

REPUBLIC OF KENYA



REPORT

OF

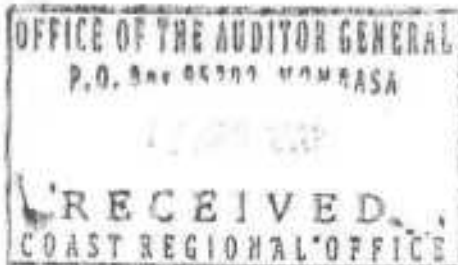
THE AUDITOR-GENERAL

ON

TECHNICAL UNIVERSITY OF MOMBASA

**FOR THE YEAR ENDED
30 JUNE, 2023**





Revised 30th June 2023



TECHNICAL UNIVERSITY OF MOMBASA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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

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1. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

VC	Vice Chancellor
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
OAG	Office of the Auditor General
PFM	Public Finance Management
PPE	Property Plant & Equipment
UMB	University Management Board
KUCCPS	Kenya Universities and Colleges Central Placement Service
FY	Financial Year
TUM	Technical University of Mombasa
ISO	International Organization for Standards

B: Glossary of Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organisation

Comparative Year- Means the prior period.

2. Key University Information and Management

(a) Background information

(b) Technical University of Mombasa is an ISO certified institution of global excellence in advancing knowledge, science and technology. Its origin can be traced back to the late 1940's as the first institution of higher learning to be established in the coastal region of Kenya. TUM has passed through four distinct phases to reach its current state. It previously operated as Mombasa Institute of Muslim Education (1948-1966), Mombasa Technical Institute (1966-1972), Mombasa Polytechnic (1972-2007), Mombasa Polytechnic University College through a Legal Notice No. 160 of 2007, and finally awarded the charter as Technical University of Mombasa on 30th January 2013 (under the Universities Act 2012). The University's main campus is domiciled in Kenya within Mombasa County and it has two satellite campuses in Kwale and Lamu Counties.

(c) TUM is profoundly committed to providing quality higher education as envisioned by its founders and mandated by Statute. It has five established Schools namely: Applied and Health Sciences, Engineering and Technology, Business, Humanities and Social Sciences, School of Graduate Studies and an Institute of Computing and Informatics. The University admits students across the globe ranging from KUCCPS to Self-Sponsored programmes (SSP). As a result of the high demand for TUM programmes, the student population has tremendously grown over the years, and currently stands at 19,127 composed of 12,768 males and 6,359 females. TUM also recognizes the importance of human capital in driving the vision of the institution and boasts of 341 teaching staff and 269 administrative staff, giving a total of 610. To ensure programmes are congruent with the market demands, the University incorporates industry, stakeholders and professional bodies in the development and review of programmes to comfortably offer solutions in the labour market in the quest to support the Kenya Vision 2030.

(d) Principal Activities

Vision

A University of global excellence in advancing Knowledge, Science and Technology.

Mission

To advance knowledge and its practical application through teaching, research, and innovation to serve both industry and the community.

Key University Information and Management (continued)

Motto

Endeavour and Achieve (*Jiddu Tajiddu*)

Strategic Objectives and Principle activities

- i) Provide quality academic programmes.
- ii) Promote research, science, technology and innovation.
- iii) Increase access and equity to tertiary and University education.
- iv) Provide adequate facilities and infrastructure required by the expanding University.
- v) Provide information communication technology solutions to support learning activities and management of the University.
- vi) Institute a manpower and human resources management plan that maintains a competent and efficient workforce.
- vii) Ensure quality and relevance in all programmes.
- viii) Produce graduates with desirable attitudes able to confront the various challenges in their lives.
- ix) Institute mutually beneficial linkages and collaborations.
- x) Market Technical University of Mombasa as a leading brand name in training and innovation in engineering, science and technology.
- xi) Provide a finance mobilization plan that ensures a sustainable resource base for development and recurrent expenditure.

(e) Key Management

Technical University of Mombasa day-to-day management is under the following key organs:

- i) University Council
- ii) Vice Chancellor
- iii) Management Board
- iv) University Senate

d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Vice Chancellor	Prof. Laila Abubakar
2.	Dep. Vice Chancellor (Academic, Research and Extension)	Prof. Peter Gichangi
3.	Dep. Vice Chancellor (Administration, Finance and Planning)	Prof. Joseph Rasowo
4.	Registrar (Administration and Planning)	Dr. Shivani Patel
5.	Registrar (Academic Affairs)	Dr. Cromwel Kibiti
6.	Registrar (Partnership Research and Innovation)	Dr. Michael Juma Saulo

No.	Designation	Name
7.	Finance Officer	CPA Dalton Mwaghogho
8.	Procurement Manager	Mr. James Odhiambo
9.	University Librarian	Dr. Wanyenda Chilimo
10.	Dean of Students	Mr. Joel Awino

Finance, Planning and General Purpose Committee

Membership: -

- i) Chairperson- independent Council Member as per section 36(1) of the Universities Act.
- ii) Cabinet Secretary, National Treasury and Planning Representative.
- iii) One independent Member appointed as per section 36(1) of the Universities Act.
- iv) Vice Chancellor- Secretary.

Terms of Reference: -

1. Manage the University's overall finances and recommend to the Council for approval, the University's annual budget and certain items of major expenditure.
2. Manage the University's physical planning and development including physical projects.
3. Be responsible for:
 - i) Investments;
 - ii) Ensuring the preparation of proper books and records of accounts of income and expenditure, assets, and liabilities of the University;
 - iii) Fund raising for the University;
 - iv) Receiving, considering and recommending proposal of physical development plans;
 - v) Considering of plans and budgets for recurrent and development expenditure; and
 - vi) Monitoring of construction projects in progress.

Human Resource Management Committee

Membership: -

- i) Chairperson- independent Council Member as per section 36(1) of the Universities Act.
- ii) Permanent Secretary- Ministry of Education Representative.
- iii) One independent Member appointed as per section 36(1) of the Universities Act.
- iv) Vice Chancellor- Secretary.

Terms of Reference

- i) Advise the Council on Schemes of Service and Terms and Conditions of Service for Staff.
- ii) Advise Council on Staffing requirements and recruitment of Senior Officers.
- iii) Receive and consider from Management disciplinary cases and appeals.
- iv) Advise the Council matters relating to the welfare of staff of the University.

Audit, Risk and Compliance Committee

Membership: -

- i) Chairperson- independent Council Member as per section 36(1) of the Universities Act.
- ii) The Cabinet Secretary, National Treasury and Planning Representative.
- iii) One independent member appointed as per section 36(1) (d) of the Universities Act.
- iv) Internal Auditor who shall be Secretary to the Committee.

Terms of Reference

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- i) Receive and consider reports on University internal and external finances and submit its findings.
- ii) Review financial statements prior to approval by the Council.
- iii) Ensure effectiveness of internal Audit function.
- iv) Advice on systems of internal controls and their effectiveness ensure that there are effective measures in place to mitigate against identified business risks.

Sealing and Statute Committee

Membership:

- i) Chairperson- independent Council Member as per section 36(1) of the Universities Act.
- ii) Permanent Secretary- Ministry of Education Representative.
- iii) One independent Member appointed as per section 36(1) of the Universities Act.
- iv) Vice Chancellor- Secretary.

Terms of Reference

- i) Authorize on behalf of Council the application of the University Seal documents.
- ii) Receive and recommend for approval/amendments of Statutes.
- iii) Recommend the review of statutes of the University from time to time and whenever necessary.
- iv) Advice and or perform on any other matter as may be mandated by the Council.

e) University Headquarters

Technical University of Mombasa.
Tom Mboya Avenue,
P.O. Box 90420-80100,
Mombasa, Kenya

f) University Contacts

Telephone: (254) 41-2492222/3/4
Fax: 254) 41-2495632
Mobile: (254) 0724 955377/0733955377
E-mail: info@tum.ac.ke
vc@tum.ac.ke
Website: www.tum.ac.ke

g) University Bankers

- i) National bank of Kenya.
TUM Branch
P.O. Box 576-80100
Mombasa.
- ii) Co-operative Bank Limited
Nkrumah Branch
P.O. Box 87771-80100
Mombasa.

iii) Standard Chartered Bank Limited,
Treasury Square Branch
P.O. Box 90170-80100
Mombasa.

iv) Kenya Commercial Bank
Mvita Branch
P.O. Box 83534-80100
Mombasa.

v) Family Bank
Jomo Kenyatta Branch
P.O. Box 97268-80100
Mombasa.

vi) Equity Bank
Digo Road Branch
P.O. Bank 90016-80100
Mombasa.

vii) Absa Bank
Moi Avenue
P.O Box 90182 - 80100
Mombasa.

viii) Gulf Bank
Jomo Kenyatta Avenue Branch
P.O Box 81189-80100
Mombasa.

h) Independent Auditors





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





i) Principal Legal Adviser

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


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3. The University Council




Ref	Council Members	Details
1.	 <p>PROF. FRANCIS NDUNGU KIBERA, C.B.S Council Chairman</p>	<p>Prof. Kibera holds a Doctor of Philosophy (Ph.D.) degree in Business Administration from University of Toronto, and a Master of Business Administration from University of Alberta, Canada. He did his Bachelor of Commerce (B. Com) degree program at the East Africa University, Nairobi.</p>
2.	 <p>MR. STANLEY KAGERA CS Representative - National Treasury Date of Birth: 11th November 1969</p>	<p>Mr. Kagera holds Master's Degree in Economic Policy Management from Makerere University and a Bachelor of Arts in Economics from Kenyatta University. He is currently the Deputy Director (Public-Private Partnerships) at the National Treasury and Planning and has over 20 years of experience in economics. He is the representative of the Cabinet Secretary, National Treasury and Planning representative to the University Council.</p>
3.	 <p>MS. ANN KAIGA PS Representative- State Department of University Education and Research. Date of Birth: 22nd August 1965</p>	<p>Ms. Kaiga is the alternate to PS-State Department for University Education and Research, Ministry of Education.</p>
4.	 <p>Dr. PAUL MWASARU MWAZUMBO Date of Birth: 31st October 1963</p>	<p>Dr. Mwazumbo, holds a PhD in Strategic Management, Masters in Business Strategic Management, and Bachelor of Science in Chemistry from University of Nairobi. He holds International Diplomas in Environmental Management and Occupational Health and safety Management. He is the Director for Absolute Integration Management Systems Limited and the Lead Auditor at SGS Kenya</p>

5.	 <p>MS. ALISON IRENE NJERI KARIUKI Independent Council Member Date of Birth: 19th February 1972</p>	<p>Ms Kariuki, holds a Master's in International relations & Development Studies, Bachelor of Law (LLB) from University of Nairobi and Diploma in Law. She is also a Corporate Governance Auditor.</p>
6.	 <p>DR. ASMA HADI AWADH Independent Council Member Date of Birth: 16th July 1982</p>	<p>Dr. Awadh holds PhD in Environmental Science from Pwani University, Masters in Urban Environmental Planning and Management, Bachelor of Science in Environmental Science from Maseno University and Diploma in Management. Currently she is Manager-Coast Kenya Programmes at the WWF Kenya</p>
7.	 <p>MR. MUHAMMAD ALI LOO Independent Council Member Date of Birth: 15th January 1966</p>	<p>Mr. Loo holds Master's in Finance and Bachelor of Commerce in Accounting. He is a fully qualified Accountant (CPAK) and Certified Secretary (CSK) and a Member of Institute of Certified Public Accountants of Kenya (ICPAK) and Institute of Certified Secretaries of Kenya (ICSK). He is the Director of Badi Loo & Associates and Muhammad Loo & Associates.</p>
8.	 <p>MS. GRACE NEKOYE KATASI Independent Council Member Date of Birth 16th August 1964</p>	<p>Ms. Katasi holds LL.M in International Trade and Investments (UoN) LLB (UoN) and Dip. in Law from Kenya School of Law, Dip. Forensic Accounting from Kenya Institute of Studies in Criminal Justice, Member of the (ICSK) and Certified Trainer of Trainers (ADR). She is currently Lecturer at JKUAT and partner in the law firm of Matemba Katasi & Associates, Advocates in Nairobi.</p>




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9.	 <p>PROF. LAILA UWESO ABUBAKAR Vice-Chancellor/ Council Secretary Date of Birth: 13th December 1961</p>	<p>Prof Abubakar holds a PhD in Bio Chemistry, Masters of Science in Biochemistry and a Bachelor of Science (Biochemistry & Chemistry). She is the Secretary to the Council.</p>
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4. Key Management Team

Management	Details
 <p>PROF. LAILA UWESO ABUBAKAR Vice-Chancellor/ Council Secretary.</p>	<p>Prof Abubakar holds a PhD in Bio Chemistry, Masters of Science in Biochemistry and a Bachelor of Science (Biochemistry & Chemistry).</p>
 <p>PROF. PETER GICHANGI Deputy Vice Chancellor (Academic, Research & Extension).</p>	<p>Prof. Gichangi holds a PhD in Obstetrics & Gynaecology, MSc Obstetrics & Gynaecology, BSc in Human Anatomy and Basic Medical Degree-MBCHB.</p>
 <p>PROF. JOSEPH OUMA RASOWO Deputy Vice Chancellor (Administration, Finance & Planning).</p>	<p>Prof. Rasowo holds a PhD in Aquatic Ecology/ Aquaculture, MSc in Marine Ecology & Aquaculture, MBA in Strategic Management, BSc in Botany/ Zoology.</p>

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 <p>DR. CROMWEL KIBITI Registrar Academic Affairs</p>	<p>Dr. Cromwell Kibiti holds a BSc Biochemistry, (KU), (KU), MSc Biotechnology, (KU), Ph.D. Ethnobotany, (University of Fort Hare, South Africa)</p>
 <p>DR. SHIVANI PATEL Registrar Administration and Planning</p>	<p>Dr. Patel holds a PhD in Strategic Mgt from JKUAT, Higher Dip in HRM from KNEC, Dip in HR from KIM, MBA on International Business Admn. and BSc on Information Systems and Technology from USIU and Graduate Trainee from KRA</p>
 <p>CPA DALTON MWAGHOGHO JAMES Finance Officer.</p>	<p>CPA James holds a MBA (Strategic Management), BSc (Hon) Applied Accounting, is a Fellow of Chartered Certified Accountant (FCCA), Certified Public Accountant of Kenya CPA (K), and a Certified Secretary of Kenya CS (K).</p>

5. Chairman's Statement

Financial Performance

During the financial year (FY) 2022/2023 TUM had a surplus of KShs. 38 M in comparison to the previous FY 2020/2021 of KShs.144 M, this being a reduction by KShs. 106 M. The reduction was attributed by increased operating and administration expenses due to the increased cost of commodities, however the university is committed to ensuring efficient utilization the limited available resources.

Strategic Direction

The University is committed to offering quality programs in line with its strategic vision of global excellence in advancing knowledge, science and technology. The 2018-2022 strategic plan was guided by five strategic themes namely; Governance, Physical Infrastructure, Science Technology Engineering and Mathematics (STEM), Quality Assurance and Human capital.

The Council has been able to approve several key policies in efforts to achieve its strategic targets and in compliance with the prevailing laws and regulations. The Strategic Plan targets achieved during the year with regard to policy was the approval of the policy on Rewards, Recognition and Sanctions and submitting the Human Resource Instruments to the Public Service for approval. The University was able to hold the 4th Multi-Disciplinary Conference with most of the papers published in the Multidisciplinary Journal of Technical University of Mombasa (MJTUM).

Future Outlook

The University is in the process of finalising the review of its third 2023-2027 Strategic Plan with a focus on hands-on teaching, research and innovation to serve both industry and the community. There are plans to increase the academic programs through the introduction of new courses on blue economy such as Marine Science and Maritime studies. The University will promote partnership, collaboration and linkages with international and local stakeholders for mutual benefits, increase the research output, innovation activities, revenue streams and webometric ranking. In addition, the University is committed to be in tandem

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with the national education trends by strengthening the TVET institute and responding to the requirements of Competency Based Education and Training (CBET).

The University is experiencing the twin problems of inadequate and ageing physical facilities and infrastructure. In order to address the above, the strategic plan 2023-2027 aims to construct and rehabilitate the facilities, purchase motor vehicles, IT hardware and software and equipment.

Chairman of the Council

Name: *Professor Francis Kibera*

Sign *Alhera*

Date *9/11/2023*

6. Report of the Vice Chancellor

I hereby present Technical University of Mombasa (TUM) Annual Report and Financial Statements for the year ended 30th June 2023.

The University is committed to fulfilling the Bottom-Up Economic Transformation Agenda (BETA), Kenya's Vision 2030, the UN's Sustainable Development Goals and Africa's Agenda 2063 as well as industry demands through embracing competency-based curriculum. To ensure programmes are congruent with the market demands, the University incorporates industry, stakeholders and professional bodies in the development and review of programmes to comfortably offer solutions in the labour market.

The University has five Schools namely: Applied and Health Science, Engineering and Technology, Business, Humanities and Social Sciences, School of Graduate Studies and an Institute of Computing and Informatics. The student population has tremendously grown over the last ten years, and currently stands at 19,627 compared to a population of approximately 12,000 in the year 2012. The University has 326 teaching and technical staff and 260 administrative staff.

In 2022/2023 FY, TUM successfully implemented a number of work place policies to affirm good governance and effective and efficient resource mobilization and utilization. Towards this end, the University surpassed the Appropriation in Aid target from KShs. 842 M to KShs. 1,010 M, leading to a positive variance of KShs. 167 M, thus enabling the University to meet its obligations as and when they fall due. The impact of the University's performance is further reflected in the recent improved performance contracting (PC) ranking for the 18th PC Cycle FY 2021/2022 by maintain the composite score of 2.71 being very good. During the year the University conducted its third multidisciplinary conference and held its 10th Graduation ceremony virtually where 3,500 graduated.

This could not have been achieved without the commitment of the University Council, Management, Staff, students and other stakeholders to whom we are indebted

Vice Chancellor

Sign Abubakar

Name: Prof. Laila Abubakar

Date... 9/11/2023

7. Statement of Performance against Predetermined Objectives for FY 2022/2023

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the Accounting Officer to include in the financial statement, a statement of the University's performance against predetermined objectives.

TUM has five strategic themes and objectives within the Strategic Plan for the FY 2018- FY 2022 which are as follows:

- 1) Governance
- 2) Financial sustainability
- 3) Quality Assurance
- 4) Centre of Excellence in Science Technology Engineering and Mathematics.
- 5) Human Capital Development

TUM develops its annual work plans based on the above five themes. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. TUM achieved its performance targets set for the FY 2021/2022 period for its 2018 - 2022 strategic themes, as indicated in the diagram below: -

Strategic Themes	Objective	Key Performance Indicators	Activities	Achievements
Governance	Organizational structure	Established office	Establish and strengthen the office of Registrar Partnership Research and Innovations Restructure the office of Corporate Communications to handle public relations	Strengthen research and extension activities Better PR
		Improved communication.		
	Review of management	Improved governance.	Develop other new policies.	Policies in place.
		Strengthen Office Legal	Status report	The process of filling in the gap is ongoing. External advert done on 24th May, 2022 advertising for the position of Legal officer.
Change Management	Reports on new policies.	Aligning all policies to the new strategic plan Develop other new policies	- Several policies have been aligned and approved by the Council.	

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				-Policy formulation is still ongoing.
	Branding	Industrial attachment and internship guidelines.	Establish an Industrial Attachment Policy and Communication Policy	Policies in place and increased TUM visibility
	Risk Management and compliance	QMS/ISMS risks matrices documented.	Identify risks Carry out Risk Assessment analysis.	Compliance and documented status reports.
Financial sustainability	To ensure financial sustainability	Number of Patents submitted. Number of Proposals funded externally.	Increase the number of self-sponsored students (SSP) Patents, research and business opportunities.	42 patents have been submitted to KIPi since the F.Y 2018/2019 to date. 25 research proposals have been funded since 2018.
		Facilities used to generate money for the relevant departments.	Commercialize laboratory and workshop facilities.	Engineering, Business and ICT Departments already generates funds.
Quality Assurance	Ensure quality governance structure	Acquire QMS certification.	Sensitization on 9001:2015 and recertification.	The continued certification of the University QMS by SGS Kenya Limited since December, 2018. ISO 9001:2015 Sensitization Trainings to all TUM staff in June and July, 2020 and 2021.
	Ensure quality in curriculum development, review and delivery	Number of CUE accredited programmes. Number of new programmes developed and submitted to CUE and other professional bodies. Number of programmes reviewed after completion of cycle or as need may arise. Number of programmes revamped and re-submitted to CUE.	Compliance with CUE and other professional bodies' regulations.	-12 programmes were accredited by CUE in January 2020. -5 programmes were accredited by CUE in May, 2021. -10 new programmes were developed and submitted to CUE for accreditation between March 2019 and December 2020. -2 programmes were developed and submitted to professional bodies for approval in August and September 2020. -6 programmes were reviewed after completion of cycle or

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				as need arose December 2019. -29 programmes revamped and re-submitted to CUE in between April 2019 and July 2022
Centre of Excellence in STEM	Expand Research and Innovations	Attendance sheet, number of workshop/seminars conducted.	Each department to carry out at least two seminars/ workshops annually.	Maths and physics department.
		Number of multidisciplinary conferences.	Organized three International Multidisciplinary Conference.	Improved research culture.
	Building research Culture	Dissemination on of research findings.	Establish School driven University Research Journal.	University journal established.
		Number of research funded, number of facilitated peer journal publication.	Increase fund allocation to individual researchers and research groups.	Funds has increased for individuals. 150 publications done were done during the implementation period of the plan
	Improve skills of teaching and technical staff.	Number of technical staff and lecturers attached to the industry.	Initiate staff and students exchange programmes including Adjunct professorships.	Four (4) students and (6) six staff were engaged with the Mid Sweden University
	Enhance Partnership, Collaborations and Linkages.	Number of collaborations/ partnerships.	Develop additional mutually beneficial research partnership/collaborations.	26 MoUs signed from 2019 to date and their implementation is ongoing
Human Capital Development	Attract and retain competent workforce	Training reports and number of staffs trained.	500 staff have been sensitized on service delivery, public complaints, Road Safety, Corruption prevention, and fire handling, among other relevant in-house trainings.	Relevant skills and improved services.
		Number of trainings attended.	A total of 28 staff trained at KSG and other relevant Institutions on short courses.	improved customer services

8. Corporate Governance Statement

Technical University of Mombasa is committed to the highest standards of corporate governance and ethics in the discharge of its functions. The University takes recognition of the various stakeholders, funding agencies, and the regulations thereto, relating to its obligations as provided in the Universities Act, 2012 and Technical University of Mombasa Charter, 2013. The Council is responsible for the overall governance of the University.

The University Statutes and Council Charter offers guidance on how the Council discharges its mandate at the University. These responsibilities relate to the proper conduct of university business, policy development, strategic planning, monitoring effectiveness and performance, finance, audit, estate management, human resource management, equality and diversity, student welfare, health and safety and the appointment of University Officers.

The Council has the following committees: Executive Committee (Also known as the Full Council); Audit, Risk and Compliance Committee; Finance, Planning and General Purposes Committee; Human Resources Management Committee and the Sealing and Statutes Committee. All Council Committees meet as per the Council Almanac. The Committees report to the full Council through Council Committee reports presented by the Chairpersons of the above-mentioned Committees. All resolutions of the Council are executed by the Council Secretary who is the Vice Chancellor through the University Management Board.

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S/ N	COUNCIL MEMBER	POSITION	APPOINTMENT	EXIT	TERM
1.	Prof. Francis N. Kibera	Council Chairman	08/07/2022	08/07/2025	3 years
2.	Dr. Davidson Mwaisaka Mghanga	Independent member	8/11/2019	7/11/2022	3 years
3.	Arch. Alfred Ogalo Mango	Independent member	10/03/2020	09/03/2023	3 years
4.	Ms. Jane Mbagi Mutua	Independent member	10/03/2020	09/03/2023	3 years
5.	Dr. Gift Kimonge Dzombo	Independent member	10/03/2020	09/03/2023	3 years
6.	Mr. Stanley Maina Kagera	Alternate- CS the National Treasury and Planning	05/05/2021		
7.	Ms. Ann Kaiga	Alternate - PS State Department for University Education (Ministry of Education)	15/08/2022	15/08/2025	3 years
8.	Ms. Ann Sabania Mbugua	Independent member	28/07/2022	29/07/2025	3 years
9.	Mr. Muhammad Ali Loo	Independent member	23/05/2023	24/05/2026	3 years
10.	Ms. Alison Irene Njeri Kariuki	Independent member	23/05/2023	24/05/2026	3 years
11.	Dr. Paul Mwasaru Mwazumbo	Independent member	23/05/2023	24/05/2026	3 years
12.	Ms. Grace Nekoye Katasi	Independent member	23/05/2023	24/05/2026	3 years
13.	Dr. Asma Hadi Awadh	Independent member	23/05/2023	24/05/2026	3 years

The Council Members Terms (FY 2022/2023)

FULL COUNCIL BOARD MEETINGS

During the FY 2022/2023 the Council met on the following dates:

COUNCIL MEMBER	29/07/2022	23/08/2022	13/10/2022	12/11/2023	21/02/2023	13/04/2023	19/06/2023	13/07/2023
Prof. Francis N. Kibera	✓	✓	✓	✓	×	✓	✓	✓
Dr. Davidson Mwaisaka Mghanga	✓	✓						
Arch. Alfred Ogalo Mango	✓	✓	✓	✓	✓			
Ms. Jane Mbagi Mutua	✓	✓	✓	✓	×			
Dr. Gift Kimonge Dzombo	✓	✓	✓	✓	✓			
Mr. Stanley Maina Kagera	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Ann Kaiga	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Ann Sabania	✓	✓	✓	✓	✓	✓		
Mr. Muhammad Ali Loo							✓	✓

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Ms. Alison Irene Njeri Kariuki							✓	✓
Dr. Paul Mwasaru Mwazumbo							✓	✓
Ms. Grace Nekoye Katasi							✓	✓
Dr. Asma Hadi Awadh							✓	✓
Prof. Laila Abubakar	✓	✓	x	✓	✓	✓	✓	✓
Prof. Joseph Rasowo			✓					

Council Committees during the FY 2022/2023

The following shows the Committee Membership during the FY 2022/2023.

COMMITTEE	MEMBERS
Finance, Planning and General Purposes Committee	1. Dr. Davidson Mwaisaka - Chairperson 2. Mr. Stanley Kagera - Rep CS National Treasury 3. Ms. Ann Sabania Member 4. Prof. Laila Abubakar - Secretary
Human Resource Management Committee	1. Ms. Jane Mbagi Mutua - Chairperson 2. Ms. Ann Kaiga - Rep PS MOE 3. Dr. Davidson Mwaisaka - Member 4. Prof. Laila Abubakar - Secretary
Audit, Risk and Compliance Committee	1. Dr. Gift Kimonge - Chairperson 2. Arch. Alfred Mango - Member 3. Mr. Stanley Kagera - Rep CS National Treasury 3. Mr. Samuel Mureithi - Secretary
Sealing and Statutes Committee	1. Arch Alfred Mango - Chairperson 2. Ms. Ann Kaiga Rep PS MOE 3. Ms. Ann Sabania Member 4. Prof. Laila Abudakar - Secretary

The following are the tables showing the sittings of the Committees listed above:

Finance, Planning and General Purposes Committee (FPGP)

COMMITTEE MEMBER	POSITION	11/10/2022	29/07/2022	09/1/2023	6/04/2023	7/07/2023
Dr. Davidson Mwaisaka	Chairman	✓	✓			
Mr. Stanley Kagera	Alternate- CS the National Treasury and Planning	✓	✓	✓	✓	✓
Ms. Ann Sabania	Independent Member	✓	✓	✓	✓	✓
Prof. Laila Abubakar	Council Secretary/ Vice Chancellor	✓	✓	✓	✓	✓

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Human Resource Management Committee (HRMC)

COMMITTEE MEMBER	POSITION	12/10/2022	12/07/2022	10/01/2023	4/04/2023	5/07/2023	12/10/2022
Ms. Jane Mbagi Mutua	Chairman	✓	✓				
Dr. Davidson Mwasaka	Independent Member	✓					
Prof. Laila Abubakar	Council Secretary/ Vice Chancellor	✓	✓	✓	✓	✓	✓
Ms. Ann Kaiga	Alternate - PS State Department for University Education (Ministry of Education)	✓	✓	✓			

Sealing and Statutes Committee (SSC)

COMMITTEE MEMBER	POSITION	6/10/2022	9/01/2023	4/04/2023	5/07/2023
Arch. Alfred Mango	Chairman	✓	✓		
Ms. Ann Sabania	Chairman			✓	
Ms. Ann Kaiga	Alternate - PS State Department for University Education (Ministry of Education)	✓	✓	✓	✓
Prof. Laila Abubakar	Council Secretary/ Vice Chancellor	✓	✓	✓	✓

Audit, Risk and Compliance Committee

COMMITTEE MEMBER	POSITION	5/10/2022	10/01/2023	22/02/2023	5/04/2023	6/07/2023
Dr. Gift Kimonge	Chairman	✓	✓			
Ms. Ann Sabania	Chairman				✓	
Arch. Alfred Mango	Independent Member	✓	✓			
Mr. Stanley Kagera	Alternate - CS National Treasury and Planning	✓	✓	✓	✓	✓
Samuel Mureithi	Internal Auditor/ Secretary	✓	✓			

Ms. Florence Sila	Internal Auditor/ Secretary		✓	✓	✓	
Mr. Justin Ombui	Chief Internal Auditor/Secretary					✓

Succession Plan

The Universities Act 2012 provides in Section 36 (5) the modalities of establishing an adequate Succession plan for the Council. The University has in place an adequate plan that ensures that the Council retains a quorum regardless of the expiration of terms of some of its members. From the breakdown of terms highlighted above, you will note that the Council terms are staggered ensuring that at no particular time would the Full Council be without quorum regardless of the expiry of terms of the members. This ensures continuity in the activities of the Council. Furthermore, the Council Secretary notifies the Ministry of Education six months (6) prior to the expiry of term of a council member to ensure that recruitment is undertaken and the position filled within the required timelines.

Council Charter

The Council is guided by its Charter that defines the Council's roles and responsibilities as well as functions and structures in a way that supports the Council members in carrying out their strategic oversight function. The Charter was adopted by the Council on 1st February 2019.

The Committees are also guided by Charters which were prepared in accordance with the provisions of the Circular on the Management of State Corporations (Guidelines on the Management of State Corporations issued vide Circular No. OP/CAB.9A/1A of March 2020. The Committee Charters were approved by the Council in their meeting held on 14th July 2020.

Appointment and Removal of Council Members

Council members are appointed through the Ministry of Education with the exception of the Representative from the National Treasury. The Council Charter in section 3.4 provides the instances where membership shall cease and outlines that any removal of a member shall be through formal revocation, save where the member has tendered a voluntary resignation.

Roles and Functions of the Council and its Committees

The roles and functions of the Council are set out in the Council Board Charter under Section 4. These roles include; Strategic Direction, Recruitment, Research, Education, Financial and Capital

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Oversight, Ethical Standards, Corporate Governance and Regulatory Compliance, Risk Oversight and Stakeholder Management. The Council Committees have been apportioned the above roles to ensure delivery of its mandate.

Conflict of Interest

The University Council adheres to the provisions on declaration of Conflict of Interest by ensuring that conflict of interest is declared before any meeting of Council begins. The Council has also put in place a Conflict-of-Interest register submitted quarterly to the Ethics and Anti-Corruption Commission. The Council has spearheaded the establishment of the Anti-Corruption and Whistleblowing policy in efforts to sensitise Council, Management and staff on the adverse effects of corruption and ensure that whistleblowing is encouraged and protected. Furthermore, the University Code of Conduct and Ethics stipulates clearly the requirements on declaration of conflict of interest. The Council approved the Conflict-of-Interest Policy in its meeting held on 14th July 2021.

Board Remuneration

The Council receives remuneration as per the set Government Guidelines. During the FY2021/2022 Council members were paid sitting, subsistence and travel allowances as per the Government approved rates.

Council Evaluation

In line with the provisions of the State Corporations Act 2012, the annual evaluation for the FY ended 30th June 2022 was done on 23rd August 2022. This was aimed at enabling the Council members and the Committees to gauge their performance and identify areas of improvement. The evaluation was undertaken by SCAC and the university is yet to receive the evaluation results.

Council Diversity

The Council of Technical University of Mombasa is committed to diversity and reflects a mix of different skill sets beneficial to the Institution. The areas of expertise of the current Council members are Chemistry, Law, Economics, Banking, Architecture, Procurement, Finance, Audit and Education. The Council also meets the requirements on ethnic diversity.

Below is the current Council diversity structure:

COUNCIL MEMBER	POSITION	GENDER	EXPERTISE	ETHNICITY
Prof. Francis N. Kibera	Council Chairman	Male		
Dr. Davidson Mwaisaka Mghanga	Independent member	Male	Business Mgt Law	Kikuyu Taita
Mr. Stanley Maina Kagera	Alternate- CS the National Treasury and Planning	Female	Economics	Kikuyu
Ms. Ann Kaiga	Alternate - PS State Department for University Education and Research (Ministry of Education)	Female	Law	Luhya
Arch. Alfred Ogalo Mango	Independent member	Male	Architecture	Luo
Ms. Jane Mbagi Mutua	Independent member	Female	Education	Kikuyu
Dr. Gift Kimonge Dzombo	Independent member	Male	Finance/Audit	Mijikenda
Ms. Ann Sabania	Independent member	Female	Gender	Kikuyu
Prof. Laila Abubakar	Council Secretary/ Vice Chancellor	Female	Biochemistry	Swahili
Mr. Muhammad Ali Loo	Independent member	Male	Finance	Bajuni
Ms. Alison Irene Njeri Kariuki	Independent member	Female	Law	Kenyan
Dr. Paul Mwasaru Mwazumbo	Independent member	Male	Strategic Mgt/Chemistry	Taita
Ms. Grace Nekoye Katasi	Independent member	Female	Law	Luyha
Dr. Asma Hadi Awadh	Independent member	Female	Environmental Sciences	Arab

University Management

The daily management of the University is vested in the University Management Board with the Senate overseeing management of academic programs. The roles of UMB and Senate are detailed in the University Charter and its Statutes. Meetings of the Senate include Regular, Board of Examiners, Special and Extraordinary. The Vice Chancellor of the University is the Chairperson of both UMB and Senate.

9. Management Discussion and Analysis

In the financial year ended 30 June, 2023, Technical University of Mombasa closed with a net Surplus of KShs. 37.8 M compared to prior year Surplus of KShs. 144.2 M, resulting to a decline in performance by KShs. 106.3 M. The decline in performance was attributed by increased operating and administration expenses due to the increased cost of commodities.

Total Income decreased to KShs. 1,949.1 M from KShs. 1,951.2 M in prior year 2021/2022, a decrease by KShs 2 M. The decrease was attributed by a decrease in A-in-A by KShs. 2.4 M from KShs. 989.3M in previous year to KShs. 986.8 M in the reporting year. The Appropriation in Aid (A-in-A) decrease was attributed to the decrease of other incomes by 4.1 M from 410.1 M in prior year to 405.9 M in the current year. Tuition fees however increased by 1.6 M from KShs. 579.1 M in the previous year to KShs. 580.8M in the current year. There was a slight increase of the GoK grant by KShs. 0.3 M in the current year with no supplementary budget. However, it was noted that the GoK grant increment was not sufficient to fully cater for the University operations.

Total expenses increased by KShs. 104.2 M from KShs. 1,807.0M in previous year to KShs. 1,911.3 M in the reporting year. This was mainly attributed by increase in personnel emoluments and operating expenses by KShs. 15.2 M and 30.2 M respectfully due to increased operations at the University, there was also an increase in provision for bad debts from KShs. 12.5 M to KShs. 72.3 M this was after the implementation of Finance Debt policy in the current year. However, there was a reduction in depreciation by KShs. 6.6 M attributed by fully depreciated facilities and infrastructure.

In the Statement of Financial Position, total assets increased by KShs. 13 M from KShs. 3,574.7 M in the previous year to KShs. 3,587.7 M in the reporting year. The increase was attributed by the increase in current assets by 58 M due to improved debt collection. The current liabilities decreased by KShs. 116.4 M due to commitment of the university to pay its trade and other payables as they fall due. There was an improvement in liquidity ratio measured by current ratio from 1.3 in prior year to 2.1 in the current reporting year.

10. Report of the Directors

The Council submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of TUM affairs.

i) Principal activities

The principal activities of the University are teaching and research.

ii) Results

The results of the University for the year ended June 30, 2023, are set out on page 1 to 5

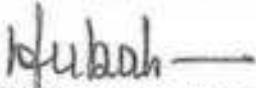
iii) Council

The Council members who served during the year are shown on page xxi to xxiii. During the year 5 Council member's terms came to an end 5 new council members were appointed

iv) Auditors

The Auditor-General is responsible for the statutory audit of TUM in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the FY ended June 30, 2023.

By Order of the Council



Prof. Laila Abubakar

Secretary to the Council.

11. Statement of Directors Responsibilities

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

The Council is responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the University; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the University; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Council accept responsibility for the University's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act. The Council is of the opinion that the University's financial statements give a true and fair view of the state of TUM's transactions during the financial year ended June 30, 2023, and of the University's financial position as at that date. The Council further confirms the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of TUM's financial statements as well as the adequacy of the systems of internal financial control.

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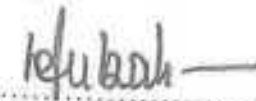
Nothing has come to the attention of the Council to indicate that the University will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The University's financial statements were approved by the Council on 11/8/ 2023 and signed on its behalf by:


.....

Prof. Francis N. Kibera, CBS
Chairperson of the Council


.....

Prof. Laila Abubakar
Vice Chancellor

REPUBLIC OF KENYA

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Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON TECHNICAL UNIVERSITY OF MOMBASA FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Technical University of Mombasa set out on pages 1 to 46, which comprise the statement of financial position as at 30 June, 2023, and statement of financial performance, statement of changes in net

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Technical University of Mombasa as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Universities Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Trade Payables

The statement of financial position and as disclosed in Note 23 to the financial statements reflects an amount of Kshs. 18,272,326 in respect of trade payables. Further, the amount include Kshs.3,823,412 of payables due to Technical University of Mombasa Enterprises Limited (TUMEL). Review of the TUMEL financial statements revealed that the university owes the TUMEL an amount of Kshs.14 542,745 and not Kshs.3,823,412 resulting to an unexplained variance of Kshs.10, 719,333.

In the circumstances, the accuracy and completeness of the trade payables of Kshs. 18,272,326 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual amounts on comparable basis of Kshs.1,805,030,394 and Kshs. 1,949,311,198 respectively, resulting to an over-funding of Kshs. 144,280,804 or 8% of the budget. Similarly, the University expended Kshs.1,743,525,825 against an approved budget of Kshs.1,805,030,394 resulting to an under-expenditure of Kshs.61,504,569.

The under-expenditure may have affected negatively on service delivery.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of 2021/2022 financial year, several audit issues were raised. However, the issues remained unresolved as at 30 June, 2023. Management has not provided satisfactory reasons for the delay in resolving the prior year audit issues. Further, the status of the unresolved prior year issues are not indicated in the implementation status of auditor's recommendations section of the financial statements as required by the financial reporting guidelines issued by the Public Sector Accounting Standards Board.

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 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

Unsupported Routine Maintenance on Motor Vehicles and Transport

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects operating and administration expenses of Kshs.139,708,755 which includes Kshs.1,614,480 relating to routine maintenance of motor vehicles. However, the repair services done on the motor vehicles were not entered in the motor vehicle log books; the engineer's pre and post-mechanical inspection reports were not provided for audit review and the nature of the repairs carried out in support of the expenditure were not indicated. This is contrary to Section 159(2) of the Public Procurement and Asset Disposal Act, 2015 which provide that a procuring entity shall record goods, works and services received under subsection (1) in an inventory of the procuring entity as shall be prescribed.

In the circumstances, the regularity and validity of expenditure of Kshs.1,614,480 on routine maintenance of vehicles could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAI) 4000. The Standard requires that I comply with ethical requirements, plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply, 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Un-confirmed Investment Share Value

The statement of financial position and as disclosed in Note 22 to the financial statements reflect total investments of Kshs.10,571,938 which include Kshs.5,571,938 in respect of Seed Money TUM Enterprises Ltd. However, share certificate or investment documents were not provided in support of the investment

In the circumstances, the completeness and accuracy of investment of TUM Enterprises Ltd amount of Kshs.5, 571,938 could not be confirmed.

1. Non-compliance with the Gender Rule

Review of the University staff establishment revealed that three hundred and ninety-nine (399), or sixty-nine (69%) of the five hundred and seventy-nine (579) University staff were of one gender. This is contrary to Section 5.8(ii) of the University Human Resource Policies and Procedures Manual which provide that the University will be a gender-balanced University by ensuring that not more than two thirds (2/3) of positions in its establishment are filled by either gender.

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

2. Failure to Maintain Litigation Register

The statement of financial performance and Note 11 to the financial statements reflects operating/administration expenses totalling Kshs.139,708,755 which includes Kshs.4,196,880 in respect of professional services central vote being expenditure on legal fees incurred during the year. However, Management did not maintain a litigation register that indicates total estimated costs, inclusive of legal and damages to be incurred and legal costs (amounts, description and date) incurred to date as required of the Guidelines on Asset and Liability Management in the Public Sector template as prescribed by the Public Sector Accounting Standards Board.

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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and 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 an effective internal controls 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 controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the University'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 terminate the University or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls 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 controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal 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 controls 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 University's policies and procedures may deteriorate.

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

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

report. However, future events or conditions may cause the University to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the University to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

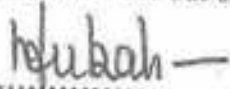
Nairobi

25 March, 2024

13. Statement of Financial Performance for the year ended 30 June 2023

	Notes	2022-2023	2021-2022
		KShs	KShs
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS:			
GOK GRANTS			
TOTAL REVENUE FROM NON-EXCHANGE TRANSACTIONS	6	962,347,916	961,990,43
		962,347,916	961,990,43
REVENUE FROM EXCHANGE TRANSACTIONS:			
OTHER INCOME			
TUITION FEES	7	405,985,874	410,151,791
TOTAL REVENUE FROM EXCHANGE TRANSACTIONS	8	580,977,408	579,156,374
TOTAL INCOME		986,963,282	989,308,177
		1,949,311,198	1,951,298,607
EXPENSES			
PERSONNEL EMOLUMENTS			
COUNCIL EXPENSES	9	1,476,593,601	1,461,325,565
OPERATING / ADMINISTRATION EXPENSES	10	12,178,754	8,696,421
TEACHING EXPENSES	11	139,708,755	109,478,250
STUDENTS WELFARE	12	59,156,463	59,614,148
REPAIRS & MAINTENANCE	13	10,882,034	7,006,777
DEPRECIATION	14	43,606,218	45,027,095
AMORTIZATION	29	94,436,931	101,051,424
AUDIT FEES	30	968,803	454,045
PROVISION FOR BAD DEBTS	15	1,400,000	1,400,000
BAD DEBTS WRITTEN OFF	16	72,377,919	12,522,134
	17	0	501,900
		1,911,309,478	1,807,077,763
SURPLUS/(DEFICIT) FOR THE YEAR		38,001,720	144,220,842
TAX		0	0
NET SURPLUS/(DEFICIT) FOR THE YEAR		38,001,720	144,220,842

The notes set out on pages 6 to 45 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Council by:



Prof. Laila Abubakar
Vice Chancellor

Date 9/11/2023



Dalton Mwaghogho James
Finance Officer

ICPAK M/No: 2744

Date 09/11/2023



Prof. Francis N. Kibera, CBS
Chairman of the Council

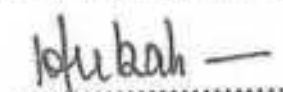
Date 9/11/2023

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15 Statement of Financial Position as at 30 June 2023

	Notes	2022-2023 KShs	2021-2022 KShs
ASSETS			
CURRENT ASSETS			
INVENTORIES	18	58,506,614	57,931,999
RECEIVABLES FROM EXCHANGE TRANSACTIONS	19	350,566,185	339,334,239
RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS	20	16,324,958	17,808,321
CASH & BANK BALANCES	21	129,728,006	85,511,713
TOTAL CURRENT ASSETS		555,125,763	500,586,272
NON - CURRENT ASSETS			
PROPERTY, PLANT & EQUIPMENT	29	3,021,389,187	3,066,159,630
INTANGIBLE ASSETS	30	685,229	1,817,278
INVESTMENTS	22	10,571,938	10,571,938
TOTAL NON-CURRENT ASSETS		3,032,646,354	3,078,548,846
TOTAL ASSETS		3,587,772,117	3,579,135,118
CURRENT LIABILITIES			
TRADE AND OTHER PAYABLES	23	18,272,326	35,002,035
OTHER CREDITORS	24	234,946,669	334,634,059
CASHBOOK OVERDRAFT	21	0	4,383,883
TOTAL CURRENT LIABILITIES		253,218,995	374,019,977
NON-CURRENT LIABILITIES			
LONG-TERM LIABILITIES	25	37,954,446	41,962,785
TOTAL NON-CURRENT LIABILITIES		37,954,446	41,962,785
TOTAL LIABILITIES		291,173,441	415,982,762
NET ASSETS			
CAPITAL FUND	26	3,427,167,953	3,427,167,953
OTHER FUNDS & RESERVES	27	(403,832,810)	(533,040,187)
DONATED ASSETS FUND	28	273,263,533	269,024,590
TOTAL NET ASSETS		3,296,598,676	3,163,152,356
TOTAL NET ASSETS AND LIABILITIES		3,587,772,117	3,579,135,118

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



Prof. Laila Abubakar
Vice Chancellor

Date 9/11/2023



Dalton Mwaghogho James
Finance Officer

ICPAK M/ Number: 2744
Date 09/11/2023



Prof. Francis N. Kibera, CBS
Chairman of the Council

Date 09/11/2023

16. Statement of Changes in Net Assets for the year ended 30 June 2023

	General Fund	Revaluation Reserve	Retained Earnings	Development Grants	Other Funds & Reserves	Donated Assets Fund	Total
	KShs	KShs	KShs	KShs	KShs	KShs	KShs
Balance as at July 1, 2021	2,099,590,762	18,107,188	(716,230,605)	1,312,233,248	(2,763,245)	269,024,590	2,979,961,938
Revenue Reserve			38,969,576				38,969,576
Surplus (deficit) for the Year			144,220,842				144,220,842
Balance as at June 30, 2022	2,099,590,762	18,107,188	(533,040,187)	1,312,233,248	(2,763,245)	269,024,590	3,163,152,356
	General Fund	Revaluation Reserve	Retained Earnings	Development Grants	Other Funds & Reserves	Donated Assets Fund	Total
	KShs	KShs	KShs	KShs	KShs	KShs	KShs
Balance as at July 1, 2022	2,099,590,762	18,107,188	(533,040,187)	1,312,233,248	(2,763,245)	269,024,590	3,163,152,356
Revenue Reserve			91,205,657				91,205,657
Surplus (deficit) for the Year			38,001,720				38,001,720
Donated Assets Fund						4,238,943	4,238,943
Balance as at June 30, 2023	2,099,590,762	18,107,188	(403,832,810)	1,312,233,248	(2,763,245)	273,263,533	3,296,598,676

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17. Statement of Cash Flows for the year ended 30 June 2023

	Notes	2022-2023 KShs	2021-2022 KShs
CASH FLOWS FROM OPERATING ACTIVITIES			
SURPLUS/(DEFICIT) FOR THE YEAR		38,001,720	144,220,842
ADJUSTMENT FOR:			
DEPRECIATION	29	94,436,931	101,051,424
AMORTIZATION	30	968,803	454,045
INCREASE/DECREASE IN PROVISION FOR BAD DEBTS	16	72,377,919	12,522,131
CASH FLOW FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES		205,785,373	258,248,441
WORKING CAPITAL CHANGES			
INCREASE/DECREASE INVENTORIES	18	(574,615)	2,343,863
TRADE RECEIVABLES	19&20	(82,126,502)	(133,393,747)
PRIOR YEAR ADJUSTMENT-PROVISION FOR BAD DEBTS		0	(64,089,722)
TRADE PAYABLES	23&24	(116,417,099)	(119,418,415)
NET CASH FLOW FROM WORKING CAPITAL CHANGES		(199,118,216)	(314,558,021)
NET CASH FLOW FROM OPERATING ACTIVITIES		6,667,157	(56,309,576)
CASH FLOWS FROM INVESTING ACTIVITIES			
PURCHASE OF PROPERTY, PLANT & EQUIPMENT	29	(49,714,008)	(16,146,987)
INTANGIBLE ASSETS	30	(892,382)	(1,769,840)
PRIOR YEAR ADJUSTMENT-ASSETS	29	47,520	28,039,196
NET CASH FLOW FROM INVESTING ACTIVITIES		(50,558,870)	10,122,369
CASH FLOW FROM FINANCING ACTIVITIES			
LONG-TERM LIABILITIES	25	(4,008,339)	6,711,500
OTHER FUNDS & RESERVES	30	95,444,600	38,969,576
NET CASH FLOW FROM FINANCING ACTIVITIES		91,436,261	45,681,076
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		47,544,548	(506,131)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		81,127,830	81,633,961
CASH AND CASH EQUIVALENTS AT END OF YEAR		128,672,378	81,127,830

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2023

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	KShs	KShs	KShs	KShs	KShs	
INCOME	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
GOK GRANTS	962,347,917	0	962,347,917	962,347,916		
INTERNALLY GENERATED	700,000,000	142,682,477	842,682,477	986,963,282	1	100%
TOTAL INCOME	1,662,347,917	142,682,477	1,805,030,394	1,949,311,198	(144,280,805) (144,280,804)	117% 108%
EXPENSES						
PERSONAL EMOLUMENTS	1,436,917,917	62,412,477	1,499,330,394	1,476,593,601	22,736,793	98%
COUNCIL EXPENSES	11,000,000	1,000,000	12,000,000	12,178,754	(178,754)	101%
OPERATING/ADMINISTRATIVE EXPENSES	117,205,000	24,900,000	142,105,000	139,708,755	2,396,245	98%
TEACHING EXPENSES	49,622,000	16,520,000	66,142,000	59,156,463	6,985,537	89%
STUDENTS WELFARE	7,515,000	4,350,000	11,865,000	10,882,034	982,966	92%
REPAIRS & MAINTENANCE	23,810,000	19,600,000	43,410,000	43,606,218	(196,218)	100%
AUDIT FEES	1,400,000	0	1,400,000	1,400,000	0	100%
PURCHASE OF ASSETS	14,878,000	13,900,000	28,778,000	49,714,008	(20,936,008)	173%
TOTAL EXPENSES	1,662,347,917	142,682,477	1,805,030,394	1,743,525,825	61,504,569	97%

Explanatory note.

A-in-A surpassed the budget due to the adoption of the accrual model of revenue recognition and automation of student invoicing.

Purchase of Assets surpassed the approved budget due to the increased renovations of the University buildings which were in a deplorable state.

19. Notes to the Financial Statements

1. General Information

TUM is established by and derives its authority and accountability Universities Act and TUM Charter. The University is wholly owned by the Government of Kenya and is domiciled in Kenya. The University's principal activity is teaching and research.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying TUM accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

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

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of the University'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"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between University's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting University 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>

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Standard	Effective date and impact:
	<p>(a) The nature of such social benefits provided by the University.</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the University's financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

Notes to the Financial Statements (Continued)

ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of the University.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

iii. *Early adoption of standards*

The University did not early – adopt any new or amended standards in the financial year

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

TUM recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the University and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the University and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

TUM recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Summary of Significant Accounting Policies (Continued)

Sale of goods

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

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.

Dividends

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

Rental income

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

b) Budget information

The original budget for the Current FY was approved by the National Assembly on June 2022. 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 upon receiving the respective approvals in order to conclude the final budget. Accordingly, the University did not record any additional appropriations on the 2022/2023 budget.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Budget information (continued)

The University's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 18 of these financial statements.

e) Taxes

Current income tax

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable *University* and the same taxation authority.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Sales tax

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

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

e) **Property, plant and equipment**

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

The depreciation rates are as below.

ASSETS	RATES.
Building	2%
Furniture	10%
Computer	30%
Plant & Equip	10%
Motor Vehicle	20%

f) **Leases**

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the University. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The University also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the University will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the University. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

h) Research and development costs

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

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

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

Summary of Significant Accounting Policies (Continued)

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The University does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one University and a financial liability or equity instrument of another University. At initial recognition, the University measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

The University classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the University's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless the University has made irrevocable election at initial recognition for particular investments in equity instruments.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Subsequent measurement

Based on the business model and the cash flow characteristics, the University classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the University manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The University assesses, on a forward-looking basis, the expected credit loss ("ECL") associated with its financial assets carried at amortized cost and fair value through net assets/equity. The University recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

b) Financial liabilities

Classification

The University classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

j) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour 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 University.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

k) Provisions

Provisions are recognized when the University 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 expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

l) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The University recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the University will incur in fulfilling the present obligations represented by the liability.

m)Contingent liabilities

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

n) Contingent assets

The University does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the University in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

Summary of Significant Accounting Policies (Continued)

o) Nature and purpose of reserves

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

p) Changes in accounting policies and estimates

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

q) Employee benefits

Retirement benefit plans

The University provides retirement benefits for its employees and Council. Defined contribution plans are post-employment benefit plans under which the University pays fixed contributions into a separate University (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.

r) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

s) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

t) Related parties

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

u) Service concession arrangements

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

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the University also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

v) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

w) Comparative figures

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

x) 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, 2023.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The University based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the University. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

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

- a) The condition of the asset based on the assessment of experts employed by the University.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material. The University provides for bad debts and they are estimated with regards to the period in which they have been outstanding as explained in note 16.

Notes to the Financial Statements (Continued)

6. GOK Grants

Transfers from State Department of University Education

Description	2022-2023	2021-2022
Month	KShs	KShs
July 2022		
August 2022	80,195,660	79,867,765
September 2022	80,195,660	79,867,765
October 2022	80,195,659	79,867,765
November 2022	80,195,660	79,867,765
December 2022	80,195,660	79,867,765
January 2023	80,195,559	79,867,765
February 2023	80,195,660	79,867,765
March 2023	80,195,660	79,867,765
April 2023	80,195,755	79,867,765
May 2023	80,195,661	79,867,765
June 2023	80,195,661	81,656,391
TOTALS	80,195,661	81,656,392
	962,347,916	961,990,433

7. Other Incomes

Description	2022-2023	2021-2022
	KShs	KShs
Registration Fee	22,386,562	22,479,984
Internal Examinations	122,088,740	122,273,963
Sports Levy	29,710,750	29,954,250
Library Levy	29,960,415	30,457,343
Library Fines Central Vote	152,976	0
Medical Levy	44,764,425	46,223,459
Industrial Attachment Levy	15,342,000	17,291,500
ICT Levy	73,629,375	74,570,375
Academic Transcripts Central Vote	351,500	423,733
Students hostel fee	16,766,490	14,832,870
Application Fee	1,774,780	1,438,500
Project Fee Central Vote	2,149,300	2,455,900
Student Readmission Fee Central Vote	0	9,192
Lost Items Central Vote	413,700	392,450
Graduation Fee	16,447,100	22,639,800
Center Fees Central Vote	328,200	0
Penalties Central Vote	383,400	0
Materials Testing Central Vote	92,500	181,400
Change of Course	189,500	171,500
Project Field Work	945,000	420,000
Training Restaurant Income Training Restaurant	192,175	250,880
Consultancy Fee Central Vote	0	924,696

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Administrative Research Income Central Vote	893,266	49,500
Student ID Central Vote	4,070,000	4,736,000
Material Development Central Vote	10,000	55,000
Thesis Examination Central Vote	495,700	2,168,450
Practical/Laboratory workshops Central Vote	69,400	407,000
Hire of Facilities Central Vote	1,329,830	2,355,412
Hire of Transport	1,476,040	1,235,900
Photocopy & bindery Income Library	2,200	69,786
CISCO	40,000	0
Rent Income Central Vote	1,961,156	2,937,863
Staff Rent Income Central Vote	552,000	531,500
Staff training levy Central Vote	2,469,952	3,838,239
Interest on Investment Central Vote	14,785	12,036
Foreign Exchange Gain/loss Central Vote	4,222,933	0
Profit on Disposal of Assets Central Vote	8,694	154,233
Tendering Fees Central Vote	0	2,500
Administrative Fees Central Vote	976,587	814,034
Internet Services Central Vote	635,000	393,500
Miscellaneous Income	8,069,953	788,514
Medical Services	0	1,905,536
Health Unit	459,490	0
Donation Grants Income	100,000	50,000
Seminar Levy	60,000	255,000
TOTAL	405,985,874	410,151,798

Explanatory note

The reduction was attributed by the decrease in graduation fees due to less graduands in the current year.

8. Tuition Fees

Description	2022-2023	2021-2022
	KShs	KShs
Tuition Fee-Regular Central Vote	125,659,990	120,607,196
Tuition Fee Module II Central Vote	455,317,418	458,549,178
TOTAL	580,977,408	579,156,374

Notes to the Financial Statements (Continued)

9. Personnel Emoluments

Description	2022-2023	2021-2022
	KShs	KShs
Basic Salaries Central Vote	656,173,657	668,164,190
House Allowance Central Vote	255,544,174	258,556,552
Medical Insurance Central Vote	78,414,123	72,217,171
Pension Employers Expense Central Vote	122,271,629	117,524,745
NSSF Employer's Expense Central Vote	4,003,640	1,497,600
Group Life Central Vote	9,369,112	3,043,079
Responsibility Allowance Central Vote	15,959,046	9,145,340
Non-Practising Allowance Central Vote	9,600,000	9,600,000
Professorial Allowance Central Vote	1,650,000	1,800,000
Telephone Allowance Central Vote	8,020,318	7,793,162
Acting Allowance Central Vote	282,638	0
Management Allowance Central Vote	30,096,581	34,915,334
Book and Research Allowance Central Vote	4,944,000	4,496,000
Gratuities Central Vote	44,847,022	46,694,116
Leave Allowance Central Vote	9,264,900	9,616,590
Commuting Allowance Central Vote	37,039,815	39,658,717
Car Allowance Central Vote	43,241,092	43,224,291
Entertainment Allowance Central Vote	11,272,506	10,866,964
Passage and Baggage Allowance Central Vote	281,933	241,058
Domestic Workers Allowance Central Vote	1,320,000	1,320,000
Risk Allowance Central Vote	595,200	604,852
Extraneous Allowance Central Vote	3,446,113	2,984,129
Hardship Allowance	653,400	598,800
Part time Teaching	128,178,086	116,762,879
Transfer Allowance Central Vote	124,616	0
TOTAL	1,476,593,601	1,461,325,569

10. Council Expenses

Description	2022-2023	2021-2022
	KShs	KShs
Chairman/Directors' Honoraria	1,021,549	188,501
Sitting Allowances	3,200,000	2,500,000
Induction and Training	640,000	360,000
Travel and Accommodation	6,489,905	4,445,890
Other Allowances	827,300	1,202,030
Total	12,178,754	8,696,421

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Explanatory note

During prior year the University did not have chairman of the council and the council was not fully constituted.

11. Administration/Operating Expenses

Description	2022-2023	2021-2022
	KShs	KShs
Casual wages	103,216	59,500
Travel and Subsistence	13,624,911	5,630,282
Fuel and oils	4,795,285	3,223,000
Maintenance of Vehicles Transport	1,614,480	1,646,068
Overseas Travel Central Vote	344,672	0
Office Stationery	4,140,229	3,702,627
Photocopying	0	99,436
Computer Stationery	6,687,204	4,565,140
Advertising and Publicity	2,462,689	2,412,401
Printing and Publishing	0	40,000
Newspapers	251,420	346,620
Shows and Exhibitions Research	738,046	471,587
Open Day Research	46,600	91,300
Electricity	20,281,244	19,679,019
Water and Conservancy	975,190	922,150
Graduation Expenses Central Vote	6,429,872	4,034,450
Official Entertainment	65,350	299,850
Expenses of Boards and Committees	8,770,369	5,103,325
Staff Development and Training Central Vote	1,325,354	707,292
Staff Welfare Central Vote	180,000	110,000
Staff Dependants Bursary Scheme Central Vote	1,655,431	1,525,047
COVID 19 Expense Central Vote	0	329,900
Cleaning Materials	1,375,159	1,303,209
Fumigation & Waste Collection Services Accommodation	718,380	645,000
Purchase of Gas and firewood	96,480	49,460
Purchase of Utensils beddings & fittings	259,280	127,950
Purchase of foodstuffs	1,365,905	1,130,484
Vehicle Licenses and Inspection Transport	248,770	200,180
Vehicle Insurance Transport	1,093,453	1,003,154
General Insurance Central Vote	3,862,862	3,612,431
Bank Charges	638,287	625,300
Payment of Rent and Rates	629,760	686,960
Staff Uniforms	464,750	429,040
In house Capacity Building Human Resource	1,521,660	1,197,489
Governance	3,524,740	1,766,930

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Subscription Fee	2,535,045	2,676,150
Professional Services Central Vote	4,196,880	1,262,520
Hire of Security Services	12,931,370	13,335,400
Hire of Cleaning Services Central Vote	21,999,996	19,952,004
Funeral Expenses Central Vote	650,201	280,000
CSR Donations Central Vote	32,500	0
Postal and Courier Services	641,124	596,068
Telephone Expenses Central Vote	77,278	79,809
Policy Review	0	8,000
Supervision and Thesis examination School of post graduate	1,818,400	80,000
Strategic Plan	1,246,500	932,150
Court Decrees	468,813	870,000
Tum TVET Institute	2,799,600	1,629,568
TOTAL	139,708,755	109,478,250
Explanatory note		

The increase was due to increased operations after resumption from COVID-19 restrictions among them being:

- Increase in travel and subsistence due to increased supervision of students on attachment.
- Increase of Electricity bill due to fully resumption of students.
- Professional charges related to settling of legal fees for court cases that were concluded in the year 2022/2023.

12. Teaching Expenses

Description	2022-2023	2021-2022
	KShs	KShs
Library Expenses Library	3,987,595	3,393,643
Purchase of Teaching Materials	1,488,531	3,245,814
Open Distance Learning ODEL Central Vote	741,600	1,286,220
Curriculum and Development	95,000	170,900
Maintenance Computer Hardware and Networks	88,580	72,880
Internet Charges Directorate of ITCS	7,257,038	7,541,842
Maintenance Computer Software Directorate of ITCS	4,593,645	5,979,150
Internal Research Expenses Research	8,577,540	6,037,080
Examination Materials Registrar AA	6,356,600	6,266,285
External Examiners	4,895,798	5,333,000
Consultancy Expenses	6,225,431	9,652,382
ISO Certification	1,007,691	1,706,394
Publications and Conferences Research	1,495,262	1,329,318
Accreditation Central Vote	3,599,462	1,600,000
Industrial Attachment Expenses	8,746,690	5,999,240
TOTAL	59,156,463	59,614,148

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Notes to the Financial Statements (Continued)

13. Student Welfares Expenses

Description	2022-2023	2021-2022
	KShs	KShs
Career Services	161,000	0
Guidance and Counselling Dean Of Students	355,880	151,860
Sports Activities Dean Of Students	5,067,500	3,192,050
Medical Expenses Clinic / Medical	3,529,593	3,265,551
Student Work study Programme	373,961	397,316
Music and Drama Dean of Students	1,394,100	0
TOTAL	10,882,034	7,006,777

Explanatory note

The increase was attributed by the increased sports and drama activities after students fully resumed from long holidays and lifting of COVID-19 restrictions.

14. Repairs and Maintenance

Description	2022-2023	2021-2022
	KShs	KShs
Repairs and Maintenance	6,906,527	3,338,982
Maintenance of Buildings and Stations	35,916,691	40,803,213
Maintenance of Sewerage	783,000	884,900
TOTAL	43,606,218	45,027,095

15. Audit fees

Description	2022-2023	2021-2022
	KShs	KShs
Audit fees Central Vote	1,400,000	1,400,000
TOTAL	1,400,000	1,400,000

16. Provision for Bad debts

Description	2021/2022	2022/2023		
		KShs	KShs	KShs
	Rate-10%	8-12Months@25%	Over1Year@ 50%	Over 2Years@100%
General trade Receivables	838,477.00	-	-	-
Deposit Contingency	725,000.00	-	-	725,000.00
Guest house accommodation debtors	7,182,107.00	-	-	7,182,107.00
Staff medical debtors	120,776.00	-	-	120,776.00
Staff salary advances	141,120.00	-	-	141,120.00

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TUMEL debtors	-	600,000.00	-	-
Student debtors	363,274,701.00	222,161,726.01	-	-
Other Debtors	10,444,514.00	-	-	47,294,056.00
TIVET Bursaries MOHEST	696,531.00	-	-	-
Commercial rent receivable	2,578,053.00	-	-	-
Salary recovery receivable	1,754,446.00	-	-	-
TOTAL	387,755,725.00	222,761,726.01	-	55,463,059.00
Provision for bad debts	38,775,572.50	55,690,431.50	-	55,463,059.00
Total provisions	38,775,572.50	-	-	111,153,490.50
BALANCE B/F	26,253,438.50	-	-	38,775,572.00
Increase/Decrease in provision	12,522,134.00	-	-	72,377,918.50
BALANCE C/F	38,775,572.50	-	-	111,153,490.50

Explanatory note

The increase in provision was attributed to the adoption of the university debt policy.

17. Bad debts Written off

Description	2022-2023	2021-2022
	KShs	KShs
Bad debts Written off	0	501,900
TOTAL	0	501,900

18. Departmental Inventories

Description	2022-2023	2021-2022
	KShs	KShs
Inventories Estates & project planning	6,216,670	3,680,890
Inventories Hospitality & Tourism	41,439	142,179
Inventories Mechanical Engineering	944,150	8,511,510
Inventories Health Unit	1,592,702	1,585,258
Inventories Administration	12,429,949	529,804
Inventories Electrical Engineering	180,900	183,780
Inventories Applied & Health Science	845,130	2,389,902
Inventories Medical Engineering department	932,990	566,790
Inventories Library department	29,264,853	28,761,453
Inventories Building & civil Engineering	17,500	148,550
Inventories Liberal Studies department	37,992	13,888
Inventories Kwale Campus	135,387	142,722
Inventories Lamu Campus	82,883	189,610
Inventories Registry	2,336,400	7,063,094

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Inventories Student services	2,688,751	1,436,320
Inventories Transport & Logistics	311,612	1,165,485
Inventories Dean School of business	58,218	81,498
Inventories Dean School of Humanities	29,000	256,414
Inventories Management Science	19,999	16,811
Inventories Medical Science Department	332,036	1,010,650
Inventories Communication Department	8,058	55,391
TOTAL	58,506,614	57,931,999

19. Receivable from exchange transactions

Description	2022-2023	2021-2022
	KShs	KShs
Prepaid Insurances	6,939,210	0
Deposit Contingency	725,000	725,000
General Trade receivables	0	838,477
Student Debtors	438,638,673	363,283,301
TIVET Burnaries MOHEST	696,531	696,531
Guest Accommodation Debtors	7,182,107	7,182,107
TUMEL DEBTORS	600,000	800,000
Commercial Rent Receivable	4,921,813	2,578,053
Staff Medical Debtors	120,776	120,776
Salary Recovery Receivable	1,754,446	1,754,446
Staff Salary Advances	141,120	141,120
Rent Arrears	0	(10,000)
LESS PROVISION	(111,153,491)	(38,775,572)
TOTAL	350,566,185	339,334,239

20. Receivable from non-exchange transactions

Description	2022-2023	2021-2022
	KShs	KShs
Staff Imprest	4,025,144	7,363,807
Other Debtors Receivable	12,399,814	10,445,514
TOTAL	16,324,958	17,808,321

Explanatory note

The increase on other debtors relate to the students sponsored by TVET which the tuition fees is yet to be settled.

21. Cash and Bank Balances

Description	2022-2023	2021-2022
	KShs	KShs
Petty Cash Float I	188,000	224,000

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Petty Cash Float II		
CASH BALANCES	59,700	238,560
Cash at Bank National Bank Current Account I	247,700	462,560
Cash at Bank National Bank Current Account II	1,816,618	0
Cash at Bank Co-operative Bank Fees Collection Account	13,614,241	0
Cash at Bank Standard Chart Bank Fees Collection Acc.	6,024,389	2,313,443
Cash at Bank KCB Lamu Satellite Campus	13,628,112	13,899,502
Cash at Bank Family Bank Research A/C	2,128,895	1,003,311
Cash at bank Kiziwi Guest House	6,781,886	3,460,764
Cash at bank Equity Fees Collection a/c	698,657	269,155
Cash at bank Development A/C Standard Chartered	4,823,370	3,282,044
Cash at bank NBK Salaries A/C	3,228,204	0
Cash at bank NBK fees collection a/c	33,328,522	16,953,958
Cash at bank Cash in hand KCB Fees Collection A/C	6,200,668	33,927,203
Cash at bank Absa Fees Collection A/C	6,648,048	3,169,902
Cash at bank GULF AFRICAN BANK A/C NO. 1700004101	234,370	3,137,929
Cash at bank Family Bank Research USD 096000040196 A/C	602,606	3,149,168
BANK BALANCES	29,721,720	482,774
TOTAL	129,480,306	85,049,153
	129,728,006	85,511,713

CASHBOOK OVERDRAFT		
Cash at Bank National Bank Current Account I		
Cash at Bank National Bank Current Account II	0	(356,084)
Cash at bank Development A/C Standard Chartered	0	(3,813,793)
TOTAL	0	(214,006)
TOTAL CASH AND CASH EQUIVALENTS	0	(4,383,883)
	129,728,006	81,127,830

22. Investments

Description	2022-2023	2021-2022
	KShs	KShs
Shares in Consolidated Bank	5,000,000	5,000,000
Seed Money TUM Enterprises	5,571,938	5,571,938
TOTAL	10,571,938	10,571,938

23. Trade and other payables

Description	2022-2023	2021-2022
	KShs	KShs
General Trade Payables	18,272,326	35,002,035
TOTAL	18,272,326	35,002,035

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24. Other Creditors

Description	2022-2023	2021-2022
	KShs	KShs
Description	2021-2022	2020-2021
	KShs	KShs
Shell Kenya conditional grant	0	994,205
Basic Salary CBA Arrears	1,733,101	2,006,233
PAYE Deductions	0	58,709,080
Income Tax Withholding	1,932,684	880,792
VAT Clearing	302,756	147,419
Student Union Fee	14,309,189	14,454,468
Student Benevolent Fund	2,978,663	2,891,912
Accrued Payables	103,527,235	116,023,597
KUCCPS Levy	475,975	868,975
CUE Levy	1,817,375	1,633,375
Alumni Association	8,287,712	5,088,906
Book Fee	0	658,600
Alliance Francaise Tuition fee	0	786,097
Project Review fee	385,282	324,735
VAT Rent Output	352,176	110,984
Staff Rent Clearing	39,129	0
TVET Institutions	0	14,240,670
Jumuiya za county Za Pwani	0	872,929
External Research	44,867,862	20,003,963
HELB	0	3
CDF	0	2,500
Multidisciplinary Conference	715,000	0
STCW Marine	392,750	0
Other Depositors	15,000	0
LAPSSET refunds	750,000	750,000
External Examinations – KMTLB	20,900	0
External Examinations – KNEC	125,900	3,964,110
Refund to General Debtors	0	600
Pension Deductions/Contributions	1,395,821	6,848,805
NSSF Payables	0	550
NHIF Payables	0	2,800
Poly Sacco	0	2,158,449
Staff Benevolent Fund	0	88,949
Trade Unions Payables	1	(9,684)

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Other Payables		
Retentions Payable	0	2,992,086
Welfare Payables TUM FINANCE WELFARE	7,465,965	7,310,616
Insurance Payables British American Insurance	0	1,951,490
Insurance Payables Blue Shield Insurance	0	17,014
Insurance Payables CFC Life Insurance	0	2,000
Insurance Payables Madison Insurance	0	30,200
Insurance Payables ICEA	100,000	100,000
Insurance Payables Pan Africa Life Assurance	0	2,000
Insurance Payables Corporate Insurance Company	0	52,678
Insurance Payables Kenindia	0	9,013
Insurance Payables UAP Insurance Ltd	0	1,500
Insurance Payables The Monarch Insurance	0	45,717
Insurance Payables CIC GROUP	0	17,325
Mwalimu SACCO	0	4,500
Kitui Teachers SACCO	0	7,661,648
KEMFRI SACCO	0	60,590
Kilifi Teachers Sacco	0	17,800
Loan Payables KCB	0	265,833
Loan Payables NBK	0	8,294,400
Loan Payables Co-operative Bank	0	21,935
Loan Payables Family Bank	0	1
Loan Payables Milimani Commercial Court	(1)	0
Loan Payables Bank of Africa	113,786	65,906
Loan Payables Faulu Kenya	0	235,725
Loan Payables Select Management Services Ltd	0	1,023,756
Loan Payables Commercial Bank of Africa	0	69,038
Stima SACCO	0	40,576
Ukaguzi SACCO	0	1,463,172
Nacico Co-op Savings & Credit Society	0	58,703
Mombasa Port Savings & Credit Co-op Society Ltd	0	25,916
Net Pay	0	104,350
Kivuko Sacco	2,419,579	2,339,160
CBA Pension Employers Liability	0	49,202
Provision for Audit Fees	366,277	366,277
Insurance Claims Payable	1,400,000	2,800,000
Salary Advance Refund	324,000	0
Post Bank Shares	0	178,675
Helb control a/c	0	2,000
CDF control a/c	8,462,795	10,425,595
Sponsors control a/c	5,497,934	3,552,373
	11,166,365	4,426,485

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Liberty Insurance payables	0	6,990
School based control a/c	500,607	6,453,582
Student Fee Clearing a/c	137,511	49,311
Imprest Recovery Clearing a/c	0	197,804
Plan International control a/c	8,198,537	12,492,997
PARTICIP GIZ Sponsors	232	0
Unclaimed Funds Equity Bank	979,561	998,561
Unclaimed Funds KCB Fee Bank	917,653	1,301,653
Unclaimed Funds NBK Fee Bank	1,023,144	1,040,144
Unclaimed Funds Coop Bank	956,919	956,919
Unclaimed Funds Absa Bank	193,574	247,099
Unclaimed Funds Stanchart Bank	297,720	297,720
TOTAL	234,946,669	334,634,059

25. Long Term Liabilities

Description	2022-2023	2021-2022
	KShs	KShs
Students Caution Money	37,207,178	34,976,678
Long term Service Gratuity	747,268	6,986,107
TOTAL	37,954,446	41,962,785

26. Capital Fund

Description	2022-2023	2021-2022
	KShs	KShs
B/F	3,427,167,953	3,427,167,953
MOVEMENTS	0	0
C/F	3,427,167,953	3,427,167,953

27. Other Funds and Reserves

Description	2022-2023	2021-2022
	KShs	KShs
B/F	(533,040,187)	(716,230,605)
MOVEMENTS		
Revenue Reserve	91,205,657	38,969,576
SURPLUS (DEFICIT) FOR THE PERIOD	38,001,720	144,220,842
C/F	(403,832,810)	(533,040,187)

Notes to the Financial Statements (Continued)

28. Donated Assets Fund

Description	2022-2023	2021-2022
	KShs	KShs
B/F	269,024,590	269,024,590
MOVEMENTS		
Donated Assets Fund	4,238,943	0
C/F	273,263,533	269,024,590

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Notes to the Financial Statements (Continued)

29. Property, Plant and Equipment

	Free Hold Land		Building		Furniture & Fittings		Computer & Other Electronics		Plant & Equipment		Motor Vehicle		Capital Work in progress		Total	
	KShs		KShs		KShs		KShs		KShs		KShs		KShs		KShs	
Cost																
RATES	0.0		0.02		0.1		0.3		0.1		0.2					
COST																
Balance as at July 1, 2020	1,047,422,550		1,574,996,258		95,187,263		176,507,282		732,071,627		80,599,444		532,968,972		4,239,753,396	
Additions During the Year	0		511,770,182		2,081,760		13,057,746		9,816,674		0		(457,949,160)		78,777,202	
Cost Adjustment During the Year	0		0		0		0		0		(45,920,530)		0		(45,920,530)	
TOTAL COST	1,047,422,550		2,086,766,440		97,269,023		189,565,028		741,888,301		34,678,914		75,019,812		4,272,610,068	
Accumulated Depreciation B/F	0		291,939,382		78,197,848		139,948,652		454,479,068		73,344,846		0		1,037,909,796	
Depreciation for Year 2021	0		50,082,395		3,620,037		5,405,289		43,881,386		5,340,577		0		108,329,684	
Accumulated Depreciation - Adjustment	0		0		0		0		0		(52,732,675)		0		(52,732,675)	
Accumulated Depreciation - C/F	0		342,021,777		81,817,885		145,353,941		498,360,454		25,952,748		0		1,093,506,805	
NBV AS AT June 30, 2021	1,047,422,550		1,744,744,663		15,451,138		44,211,087		243,527,847		8,726,166		75,019,812		3,179,103,263	
COST																
Balance as at July 1, 2021	1,047,422,550		2,086,766,440		97,269,023		189,565,028		741,888,301		34,678,914		75,019,812		4,272,610,068	
Additions During the Year	0		0		1,513,615		4,963,263		9,670,379		0		(270)		16,146,987	
Cost Adjustment During the Year	0		0		0		0		0		(2,054,783)		0		(2,054,783)	
TOTAL COST	1,047,422,550		2,086,766,440		98,782,638		194,528,291		751,558,680		32,624,131		75,019,542		4,286,702,272	

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Cost	Free Hold Land KShs	Building KShs	Furniture & Fittings KShs	Computer & Other Electronics KShs	Plant & Equipment KShs	Motor Vehicle KShs	Capital Work in progress KShs	Total KShs
DEPRECIATION AND IMPAIRMENT								
Accumulated Depreciation B/F	0	342,021,777	81,817,885	145,353,941	498,360,454	25,952,748	0	1,093,506,805
Depreciation For Year 2022	0	41,735,329	3,893,492	8,228,081	42,744,041	4,450,481	0	101,051,424
Accumulated Depreciation - Adjustment	0	(8,577,130)	(117,607)	31,561,569	1,936,679	980,902	0	25,984,413
Accumulated Depreciation C/F	0	375,379,976	85,593,770	185,143,591	543,041,174	31,384,131	0	1,220,542,642
NBV As at June 30, 2022	1,047,422,550	1,711,386,464	13,188,868	9,384,700	208,517,506	1,240,000	75,019,542	3,066,159,630
COST								
Balance As at July 1, 2022	1,047,422,550	2,086,766,440	98,782,638	194,528,291	751,558,680	32,624,131	75,019,542	4,286,702,272
Additions During the Year	0	21,673,114	1,438,525	10,254,754	5,701,743	0	14,506,035	53,574,171
Cost Adjustment During the Year	0	0	0	0	(47,520)	0	(3,860,163)	(3,907,683)
TOTAL COST	1,047,422,550	2,108,439,554	100,221,163	204,783,045	757,212,903	32,624,131	85,665,414	4,336,368,760
DEPRECIATION AND IMPAIRMENT								
Accumulated Depreciation B/F	0	375,379,976	85,593,770	185,143,591	543,041,174	31,384,131	0	1,220,542,642
Depreciation For Year 2023	0	42,168,791	3,763,447	9,106,596	38,158,097	1,240,000	0	94,436,931
Accumulated Depreciation C/F	0	417,548,767	89,357,217	194,250,187	581,199,271	32,624,131	0	1,314,979,573
NBV As at June 30, 2023	1,047,422,550	1,690,890,787	10,863,946	10,532,858	176,013,632	0	85,665,414	3,021,389,187

Notes to the Financial Statements (Continued)

30. Amortization

INTANGIBLE ASSETS	COMPUTER SOFTWARE	TOTAL
RATES	0.3	
Balance As at July 1, 2021	17,313,104	17,313,104
Additions During the Year	1,769,840	1,769,840
TOTAL COST	19,082,944	19,082,944
Accumulated Amortization B/F	16,811,621	16,811,621
Amortization For Year 2022	454,045	454,045
Accumulated Amortization C/F	17,265,666	17,265,666
NBV AS AT June 30, 2022	1,817,278	1,817,278
NBV AS AT June 30, 2021	501,483	501,483
INTANGIBLE ASSETS	COMPUTER SOFTWARE	TOTAL
RATES	0.3	
Balance As at July 1, 2022	19,082,944	19,082,944
Additions During the Year	892,382	892,382
TOTAL COST	19,975,326	19,975,326
Accumulated Amortization B/F	17,265,666	17,265,666
Amortization For Year 2023	968,803	968,803
Accumulated Amortization C/F	1,055,628	1,055,628
NBV AS AT June 30, 2023	685,229	685,229
NBV AS AT June 30, 2022	1,817,278	1,817,278

31. Employee Benefit Obligations

The University contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The University's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. 200 per employee per month. Other than NSSF the University also has a defined contribution scheme operated by Zamara Group Pension Fund. Employees contribute 10% while employers contribute 20% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

Notes to the Financial Statements (Continued)

Notes to the Financial Statements (Continued)

32. Financial Risk Management

The University's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The University's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The University does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

i) Credit risk

The University has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. 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 University's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

The carrying amount of financial assets recorded in the financial statements representing the University's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	KShs	KShs	KShs	KShs
As at 30th June 2023				
Receivables from exchange transactions	350,566,185	350,566,185	0	0
Receivables from non-exchange transactions	16,324,958	16,324,958	0	0
Bank balances	129,728,006	129,728,006	0	0
Total	496,619,149	496,619,149	0	0
As at 30 June 2022				

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Receivables from exchange transactions	339,334,239	339,334,239	0	0
Receivables from non-exchange transactions	17,808,321	17,808,321	0	0
Bank balances	85,511,713	85,511,713	0	0
Total	442,654,273	442,654,273	0	0

The students under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the University has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The University has significant concentration of credit risk on amounts due from students.

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

ii) Liquidity risk management

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

iii) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the University's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The University's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee)

and for the day-to-day implementation of those policies. There has been no change to the University's exposure to market risks or the manner in which it manages and measures the risk.

a) **Foreign currency risk**

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

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

b) **Interest rate risk**

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

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

iv) **Capital Risk Management**

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

Description	2022-2023	2021-2022
	KShs	KShs
Revaluation Reserve	18,107,188	18,107,188
Retained Earnings	(403,832,810)	(533,040,187)
Capital Reserve	2,099,590,762	2,099,590,762
Total Funds	1,713,865,140	1,584,657,763
Total Borrowings	0	0
Less: Cash and Bank Balances	(129,728,006)	(81,127,830)
Net Debt/ (Excess Cash And Cash Equivalents)	(129,728,006)	(81,127,830)
Gearing	0	0

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Notes to the Financial Statements (Continued)

33. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

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

Other related parties include:

- i) Ministry of Education
- ii) Technical University of Mombasa Enterprises

As per the financial statement, in 2019 TUMEL owed TUM KShs. 6,000,000 being loan lent to them to establish the company structures and operations. This loan was repaid and reduced to KShs. 600,000 as per the financial statement. TUMEL is a 100% owned subsidiary company of TUM.

	2022-2023	2021-2022
	KShs	KShs
Transactions with related parties		
a) Sales to related parties		
Sales of electricity to govt agencies	0	0
Rent income from govt. Agencies	0	0
Water sales to govt. Agencies	0	0
Others (specify) e.g. interest and bank charges	0	0
Total	0	0
B) purchases from related parties		
Purchases of electricity from KPLC	0	0
Purchase of water from govt service providers	0	0
Rent expenses paid to govt agencies	0	0
Training and conference fees paid to govt. Agencies	0	0
Others (specify)	0	0
Total	0	0
b) Grants /transfers from the government		
Grants from national govt	962,347,916	961,990,433

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	2022-2023	2021-2022
	KShs	KShs
Grants from county government	0	0
Donations in kind	0	0
Total	962,347,916	961,990,433
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for TUM employees	0	0
Payments for goods and services for TUM	0	0
Total		
d) Key management compensation		
Council expenses	12,178,754	8,696,421
Compensation to key management	0	0
Total	12,178,754	8,696,421

34. Events after the Reporting Period

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

35. Ultimate And Holding University

The University is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

36. Currency

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

20. Appendices

Appendix 1: Implementation Status of Auditor-General's Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your University responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

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Vice Chancellor

Date:

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Appendix II- Inter-University Confirmation Letter



Technical University of Mombasa
P.O BOX 90420-80100
MOMBASA

The State Department of University Education wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below. Please sign and stamp this request in the space provided and return it to us.

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)	Amount Received by TUM (KShs) as at 30th June 2022 (E)	Differences (KShs) (F)=(D-E)
1	3/8/2022	80,195,660.00	0	0	80,195,660.00	79,867,765	327,895
2	8/9/2022	80,195,660.00	0	0	80,195,660.00	79,867,765	327,895
3	3/10/2022	80,195,659.00	0	0	80,195,659.00	79,867,765	327,894
4	10/11/2022	80,195,660.00	0	0	80,195,660.00	79,867,765	327,895
5	9/12/2022	80,195,660.00	0	0	80,195,660.00	79,867,765	327,895
6	30/12/2022	80,195,559.00	0	0	80,195,559.00	79,867,765	327,794
7	3/2/2023	80,195,660.00	0	0	80,195,660.00	79,867,765	327,895
8	17/3/2023	80,195,660.00	0	0	80,195,660.00	79,867,765	327,895
9	14/4/2023	80,195,755.00	0	0	80,195,755.00	79,867,765	327,990
10	5/5/2023	80,195,661.00	0	0	80,195,661.00	79,867,765	327,896
11	9/6/2023	80,195,661.00	0	0	80,195,661.00	81,656,391	(1,460,730)

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12	27/6/2023	80,195,661.00	0	0	80,195,693.00	81,656,392	(1,460,731)
Total		962,347,916.00	0	0	962,348,011.00	961,990,433	357,483.00

In confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary University:

Name DAZEN MWAHIBETTO J. Sign [Signature] Date 07/07/2023