of Youth Affairs for 10 years and now serving as a desk officer in State Corporations Inspectorate for 12 state corporations.</p>

8	 <p>Mrs. Nerreah Olick, 56</p> <ul style="list-style-type: none"> <li>• Bachelor of Education (KU), 1988</li> <li>• Masters in Education</li> </ul>	<p>Mrs. Nereawa was born on 2<sup>nd</sup> February 1964 and she is an alternate Director AUC council member which she joined in 2017 and was re-appointed in 2019.</p> <p>She is currently serving as the Ag. Director Primary Education. She has also served as Deputy Director, Western region, Regional Director Siaya County and DEO in various Counties</p>
9.	 <p><b>Mr. Mohammed Ali H. Dahir</b> 46 Member</p> <ul style="list-style-type: none"> <li>• MSc (UON)</li> <li>• BSc, (UON)</li> </ul>	<p>Mr. Ali was born in 1974 and he is an independent AUC council member which he joined on 8<sup>th</sup> November 2019.</p> <p>He is the former CEO of Future Tech solutions in Nairobi and currently works with UNCHR in Kakuma as a project manager in delivery of education content</p>
10	 <p><b>Prof. Isaac Sanga Kosgey</b> Vice-Chancellor, Moi University/ Member</p> <ul style="list-style-type: none"> <li>• Ph.D. (Animal Sciences),</li> <li>• M.Sc. Animal Science (Wageningen),</li> <li>• B.Sc. Animal Production,</li> <li>• Dip. Animal Husbandry (Egerton),</li> <li>• MBA (Kenyatta),</li> <li>• Dip. Law (MKU), LL.B. (OUT)</li> </ul>	<p>Prof. Kosgey is a member of the AUC Council as the Vice – Chancellor, Moi University in which Alupe University College is Constituent College</p>
11	 <p><b>Prof. Fabian Esamai</b> Secretary to Council</p> <p>MB ChB (UON) 1978, M.Med(Pediatrics – UON) 1984, MPH (Johns Hopkins University, USA) 1996, PhD (Linköping University) Sweden, 2002</p>	<p>Prof. Esamai was born on 23<sup>rd</sup> September 195 and he is an executive member of the AUC council.</p> <p>He is the Principal of Alupe University College and the Secretary to the AUC Council. Prof. Esamai has vast experience having worked as the Dean School of Medicine for 4 years and Principal, College of Health Sciences for 5 years at Moi University. He is a Commissioner in the East Africa Health Research Commission and a Research Chair for Health Systems.</p>



## UNIVERSITY COLLEGE MANAGEMENT TEAM

### (a) MANAGEMENT TEAM

Name of the Staff	Key Qualifications
	<p><b>Prof. Fabian Esamai</b> Principal MB ChB (UON) 1978 M.Med (Pediatrics –UON) 1984 MPH (Johns Hopkins University, USA) 1996 PhD ( Linkoping University, Sweden) 2002</p>
	<p><b>Prof. Emmy Kipsoi</b> Deputy Principal (AFD) Bed (Daystar University) 1994, Master in Education (Kenyatta University), 2000, Doctor of Philosophy (Moi University), 2011.</p>
	<p><b>Prof. Peter Barasa</b> Deputy Principal (ASAR) A Professor of Language Education in the School of Education, Moi University and holds a Ph.D., M. Ed., B. Phil, Postgraduate Certificate in Research (The University of Hull, UK) and Diploma in Education (English and Literature- Siriba T.T.C.).</p>
	<p><b>CPA. Imelda Akhonya</b> Ag. HOD Finance MBA(Finance)-UON BCOM (Accounting)- KCA UNIVERSITY CPA(K)</p>
	<p><b>Mrs. Pamela Nyongesa</b> Assistant Registrar (Administration &amp; Human Resource) MSC (HRM)- MMUST B.ED (Arts)- Moi University</p>

## COUNCIL CHAIRPERSON'S STATEMENT

It is with great pleasure that I present the Alupe University College financial report for the year ended 30<sup>th</sup> June 2020. This is the fourth financial report of the institution since its establishment in July 2015 and following its operationalization in November 2016. The Alupe University College became operational on 7<sup>th</sup> November 2016 after the appointments of the College Council vide Special Gazette Notice 136.


The University College was allocated 149.6 Million by the Ministry of Education State Department of University Education for the FY 2019/2020 and had funds brought forward of 19.6 Million from 2018/19FY hence a total of Kshs.163.8 Million for recurrent expenditure. The funds were further increased to kshs 185 million during supplementary II that was undertaken in May 2020. The additional funds of sh 16 Million were to cater for CBA arrears.

The University College was allocated Kshs.200 Million for capital expenditure, which was further reduced to sh 150.2 Million which was received during the second and third quarter of the year under review. With the funds the College was able to continue with construction of the projects that had earlier been initiated besides construction of the Administration Office block, biochemistry, microbiology and anatomy laboratories that have since been completed.

Alupe University College's dream is to be a centre of excellence in integrated training and research in health, biological, physical and social sciences with emphasis on health Sciences. The University College therefore strives to ensure that they put in place facilities geared towards achieving this goal alongside building the vision around the health agenda that is amongst the Big 4 agenda.

During the year, the Council negotiated, vetted and implemented the performance contract for FY 2019/2020. The University College, despite the inadequate funds implemented most of the indicators stated in the performance contract.

The quarterly financial reports and statements for the financial year 2019/20 were all submitted to the Controller of Budgets, the State department of University Education & Research and the National Treasury as required.



Date: 31/1/2021

**DR. VIRGINIA W. KIMANI**  
**CHAIRPERSON**



## THE PRINCIPAL'S REPORT ON THE FINANCIAL STATEMENTS

Alupe University College was established as a Constituent College of Moi University vide the Alupe College Order 2015, Kenya Gazette Notice 153 of 24<sup>th</sup> July 2015. It was operationalized on 7<sup>th</sup> November 2016 through the appointment of the first Alupe University Council vide Special Gazette Notice 136.

The interim Alupe University College Management Board was appointed by Moi University on October 13<sup>th</sup> 2016 and has been working round the clock to ensure the University College is fully operational by the end of the 2016/17 financial year with the allocation of Kshs.20million for recurrent expenditure and Kshs 155million for capital expenditure. In the second financial year of 2017/18 the University College was allocated Kshs. 127 million for recurrent expenditure, Kshs 134 Million was allocated in the third year 2018/19 for recurrent expenditure while Kshs 163.8 Million was allocated for 2019/20FY. These funds were grossly inadequate for the running of the University College. The University College managed to keep its debt profile very low and maintained it at 0.1%.

The Cabinet Secretary for Education in conjunction with the Council appointed the Senior Management in their substantive position on 26<sup>th</sup> October 2018 for a period of five years. This consisted of the Principal, Prof. Fabian Esamai; the Deputy Principal, Administration Finance and Development, Prof. Emmy Kipsoi and the Deputy Principal for Academic Research and Student Affairs, Prof. Peter Barasa.

Alupe University College had a total of 471 students and the pioneer classes of 2017/18 academic year are now in their 3<sup>rd</sup> year of study. We have 19 students who were in the Alupe Campus of Moi University who have completed their 4<sup>th</sup> year and will graduate in December 2020.

The Alupe University College aspires to be a Centre of excellence in the sciences, health sciences and the social sciences. It has four schools of Health Sciences, Science, Education and Social Sciences and Business Economics and Human Resource Development into which the 200 students have been admitted.

The funding of the Alupe University College needs to be up-scaled given its focus on the sciences and the health sciences and it is hoped that the differentiated unit cost will be able to address this once fully operationalized.

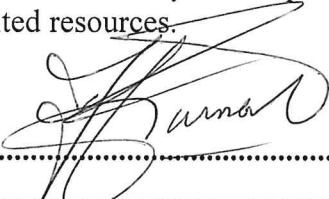
Alupe University College needs to develop the entire needed infrastructure, on its 200 acres of land that a University needs, from scratch as it did not take over any structures or an existing institution. It has started its operations in facilities offered to it by the Alupe Sub- County Hospital with the understanding that in the long run the hospital shall benefit through infrastructure upgrade as the health sciences programs are developed by the University College.

We wish to thank the Government for the wise consideration of setting up this science focused University College as it will aid in meeting the objectives of Government including the objectives of Vision 2030 and the Sustainable Development Goals (SDGs) of the United Nations.

The University College has since inception 4 years ago built an administration block, Microbiology laboratory, Biochemistry Laboratory, Anatomy and Pathology laboratories, a general Science laboratory and a total of 8 lecture rooms and a computer laboratory.

The University College has since July 2019 relocated to its new buildings on the 200 acres of land. These structures have adequate space for the size of the students and staff population. However, for the near and distant future the University needs more lecture theatres and halls, more offices, library space, academic block and a student center among others. The library which started in July 2017 will be completed by December 2020. An additional 3 lectures halls, a computer room and 3 offices will be completed by September 2020. The construction of the academic Administration block will start late 2020 and will be completed by the end 2020/21 FY.

I wish to thank the University Council for its tireless efforts in steering the University College this far since its first year of operations despite all the challenges of starting a University College with limited resources.

  
.....

**PROF. FABIAN ESAMAI**  
**PRINCIPAL**

**DATE:** ..... 8/1/2021 .....

## **REVIEW OF ALUPE UNIVERSITY PERFORMANCE FOR 2019/2020 FINANCIAL YEAR**

As stipulated in Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012, we have included in the financial statement, a statement of the national government entity's performance against predetermined objectives.

Alupe University has five (5) strategic pillars and objectives within its Strategic Plan for the FY 2018/2019- 2022/2023. These strategic pillars are as follows:

1. Establish and promote good governance and a sound corporate image
2. Provide quality University education and training
3. Institutionalize research and extension
4. Develop quality physical and virtual infrastructure
5. Institute Income Generating projects and programs

Alupe University College develops its annual work plans based on the above 5 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The University College achieved its performance targets set for the FY 2019/2020 period for its five (5) strategic pillars, as indicated in the diagram below:



### Implementation Matrix

S/N	Strategic Pillars	Strategic objectives	Strategies/Activities	Key Performance indicator	Achievement
1	Establish and promote good governance and corporate image	1.1.: Establish and promote a University College culture and image for enhanced visibility	1.1.1: Develop and strengthen public relations function 1.1.2: Improve AUC website content and enhanced hosting system	1.1.1.2: Number of community partnerships 1.1.1.2: percentage of new content added on AUC website and an enhanced website hosting system	Established partnerships with KEMRI, KARLO, ATC, County Government of Busia, Tampere University 80% of content was added on the website; PSSP application forms, fees structures, online teaching time table, all relevant information needed by new year students to report. The hosting system was also enhanced for sustainability
		1.3. To institutionalize Quality System	1.3.2 Institutionalize performance contracting	1.3.2.1a: Development of performance contracting departmental goals	Developed Performance contracting 2019/2020 and cascaded to schools and departments for implementation
2	Provide quality University education and training	2.1: To increase equitable students access to University education	2.1.1: Expand facilities based on emerging needs and government development agenda	2.1.1.1a: increase in the number of learning facilities	Developed the new lecturer facilities and laboratory

S/ N	Strategic Pillars	Strategic objectives	Strategies/ Activities	Key Performance indicator	Achievement
3	Institutionalize research and extension	3.1: To increase the number of research and extension activities	3.1.3: Develop and implement the AUC research and collaborative policies and framework 3.1.4: Develop collaborative research programmes and partnerships	3.1.3.1: AUC research and development policy 3.1.4.1: Number of workshops and seminars conducted	Developed and implemented AUC research policy  Two (2) seminars and workshops were conducted
4	Develop quality physical and virtual infrastructure	4.1: Develop ICT policy framework	4.1.1 Form an ICT policy development team	4.1.1.1a: AUC – ICT development team	Developed policy of ICT and appointed a Director ICT
5	5.1 Institute Income Generating projects and programs	5.1: Initiate the establishment of University Hospital as an IGU to serve the community and create income for AUC	5.1.1 Construct a funeral Home to provide service to the community	5.1.1: An operational funeral home	Constructed a funeral home pending hiring of mortician and purchase of necessary materials

## **CORPORATE GOVERNANCE STATEMENT**

Alupe University College affirms its commitment to upholding high standards of corporate governance designed to protect the interests of all stakeholders while promoting the highest standards of integrity, transparency and accountability. A key objective of the institution's governance framework is to ensure compliance with legislative and regulatory requirements some of which are listed below; Compliance with the Constitution of Kenya, Public Finance Management Act, 2015 and Public Procurement and Disposal Act.

### **Council Members**

The Alupe University College is responsible for the governance of the College and is accountable to the Government for ensuring that there is compliance with the law and high standards of business ethics and corporate governance. The council therefore attaches very high importance to the generally accepted corporate governance practices and has embraced the internationally developed principles and code of best practice of good governance.

The roles of the Chairperson and the Principal are distinct and their responsibilities are clearly defined. The Council comprises of ten members, six of whom are independent and non- executive, including the chairperson. The council has a charter in place for guidance while defining the University's strategies, objectives and values and ensures that the procedures and practices are set up in place to ensure effective control over strategic, financial, operational and compliance issues. The Council members bring their diverse experience and qualification into the council's deliberations. The governance parameter on process of appointment of council members as the oversight body was transparent and formal. The council of the University College was appointed by the Cabinet Secretary in accordance with Section 36 of the University Act.

New Council members were appointed and gazetted in November 2019 after the tenure of the the first Council lapsed. The new Council members were inducted on 17<sup>th</sup> January 2020. Council evaluation will be conducted for the 2019/20 FY on 7<sup>th</sup> September 2020.

### **Roles and functions of the Council**

#### **Council Meetings**

As a steward of the College resources, the council formulates policies that guide in the resource planning, mobilization, allocation and provides conducive environment for the implementation of its objectives.

These are driven through council meetings which are held on a need basis. The council on the other hand has set up other sub-committees with well-defined terms of reference to discharge on its behalf specific mandates in order to hasten specific decisions relating to the given mandates so as to attain efficiency and effectiveness in the overall discharge of responsibilities.

During the financial year 2019/2020, there were four full regular quarterly council meetings and one special meeting held on 22<sup>nd</sup> June 2020 via zoom while the others were held at Alupe University College and there was a quorum in each of them. In each meeting a conflict of interest register was signed by all members present and in the financial year conflict of interest was declared by any member. Remuneration of the council members is pegged on meetings attended as they are paid sitting allowance for each meeting attended and night out for the period they are on University official function as per the rates provided for in the national treasury circular for payment of sitting allowances and per diems. The chairperson is also entitled to a monthly honoraria and telephone. No governance audit was done in this financial year.

**Full Council Meetings**

**ALMANAC OF MEETINGS FOR AUC COUNCIL 2019/2020**

MONTH	Jul-19	Aug-19	Sep-19	Nov-19	Jan-20	Feb-20	Jun-20
MEETING							
Full Council	15 <sup>th</sup> July 2019	19 <sup>th</sup> Aug 2019		1st Nov 2019	17 <sup>th</sup> Jan 2020	28 <sup>th</sup> Feb 2020	22 <sup>nd</sup> June 2020
Audit & Risk	9 <sup>th</sup> July 2019					18 <sup>th</sup> Feb 2020	
FPD	8 <sup>th</sup> July 2019				23 <sup>rd</sup> Jan 2020	18 <sup>th</sup> Feb 2020	
HRDA	9 <sup>th</sup> July 2019					17 <sup>th</sup> Feb 2020	
ARE	8 <sup>th</sup> July 2019					17 <sup>th</sup> Feb 2020	
Interviews				1st Nov 2019			
SCAC evaluation		25 <sup>th</sup> Aug 2019					
PC			25 <sup>th</sup> Sep 2019				
Strategic Plan			20 <sup>th</sup> Sep 2019				

**Note: All meetings start at 9am unless otherwise specified in the invitation memo.**



### The Council

The Council consists of nine members inclusive of the Principal as the Secretary. The Council members and their meeting attendance are indicated below;

FULL COUNCIL ATTENDANCE PER INDIVIDUAL				
	1 <sup>ST</sup> QUARTER	2 <sup>ND</sup> QUARTER	3 <sup>RD</sup> QUARTER	4 <sup>TH</sup> Quarter
<b>15<sup>th</sup> July 2019</b>				
Dr. Virginia Kimani	✓			
Mr. Kiema Mwandia	✓			
Mr. Alinoor Hassan	✓			
Eng. Andrew Makhoha	✓			
Ms Caroline Chirchir	✓			
Mr. William Ikapel	✓			
Prof. I. Kosgei	✓			
Ms. Nerea Olick	✓			
Prof. Fabian Esamai	✓			
Mr. Isaac Odek	✓			
Ms. Lydia Tsuma	✓			
<b>19<sup>th</sup> August 2019</b>				
Dr. Virginia Kimani	✓			
Mr. Kiema Mwandia	✓			
Mr. Alinoor Hassan	✓			
Eng. Andrew Makhoha	✓			
Ms Caroline Chirchir	✓			
Mr. William Ikapel	✓			
Prof. Fabian Esamai	✓			
Mr. Isaac Odek	✓			
Ms. Lydia Tsuma	✓			
<b>1<sup>st</sup> Nov 2019</b>				
Dr. Virginia Kimani		✓		
Mr. Kiema Mwandia		✓		
Mr. Alinoor Hassan		✓		



FULL COUNCIL ATTENDANCE PER INDIVIDUAL				
	1 <sup>ST</sup> QUARTER	2 <sup>ND</sup> QUARTER	3 <sup>RD</sup> QUARTER	4 <sup>TH</sup> Quarter
		✓		
Eng.AndrewMakhoha		✓		
Ms Caroline Chirchir		✓		
Mr. William Ikapel		✓		
Prof.IKosgei		✓		
Ms.Nerea Olick		✓		
Prof.Fabian Esamai		✓		
Mr.Isaac Odek		✓		
<b>17<sup>th</sup> Jan 2020</b>				
Dr. Virginia Kimani			✓	
Prof.IsaacKosgei			✓	
Mr. Isaac Odek			✓	
Mr. Benard Sabwani			✓	
Ms.Philis Chepkemboi			✓	
Ms.Lucy Nyakioro			✓	
Mr.Samuel Kabiaru			✓	
Mr.Joseph Vincent Oyile			✓	
Prof.Fabian Esamai			✓	
Mr.Mohamed Ali Dahir			✓	
<b>28<sup>th</sup> February 2020</b>				
Dr. Viginia Kimani			✓	
Mr. Isaac Odek			✓	
Mr. Benard Sabwani			✓	
Ms.Philis Chepkemboi			✓	
Ms.Lucy Nyakioro			✓	
Mr.Samuel Kabiaru			✓	
Mr.Joseph Vincent Oyile			✓	
Prof.Fabian Esamai			✓	
Mr.Mohamed Ali Dahir			✓	
<b>22<sup>nd</sup> June 2020</b>				

FULL COUNCIL ATTENDANCE PER INDIVIDUAL				
	1 <sup>ST</sup> QUARTER	2 <sup>ND</sup> QUARTER	3 <sup>RD</sup> QUARTER	4 <sup>TH</sup> Quarter
Dr. Viginia Kimani				✓
Mr. Isaac Odek				✓
Mr. Benard Sabwani				✓
Ms. Philis Chepkemboi				✓
Ms. Lucy Nyakioro				✓
Mr. Samuel Kabiaru				✓
Mr. Joseph Vincent Oyile				✓
Ms. Nerea Olick				✓
Mr. Mohamed Ali Dahir				✓

#### COUNCIL COMMITTEES MEETING ATTENDANCE

		AUDIT AND RISK MANAGEMENT COMMITTEE			
		1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
	<b>09<sup>th</sup> July 2019</b>			<b>18<sup>th</sup> Feb 2020</b>	
1.	Mr. Alinoor Hassan	✓			
2.	Ms. Tsuma Lydia	✓			
3.	Ms. Nerea Olick	✓			
4.	Mr. William Ikapel	✓			
	<b>18<sup>th</sup> February 2020</b>				
1.	Ms. Phyllis Chepkemboi			✓	
2.	Ms. Lucy Nyakioro			✓	
3.	Mr. Isaac Odek			✓	
4.	Mr. Benard Sabwani			✓	
5.	Mr. Joseph Oyile			✓	

		<b>HUMAN RESOURCE DEVELOPMENT AND ADMINISTRATION</b>			
		<b>1<sup>st</sup> Quarter</b>	<b>2<sup>nd</sup> Quarter</b>	<b>3<sup>rd</sup> Quarter</b>	
<b>9<sup>th</sup> July 2019</b>				<b>17<sup>th</sup> Feb 2020</b>	
1.	Ms.Caroline Chirchir	✓			
2.	Mr. Kiema Ndiema	✓			
3.	Ms. Nerea Olick	✓			
4.	Mr.Isaac Odek	✓			
	Mr. Joseph Oyile			✓	-
2	Ms. Phyllis Chepkemboi			✓	
3	Mr. Isaac Odek			✓	
4	Mr.Ben Sabwani			✓	
5	Mr.Mohammed H.Ali			✓	

		<b>ACADEMIC RESEARCH AND EXTENSION</b>			
		<b>1<sup>st</sup> Quarter</b>	<b>2<sup>nd</sup> Quarter</b>	<b>3<sup>rd</sup> Quarter</b>	
<b>8<sup>th</sup> July 2019</b>		✓		<b>17<sup>th</sup> Feb 2020</b>	
1	Mr. Alinoor Hassan	✓			
2	Ms. Nerea Olick	✓			
3	Mr.William Ikapel	✓			
4	Mr. Isaac Odek	✓			
5	Eng. Andrew Makokha	✓			
7	Prof.Isaac Kimengi	✓			
<b>17<sup>th</sup> February 2020</b>					
1	Ms. Lucy Nyakiore			✓	
2	Mr. Mohammed Ali			✓	
3	Prof.Isaac Kimengi			✓	
4	Mr. Isaac Odek			✓	
5	Mr.Samuel Kabiari			✓	
6	Mr.Ben Sabwani			✓	
		<b>FINANCE PLANNING AND DEVELOPMENT</b>			
		<b>1<sup>st</sup> Quarter</b>	<b>2<sup>nd</sup> Quarter</b>	<b>3<sup>rd</sup> Quarter</b>	
<b>8<sup>th</sup> July 2019</b>				<b>18<sup>th</sup> Feb 2020</b>	
1	Mr.Kiema Mwandia	✓			
2	Ms. Nerea Olick	✓			
3	Mr.Isaac Odek	✓			
4	Ms. Lydia Tsuma	✓			
5	Eng.A. Makokha	✓			
1	Mr.Samuel Kabiari			✓	
2	Ms. Lucy Nyakiore			✓	

3	Mr.Isaac Odek			✓	
4	Mr.Benard Sabwani		\	✓	

### INTERVIEWS

1 <sup>st</sup> November 2019		1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	
1	Mr.Isaac Odek		✓		
2	Ms.Lidya Tsuma		✓		
3	Mr.William Ikapel		✓		
4	Mr. Kiema Mwandia		✓		
	Eng.Andrew Makokha		✓		
	Ms.Nerea Olick		✓		

### SCACEvaluation Meeting

1 <sup>st</sup> November 2019		1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	
1	Dr. Virginia Kimani		✓		
2	Mr.Kiema Mwandia		✓		
3	Ms.Nerea Olick		✓		
4	Mr. Isaac Odek		✓		
5	Ms.LydiaTsuma				

### Performance Contract Meetings

25 <sup>th</sup> September 2020		1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	
1	Dr. Virginia Kimani	✓			
2	Mr. Kiema Mwandia	✓			

### Strategic Plan Launch Meeting

20 <sup>th</sup> September 2020		1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	
1	Dr.Virginia Kimani	✓	✓		
2	Ms. Lydia Tsuma	✓	✓		
3	Ms. Nerea Olick	✓	✓		
4	Mr.Isaac Odek	✓	✓		



## MANAGEMENT DISCUSSION AND ANALYSIS

### SECTION A

#### **Alupe University College's operational and financial performance**

The University College was gazetted in July 2015 and had its first council appointed in November 2016 and new members were appointed in January 2020. During the financial year 2019/2020 the University College was allocated Kshs 163.8 Million by the Ministry of Education, which was further increased to Kshs 208 Million. The funds received were utilized in meeting employee costs and other recurrent expenditure. At the time of preparing the report, the Ministry had sent a notification dated 19<sup>th</sup> May 2020 for supplementary II estimates of Kshs 16,057,541 to cater for CBA arrears. However, as at 30<sup>th</sup> June, the funds had not reflected in the College bank account.

The result for the financial report shows a deficit of Kshs 500,734.00. The deficit is attributed to depreciation expense which is a non cash item. The University College received 184 students placed by the Kenya Universities and Colleges Central Placement (KUCCPS) Services who reported in September 2019. Therefore, there is anticipation that fees received from students alongside the Government grant will boost the College's operations a great deal.

The college's strategy includes vigorous marketing of the privately sponsored programs through exhibitions road shows career talks, brochures among others in a bid to attract students even across borders since the University College is on the border of Kenya and Uganda.

### SECTION B

#### **University College's compliance with statutory requirements**

During the year the University College endeavored to adhere to the Government set statutory requirements in its operations as a legal entity, such as remittance of with-holding tax (V.A.T) and Pay As You Earn (P.A.Y.E) on behalf of the Government of Kenya.

### SECTION C

#### **Key projects and investment decisions the entity is planning/ implementing**

During the year, the University College progressed on well with its capital projects that were approved during the year. The College was allocated Kshs. 150 Million for capital development, which was all received during the year. The funds have been utilized in payment of contractors constructing the Library, classrooms, lecture theatre and construction of health sciences laboratories (anatomy block/funeral home with administration block).

This facility will be used to train students in the fields of biomedical sciences, health sciences, animal sciences and agriculture. It will also enable the students and staffs address the issues of food security, nutrition and universal health care. These laboratories will also serve as diagnostic laboratories to enable accurate diagnosis of conditions that guide appropriate treatment of diseases in humans and animals.



## **SECTION D**

### **Major risks facing the entity**

Since the University College is relatively new, it is exposed to majorly liquidity risk. Liquidity risk relates to the University College's inability to meet its obligations as and when they fall due. The University College has operated with limited funds disbursed by the Government and therefore it ensures that it has sufficient cash on demand before incurring any operational expenditure.

## **SECTION E**

### **Material arrears in statutory/financial obligations**

Alupe University College did not have any material arrears this financial year.

## **SECTION F**

### **The University College's financial probity and serious governance issues**

Alupe University College did not have any financial probity and there was no report against it during the year.

## REPORT OF THE UNIVERSITY COLLEGE COUNCIL

The Council submitted their report together with the audited financial statements for the year ended June 30, 2020 which show the state of Alupe University College affairs.

### Principal activities

The principal activities of Alupe University College are to offer higher education, research and extension services.

### Results

The results of the entity for the year ended June 30, 2020 are set out on page 1

### Directors

The Council members who served during the year are shown on pages (viii) to (x)

### Auditors

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

By Order of the Council



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**Dr. Virginia W. Kimani**  
Chairperson Council

Date: 8/1/2021

## STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and Section 14 of the State Corporations Act require the Directors to prepare financial statements in respect of Alupe University college, which give a true and fair view of the state of affairs of the University College at the end of the financial year and the operating results of the University College for that period. The Directors are also required to ensure that the University College keeps proper accounting records which disclose with accuracy the financial position of the College. The Directors are also responsible for safeguarding the assets of the College.

The Directors are responsible for the preparation and presentation of the 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, 2020. This responsibility includes; (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (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 Directors accept responsibility for the University College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Directors further confirm the completeness of the accounting records maintained by the University 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 Directors to indicate that the University College will not remain a going concern for at least the next twelve months from the date of this statement.

### Approval of the financial statements

The University College's financial statements were approved by the Board on 7<sup>th</sup> September, 2020 and signed on its behalf by:



**Council Member**  
**Council Member**



**Council Member**

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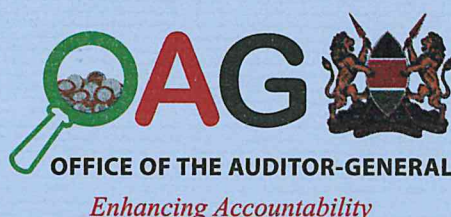
**REPORT OF THE AUDITORS-GENERAL ON ALUPEUNIVERSITY COLLEGE**

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# REPUBLIC OF KENYA

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

## REPORT OF THE AUDITOR-GENERAL ON ALUPE UNIVERSITY COLLEGE FOR THE YEAR ENDED 30 JUNE, 2020

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### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of Alupe University College set out on pages 1 to 23, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Alupe University College as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Legal Order No.153 of July, 2015 and Public Finance Management Act, 2012.

#### Basis for Opinion

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

#### Key Audit Matters

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

### REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

#### Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter 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**

### **Land Without Ownership Documents**

As was reported in the previous year, the property, plant and equipment balance of Kshs.578,535,017 includes an amount of Kshs.123,000,000 representing book value of land measuring 200 acres, which the University College inherited from Moi University. The College does not have any legal document such as title deed for the land. However, although the Management had indicated that the process of transferring the title deed from Moi University to Alupe University College is on-going and was expected to be concluded during the current financial year, 2020, Management has not availed any new evidence on the progress made towards acquiring the ownership documents to safeguard against risk of irregular/illegal alienation of the land.

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

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

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

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether 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 University Council**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material



misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the College's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to liquidate 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 University 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

In addition to the audit of 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 overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My

consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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


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

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



Nancy Gathungu  
**AUDITOR-GENERAL**

**Nairobi**

**21 July, 2021**



**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2020**

	Notes	2019-2020	2018-2019
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from other government entities	6	185,384,448	134,068,478
<b>Revenue from exchange transactions</b>			<b>134,068,478</b>
Student fees	7 (a)	21,270,750	15,580,200
Other Income	7 (b)	1,780,490	666,060
<b>Total Other Income</b>		<b>23,051,240</b>	<b>16,246,260</b>
<b>Total revenue</b>		<b>208,435,688</b>	<b>150,314,738</b>
<b>Expenses</b>			
Employee costs	8	160,692,304	138,081,796
Remuneration to Council members	9	7,369,679	3,115,830
Depreciation	10	15,932,064	7,604,595
Repairs and maintenance	11	855,557	256,049
Use of goods and services	12	24,086,818	10,596,080
<b>Total expenses</b>		<b>208,936,422</b>	<b>159,654,350</b>
<b>Deficit for the year</b>		<b>(500,734)</b>	<b>(9,339,612)</b>

Depreciation is calculated on a straight line basis at annual rates estimated to write off carrying values of the assets over their expected useful lives, the asset is initially measured at its fair value. Depreciation rates in use are; Buildings – 2%, Furniture, plant & Equipment – 12.5%, Motor Vehicle – 25% and Computers – 33.3%.

*The notes set out on pages 6 to 30 form an integral part of these Financial Statements.*

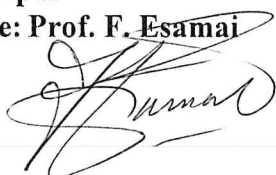
## STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2020

	Notes	2019-2020	2018-2019
Assets		Kshs	Kshs
<b>Current assets</b>			
Cash and cash equivalents	13	126,827,894	92,701,854
Receivables from exchange transactions	14(a)	4,713,308	1,890,287
Receivables from non-exchange transactions	14(b)	16,057,541	
Inventories	15	1,059,989	1,230,796
<b>Total Current Assets</b>		<b>148,658,732</b>	<b>95,822,937</b>
<b>Non-current assets</b>			
Property, plant and equipment	16	578,535,017	475,506,230
<b>Total non – current assets</b>		<b>578,535,017</b>	<b>475,506,230</b>
<b>Total assets</b>		<b>727,193,749</b>	<b>571,329,167</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables from exchange transactions	17	92,709,524	86,521,987
Provisions	18	300,000	-
Prepayments	19	1,907,780	2,245,380
<b>Total current liabilities</b>		<b>94,917,304</b>	<b>88,767,367</b>
<b>Total liabilities</b>		<b>94,917,304</b>	<b>88,767,367</b>
<b>Net assets</b>			
Capital Fund		565,215,378	415,000,000
Revaluation reserve		123,000,000	123,000,000
Accumulated Deficit		(55,938,934)	(55,438,200)
<b>Total net assets</b>		<b>632,276,445</b>	<b>482,561,800</b>
<b>Total net assets and liabilities</b>		<b>727,193,749</b>	<b>571,329,167</b>

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

**Principal**

**Name: Prof. F. Esamai**



**Head of Finance**


**Name: I. Akhonya**

**ICPAK Member No. 20102**



**Council Chairperson**

**Name: Dr. V. Kimani**



**Date:**

8/1/2021

**Date:**

8/1/2021

**Date:**

8/1/2021



**STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIOD ENDED 30TH JUNE 2020**

	<b>Capital Reserve (Kshs)</b>	<b>Revenue Reserve (Kshs)</b>	<b>Revaluation Reserve (Kshs)</b>	<b>Total (Kshs)</b>
As at 1 July 2018	155,000,000	(46,098,588)		108,901,412
(Deficit) / Surplus for the Year		(9,339,612)		(9,339,612)
Development Grants received during the year	260,000,000	-		260,000,000
Revaluation Reserve			123,000,000	123,000,000
<b>At June 30, 2019</b>	<b>415,000,000</b>	<b>(55,438,200)</b>	<b>123,000,000</b>	<b>482,561,800</b>

As at 1 July 2019	415,000,000	(55,438,200)	123,000,000	482,561,800
Surplus/ (Deficit) for the Year		(500,734)		(500,734)
Development Grants received during the year	150,215,378	-	-	150,215,378
Revaluation Reserve				-
<b>At June 30, 2020</b>	<b>565,215,378</b>	<b>(55,938,934)</b>	<b>123,000,000</b>	<b>632,276,444</b>

## STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30TH JUNE 2020

		2019-2020	2018-2019
		Kshs	Ksh
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Government grants and subsidies	6	185,384,448	134,068,478
Student fees	7 (a)	21,270,750	15,580,200
Other income	7 (b)	1,780,490	666,060
<b>Total Receipts</b>		<b>208,435,688</b>	<b>150,314,738</b>
<b>Payments</b>			
Employees Costs	8	160,692,304	138,081,796
Remuneration to Council	9	7,369,679	3,115,830
Repairs & Maintenance	11	855,557	256,049
Depreciation	10	15,932,064	
Use of goods and services	12	24,086,818	10,596,080
<b>Total Payments</b>		<b>208,936,422</b>	<b>152,049,755</b>
<b>Net cash flows from operating activities</b>		<b>(500,734)</b>	
<b>Add back non-cash items</b>			
Provision	18	300,000	
Depreciation	10	15,932,064	
		<b>15,731,330</b>	
<b>Adjustments</b>			
(Increase)/Decrease in receivables from exchange transactions	14	(2,823,021)	(1,098,937)
(Increase)/Decrease in receivables from non-exchange transactions		(16,057,541)	
Decrease/(Increase) in inventories	15	170,807	(1,104,614)
(Decrease)/Increase in prepayments	18	(337,600)	1,606,027
Increase/(Decrease) in payables	17	6,187,537	18,927,857
<b>Total Adjustments</b>		<b>(12,859,818)</b>	<b>18,330,333</b>
<b>Net cash flows from operating activities</b>		<b>2,871,512</b>	<b>16,595,316</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets	16	(118,960,850)	(270,385,780)
<b>Net cash flows used in investing activities</b>		<b>(118,960,850)</b>	<b>(270,385,780)</b>
<b>Cash flow from financing activities</b>			
Capital grants received		150,215,378	260,000,000
<b>Net cash flow used in financing activities</b>		<b>150,215,378</b>	<b>260,000,000</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>34,126,040</b>	<b>6,209,536</b>
Cash and cash equivalents at 1 <sup>st</sup> July		92,701,854	86,492,317
<b>Cash and cash equivalents as at 30 June</b>	13	<b>126,827,894</b>	<b>92,701,854</b>

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE  
YEAR ENDED 30TH JUNE 2020**

	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference
	2019-2020	2019-2020	2019-2020	2019-2020	Variance
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Revenue</b>					
Government grant	149,660,400	35,724,048	185,384,448	185,384,448	-
School fees	12,309,800	8,960,950	21,270,750	21,270,750	-
Other income	1,829,200	324,758	2,153,958	1,780,490	373,468
<b>Total Income</b>	<b>163,799,400</b>	<b>45,009,756</b>	<b>208,809,156</b>	<b>208,435,688</b>	<b>373,468</b>
	-				
<b>Expenses</b>					
Employee costs	156,378,314	6,955,539	163,333,853	160,692,304	2,641,549
Use of goods and services	5,941,086	30,474,320	36,415,406	24,022,391	12,393,015
Repairs & Maintenance	155,000	700,557	855,557	855,557	-
Bank charges	40,000	24,427	64,427	64,427	-
Council Expenses	1,285,000	6,854,913	8,139,913	7,369,679	770,234
Depreciation		-		15,932,064	(15,932,064)
<b>Total expenditure</b>	<b>163,799,400</b>	<b>45,009,756</b>	<b>208,809,156</b>	<b>208,936,422</b>	<b>(127,266)</b>
<b>(Deficit) Surplus for the period</b>	-	-	-	(500,734)	500,734

**Budget notes**

1. The variance sh 373,468 under other income was as a result of under collection of catering income since students were not in session.
2. The under expenditure under council expenses was attributed to council medical cover that was not in place since the term for the members expired and the procurement procedure was to be followed in getting one for the new members
3. The under expenditure under Use of goods and services is attributed to 4.7 Million for medical expenses that will be carried forward to the new financial year since the contract expires in April 2020, while the balance relates to student activities i.e teaching practice, academic trips, COBES that could not be carried out due to closure of the University following the COVID 19 pandemic.
4. The adjustment of sh 45Million arose due to Supplementary II meant for 2017-2021 CBA arrears and upward revision of A.I.A



## NOTES TO THE FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

Alupe University College is established by and derives its authority and accountability from the Universities Act, 2012. The University College is wholly owned by the Government of Kenya and is domiciled in Kenya. The principal activity is education and research.

### 2. STATEMENT OF COMPLIANCE AND BASIS FOR PREPARATION

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

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

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

### 3. ADOPTION OF NEW AND REVISED STANDARDS

#### (i) Relevant new standards and amendments to published standards effective for the year ended 30TH JUNE 2020

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



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

<b>Standard</b>	<b>Effective date and impact</b>
<b>IPSAS 41:</b> Financial Instruments	<p><b>Applicable 1<sup>st</sup> January 2022</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by;</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<b>IPSAS 42:</b> Social Benefits	<p><b>Applicable: 1<sup>st</sup> January 2022</b></p> <p>The objective of this standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess;</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</li> </ul>

**(iii) Early adoption of standards**

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Revenue Recognition**

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

**Transfer from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if

the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/ Capital grants are recognized in the statement of financial position and realized in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

**ii) Revenue from exchange transactions**

***Rendering of Services***

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

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

***Sale of Goods***

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

**Interest Income**

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

**(b) Budget Information**

The original budget for the FY 2019/2020 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the University College upon receiving the respective approvals in order to conclude the final budget.

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

### **(c) Property, plant and equipment**

All property, plant and equipment are stated at cost 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 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 a straight line basis at annual rates estimated to write off carrying values of the assets over their expected useful lives, the asset is initially measured at its fair value. Depreciation rates in use are; Buildings – 2%, Furniture, plant & Equipment – 12.5%, Motor Vehicle – 25% and Computers – 33.3%.

### **(d) Intangible Assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction if 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.

### **(e) Research and Development Costs**

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

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

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

### **(f) Inventories**

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

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

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

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

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

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

#### **(g) Provisions**

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

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

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

#### ***Contingent Liabilities***

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

#### ***Contingent Asset***

The University College does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the entity in the notes to the financial statements. Contingent assets are assessed continuously to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an



inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenues are recognized in the financial statements of the period in which the change occurs.

**(h) Nature and purpose of reserves**

The University College creates and maintains reserves in terms of specific requirements.

**(i) Changes in accounting policies and estimates**

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

**(j) Employee Benefits**

**Retirement Benefits plan**

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

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

**(k) Related Parties**

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

**(l) Service concession arrangements**

The College analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the entity recognizes that asset when, and only when, it controls or regulates the services the operator must provide together

with the asset, to whom it must provide them, and at what price. In case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlements or otherwise-any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**(m) 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 or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

**(n) Comparative figures**

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

**(o) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2020.

## **5. SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### **Useful lives and residual values**

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

**6. (a) TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description	2019/2020	2018/2019
	Kshs	Kshs
<b>Unconditional grants</b>		
Operational grant	185,384,448	134,068,478
<b>Total Government Grants and Subsidies</b>	<b>185,384,448</b>	<b>134,068,478</b>

**6. (b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES**

Name of the entity sending the grant	Amount recognized to statement of Comprehensive Income	Amount deferred under deferred income	Amount recognized in capital fund	Total grant income during the year	2018-2019
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of University Education and Research	185,384,448	-	150,215,378	335,599,826	394,068,478
<b>Total</b>	<b>185,384,448</b>	<b>-</b>	<b>150,215,378</b>	<b>335,599,826</b>	<b>394,068,478</b>

**7. REVENUE FROM EXCHANGE TRANSACTIONS****(a) Students fees**

Description	2019-2020	2018-2019
	Kshs	Kshs
School based student fees	1,149,500	3,031,400
Regular students fees	20,121,250	12,548,800
<b>Total</b>	<b>21,270,750</b>	<b>15,580,200</b>

**(b) Other income**

Description	2019-2020	2018-2019
	Kshs	Kshs
Catering Services	641,090	558,995
Income from Sale of Tender	-	3,000
Accommodation	-	-
KCB Grant	-	100,000
Insurance Tent Pitching	-	3,000
Library Fees	-	1,065
Contractor's Electricity- Maltitrio Agencies	100,000	
EhBB Project Income	1,039,400	
<b>Total</b>	<b>1,780,490</b>	<b>666,060</b>

**8. EMPLOYEE COSTS****(a) Per Category**

Description	2019-2020	2018-2019
	<b>Kshs</b>	<b>Kshs</b>
Salaries and wages	96,972,150	78,857,647
Employee related costs-contributions to pension & Provident Fund	16,290,895	16,020,181
Commuter and car allowances	9,121,500	9,003,500
House Allowance	33,147,759	34,200,468
Part-time Lecturers	5,160,000	-
<b>Total</b>	<b>160,692,304</b>	<b>138,081,796</b>

**(b) Per month**

Month	2019-2020	2018-2019
	<b>Kshs</b>	<b>Kshs</b>
July	11,212,632	11,559,520
August	11,436,237	11,553,806
September	12,053,704	11,571,616
October	11,143,428	11,690,806
November	11,624,273	11,614,806
December	11,509,245	11,584,806
January	12,172,016	12,271,292
February	11,824,280	11,544,790
March	11,770,355	11,357,219
April	11,558,484	11,068,719
May	11,585,286	11,138,719
June	32,802,364	11,125,697
<b>Total</b>	<b>160,692,304</b>	<b>138,081,796</b>

**9. REMUNERATION TO COUNCIL MEMBERS**

Description	2019-2020	2018-2019
	<b>Kshs</b>	<b>Kshs</b>
Chairperson's honoraria	1,472,000	609,000
Chairperson's meetings	80,000	47,000
Council members' emoluments	5,817,679	2,459,830
<b>Total council emoluments</b>	<b>7,369,679</b>	<b>3,115,830</b>

**10. DEPRECIATION**

Description	2019-2020	2018-2019
	<b>Kshs</b>	<b>Kshs</b>
Buildings	5,220,427	-
Motor vehicles	7,290,563	5,500,000
Furniture and fittings	1,052,717	712,338
Computers	1,209,991	939,506
Plant and equipment	1,158,367	452,752



<b>Total depreciation</b>	<b>15,932,064</b>	<b>7,604,595</b>
<b>11. REPAIRS AND MAINTENANCE</b>		
<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Maintenance of Plant and equipment	136,500	8,500
Maintenance of Buildings	167,850	17,058
Catering and Hostels	-	-
Maintenance of Motor Vehicles	224,667	94,713
Water Supplies	-	-
Maintenance of Compound	-	-
Maintenance of office equipment	326,540	135,778
<b>Total repairs and maintenance</b>	<b>855,557</b>	<b>256,049</b>

## 12. USE OF GOODS AND SERVICES

<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Telephone Expenses	-	25,250
Electricity and Water	3,098,242	280,134
Insurance Expenses	730,724	508,056
Internet Expenses	3,658,514	1,802,237
Legal expenses	45,000	-
Rent and Rates	-	329,000
Cleaning materials	71,910	47,674
Purchase of Stationery	894,519	559,225
Library books and related expenses	151,750	202,008
Transport operating expenses	391,894	388,890
Travelling and Accommodation	1,546,618	1,093,025
Postal & Telecommunication	143,485	55,740
Advertisement & Publicity	3,186,817	183,280
Training Expenses	111,200	17,200
Research and Training Materials	214,100	89,825
Teaching Materials	299,600	206,920
Catering Expenses	586,648	954,053
Medical Expenses	1,756,792	70,000
Deans and Senate committee expenses	50,000	21,840
Publishing and Printing	139,200	37,430
Audit fees	300,000	300,000
General office expenses	251,272	247,456
FMIS	76,120	-
Student Activity expenses	506,600	319,300
External Examiners expenses	89,000	1,533,730
AUCSO	321,400	263,015
Field Assessment (COBES)	206,479	1,011,985
Bank Charges	64,427	48,807
Subscription to Regulatory bodies	2,118,500	

Description	2019-2020	2018-2019
Subscription to Professional bodies	76,000	
Purchase of uniform	64,500	
Performance contracting	131,845	
Strategic plan	756,925	
Teaching Practice	255,530	
Purchase of lab materials	18,120	
Staff pension insurance	1,773,087	
<b>Total Use of goods and services</b>	<b>24,086,818</b>	<b>10,596,080</b>

**13. CASH AND CASH EQUIVALENTS**

Description	2019-2020	2018-2019
	<b>Kshs</b>	<b>Kshs</b>
KCB Main Account No. 1201874084	117,352,688	90,575,121
KCB Operations Account No. 1201874025	7,319,208	944,655
IGU Account No. 123952036	95,028	20,112
Co-op Bank Students Association Account 01141238933900	431,135	212,055
Co-op Bank Research Account 01141238804100	1,629,835	949,911
<b>Total cash and cash Equivalents</b>	<b>126,827,894</b>	<b>92,701,854</b>

**14. (a) RECEIVABLE FROM EXCHANGE TRANSACTIONS**

Description	2019-2020	2018-2019
	<b>Kshs</b>	<b>Kshs</b>
Student Fees-Regular	4,343,439	1,511,637
Student Fees-School Based	290,069	378,650
Imprests	79,800	
<b>Grand Total</b>	<b>4,713,308</b>	<b>1,890,287</b>

**14(b). RECEIVABLE FROM NON- EXCHANGE TRANSACTIONS**

Description	2019-2020	2018-2019
GoK Grants for CBA	16,057,541	-
<b>Total</b>	<b>16,057,541</b>	<b>-</b>

**15. INVENTORIES**

Description	2019-2020	2018-2019
	<b>Kshs</b>	<b>Kshs</b>
Central Stores	287,217	775,534
Estates	-	150,990
Kitchen	12,922	28,772
Consumables (SS)	665,185	-
Consumables (SHS)	94,665	-
Laboratory Reagents		275,500
<b>Grand Total</b>	<b>1,059,989</b>	<b>1,230,796</b>



# 16. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment	Land & Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and Equipment	Capital Work in progress	Total
Cost	2%	Shs	Shs	Shs	Shs	Shs	Shs
<b>At 1 July 2018</b>		22,000,000	4,338,000	1,870,800	657,800	71,661,730	100,528,330
Additions	123,000,000	-	1,360,700	948,000	2,964,214	265,112,866	370,914,110
Disposals		-	-	-	-	-	-
Transfer/adjustments		-	-	-	-	-	-
<b>At 30<sup>th</sup> June 2019</b>	<b>123,000,000</b>	<b>22,000,000</b>	<b>5,698,700</b>	<b>2,818,800</b>	<b>3,622,014</b>	<b>336,774,596</b>	<b>493,914,110</b>
Additions	-	7,162,250	2,723,032	811,536	4,548,960	103,715,072	118,960,850
Disposals		-	-	-	-	-	-
Transfer/adjustments	261,021,340	-	-	-	1,095,960	-262,117,300	-
<b>At 30<sup>th</sup> June 2020</b>	<b>384,021,340</b>	<b>29,162,250</b>	<b>8,421,732</b>	<b>3,630,336</b>	<b>9,266,934</b>	<b>178,372,368</b>	<b>612,874,960</b>
<b>Depreciation and impairment</b>							
<b>At 1 July 2018</b>		<b>9,229,500</b>	<b>629,500</b>	<b>822,684</b>	<b>121,600</b>	-	<b>10,803,284</b>
Depreciation		5,500,000	712,338	939,506	452,752	-	7,604,595
On Disposals							-
Impairment							-
Transfer/adjustment							-
<b>At 30 June 2019</b>	<b>-</b>	<b>14,729,500</b>	<b>1,341,838</b>	<b>1,762,190</b>	<b>574,352</b>	-	<b>18,407,880</b>
Depreciation	5,220,427	7,290,563	1,052,717	1,209,991	1,158,367	-	15,932,064
On Disposals							-
Impairment							-
Transfer/adjustment							-
<b>At 30 June 2020</b>	<b>5,220,427</b>	<b>22,020,063</b>	<b>2,394,554</b>	<b>2,972,181</b>	<b>1,732,719</b>	-	<b>34,339,943</b>

Net book values									
At 30 June 2020		378,800,913	7,142,188	6,027,178	658,155	7,534,216	178,372,368	578,535,017	
At 30 June 2019		123,000,000	7,270,500	4,356,863	1,056,610	3,047,662	336,774,596	475,506,230	

*Note: The prior year adjustment under plant and equipment for sh 1,095,960 was as a result of omission of two items for purchase of medical equipment in the Financial year 2018/ 2019, hence the adjustment has been done in the current year..*

Depreciation is calculated on a straight line basis at annual rates estimated to write off carrying values of the assets over their expected useful lives, the asset is initially measured at its fair value. Depreciation rates in use are; Buildings – 2%, Furniture, plant & Equipment – 12.5%, Motor Vehicle – 25% and Computers – 33.3%.



**17. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

Description	2019/2020	2018/2019
	Kshs	Kshs
June Salaries- deductions	2,842,692	11,125,697
Council- tax	76,750	435,000
Contractor - Mowens	4,479,228	
Contractor - Fortress	6,343,819	
CBA Arrears	16,057,541	
Government Advertising Agency		1,127,102
Internet-Futuretech		339,900
Suppliers/Creditors	2,579,931	214,954
Caution money	942,000	554,000
Contractors' Retention money	16,976,305	31,805,094
EhBB Project bank balance	1,629,835	806,644
Isuzu East Africa	3,581,125	
<b>Payables b/f from 2016/17FY</b>		
Student fees	4,066,580	4,136,580
Salaries paid by Moi University	33,133,718	33,133,718
Advance from Moi University	-	2,913,298
<b>Total</b>	<b>92,709,524</b>	<b>86,521,987</b>

*Note: Included in the trade and other payable from exchange transactions of Kshs.4,066,580/= and 33,133,718/= for 2016/17 FY relates to money owed to Moi University based on a letter from Moi university requesting refund from AUC. The discussions are ongoing with Moi University on the same. The correct liability figure will be adjusted in the financial statement once discussions are concluded.*

**18. PROVISIONS**

Description	2019/2020	2018/2019
	Kshs	Kshs
Provision for audit fees	300,000	-
<b>Total provision</b>	<b>300,000</b>	<b>-</b>

**19. PREPAYMENTS**

Description	2019/2020	2018/2019
	Kshs	Kshs
Students Fees-Regular	1,905,180	1,740,980
Students Fees-School based	2,600	504,400
<b>Total prepayments</b>	<b>1,907,780</b>	<b>2,245,380</b>

**20. FINANCIAL RISK MANGEMENT**

The University College's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes of foreign currency. The entity' overall risk management program focuses on unpredictability of changes in the business environment and seeks to minimize

the potential adverse effects of such risks on its performance by setting acceptable levels of risk. The entity does not hedge any risks and has in place policies to ensure that credit is only extended to customers with established credit history.

The University College's financial risk management objectives and policies are detailed below;

#### (i) Credit risk

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

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

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

Details	Total Amount (Kshs)
<b>As at 30 June 2020</b>	
Receivable from exchange transactions	4,713,308
Receivable from non-exchange transactions	16,057,541
Bank Balances	126,827,894
<b>Total</b>	<b>147,598,743</b>
<b>As at 30 June 2019</b>	
Receivable from exchange transactions	1,890,287
Receivable from non-exchange transactions	-
Bank Balances	92,701,854
<b>Total</b>	<b>94,592,141</b>

#### (ii) Liquidity Risk Management

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

Details	Less than 1 Month	Less than 1-3 Months	Over 5 months	Total
<b>As at 30 June 2020</b>				
Trade payables	33,118,394		56,748,438	89,866,832
Employee benefit Obligation	2,842,692			2,842,692
<b>Total</b>	<b>35,961,086</b>	<b>-</b>	<b>56,748,438</b>	<b>92,709,524</b>

As at 30 June 2019				
Trade payables	-	214,954	34,632,740	34,847,694
Employee benefit Obligation		11,125,697	40,548,596	51,603,108
<b>Total</b>		<b>11,340,651</b>	<b>75,181,336</b>	<b>86,521,987</b>

### (iii) Market Risk

The board has put in place an internal audit function to assist it in the assessing

The risk faced by the entity on an ongoing basis, evaluate and test the design and the effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate

Equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of the market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risks rest with the Audit and Risk Management Committee.

#### (a) Foreign currency risk

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

#### (b) Interest risk

Interest risk is the risk that the entity's financial condition may be adversely affected as a result of changes in the interest rate levels. The entity's interest rate risk arises from bank deposits. This exposes the entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the entity's deposits.

### Management of interest rate risk

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

### Sensitivity Analysis

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



**(iv) Capital Risk Management**

The objective of the entity's capital risk management is to safeguard the Board's ability to continue as a going concern. The capital structure comprise of the following funds;

<b>Description</b>	<b>2019/2020</b>	<b>2018/2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Revaluation Reserve	123,000,000	123,000,000
Retained Earnings	(500,734)	(9,339,612)
Capital Reserve	150,215,378	260,000,000
<b>Total</b>	<b>272,714,644</b>	<b>373,660,388</b>

**21. RELATED PARTY BALANCES****Nature of related party relationships**

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

**Government of Kenya**

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

- (i) The National Government
- (ii) The Ministry of Education
- (iii) Board of Directors
- (iv) University College Management

**22. EVENTS AFTER THE REPORTING PERIOD**

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

**23. ULTIMATE AND HOLDING ENTITY**

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

**24. CURRENCY**

The financial statements are presented in Kenya Shillings (Kshs)



## APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No on the external audit Report	Issue/Observation from Auditor	Management comments	Focal point person to resolve the issue (Name and Designation)	Status (Resolved/Not Resolved)	Timeframe
1.	<b>Unconfirmed balances between AUC and Moi University</b> The University College have not resolved disparities noted in the unsigned handing and taking over report signed with the Moi University in respect to trade and other payables from exchange transactions balance, of Kshs.40,183,596 owed to Moi University.	The management wishes to clarify that the figure of kshs.40,183,596 was ascertained from the records availed by Moi University to Alupe University College after Alupe requested for the information in support of liability owed to Moi university. The discussion are still on going on the above issue and the correct liability figure will be adjusted in the financial statement once handing/taking over process is concluded. AUC has settled 2.9 Million of the debt in the year under review	Prof. Fabian Esamai <b>Principal</b>	Not Resolved	2020/2021 FY

Reference No on the external audit Report	Issue/Observation from Auditor	Management comments	Focal point person to resolve the issue (Name and Designation)	Status (Resolved/ Not Resolved)	Timeframe
2.	<p><b>Alupe University College Land without title deed</b></p> <p>Included in the property, plant and equipment balance of Kshs.478,518,888 reflected in the statement of financial position as at 30 June 2019 is Kshs.123,000,000 representing book value of land measuring 200 acres, which the University College inherited from Moi University. However, the University College does not have title deed for this land hence risk exposure of losing the land in the</p>	<p>The process began in October, 2017 by AUC management requesting Moi University to transfer the land LR No. 8487 to AUC via the letter dated 3<sup>rd</sup> October 2017 after consultation with the National Treasury but Moi University responded otherwise (renege) via the letter dated 12<sup>th</sup> January 2018. Further AUC management completed the land transfer forms in compliance with the statutory provisions.</p> <p>A follow up meeting (a consultative meeting) was held on 14<sup>th</sup>, September 2018 where it was agreed that both Moi University and Alupe University College are government entities and the risk of losing the title deed in case of the university college ceases to be</p>	Prof. Fabian Esamai <b>Principal</b>	Not Resolved	2020/2021 FY

Reference No on the external audit Report	Issue/Observation from Auditor	Management comments	Focal point person to resolve the issue (Name and Designation)	Status (Resolved/ Not Resolved)	Timeframe
	event that the University College ceases to be a constituent college of Moi University before the transfer of title is complete.	a constituent college of Moi University or any other eventualities are insignificant (very low).			

Principal

Prof. Fabian Esamai

Date: ..... 8/1/2024 .....



## APPENDIX II: PROJECTS IMPLEMENTED BY THE UNIVERSITY COLLEGE

### Projects

Projects implemented by Alupe University College

	Project Title	Project Number	Donor	Period/Duration	Donor Commitment	Donor Report Required(YES/NO)	Consolidated in these Financial Statements
1	Library phase 1	AUC/ONT/1/2016/2017	GoK	128 Weeks	None	No	Yes
2	Laboratory & Lecture Rooms	UC/ONT/2/2016/2017/28	GoK	24 weeks	None	No	Yes
3	Admin, Anatomy & Biochemistry Laboratory	AUC/ONT/13/2016/2017	GoK	56 weeks	None	No	Yes
4	Borehole	D106/WE/BSA/1601	GoK	24 Weeks	None	No	Yes
5	Computer Lab & Lecture rooms	AUC/ONT/01/2019/2020	GoK	24 weeks	None	No	Yes

### Status of Projects Completion

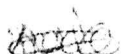
	Project	Total Project Cost	Total expended To date	Completion % to date	Budget(Kshs)	Actual(Kshs)	Sources of Funds
1	Library phase 1	191,710,241	96,529,623	90	191,710,241	191,710,241	GoK
2	Laboratory & Lecture Rooms	18,450,204	18,450,204	100	18,450,204	18,450,204	GoK
3	Admin., Anatomy & Biochemistry Laboratory	239,887,920	204,665,084	100	239,887,920	239,887,920	GoK
4	Borehole	5,936,300	4,684,774	100	5,936,300	4,684,774	GoK
5	Computer lab & Lecture rooms	28,885,510	22,403,120	90	28,885,510	28,885,510	GoK

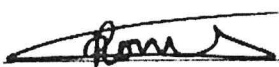


# APPENDIX III: INTER-ENTITY TRANSFERS

Breakdown of transfers from state department for University				
a) Recurrent Grant				
	Month	Bank statement date	Amount (Kshs)	FY that the money relates
	July	08.08.2019	12,471,700.00	2019/2020
	August	29.08.2019	12,471,700.00	2019/2020
	September	27.09.2019	12,471,700.00	2019/2020
	October	01.11.2019	12,471,700.00	2019/2020
	November	29.11.2019	12,471,700.00	2019/2020
	December	27.12.2019	12,471,700.00	2019/2020
	January	05.02.2020	12,471,700.00	2019/2020
	February	02.03.2020	12,471,700.00	2019/2020
	March	03.04.2020	12,471,700.00	2019/2020
	April	05.05.2020	12,471,700.00	2019/2020
	May	05.06.2020	12,471,700.00	2019/2020
	June	26.06.2020	12,471,700.00	2019/2020
	July	14.07.2020	16,057,541.00	2019/2020
	<b>Total</b>		<b>165,717,941.00</b>	
b) Capital Grant				
	Month	Bank Statement Date	Amount (Kshs)	FY that the money Relates
	November	21.11.2019	74,095,610.00	2019/2020
	March	10.03.2020	76,119,768.00	2019/2020
	<b>Total</b>		<b>150,215,378.00</b>	

The above amounts have been communicated to and reconciled with the State Department of University Education

  
 Head of Finance  
 Alupe University College  
 Education

  
 Head of Accounting Unit  
 State Department of University





ALUPE UNIVERSITY

*Bastion of Knowledge...*

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off busia-Malindi road

24<sup>th</sup> September 2020

The Head of Accounting Unit,  
Ministry of Education State Department University Education  
P.O.BOX 9583-00200  
NAIROBI.

Dear Sir,

**RE: CONFIRMATION OF INTER-ENTITY TRANSFERS FOR 2019/2020FY**

We hereby kindly request you to confirm the transfers from the Ministry as per the attached appendix III and send back to enable us attach in our annual report and financial statements for the year ended 30<sup>th</sup> June 2020.

We thank you for your continued support.

Yours Sincerely

Prof. Fabian Esamai  
Principal






## APPENDIX III: INTER-ENTITY TRANSFERS

Breakdown of transfers from state department for University				
a) Recurrent Grant				
	Month	Bank statement date	Amount (Kshs)	FY that the money relates
	July	08.08.2019	12,471,700	2019/2020
	August	29.08.2019	12,471,700	2019/2020
	September	27.09.2019	12,471,700	2019/2020
	October	01.11.2019	12,471,700	2019/2020
	November	29.11.2019	12,471,700	2019/2020
	December	27.12.2019	12,471,700	2019/2020
	January	05.02.2020	12,471,700	2019/2020
	February	02.03.2020	12,471,700	2019/2020
	March	03.04.2020	12,471,700	2019/2020
	April	05.05.2020	12,471,700	2019/2020
	May	05.06.2020	12,471,700	2019/2020
	May	14.06.2020	16,057,541	2019/2020
	June	26.06.2020	12,471,700	2019/2020
	<b>Total</b>		<b>165,717,941</b>	
b) Capital Grant				
	Month	Bank Statement Date	Amount (Kshs)	FY that the money Relates
	November	21.11.2019	74,095,610	2019/2020
	March	10.03.2020	76,119,768	2019/2020
	<b>Total</b>		<b>150,215,378</b>	

The above amounts have been communicated to and reconciled with the State Department of University Education

  
 Head of Finance  
 Alupe University College  
 Education

Head of Accounting Unit  
 State Department of University

# APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA Transferring the Funds	Date Received as per Bank Statement	Nature: Recurrent/Development/Others	Total Amount	Where Recorded/Recognized		Total Transfers During the Year 2019/2020
				Statement of Financial Performance	Capital Fund	
			Kshs	Kshs	Kshs	Kshs
State Department of University Education	08.08.2019	Recurrent	12,471,700	12,471,700	-	12,471,700
State Department of University Education	09.07.2019	Recurrent	19,666,506	19,666,506	-	19,666,506
State Department of University Education	29.08.2019	Recurrent	12,471,700	12,471,700	-	12,471,700
State Department of University Education	27.09.2019	Recurrent	12,471,700	12,471,700	-	12,471,700
State Department of University Education	01.11.2019	Recurrent	12,471,700	12,471,700	-	12,471,700
State Department of University Education	29.11.2019	Recurrent	12,471,700	12,471,700	-	12,471,700
State Department of University Education	27.12.2019	Recurrent	12,471,700	12,471,700	-	12,471,700
State Department of University Education	05.02.2020	Recurrent	12,471,700	12,471,700	-	12,471,700
State Department of University Education	02.03.2020	Recurrent	12,471,700	12,471,700	-	12,471,700
State Department of University Education	03.04.2020	Recurrent	12,471,700	12,471,700	-	12,471,700
State Department of University Education	05.05.2020	Recurrent	12,471,700	12,471,700	-	12,471,700
State Department of University Education	05.06.2020	Recurrent	12,471,700	12,471,700	-	12,471,700

State Department of University Education	26.06.2020	Recurrent	12,471,700	12,471,700		12,471,700
State Department of University Education	21.11.2019	Development			74,095,610	74,095,610
State Department of University Education	10.03.2020	Development			76,119,768	76,119,768
<b>Total</b>			<b>169,326,906</b>	<b>169,326,906</b>	<b>150,215,378</b>	<b>319,542,284</b>



