

REPUBLIC OF KENYA



REPORT

BOMET UNIVERSITY COLLEGE
(ACCREDITED COLLEGE OF BUNDELA UNIVERSITY)

07 AUG 2023

PRINCIPAL'S OFFICE
P.O. Box 701 - 20400, BOMET

OF

THE AUDITOR-GENERAL

ON

BOMET UNIVERSITY COLLEGE

**FOR THE YEAR ENDED
30 JUNE, 2022**

Bomet University College
Annual Reports and Financial Statements
For the year ended June 30, 2022



BOMET UNIVERSITY COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2022

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background Information

Bomet University College (BUC) was established as a Constituent College of Moi University through the Legal Notice No. 145 published in the Kenya Gazette Supplement No.114 of 27th July, 2017. The College Management Board comprises of the Principal, Deputy Principal (Administration and Finance) Deputy Principal (Academic and Student Affairs) and the Head of BUC Finance.

The Management Board reports to Bomet University College Council. First Council was appointed through Gazette Notice No 10150 and 10151 dated 29th September 2017, appointed for a period of three (3) years effective 29th September 2017 and lapsed on 29th September 2020 and Second Council Appointed through Gazette Notice Vol. Cxxiv – No. 131 dated 8th July 2022, appointed for a period of three (3) years effective 8th July 2022. The University College Council reports to the Ministry of Education (State Department for University Education and Research). While at the Cabinet level, the University College is represented by the Cabinet Secretary for Ministry of Education who is responsible for the general policy and strategic direction of the University.

(b) Principal Activities

The principal activity of the University is to provide university education through teaching, learning, training, research, innovation, digital transformation and outreach.

The Vision, Mission, Philosophy, Core Values, Motto and Niche of the University are as follows:

Vision

To be a Premier Green University in Fostering Research Excellence in Science, Technology and Innovation for Sustainability.

Mission

To provide a conducive environment for discovery, preservation and dissemination of knowledge; to nurture critical inquiry, creativity and engagement for social transformation and advancement of humanity.

Philosophy

As a University Community, we believe in quality, pragmatic teaching, learning, originality, inclusiveness in management, harnessing knowledge and being a multi-disciplinary institution of quality and innovative research for sustainable development. A University dedicated in imparting creative and critical thinking as part of the essential skills needed for living and working successfully in a dynamic society. Also, to participate in the discovery, transmission, preservation, enhancement of knowledge and to stimulate the intellectual participation of students in the economic, sociocultural, scientific and technological development of Kenya and the community of nations.

Core Values

Bomet University College is a community built upon the valued relationships among students, staff, alumni and other key stakeholders. At the core of these relationships are BUC's core values of accountability, commitment, integrity, patriotism and respect.

Motto

Green University for Sustainability.

Niche

Green Economy for Sustainability.

(c) Key Management

Bomet University College day to day Management is under the following key organs:

- i. Bomet University College Council
- ii. Bomet University College Management Board
- iii. Bomet University College Academic Board
- iv. Bomet University College Committee of Deans
- v. Bomet University College School Boards
- vi. Bomet University College Departmental Boards

(d) Fiduciary Management

The key management and oversight personnel who held office during the Financial Year ended 30th June 2022 and who had direct fiduciary responsibility were:

Bomet University College Management

No.	Designation	Name
1	Principal	Prof. Anne Kisaka Nangulu
2	Deputy Principal - Administration and Finance	Prof. Loice Chemngetich Maru
3	Deputy Principal - Academic and Student Affairs	Prof. George Otieno Orwa
4	Chief Accountant	CPA Lorine Obonyo

Notes to Fiduciary Management:

The Management Board reports to Bomet University College Council. The First Council was appointed through Gazette Notice No 10150 and 10151 dated 29th September 2017 for a period of three (3) years effective 29th September 2017 and lapsed on 29th September 2020. The Second Council was appointed through Gazette Notice Vol. Cxxiv – No. 131 dated 8th July 2022 for a period of three (3) years effective 8th July 2022. The Principal and the two Deputy Principals were competitively appointed in August 2019 and took office on 1st October 2019. The University College was handed over from Moi University Council on 29th March 2018. The University College however runs its academic activities under the Senate of Moi University and will continue until it attains full University status and awarded Charter by the President on recommendation by Commission of University Education.

(e) Fiduciary Oversight Arrangements

The Council provides fiduciary oversight on the financial operations of the University College through the Finance, Administration, Strategy, Building and Development Committee; Audit and Compliance Committee; Academic, Research, Extension, Students Affairs and Sealing Committee; Human Resource, Governance and Staff Disciplinary Committee.

The Finance, Administration, Strategy, Building and Development Committee reviews the University Quarterly Financial Statements before they are submitted to Council and subsequently to the Ministry of Education and National Treasury by the 15th day of the month preceding end of quarter.

The Audit and Compliance Committee provides oversight on Bomet University College financial statements; by supporting the Internal Audit Unit in providing oversight on the internal controls and the maintenance of proper accounting records.

The Office of the Auditor General Conducts Annual Audit of the operations of the University College. The Reports of the Auditor General are submitted to the National Assembly through the Public Investments Committee (PIC), which provides the overall fiduciary oversight on the operations of the University College.

(f) Entity Headquarters

Bomet University College
P.O. Box 701-20400
BOMET, KENYA

(g) Entity Contacts

Telephone: (+254) 748067182
E-mail: principal@buc.ac.ke
Website: www.Bomet University College.ac.ke

(h) Entity Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
NAIROBI, KENYA

(i) Other Banks

National Bank of Kenya
Bomet Branch
P.O Box 539-20400
BOMET, KENYA

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Kenya Commercial Bank
Bomet Branch
P.O Box 264-20400
BOMET, KENYA

Co-operative Bank
Bomet Branch
P.O Box 501-20400
BOMET, KENYA




- (j) **Independent Auditors**
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya
- (k) **Principal Legal Adviser**
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

2. THE COUNCIL

The First Council was appointed through Gazette Notice No 10150 and 10151 dated 29th September 2017, appointed for a period of three (3) years effective 29th September 2017 and lapsed on 29th September 2020. The Second Council was appointed through Gazette Notice Vol. Cxxiv – No. 131 dated 8th July 2022 for a period of three (3) years effective 8th July 2022. The Governance during 2021/2022 Financial Year was undertaken with the help of an Ad-hoc Council approved by the Principal Secretary, State Department for University Education comprising of the following members:

Members of Bomet University College Council	Date of Birth	Key Qualifications
 <p>Prof. Isaac Kosgey Vice Chancellor of Moi University and Ex-Officio Council Member Date of Birth: 1961</p>		<p>Prof. Isaac Kosgey is a Professor of Animal Sciences (Animal Breeding and Genetics) and currently the Vice Chancellor of Moi University. He served previously as the Deputy Vice Chancellor (Administration, Finance and Development) at Laikipia University.</p> <p>He holds a Doctor of Philosophy in Animal Sciences and a Master of Science degree in Animal Sciences from Weningen University, Netherlands. In addition, he holds a Bachelor of Science in Animal Production from Egerton University. Diploma in Law from Mount Kenya University, and a Master of Business Administration from Kenyatta University. He holds a Bachelor of Laws degree (LLB) from the Open University of Tanzania, Tanzania.</p>
 <p>Prof. Anne Kisaka Nangulu Principal and Secretary to Council Appointed on 20th August 2019 Date of Birth: 1963</p>		<p>Bachelor of Arts Degree (History) from the University of Nairobi (UoN), Master of Arts (History) from UoN, PhD in History from West Virginia University, USA. She has trained in Quality Assurance in University/Higher Education.</p> <p>She has extensive experience in teaching, research and management in University education. She served as the Deputy Commission Secretary in charge of Quality Audits and Standards at the Commission of University Education. Also served as Acting Deputy Vice-Chancellor, Academic, Research and Extension at Moi University and Secretary to Senate. She has also served as Dean School of Arts and Social Sciences and Director Quality Assurance at Moi University. She is the Principal and Secretary to Council at Bomet University College and Professor of History at Moi University.</p>
		<p>Ms. Monica Asuna is a Director of Planning at the National Treasury and Planning, Kenya, with 24 years' experience specifically under the Ministry of Finance which is now The National Treasury.</p> <p>She holds a Master degree in Economics from the University of Malawi and BA in Economics from Moi University. She is the Head of United Nations Agencies Division, Development Effectiveness Secretariat and</p>

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 <p>Ms Monica Asuna Alternate Member/Principal Secretary, The National Treasury From 30th September 2019 to-date Date of Birth: 1970</p>	<p>Investor Relations Unit, in the Resource Mobilization Department, Directorate of Public Debt Management Office at the National Treasury and Planning. Previously, she worked in the former Monopolies and Prices Commission in areas of discouraging Restrictive Trade Practices, Review of Mergers and Acquisition applications (1998 -2007); Representative of the Principal Secretary, The National Treasury at Bomet University College</p>
 <p>Dr. John Nyangena Alternate Member/Principal Secretary State Department for University Education and Research, From 1st July 2021 to-date Date of Birth: 1971</p>	<p>Dr. John Nyangena is the Chief Economist in the Ministry of Education, State Department for University Education and Research. He holds a Doctorate in Environmental Planning from Kenyatta University and a Master of Philosophy in Development Studies from Moi University and a Bachelor of Science degree in Statistics from Jomo Kenyatta University of Agriculture and Technology. He is also an Environment and Climate Change Expert. Representative of the Principal Secretary, State Department for University Education and Research.</p>
<p>Alternate Member - Inspectorate of State Corporations</p>	<p>Awaiting Communication and Clarification from Inspectorate of State Corporations</p>
 <p>Prof. Nathan O. Ogechi Representative, Vice Chancellor and Moi University Senate. Date of Birth: 1969</p>	<p>Prof. Nathan Ogechi is the Substantive Deputy Vice Chancellor in charge of Student Affairs at Moi University and also Acting Deputy Vice Chancellor, Administration Planning and Development. He is a Professor in the Department of Kiswahili and other African Languages at Moi University. He is a DAAD Scholar and a Research Associate and Consultant on Languages. Representative, Vice Chancellor (Moi University) and Moi University Senate; sitting on Academic, Research, Extension, Students Affairs and Sealing Committee only at Bomet University College.</p>

3. MANAGEMENT TEAM

Name of the Staff	Qualifications
 <p>Prof. Anne Kisaka Nangulu Principal and Secretary to Council Appointed on 20th August 2019</p>	<p>Bachelor of Arts Degree (History) from the University of Nairobi (UoN), Master of Arts (History) from UoN, PhD in History from West Virginia University, USA. She has trained in Quality Assurance in University/Higher Education.</p> <p>She has extensive experience in teaching, research and management in University education. She served as the Deputy Commission Secretary in charge of Quality Audits and Standards at the Commission of University Education. Also served as Acting Deputy Vice-Chancellor, Academic, Research and Extension at Moi University and Secretary to Senate. She has also served as Dean School of Arts and Social Sciences and Director Quality Assurance at Moi University. She is the Principal and Secretary to Council at Bomet University College and Professor of History at Moi University.</p>
 <p>Prof. Loice Chemnetich Maru Deputy Principal, Administration and Finance Appointed on 20th August 2019</p>	<p>PhD in Business Management (Moi University), MPhil - Entrepreneurship Development (Moi University), Bachelor of Business Management, Human Resource Option (Moi University), Higher National Diploma in Entrepreneurship Development (Kenya Technical Training College (KTTC)) and Diploma in Technical Education (<i>Business Education</i>) (KTTC). Professor of Entrepreneurship and Sustainability Management at Department of Management Science in the School of Business and Economics, Moi University.</p> <p>She has extensive experience in teaching, research and management of Academic and Administration in University Education. She previously served as Director, Nairobi Campus, Moi University.</p>
 <p>Professor George Otieno Orwa Deputy Principal, Academics and Students Affairs Appointed on 20th August 2019</p>	<p>PhD in Statistics from Jomo Kenyatta University of Agriculture and Technology (JKUAT), Master of Science- Statistics (JKUAT), Bachelor of Science (JKUAT).</p> <p>Extensive knowledge in management of Academics and general Administration in University Education.</p> <p>Professor of Mathematical Statistics at JKUAT.</p>

4. STATEMENT FROM CHAIRPERSON

I am pleased to present the 2021/2022 Annual Report and Financial Statements for Bomet University College (BUC).

Bomet University College as entrenched in the Institution Vision, Niche and Mission Green University for Sustainability in fostering research excellence in Science, Technology and Innovation for sustainability continues to be a Premier Green University in Fostering Research Excellence in Science, Technology and Innovation for advancement of humanity. The University College ensures that policies, processes and strategies are aligned in order to realise this Vision as well as ensuring that the University College attains global competitiveness. The University College operates in line with the Master Plan and the Strategic Plan as it guides in financial planning, development of academic programmes, process efficiency, stakeholder engagement and overall infrastructure development.

The Strategic Plan covers the period 2018 to 2023 and it is founded on *green* philosophy as it endeavors to join the few *green* universities globally. The ultimate goal of this philosophy is sustainability for humanity. This *green* philosophy is based on principles of renewable energy, efficiency in design, water conservation, waste reduction and recycling, indoor air control, durability, merging of green environment among others. These principles are in line with the University's *green* orientation as a Centre of applied research science, technology innovation and digital transformation. The Strategic Plan envisions teaching and learning environment that blends with the natural and physical environment, including the industry in order to meet the demands and expectations of all stakeholders while aligning to the stated Strategic Objectives and Goals, Vision, Mission, Core Values and the Philosophy, and Institutional Niche: "*Green Economy for Sustainability*".

Bomet University College Master Plan has been developed to cover the period 2018 to 2068 (50 years) and is consistent with the Strategic Plan. The Master Plan will be reviewed from time to time, will provide a coordinating strategy for a conducive teaching, learning and research environment, and it represents a framework for a development process in which the whole will always be more than the sum of its parts. The Master Plan is a product and a process since it achieves continuity beyond a single building and encourages orderly University Campus development within available resources. The Master Plan focuses on strategies to create accessible, inclusive and highly efficient utilization of space to create ambiance. The Institution own innovation of utilizing Solar Energy, Water Re-Cycling and Treatment, Entrepreneurs and Innovation Hubs, Research and Start-Up Village, Mini Nature Park and Demonstration Farm for research, training, outreach and community engagement will go a long way in making Bomet University College a Green Institution, Promoting its Niche of a Green University for Sustainability.

However, there are several challenges being faced by BUC in fulfilling its mandate as a young institution:

Budgetary Allocations and Staff Benefits

Bomet University College was to implement Staff benefits as per the Collective Bargaining Agreement (CBA) Negotiations with Unions. As Approved by relevant Government Authorities; whose implementation started in Financial Year 2020/2021. Not implementing the CBA negotiated Staff benefits was likely lead to litigations; and which was against the law.

Ideally, the University College was not able to fully cater for CBA benefits, including: Staff Medical Cover/Insurance; Responsibility Allowances; and Remittance of Statutory and Obligatory deductions among others in Financial Year 2020/2021. Failure to enhance budgetary allocations in Financial Year 2021/2022, this meant as a young Institution, BUC would not be in a position to retain qualified Staff, especially Academic and Research Leaders, at the ranks of Senior Lecturer, Associate Professor and Professor. This was a threat to make

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them opt for greener pastures to join other institutions competing with BUC for same Staff and able to cater for their welfare.

Capital Development Funds and Pending Bills

Capital Development funds were also reduced drastically from Kshs.98, 448,711 to Kshs.49, 224,355 for Financial Year 2020/2021 and to Ksh 50,000,000 for 2021/2022 Financial Year. This meant, the University College was not able to pay for Pending Bills, especially Interim Certificates for work done on on-going Projects. Which had already been submitted to the Ministry of Education (State Department for University Education and Research) for payment in Financial Year 2020/2021. The Contractor and Sub-Contractors had written to the University College several reminders on delayed payment for work done. Thus, ended up claiming payment plus the accrued interest on the Pending Bills as per the legal provisions.

In the Financial Year 2021/2022 as per the Approved funds in GIMIS, Bomet University College allocation for Capital Development was 60 million. This meant the on-going Projects were to stall. Yet as a young Institution, BUC was looking towards completion of on-going Projects to cater for the much-needed infrastructure, to accommodate increasing number of Students and Staff, in terms of Lecture Theatres, Library, Laboratories, Research Facilities, Catering Unit, Recreation Facilities and Office Space. As a case in point, the library was at 75% and Multi-Purpose Hall at 90% to completion. This called for review of the budget upwards to facilitate completion of ongoing projects; especially those that were near completion yet to date these facilities are not complete.

Commission for University Education Accreditation and Roadmap to Charter

Significantly, Bomet University College (A Constituent College of Moi University) was gazetted on 27th July 2017. The University College was to meet the set Accreditation requirements by Commission for University Education (CUE) to be awarded Charter; which was due in Financial Year 2021/2022. Indeed, BUC was in the process of implementing recommendations from CUE Inspection Reports (the immediate one undertaken in January, 2021), in preparation for Charter. The CUE recommendations mainly are focused on improved infrastructure, especially adequate Lecture Theatres; Laboratories and Research Facilities; Administration and Office Space; enhanced Establishment for Academic and Research Leader; to cater for the Core Mandate of BUC. Which required enhanced budgetary allocations to fully address CUE Accreditation requirements and recommendations. After which, to be inspected once again by CUE in preparation for Charter as per the provisions in The Universities Act, No.42, 2012 (Revised 2016) and related government policies. Financial constraints has hampered BUC to finalize on the requirements for Accreditation and Award of Charter, for the Institution to acquire full University Status.

Request to Review Budgetary Allocations Upwards for Bomet University College

In this endeavour, the University College is in need of financial support from the Ministry of Education, the Universities Funding Board (UFB), and The Treasury, to be able to sustain its operations as per its Core Mandate of offering university education. Which includes: Teaching and Training; Research, Outreach and Extension; inculcating Innovation and Entrepreneurial Skills for Graduate Employability; Digital Transformation and Integrating ICT in its operations.

While investing in Curricula Review, Resources and Facilities, in readiness to implement the Kenya Government Approved Competence Based Curriculum (CBC). To cater for Students once placed/admitted to undertake university education as per the government schedule. In line with BUC Niche on "Green Economy for Sustainability"; within its Motto: "Green University for Sustainability"; aligned to its Vision, Mission and Core Values. Notwithstanding, offering university education in a conducive learning, training and research environment, for sustainable development in the Global Space.

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Therefore, there is great need for the Ministry of Education to appeal to Universities Fund Board and The Treasury, to consider reviewing the Budgetary Allocations (upwards) for Bomet University College. Of urgency, to cater for Personal Emoluments; Operation and Maintenance; and completion of on-going Projects; prioritizing a few Lecture Theatres and small size laboratories for students; research facilities; and office space for Staff.

Land Issue

Land where Bomet University College currently have Green Tuition Block; Academic, Science and Technology Building; Library and Multi-Purpose Hall still under construction are on Letter of Allotment Ref No. 188287/25 of 2nd April, 2012 measuring 4.1 Hectare. Land Premiums as per Letter of Allotment (Plot No. 2¹¹) have been paid and awaiting Survey Map from Director of Survey in Ministry of Lands for processing of Title Deed.

2NO Hostels are being built on the two parcels of plots measuring 15.7 Hectares and 2.5 Hectares with Title Deeds Nos. Bomet Town/307 and Bomet Town/308 respectively. Copies of the Title Deeds were handed over to Bomet University College by Moi University, while the original copies are still in their custody. Bomet University College has written to request for the release of the Original Titles by Moi University and hand over to BUC. Also, Research Centre/ Start-Up Village and Administration Block, Lecture Theatre and Associated Works are being built on plots No. Bomet Town/307. However, it seems like Moi University only have copies of the Title deed but not Originals. Therefore, BUC has written to The National Treasury, the custodian of the Title, thus pursuing the original Title Deeds for plots Bomet Town/307 and Bomet Town 308, awaiting response

Bomet/Sigor/1834: Measuring 44 Hectares, consisting of four (4) parcels of land are being amalgamated through the initiative of the County Government of Bomet and Mutation Forms were prepared and are with the Lands Registrar, Bomet County for processing.

To address the above, challenges, BUC is working with major Stakeholders, at County and National level.

Management of the Sewer Plant – based on Science, Innovation and Technological Strategies. Integrated Solid Waste Management (ISWM) for sustainability, ISWM should be adopted by both BUC and Bomet County (Semi-volatility & Liability). Project Objectives is to obtain data on the quantities of each class of waste (Hospital, Agricultural, Municipal, Domestic etc.) generated in Bomet town and other parts of the county; Assess the effectiveness of waste disposal in Bomet & Evaluate the potential for waste recycling in the county; Establish e-waste collection Center for the county in BUC; Identify a place for construction of an integrated waste management facility in Bomet county.

Thus, the Project outputs would include; Soil quality of the decommissioned BUC site; Remediation (if necessary) & Tree planting; Inventory of solid waste (Quality & quantity) of solid waste in Bomet County; A proposal for an ISWM system will be developed; Identification of sites for e-waste collection center and ISWM facility, and ultimately, conversion of solid waste from an environmental hazard to sustainable renewable resource.

The University College is scouting for Partners to manage the Sewer for Teaching, Training and Research purposes, and for Waste Management and for the benefit of Community.

Decommissioning the Dumpsite – in phases (first Phase Accomplished; Removal of trash, Reclaiming the land for Sustainable development – Recreational Fields, Nature Park and Parking lot planned; while conserving the environment through tree planting, with help of Stakeholders namely: Equity Bank and Kenya Forestry Research Institute who have donated Seedlings to the University from time to time.

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Environmental conservation is key to integrating the Green Concept in Institutional operations. So far the University College has Planted over 5,000 tree seedlings in 2020/2021 and 2021/2022 Financial Years donated by Equity Bank and Kenya Forestry Service through Stakeholder Engagement and corporate social responsibility; others procured by the Institution.

Solar Lighting This will further be enhanced to include Street Lighting as part of Greening. In addition, the University has established as Branding Unit purposely to align BUC Niche and Green Concept in its operations. The University has also developed a Common Course undertaken by all Students in Undergraduate and Postgraduate on Green Concept.

Besides other Course integrated in the Academic Programmes to Brand the BUC Niche as its Core Mandate and Flagship.

Visibility, Branding and Marketing Bomet University College serves as Centre for: Kenya Accountants and Secretaries National Examination Board (KASNEB) Examination; South Rift – Examination Centre for Security Forces; and Kenya Universities and Colleges Central Placement Service (KUCCPS) as a Revision Centre for South Rift. This has served as Branding, Marketing and Visibility Channels for the University.

In addition, the University College utilizing, its Website for Branding and Visibility; besides saving the University Funds for Marketing, it has enhanced its ranking on the Web-Metrics locally ranking Number 29 out of 100 Universities and has improved to 24 out of 100, the first University College to feature in this category.

Accommodation for Students: BUC has experienced a tremendous increase in student population for the past few years. This calls for possible and sustainable ways of dealing with the raising need for student accommodation. Whereas the University admission is not pegged on the available bed space, The University has partnered with private hostels owners since September, 2020 to ensure students are safely accommodated while undertaking their studies in the College. Bomet University College has registered specific private hostels as the facilities recommended for students use. BUC is pursuing possible ways of engaging the Government through the Ministry of Education in addressing the issue of funding especially on capital projects that will see the completion of the Hostels.

Proposed interventions/Way forward:

Pending Bills: The Pending Bills are for Capital Developments owing to lack of funding from The National Treasury for the project. The National Treasury to provide funds for the Proposed Construction of Library Block, 2No. Hostel Blocks, Multipurpose Hall and Lecture Halls required to complete the Project.

Income Generating Activities (IGAs), these are the income collections from Miscellaneous and Research funds. More emphasis for research in order to generate external funds. Minimum 10% Research funds to be retained by the University College.

Use of Technology in Teaching and Learning: to be implemented through Blended learning as per the Master Timetable; regular capacity building through in-house sensitization and; use of available infrastructure and space for subscription for online platform.

Investment in appropriate ICT Infrastructure/ Integrating ICT in University Operations; and Quality Assurance

The University College with Approval of Council has greatly invested in the Enterprise Resource Planning (ERP). This has enabled the University College to automate its operations, in line with the Institutional Niche under the Green Concept while saving on paper in its daily operations and conserving the environment for sustainability.

Further, the University College has established a Quality Assurance and Data Management Unit, Media Centre, Branding Unit and ICT Unit; and internet kiosks starting in Sigor Campus; and later will be established at the Town Campus.

Library Integrated to Relevant Software to the ERP, facilitates e- borrowing of resources based on KOHA, MY LOFT and Depositories; and Approval to purchase Pen-Tablets for Staff

Linked to KENET & ICT Authority (capacity to host a population of 14,000 at once on wireless). This has enabled to University to open E- mails for Staff and Students for e- communication;

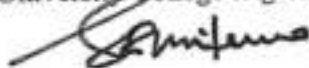
It's worth noting that each Student and Staff Member operates the ERP, and Automate all University operations: Virtual Meeting; Conferencing and Learning/Training, Research, Partnerships; and BUC has Approvals by Management Board, Academic Board and Senate to Adopt and Implement "Blended Learning". Thus, BUC is committed to investing and expounding on the already achieved/implemented infrastructure e.g. ERP, use of Internet Bandwidth to Increase internet speed; Wireless access points for addition of wireless access point; Backup and disaster recovery for offsite backup and recovery services.

Proposal to promote independence of BUC: This is through development of Universities Sustainability Plan that may include; increased student enrolment in Academic Programmes through enhanced marketing of programmes and investment in learning infrastructure by use of technology in teaching and learning to support blended learning and; enhanced land utilization and commercialization through Research, Agriculture and Public-Private Partnerships by establishing Collaborations with other institutions in developing proposals for funding

Existing Incentives for Faculty/Staff to mobilize Research Grants: The University College is at inception stage with low funding opportunities and also experiencing low internal funding. Intellectual Property Policy is under development and will cover incentives for Faculty/Staff to mobilize research grants

Income from Students Fees: These are tuition fees and related charges. Development of unique programs to attract Government and Self Sponsored Students. Fees to be charged in line with the Government directives, cost of services offered and competition.

I would like to congratulate all of us who made this year a success by working beyond the usual working hours in order to see through all the activities of the University College. My sincere and deep gratitude to the Ministry of Education specifically the State Department for University Education and Research for their invaluable support, Chancellor and Vice Chancellor of Moi University, Council Members of Bomet University College as well as our dedicated Students, Staff, Local Community and other Stakeholders. Together we shall strive to steer the University College to greater heights as we work towards the award of Charter.



PROF. SIMON ERIC MITEMA
CHAIRPERSON OF COUNCIL

5. REPORT OF THE PRINCIPAL

Bomet University College is in the fifth year of operation since establishment on 27th July 2017. The University College is very strategic in developing unique academic programme. Our Philosophy of a Green University is captured in our 2018- 2068 Master Plan that is consistent with the Strategic Plan for 2018-2023, and it aims at delivering quality and relevant Academic Programmes. Financial constraints are a major challenge to universities in Kenya and Bomet University College is not an exception. In order to minimize this risk, the University College through its Resource Mobilization Policy has outlined various income alternatives that will reduce the financing dependence on the National Treasury.

The University College has a total of one hundred and sixty three (163) staff (with an Approved Staff Establishment of 293 to be filled based on availability of funds in phases) in teaching and administrative categories. The numbers of staff are still not adequate for the University College and therefore implementation of 2020/2021 Financial Year approved Establishment is ongoing.

The University College has a total of nine hundred and one (901) First Year students under KUCCPS, thirteen (13) First Year undergraduate PSSP degree students, nine (9) First Year Diploma students and five (5) Certificate students. In addition to the First-Year students, the continuing students who are in the Second, Third and Fourth year of study totals nine hundred and four (904). The University College admitted first year Postgraduate students in 2021/2022 Academic Year being ten (10) PHD students, eleven (11) Masters Students and one (1) Postgraduate Diploma students. The respective end of semester examinations have been conducted and moderated externally.

The financial operations of the University College began in July 2017 with management of its Finance, Procurement and Human Resources done at Moi University till June 2018. During the first year of inception, most activities were geared towards establishment of the Council and Management of Bomet University College which then enabled the preparation of Strategic Plan 2018-2023, Master Plan 2018-2068 and planning for Human Resources; and launch of Academic Programmes. The University College cannot generate substantive amount of internally generated revenue owing to the low number of students, human and physical resources. The Government through the State Department for University Education and Research has therefore been supporting a greater percentage of the operations over the years; through exchequer funds.

As relates to Capital Projects, the Government of Kenya Approved a Capital Development Grant in 2016/2017 Financial Year for the construction of 1 No Tuition Block, 1No Library, 1No Multipurpose Hall and 2No Hostels all totalling Kshs. 1,391,982,469.

The commencement date for the Contract was 8th November 2016 and was expected to run for one hundred and four (104) weeks to be completed on 7th November 2018. However, there is an approved variation of the Contract period to 7th November 2020. Inadequate funding, boundary disputes and the earlier site challenges caused the delay in implementation of the project. As at 30th June 2022, the overall completion of the Project was 60% with the Tuition Block at 99%, Library at 55%, and Multipurpose Hall at 90% and Hostels at 4%.



PROF. ANNE NANGULU
PRINCIPAL AND SECRETARY TO COUNCIL

6. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR 2021/2022 FINANCIAL YEAR

The University College has been implementing its Strategic Plan 2018-2023 progressively through Approved Annual Work Plans and Negotiated, Vetted and Reviewed Performance Contracts. The Strategic Plan 2018-2023 has been reviewed twice. First review was in 2019/2020 whereby the Strategic Objectives were reviewed from the initial eight (8) to six (6) towards aligning the Strategic Plan to the National Development Agenda. These reviewed Strategic Pillars/Themes and Goals of the Strategic Plan 2018-2023 as follows:

- i. To develop excellence in teaching and learning.
- ii. To provide a vibrant intellectual climate for quality scientific research and innovation.
- iii. To conduct community outreach and engagement for advancement of humanity.
- iv. To develop green physical facilities and ICT Infrastructure for the University College.
- v. To develop green viable programmes and engage in activities that enhance students' welfare.
- vi. To establish and maintain good corporate governance and prudent financial management system for quality service delivery.

The second review of 2020/2021 realigned the Strategic Plan to the reviewed Strategic Objectives, Government's Big Four Agenda, MTP III (2018-2022), Sustainable Development Goals (SDGs) 2015, Reforms in the Education Sector and other emerging issues such as COVID-19 Pandemic.

In the FY 2021/2022 Bomet University College developed and implemented Approved Annual Work Plan 2021/2022 complemented by the Negotiated, Vetted and Reviewed Performance Contract for 2021/2022. The targets of the Performance Contract were cascaded to Divisions, Schools, Departments, Sections and Units levels at which implementation was done and monitored in line with the 18th Cycle Performance Contracting Guidelines.

Generally the University College met the performance targets for the year and has noted continued improvement from the previous years as anticipated in the Reviewed Objectives of the Strategic Plan as shown in figure 6. Key areas of focus within the Financial Year 2021/2022 were: Financial stewardship and discipline; Service Delivery; Core mandate areas aligned to the Strategic Plan; implementation of Presidential Directives, Access to Government Procurement Opportunities, Promotion of Local Content in Procurement and implementation of Cross Cutting issues as per Government regulations and guidelines. Notably, the externally evaluated targets scored remarkably outstanding performance including Science, Technology and Innovation Mainstreaming, Corruption Prevention, and National Cohesion and Values whereby in each the score was 100%.

A preliminary Self-evaluation Report awaiting external moderation and evaluation, indicates that Bomet University College attained a composite score of 2.5760 that translates to "Very Good".

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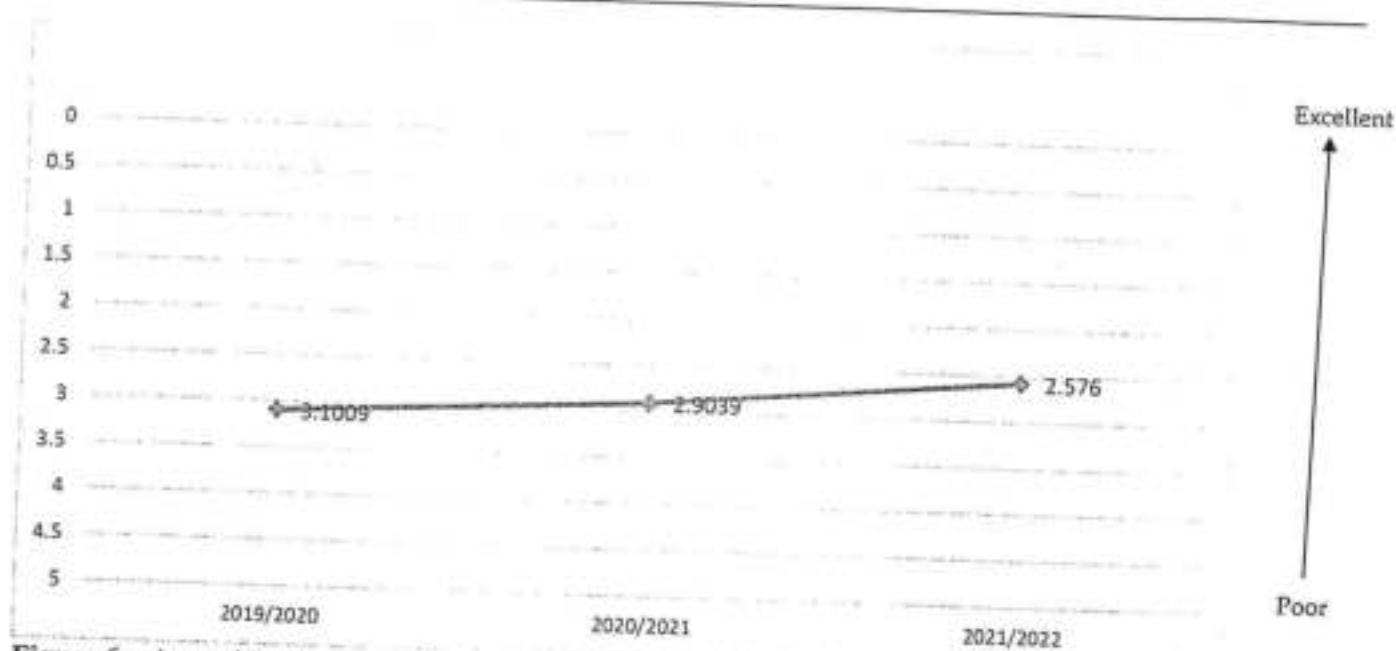


Figure 6 : Annual Performance Contracting Evaluation Scores for FY2019/2020; 2020/2021 and 2021/2022

7. CORPORATE GOVERNANCE STATEMENT

The roles and functions of the University College Council are clearly defined and it includes providing oversight of Management and giving the strategic direction of the University College. The Council defines the University's College Strategic Objective Goals, Strategies, and Values and ensures that procedures and practices are put in place to ensure compliance. The Council develops short- and long-term goals of the University College, develops strategies to achieve those goals and monitors the performance of the University College through Performance Contracting. The Finance, Administration, Strategy, Building and Development Committee of Council Considers and Recommends to Council Approval of Annual Budgets, Quarterly Reports and spearheads the preparation of Financial Statements as per laid down Policies and Requirements of Financial Management. In addition, the same Committee ensures that the University College has adequate systems of internal controls together with appropriate monitoring of compliance activities to ensure business continuity. The Audit and Compliance Committee of Council advises the University College on ways to improve internal control systems, financial reporting as well follow-up of audit recommendations. Other Committees include Finance, Administration, Strategy, Building and Development Committee; Academic, Research, Extension, Student Affairs and Sealing Committee; and Human Resource, Governance and Staff Disciplinary Committee. The University College Council has unrestricted access to timely and relevant information as well as advice and services of the University College Principal and Secretary to Council to discharge its duties effectively.

The Council operates in compliance with the Mwongozo Code of Conduct that offers Corporate Governance Framework for all State Corporations. The Council prepares an Annual Almanac showing the schedule of Meetings planned for each year. During the year, the University College Council held Meetings, while Special Meetings as per laid down procedures.

The University Council is headed by the Chairperson and nine members who include Representative/Alternate Members from the Ministry of Education, National Treasury and Inspectorate of State Corporations. The Vice Chancellor of Moi University sits on Council as Ex-Officio Member; Senate of Moi University is also represented in the Council, Moi University being mentor, while on the Roadmap to Charter. The University College Principal is the Secretary to Council. The constitution of the Council considered the requirements of the education sector, diversity of skills, academic qualifications, gender, age and experience necessary to add value to the operations of the University College. The Council Members are appointed to various Council Committees with well-defined terms of reference and mandated to carry out specific functions. The Members of Council therefore bring their diverse qualifications and experiences in deliberations during the Council Meetings. The Council Committees have defined terms of reference and are intended to facilitate efficient decision-making during Council Meetings. Further Council members usually go through inductions and trainings to help them go through their oversight role and ensure success in the institution.

The Board will endeavor to develop a strategic document that outline the process that boards and committees must follow when replacing board members, and top management and building competencies and skills for current and future institution's needs. Currently the Council Committees and Council developed and approved the Terms of References (ToRs) with the input from State Corporations and Advisory Committee and the ToRs are being expounded to form the Board Charter.

Annual Council/Board Self Evaluation for 2020/2021 Financial Year by State Corporations Advisory Committee was carried out, and the Chairperson go through the Board Evaluation Results in the presence of members before signing the Report, and check on the areas where there is need for improvement and advice accordingly.

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The Term for Council for BUC LAPSED ON 29TH September 2020. Therefore in 2021/2022 Financial Year Council matters were handled by Special Council Ad Hoc Committee Meetings as Approved by the Principal Secretary, State Department of University Education and Research. Therefore, there was no vacuum in terms of Council Approvals.

Bomet University College had no Council during 2021/2022 financial year and through the Approval of the Principal Secretary (State Department for University Education and Research) BUC held Special Council /Ad Hoc Committee meetings. The University College held three Special/Ad Hoc Council Meetings and one Board Self Evaluation during the financial year and the Membership of the meetings are shown in the table below.

Day/Date	Meeting	Members
Tuesday, 6 th July 2021	Special Council	Chairperson: Prof. Isaac Sanga Kosgey Members: Dr. John Nyangena Mr. Paul Kangira Ms. Monica Asuna Prof. Anne Nangulu
Thursday, 2 nd September 2021	Ad Hoc Council Committee	Chairperson: Prof. Isaac Sanga Kosgey Members: Dr. John Nyangena Mr. Paul Kangira Prof. Anne Nangulu
Wednesday, 23 rd February 2022	Virtual Council/Board Self Evaluation for Financial Year 2020/2021 by by State Corporations Advisory Committee;	Chairperson: Prof. Isaac Sanga Kosgey Members: Dr. John Nyangena Ms. Monica Asuna Prof. Anne Nangulu
Friday, 25 th February 2022	Council/Board Self Evaluation for 2020/2021 Financial Year by State Corporations Advisory Committee; and Meeting of Ad Hoc Council Committee	Chairperson: Prof. Isaac Sanga Kosgey Members: Dr. John Nyangena Ms. Monica Asuna Prof. Nathan O. Ogechi Prof. Anne Nangulu
Friday, 25 th February 2022	Ad Hoc Council Committee	Chairperson: Prof. Isaac Sanga Kosgey Members: Dr. John Nyangena Prof. Nathan O. Ogechi Prof. Anne Nangulu

The Board/Council has a Conflict of Interest Register and at every Meeting Council Members are required to declare any Conflict of Interest with regard to the matters under discussion.

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While the Council sets the direction and provide guidance of the overall strategy, the day to day running of the University College through implementation of the approved Policies and Council Approvals, has been delegated to the University College Principal, University College Management Board, Academic Board and relevant governing organs. However, the Council is responsible for the stewardship of the University College and assumes responsibility Strategic direction of the University College. Once Council is fully constituted, the Code of Conduct and Ethics for Council will be developed.

8. MANAGEMENT DISCUSSION AND ANALYSIS

8.1 Academic Review

The first two groups of students for BUC were carried over from the then Bomet Campus College of Moi University and the first lot graduated in December 2020 while the second lot graduated in August 2021.

BUC has a total of nine hundred and one (901) First Year students under KUCCPS, thirteen (13) First Year undergraduate PSSP degree students, nine (9) First Year Diploma students and five (5) Certificate students. In addition to the First-Year students, the continuing students who are in the Second, Third and Fourth year of study totals nine hundred and four (904). The University College admitted first year Postgraduate students in 2021/2022 Academic Year being ten (10) PHD students, eleven (11) Masters Students and one (1) Postgraduate Diploma students. The respective end of semester examinations have been conducted and moderated externally.

The examinations for the First Semester was conducted between 9th December and 23rd December 2021. The Second Semester of 2021/2022 Academic Year started on 3rd January 2022 and examinations was done between 11th April to 22 April 2022 followed by External Moderation between 9th May and 13th May 2022. Students in Third Year of study proceeded for Industrial Attachment and Teaching Practice from May 2022 to end of June 2022. Other student activities for the year were as follows:

i) Student Affairs Department

The Office of Dean of Students shall enhance excellent and equitable welfare services to all registered students of Bomet University College to enhance their life experience while in Campus. The services offered include; Arrangement for accommodation, coordinating sporting activities, orientation of new students among others.

ii) Bomet University College Student Organization Elections

Students' union body of BUC carries out elections annually and the 4th BUCSO elections was carried out peacefully on 4th February 2022. The election process was totally electronic in line with the University College niche. Seven (7) members of Student Governing Council were elected and sworn in on 15th February 2022 and the induction of the leaders was done on 3rd – 5th March 2022.

iii) Games and Sports

The University College has also encouraged the participants to take the COVID -19 vaccine as a pre-requisite to engagement at levels beyond the University College practices. BUC successfully hosted the National Ladies Rugby under 20 on 24th – 25th July 2021. Students also took part in the National Athletics Championships at University of Eldoret that was held on 25th September 2021 and produced the second best in the 10Km race and thereafter represented the country during the All African Universities Athletics Championships on 27th November 2021 at JKUAT. Other games BUC participated in included the KUSA Rift for Volleyball (Men and Women) held between 6th to 7th November 2021 at Moi University; National Karate playoffs at Mt. Kenya University held between 4th to 5th March 2022.

iv) Mentorship & Outreach Programmes

BUC through the Office of Career and Academic Advisory Services is committed to carry out external mentorship programmes. During the year under review there were visits to Bishop C Korir Seguteit Girls on 27th November 2021, Kyogong Boys Secondary School on 3rd December 2021 and Kaboson Girls High School on 12th January 2022.

v) Cultural Week

In an attempt to promote National Cohesion within BUC, annual Cultural was held 17th to 19th November 2021.

vi) Counselling Services

Counselling Services Section takes cognizance of emerging issues affecting students such as Drugs and Substance Abuse, Pregnancy cases, Financial Issues, Abortions among other issues. Among services provided include:

- a) Individual/Group Counselling
- b) Orientation of First Year Students
- c) Man-to-man, Woman-to-woman talk that was conducted successfully in conjunction with Health Unit during orientation
- d) Peer Counselling training and supervision
- e) Psychosocial education and training, Awareness creation and Sensitization forums
- f) Online Counselling
- g) Partnership and Networking with I Choose Life Africa and other relevant stake holders.
- h) Weekly Articles and Weekly Edition
- i) Students With Disabilities Support Group
- j) Young mothers Mentorship
- k) Staff Welfare Counselling

8.2 Financial Review

The financial operations of BUC began in July 2017 with management of its Finance, Procurement and Human Resources done at Moi University till June 2018. During the first year of inception, most activities were geared towards establishment of the Council and Management of Bomet University College which then enabled the preparation of Strategic Plan 2018-2023, Master plan 2018-2068 and planning for Human Resources.

The University College was not able to generate substantive amount of internally generated revenue owing to the low number of students, human and physical resources. The Government through the State Department for University Education has therefore been supporting a greater percentage of the operations over the years as shown in table 8.2.

The financial performance in 2019/2020 Financial Year posted a surplus of Kshs 52,029,354. The surplus is attributable to the timing of expenditure since the recruitment process as in the case of Personal Emoluments expenses took longer to achieve. The recruitment process for Phase 2 Part 1 and 2 was advertised, short listing done for majority of the positions and interviews conducted for the Council approved establishment. In addition, in some instances the Procurement process for Operations and Maintenance activities was slowed down by the suspension of teaching and learning owing to the Coronavirus COVID-19 Global Pandemic. The surplus reported in 2020/2021 Financial Year reduced to Kshs 625,419 compared to Ksh 52,029,354 reported in 2019/2020 Financial Year owing to recruitment of staff achieved in the Financial Year. Most of the surplus amounting to Kshs 23,329,037 reported in 2021/2022 Financial Year is attributed to the fact that Assets procured were capitalized hence does not appear in the Financial Performance.

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Table 8.2: Summary of Financial Performance

PARTICULARS	2021/2022	2020/2021	2019/2020	2018/2019	2017/2018
	Draft	Audited	Audited	Audited	Audited
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs
Transfers from other governments–gifts and services-in-kind	312,249,416	308,291,350	318,907,793	131,532,000	145,750,000
Sub-Total	312,249,416	308,291,350	318,907,793	131,532,000	145,750,000
Appropriations in Aid					
Rendering of good & services	68,591,700	37,160,450	29,025,050	16,847,000	15,359,000
Miscellaneous Income	271,420	32,500	536,882	-	-
Externally Generated Funds	259,570	771,032	-	-	-
Sub-Total	69,122,690	37,963,982	29,561,932	16,847,000	15,359,000
Total Revenue	381,372,106	346,255,332	348,469,725	148,379,000	161,109,000
Expenses					
Employee costs	298,712,919	227,511,287	156,010,055	112,760,000	61,210,000
Remuneration of Directors	1,424,930	5,401,268	20,498,070	19,587,000	10,956,000
Depreciation and amortization expense	12,646,654	13,528,772	12,554,869	9,141,000	5,034,000
Repairs and maintenance	1,622,148	25,269,348	12,245,808	2,212,000	4,411,000
Contracted Services	22,300,102	11,417,226	5,813,836	927,000	12,347,000
Use of Goods and Services	21,851,871	60,866,826	89,317,734	38,430,000	23,881,000
Provision for bad/doubtful debts	515,556	(1,635,186)	-	-	-
Total Expenses	358,043,069	345,629,913	296,440,372	183,057,000	117,839,000
Other Gains/(losses)					
Gain/(Losses) on sale of assets	-	-	-	-	-
Total Other Gains/(losses)					
Surplus (Deficit) for the Period	23,329,037	625,419	52,029,353	(34,678,000)	43,270,000

8.3 University Land and Fixed Assets

University Land

Bomet University College has four parcels of land in Sigor which have been amalgamated into one piece of land measuring approximately 57.08 acres (23.1hectares) and registered as KER/SIGOR/1834 in favour of County Government of Bomet and reserved for Bomet University College. There are no encumbrances registered against the title as it was inspected during the valuation. There is a parcel measuring 10.3 acres (4.7 hectares) situated within Bomet town and where the Bomet University College is currently located. Registration of the land is ongoing but details pertaining to it are contained in FR 328/28 at the Bomet Land registry. Finally, the University College owns Bomet Town/307 measuring approximately 44.997 acres (15.7100 hectares); Bomet Town/308 measuring approximately 6.18 acres (2.5000 hectares); and registered in the name of Cabinet Secretary National Treasury (Bomet University College). The value of BUC Land is Kshs 930,800,000 while the Book Value of buildings is Kshs 48,608,802.

SECTION B

Entity's Compliance with Statutory Requirements

During the period ended 30th June 2022, the University College complied with statutory requirements with regard to deduction and remittance of PAYE, Withholding VAT, NHIF, Pension and NSSF.

SECTION C

Key Projects and Investment Decisions the Entity is Planning/Implementing

The Government approved a Capital Development Grant in 2016/2017 Financial Year for the construction of 1 No Tuition Block, 1No Library, 1No Multipurpose Hall and 2No Hostels all totalling Kshs.1,391,982,469.

The commencement date for the Contract was 8th November 2016 and was expected to run for one hundred and four (104) weeks to be completed on 7th November 2018. However, there is an approved variation of the Contract period to 7th November 2020. Inadequate funding, boundary disputes and the earlier site challenges caused the delay in implementation of the project. As at 30th June 2022, the overall completion of the Project was 60% with the Tuition Block at 99%, Library at 55%, and Multipurpose Hall at 90% and Hostels at 4%.

The total payments to the on-going project at 30th June 2022 was Kshs 761,813,360 thereby leaving a balance of Kshs 630,169,109 required to completion. The total funds approved and disbursed by the Exchequer for the on-going projects since 2016/2017 to 2021/2022 Financial Year is Kshs 807,850,355 as shown in table 8.4.

Table 7.4: Capital Development Funds Received

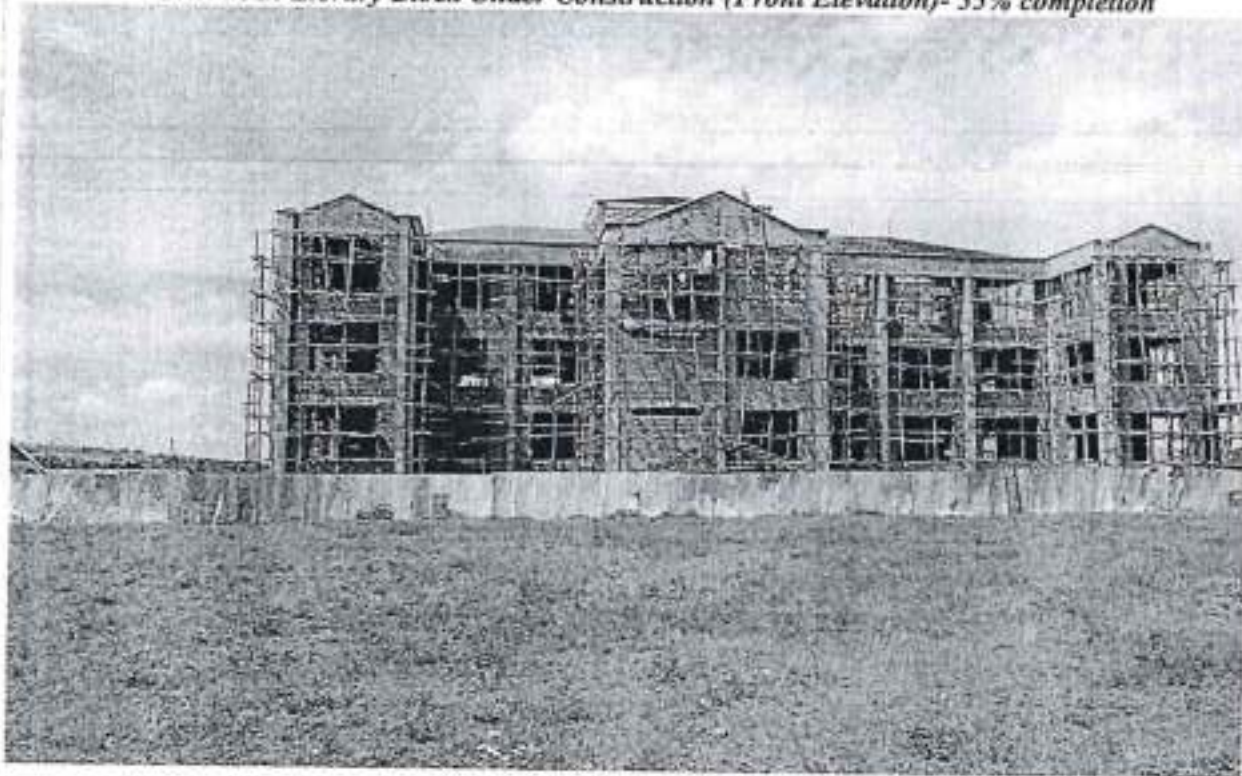
PARTICULARS	2021/2022	2020/2021	2019/2020	2018/2019	2017/2018	2016/2017
	Actual	Actual	Actual	Actual	Actual	Actual
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Capital development budget received from The Exchequer	50,000,000	49,224,355	275,000,000	253,481,000	30,145,000	150,000,000
Total						807,850,355

The outstanding payments for the construction of 1 No Tuition Block, 1No Library, 1No Multipurpose Hall and 2No Hostels as at 30th June 2022 was Kshs 20,563,947 being Interim Certificates for sub-contractors for electrical, structured cabling and air conditioning works.

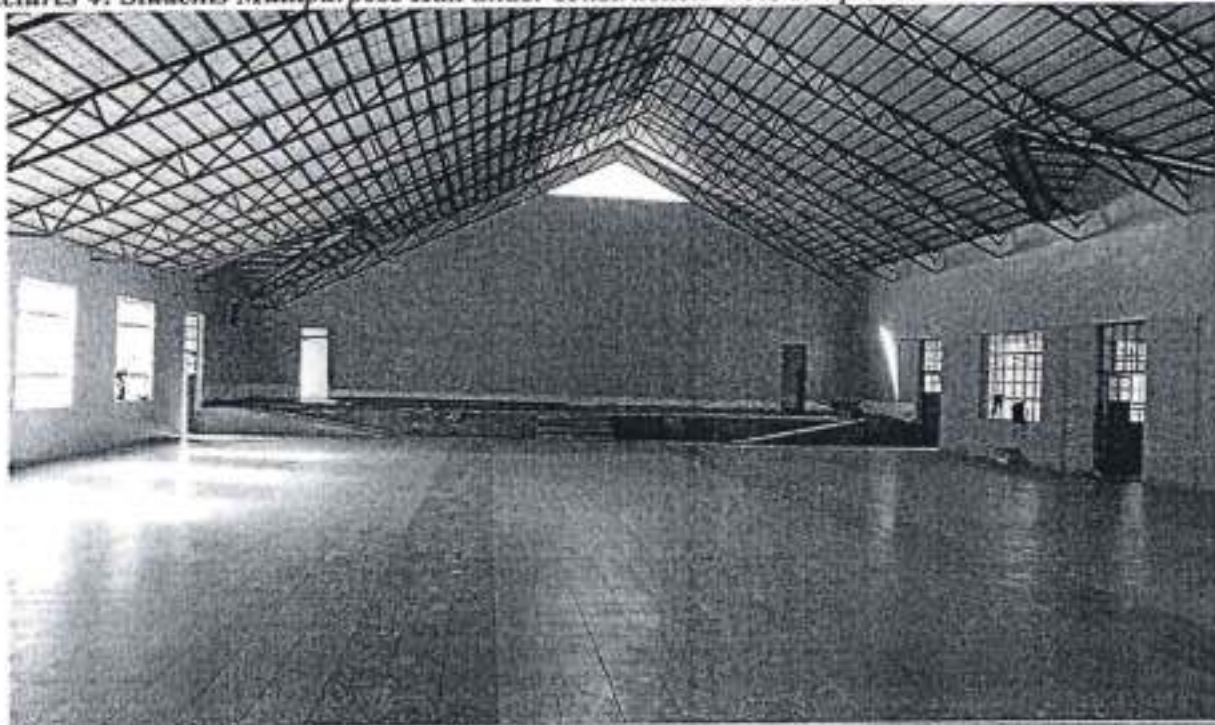
Picture 1: BUC Green Tuition Block- Front Elevation (99% completion)



Picture 3: Library Block Under Construction (Front Elevation)- 55% completion



Pictures 4: Students Multipurpose Hall under construction- 90% completion



9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

i) Sustainability Strategy and Profile

The Motto of Bomet University is "*Green University for Sustainability*" while the Niche is "*Green Economy for Sustainability*". The University College is committed to integrating the green concept in academic programmes and in its operations to enhance sustainability.

During the Financial Year 2021/2022 Bomet University College undertook Decommissioning of the Dumpsite in Plot numbers 307 and 308. Decommissioning of the dumpsite is a continual process; hence Phase I of decommissioning has been completed and Phase II is to be actualized in the current year, through waste management; and activities to facilitate sustainable use of the land. During the Financial Year, the University College Council approved Review of Master Plan for 2018-2068; and Strategic Plan 2018-2023 to enable incorporation of the planned activities towards enhancing sustainability.

ii) Employee Welfare

In the FY 2021/2022 the Council and Management committed to promote Staff Welfare by undertaking various activities which were accomplished within the said year. Staff Welfare activities are evidenced in the Performance Contract for the Financial Year 2021/2022 which included: Prevention of HIV Infection through implementation of Maisha I Wellness program; securing a comprehensive medical insurance cover for staff; provision of a staff lounge in the Multipurpose Hall Block; Disability Mainstreaming; undertaking safety and security measures and sensitizing staff and students on National Cohesion and Values

iii) Market Place Practices

Bomet University College is committed to contributing effectively and efficiently to the achievement of the national development agenda as espoused in the "Big Four Agenda: and Kenya Vision 2030, keeping in mind the specific priorities of the University College. The Vision, Mission, Strategic Objectives of the University College have been aligned to the National Agenda. During the Financial Year 2021/2022, the University Council approved the Strategic Plan 2018-2023 to enable incorporation of the Strategic Objectives they have been aligned to the National Agenda. In its operations, the University College acknowledges and complies with provisions of the Constitution of Kenya and relevant government, Inter-governmental Agenda and United Nations Sustainable Development Goals (SDGs).

iv) Corporate Social Responsibility / Community Engagements

In the Financial Year 2021/2022 Bomet University College (BUC) engaged the local community and local institutions in the following ways:

1. The partnership between BUC and the local schools enabled students from Bomet University College to conduct their Teaching Practice in the local schools.
2. BUC positively engaged the neighbouring St Michael Primary and Secondary Schools on various matters including: demarcation of land boundaries, Construction of 20 No Door Toilet Facilities for Teachers and Pupils of St Michael Primary School on cost sharing basis as a corporate social activity; and enabling

the St Michael Secondary School and St Michael Primary School to get connected to the University College water supply system from Bomet Water and Sewerage Company Ltd (BOMWASCO).

3. BUC Linked with the National Government through the Information, Communication and Technology Authority in provision of internet connectivity through Fiber Optic.

10. REPORT OF THE UNIVERSITY COLLEGE COUNCIL

The Council Members submit their Report together with the Financial Statements for the year ended June 30, 2022 which show the state of the University's affairs.

i) Principal Activities

The principal activity of the University College is to provide university education through teaching, research and outreach.

ii) Results

The results of the entity for the year ended June 30, 2022 are set out on page 1 to 45

iii) Members of Council

The First Council was Appointed through Gazette Notice No 10150 and 10151 dated 29th September 2017, appointed for a period of three (3) years effective 29th September 2017 and lapsed on 29th September 2020. The Second Council was Appointed through Gazette Notice Vol. Cxxiv – No. 131 dated 8th July 2022 for a period of three (3) years effective 8th July 2022.

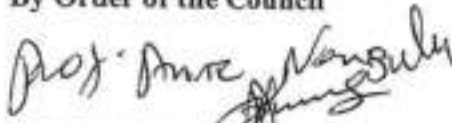
iv) Surplus Remission

In accordance with Regulation 219 (2) of the Public Finance Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. Bomet University College did not make any surplus from its budgetary commitments during 2020/2021 Financial Year and hence no remittance to the Consolidated Fund.

v) Auditors

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

By Order of the Council



PROF. ANNE NANGULU
PRINCIPAL AND SECRETARY TO COUNCIL

11. STATEMENT OF COUNCIL'S ESPONSIBILITIES

Section 81 of the Public Finance Management (PFM) Act, 2012 and Section 47 of the Universities Act require the University College Council to prepare financial statements in respect of the University College, which give a true and fair view of the state of affairs of the University College at the end of the financial year and the operating results of the University College for that year. The Council Members are also required to ensure that the University College keeps proper accounting records which disclose with reasonable accuracy the financial position of the University College. The Council Members are also responsible for safeguarding the assets of the University.

The Council Members are responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the University College for and as at the end of the financial year ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the University; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

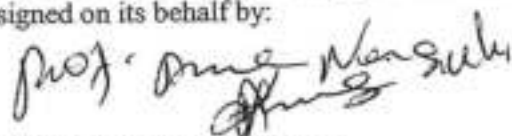
The Council Members accept responsibility for the University College financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Universities Act. The Council Members are of the opinion that the University's financial statements give a true and fair view of the state of Bomet University College transactions during the financial year ended June 30, 2021, and of the University College financial position as at that date. The Council Members further confirm the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University College financial statements as well as the adequacy of the systems of internal financial control.

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

The First Council was appointed through Gazette Notice No 10150 and 10151 dated 29th September 2017, appointed for a period of three (3) years effective 29th September 2017 and lapsed on 29th September 2020. The Second Council was appointed through Gazette Notice Vol. Cxxiv – No. 131 dated 8th July 2022 for a period of three (3) years effective 8th July 2022.

Approval of the Financial Statements

The Bomet University College Financial Statements were approved by Council on 28th September 2022 and signed on its behalf by:



PROF. ANNE NANGULU
PRINCIPAL AND SECRETARY TO COUNCIL

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON BOMET UNIVERSITY COLLEGE FOR THE YEAR ENDED 30 JUNE, 2022

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 Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and overall 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 Bomet University College set out on pages 1 to 44, which comprise the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and

other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Bomet University College as at 30 June, 2022, 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 Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Presentation and Accuracy of Financial Statements

Review of the annual report and financial statements prepared and presented for audit for the year revealed the following anomalies:

1.1. Statement of Financial Position

- i) The statement of financial position reflects receivables from exchange transactions balance of Kshs.10,076,671 net of provision of doubtful debts of Kshs.1,119,630 or 10% as disclosed in Note 16 to the financial statements. However, the policy on provision of doubtful debts has not been disclosed in the financial statements. Similarly, the aging analysis of the receivables was not provided for audit review.
- ii) The statement also reflects receivables from non-exchange transactions balance of and Kshs.2,081,850 relating to long outstanding imprests. Management has, however, not instituted measures to recover the long outstanding imprests from the salaries of the affected officers.
- iii) The statement reflects provisions amounting to Kshs.41,547,398 as disclosed in Note 21 to the financial statements. The amount includes general provisions of Kshs.21,883,267 relating to commitments for goods and services that had not been supplied as at end of the year and provision for doubtful debts of Kshs.1,119,630 which has been netted off from receivables from exchange transactions balance.
- iv) The aging analysis for trade and other payables from exchange transactions and non-current liabilities of Kshs.85,403,027 and Kshs.74,364,569 respectively were not provided for audit review.

1.2. Statement of Cash Flows

- i) The statement of cash flows reflects the increase in payables totaling to Kshs.132,621 which vary with the recomputed amount of Kshs.45,833,991 resulting unexplained variance of Kshs.45,701,370.
- ii) The statement also reflects purchase of property, plant and equipment cost of Kshs.30,432,604 which vary with the additions totaling to Kshs.25,932,604 reflected in Note 23 to the financial statements resulting to unexplained variance of Kshs.4,500,000.

In the circumstances, the financial statements as prepared and presented are inaccurate and not in accordance with International Public Sector Accounting Standards Board Template.

2. Variance between Financial Statements and the General Ledger Balances

Comparison of the financial statements and general ledger balances revealed variances as shown below:

Component	Financial Statement Amount (Kshs.)	General Ledger Amount (Kshs.)	Variance (Kshs.)
Revenue from Exchange	69,122,690	70,796,690	(1,674,000)
Depreciation & Amortization	12,646,654	2,054,744	10,591,910
Cash and Bank Balances	265,329,020	275,352,383	(10,023,363)
Inventories	2,146,248		2,146,248
Total	349,244,612	348,203,817	1,040,795

Under the circumstances, the accuracy and completeness of the financial statements for the year ended 30 June, 2022 could not be confirmed.

3. Land Without Ownership Documents

The statement of financial position reflects property, plant and equipment balance of Kshs.1,857,299,125 as disclosed in Note 23 to the financial statements. The amount includes the cost of four parcels of land owned by the College valued at Kshs.930,800,000. However, ownership documents for the parcels of land were not provided for audit verification.

In the circumstances, the rightful ownership to the parcels of land costing Kshs.930,800,000 as at 30 June, 2022 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of comparison of budget and actual amounts reflects budgeted expenditure and actual on comparable basis of Kshs.363,623,701 and Kshs.373,014,470

respectively resulting to over expenditure of Kshs.9,390,769 or 3%. The over expenditure has been explained to be a result of administrative cost which management had little control on.

In the circumstances, it is clear that the University was under budgeted and did little to control expenditure. This will hinder the University from providing services to the intended beneficiaries.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Casual Wages

The statement of financial performance reflects employee costs of Kshs.298,712,919. The amount includes casual wages expenditure of Kshs.968,765 as disclosed in Note 10 to the financial statements for seven casual workers. However, the casual workers have been engaged for over twelve (12) months. This is contrary to Policy 2.3.4 of the Bomet University College Human Resource Policy Manual, 2018 which restricts casual employment to a maximum of three months.

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

2. Failure to Constitute Council

Review of records revealed that the term of the first council expired on 29 September, 2020 and Second Council Members appointed on 8 July, 2022. Effectively, the College did not have a Council in place in the year under review. The expenditure incurred in the year was therefore not approved. This is contrary to Order 21 of the Bomet University College Order, 2017 which requires the Council to cause to prepare and approve of revenue and expenditure for the financial year. No expenditure shall be incurred for purpose of the College without approval of the Council.

In addition, remuneration of directors amounting to Kshs.1,424,930 as reflected in the statement of financial performance is not justified in the absence of the Council.

The Management was in breach of the Bomet University College Order, 2017.

3. Irregular Acting Allowance

The statement of financial performance reflects employee costs totaling Kshs.298,712,919. The amount includes acting allowance expenditure of Kshs.2,139,033 as disclosed in Note 10 to the financial statements. This was in relation to twenty-three

(23) officers on acting appointments with effect from 15 January, 2022 or for a period of one year. This is contrary to Section C.14 (1) of the Public Service Human Resource Policies and Procedures Manual, 2016 which states that the payment of acting allowance will not be payable to an officer for more than six (6) months. Management has not provided explanation of retaining and paying acting allowances to officers for over six months.

The Management is in breach of the Public Service Human Resource Policies and Procedures Manual, 2016.

4. Ethnic Imbalance

Review of the staff data shows the College has one hundred and forty-eight (148) employees out of which sixty-six (66) or 45% belong to the dominant ethnic community. Further, twenty-eight (28) employees were recruited in the year under review out of which seven (7) employees belonged to the dominant ethnic community. This is contrary to Section 7 of the National Cohesion and Integration Act, 2008 which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff. No public establishment shall have more than one third of its staff from the same ethnic community.

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

5. Non-Implementation of E-Procurement

The statement of financial performance reflects contracted services totaling Kshs.22,300,102 as further disclosed in Note 14 to the financial statements. However, the procurement was not undertaken through the e-procurement system. This is contrary to Regulation 49(2) of the Public Procurement and Asset Disposal Regulations, 2020 which states that the conduct of e-procurement procedures for the supply of goods, works and services shall be conducted by a procuring entity using an e-procurement system which is integrated to the State Portal.

In the circumstances, Management is in breach of the Public Procurement and Asset Disposal Regulations, 2020.

6. Stalled and Incomplete Projects

The statement of financial position reflects property, plant and equipment balance of Kshs.1,857,299,125. The amount includes capital work-in-progress amount of Kshs.827,495,069 for two stalled projects whose contract sum is Kshs.1,408,527,400. They include, construction of Library blocks whose contract sum was Kshs.1,391,982,469 and supply and installation of ERP for Kshs.16,544,932.

However, liquidated damages for delayed performance have not been claimed from the contractor in compliance with Section 140(b) of the Public Procurement and Asset Disposal Act, 2015 which states that the contractor shall be liable to liquidated damages for delayed performance. The likelihood of completing the projects in the near future cannot be confirmed.

In the circumstances, value for money has not been received from the money already spent on these projects of Kshs.765,192,337 as at 30 June, 2022.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed. I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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 those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the College's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the College or to cease its 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 Council is responsible for overseeing the College'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 control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 June, 2023

13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE, 2022

PARTICULARS	Notes	2021/2022 Kshs	2020/21 Kshs
Revenue from Non Exchange Transactions			
Transfers from other governments–gifts and services-in-kind	7	312,249,416	308,291,350
Sub-Total		312,249,416	308,291,350
Revenue from Exchange Transactions			
Rendering of good & services	8	68,591,700	37,963,982
Miscellaneous Income		271,420	
Externally Generated Funds		259,570	
Sub-Total		69,122,690	37,963,982
Total Revenue		381,372,106	346,255,332
Expenses			
Use of Goods and Services	9	21,851,871	60,866,826
Employee costs	10	298,712,919	227,511,287
Council Expenses	11	1,424,930	5,401,268
Depreciation and amortization expense	12	12,646,654	13,528,772
Repairs and maintenance	13	1,622,148	25,269,348
Contracted Services	14	22,300,102	11,417,226
Grants and Subsidies		-	-
Finance Costs		-	-
Total Expenses		358,558,624	343,994,727
Other Gains/(losses)			
Decreases/(Increase) in Provision for bad/doubtful debts	16	515,556	(1,635,186)
Total Other Gains/(losses)		-	-
Surplus (Deficit) for the Period		23,329,037	625,419
Accumulated Surplus		84,575,811	61,246,773

The notes set out on pages 12 to 51 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 51 were signed on behalf of the Council Members by:



Prof. Anne Nangulu
Principal and Secretary to Council


CPA Daniel Kimaiyo
ICPAK No. 12579



Prof. Simon Eric Mitema
Chairperson of Council

14. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

PARTICULARS	Notes	2021/2022	2020/2021
ASSETS		Kshs	Kshs
Current Assets:			
Cash and cash equivalents	15	265,329,020	204,725,935
Receivables from exchange transactions	16	10,076,671	14,716,673
Receivables from non-exchange transactions	17	2,081,850	2,970,870
Inventories	18	2,146,248	2,060,159
Total Current Assets		279,633,789	224,473,637
Non-Current Assets			
Property, Plant and Equipment	23	1,857,299,125	1,844,013,175
Intangible Assets	25	16,544,931	16,544,931
Total Non-Current Assets		1,873,844,057	1,860,558,107
TOTAL ASSETS		2,153,477,846	2,085,031,744
LIABILITIES			
Current Liabilities:			
Trade and other payables from exchange transactions	19	99,525,342	57,448,357
Other payables- Contingent Liabilities	20	4,980,675	4,980,675
Provisions	21	41,547,398	67,953,426
Total Current Liabilities		146,053,415	130,382,458
Non-Current Liabilities			
Non-Current Liabilities	22	74,364,569	70,607,563
Total Non- Current Liabilities		74,364,569	70,607,563
TOTAL LIABILITIES		220,417,984	200,990,021
TOTAL NET ASSETS		1,933,059,861	1,884,041,723
FINANCED BY:			
Capital Reserve		1,848,484,051	1,822,794,949
Accumulated Revenue Reserve		84,575,811	61,246,773
TOTAL NET ASSETS		1,933,059,862	1,884,041,722

The Financial Statements set out on pages 1 to 51 were signed on behalf of the Council Members by:



Prof. Anne Nangulu
Principal and Secretary to Council


CPA Daniel Kimaiyo
ICPAK No. 12579



Prof. Simon Eric Mitema
Chairperson of Council

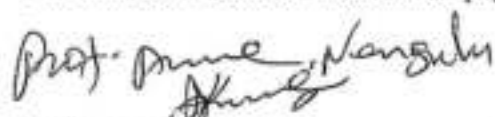
15 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022

Particulars	Revaluation reserve	Retained earnings	Capital/	Total
			Development Grants/Fund	
As at July 1, 2020	1,201,765,608	60,621,746	558,626,000	1,779,738,241
Revaluation gain	-			-
Surplus/ deficit for the year		625,419		625,419
Capital/Development grants received during the year			49,224,355	49,224,355
As at June 30, 2021	1,201,765,608	61,247,165	607,850,355	1,884,041,722
Revaluation gain	-			-
Surplus/ deficit for the year		23,329,037		23,769,719
Capital/Development grants received during the year			50,000,000	50,000,000
As at June 30, 2022	1,201,765,608	84,576,203	657,850,355	1,933,059,862

16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE, 2022

Particulars	Note	2021/2022	2020/21
Cash Flows from Operating Activities			
Receipts			
Revenue from Non Exchange Transactions	7	312,249,416	308,291,350
Revenue from Exchange Transactions	8	69,122,690	37,963,982
Total Receipts		381,372,106	346,255,332
Payments			
Use of Goods and Services	14	21,851,871	60,866,826
Employee costs	9	298,712,919	227,511,287
Council expenses	10	1,424,930	5,401,268
Repairs and maintenance	12	1,622,148	25,269,348
Contracted Services	13	22,300,102	11,417,226
Total Expenses		345,911,970	330,465,955
Cash flows from Operating Activities		35,460,136	15,789,377
Working Capital Changes:			
Decrease/(increase) in receivables- Non Exchange Transactions		889,020	9,519,027
Decrease/(increase) in receivables-Exchange Transactions		4,640,002	(1,745,500)
(Decrease)/Increase in Payables		132,621	(6,066,259)
Decrease/(Increase) in Inventories		(86,089)	(229,536)
Net Cash flows from Operating Activities		41,035,690	17,267,109
Cash flows from Investing Activities			
Purchase of property, plant, equipment		(30,432,604)	(85,982,605)
Net Cash flows from Investing Activities		(28,317,015)	(85,982,605)
Cash flows from Financing Activities			
Capital Development Grants from GOK		50,000,000	49,224,355
Net Cash flows used in Financing Activities		50,000,000	49,224,355
Net Increase/(Decrease) in Cash and Cash Equivalents		60,603,086	(19,491,141)
Cash and Cash Equivalents at the Beginning of the Year		204,725,935	224,217,076
Cash and Cash Equivalents at end of the period		265,329,020	204,725,935
PER FINANCIAL STATEMENTS		265,329,020	204,725,935

The Financial Statements set out on pages 1 to 51 were signed on behalf of the Council Members by:



Prof. Anne Nangulu
Principal and Secretary to Council



CPA Daniel Kimaiyo
ICPAK No. 12579



Prof. Simon Eric Mitema
Chairperson of Council

17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

No.	Account Name	Original Budget	Adjustments	Final Budget	Actual	Variance	Percentage Variance
		Kshs	Kshs	Kshs	Kshs	Kshs	%
	REVENUE:						
60140	Exchequer Funds- Recurrent Budget	311,889,606	359,826	312,249,432	312,249,416	-16	0
60002	Tuition Income and Related Charges	51,374,269	-	51,374,269	68,591,700	17,217,431	34
60157	Externally Generated Funds	-	-	-	259,570	259,570	-
60155	Miscellaneous Income	-	-	-	271,420	271,420	-
	TOTAL INCOME	363,263,875	359,826	363,623,701	381,372,106	17,748,405	
	EXPENDITURE						
	Current & Non-Current Assets	Kshs	Kshs	Kshs	Kshs	Kshs	%
10030	Furniture, Fixture and Fittings	4,300,000	- 701,840	3,598,160	3,598,160	-	-
10050	Computer, Copiers & Printers	3,600,000	- 791,440	2,808,560	2,863,500	-54,940	-
10060	Plant and Machinery	800,000	522,000	1,322,000	1,252,656	69,344	5
10068	Biological Assets	100,000	- 25,000	75,000	75,000	-	100
	Total Purchase Non-Current Assets	8,800,000	(996,280)	7,803,720	7,714,316	89,404	1
	Personnel Costs	Kshs	Kshs	Kshs	Kshs	Kshs	%
70005	Basic Salary	137,000,000	23,022,170	160,022,170	160,017,972	4,198	0
70010	House Allowance	57,000,000	11,765,000	68,765,000	68,723,234	41,766	0
70015	Commuting Allowance	7,000,000	884,627	7,884,627	7,881,898	2,729	0
70020	Car Allowance	13,500,000	1,423,081	14,923,081	14,915,757	7,324	0
70021	Responsibility Allowance	4,350,000	- 2,279,476	2,070,524	2,070,524	-	-
70022	Telephone Allowance	4,378,160	- 1,242,386	3,135,774	3,135,774	-	-
70025	Domestic workers	1,920,000	-	1,920,000	1,920,000	-	-
70030	Professorial Allowance	420,000	40,000	460,000	432,000	28,000	6
70035	Risk Allowance	960,000	- 900,000	60,000	60,000	-	-
70037	Extraneous Allowance	584,640	- 69,640	515,000	480,000	35,000	7
70040	Passage and Baggage Allowance	350,000	- 130,000	220,000	188,350	31,650	14
70045	Part-time Teaching Payments	1,500,000	-	1,500,000	2,176,900	-676,900	-45
70050	Gratuity	9,000,000	- 1,700,000	7,300,000	7,053,610	246,390	3
70055	Employer NSSF	1,100,000	- 287,402	812,598	1,604,078	-791,480	- 97
70060	Employers Pension Contributions	20,550,000	- 320,738	20,229,262	20,226,052	3,210	0
70061	Leave Allowance	1,500,000	- 620,800	879,200	879,200	-	-
70066	Casual Wages	1,200,000	- 200,000	1,000,000	968,765	31,235	3
70067	Entertainment Allowance	3,200,000	- 1,008,226	2,191,774	2,191,774	-	-
70071	Research/Book Allowance	2,000,000	- 1,100,000	900,000	874,000	26,000	3
70072	Other Allowances- Soap	15,000	- 7,320	7,680	7,667	13	0
70080	Special Duty Allowance	350,000	- 332,000	18,000	18,000	-	-

Bomet University College
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70081	Acting Allowance	400,000	1,700,000	2,100,000	2,139,033	- 39,033	- 2
70085	Internship / Apprenticeship	1,000,000	- 760,000	240,000	239,232	768	0
70086	NITA Employer Contribution	200,000	- 162,000	38,000	88,700	- 50,700	-133
70087	Sabbatical, Visiting & Adjunct Academic Staff	1,500,000	- 1,150,000	350,000	320,000	30,000	9
70088	Work Study Program	500,000	- 395,000	105,000	100,400	4,600	4
	Total Personnel Costs	271,477,800	26,169,890	297,647,690	298,712,919	- 1,065,229	0
	Council Expense	Kshs	Kshs	Kshs	Kshs	Kshs	%
70091	Sitting Allowance	2,500,000	- 2,500,000	-	-	-	-
70092	Honoraria	1,044,000	- 1,044,000	-	-	-	-
70093	Subsistence Allowance	4,500,000	- 4,500,000	-	-	-	-
70095	Other Council Expenses	3,000,000	- 1,600,000	1,400,000	1,424,930	- 24,930	- 2
	Total Council Expense	11,044,000	(9,644,000)	1,400,000	1,424,930	- 24,930	- 2
	Expenses Relating to Core Mandate	Kshs	Kshs	Kshs	Kshs	Kshs	%
70101	Student Field Trips /Courses	2,000,000	- 1,790,000	210,000		210,000	100
70102	Student Admission Expenses	100,000	- 35,880	64,120			-
70103	Games & Sports	1,500,000	- 1,352,100	147,900	552,102	- 404,202	-273
70104	Shows & Exhibitions	100,000	- 100,000	-			-
70105	BUCSO	750,000	- 302,674	447,326	447,250	76	-
70114	KUCCPS Admission	750,000	573,991	1,323,991	1,288,500	35,491	3
70108	Coaching and Mentoring	200,000	- 171,500	28,500			100
70137	CUE Inspection Expenses	500,000	395,000	895,000	895,000	-	-
70107	Cultural Week/Tamasha Expenses	200,000	-	200,000	200,000	-	-
70111	Examination Materials	1,700,000	- 85,000	1,615,000	1,596,000	19,000	1
70112	External Examiners	1,600,000	- 555,000	1,045,000	472,500	572,500	55
70113	Fees Waiver Expense	100,000	- 100,000	-			-
70109	Student Activity & Life skills Enhancement	1,500,000	- 715,000	785,000	777,800	7,200	1
70176	Academic Board and Senate Expenses	200,000	- 171,000	29,000	27,200	1,800	6
70116	Printing & Publications	300,000	- 260,000	40,000	40,000	-	-
70117	University Research Programme	4,116,877	- 1,535,844	2,581,033	2,581,030	3	0
70118	Laboratory Equipment and Materials	1,000,000	- 1,000,000	-			-
70119	Student Teaching Practice	1,260,000	- 330,000	930,000	428,875	501,125	54
70120	Industrial Attachment	690,000	- 645,000	45,000	42,500	2,500	6
70121	Staff Development- Competence and Research	100,000	- 100,000	-			-

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70106	SGC Elections and Training	230,000	-	230,000	-	230,000	229,000	1,000	0
70123	Library Expenses	2,500,000	- 1,930,000	570,000	-	565,200	4,800		1
70122	Books and Journals	4,400,000	- 2,000,000	2,400,000	-	2,359,582	40,418		2
70124	Seminars & Conferences	633,281	237,811	871,092	-	848,900	22,192		3
70125	ODel Expenses	50,000	- 50,000	-	-	-	-		-
70126	Student smart card	500,000	- 452,000	48,000	-	48,000	-		-
70127	Stakeholder Engagement	100,000	- 100,000	-	-	-	-		-
70128	International Student and Staff exchange	50,000	- 50,000	-	-	-	-		-
70129	University Outreach and Extension Programmes	100,000	- 100,000	-	-	-	-		-
70130	Collaborations & Partnerships	100,000	- 100,000	-	-	-	-		-
70131	Postal and Courier Expenses	100,000	- 52,500	47,500	-	48,410	-910		-2
70132	User Training and Induction	200,000	10,000	210,000	-	210,000	-		-
70133	Development of Green Academic Programmes	100,000	- 100,000	-	-	-	-		-
70110	Examination Marking Centre Expenses	200,000	- 10,000	190,000	-	173,250	16,750		9
70135	Teaching Materials	1,000,000	- 940,000	60,000	-	60,000	60,000		100
70136	Teaching Equipment	600,000	- 600,000	-	-	-	-		-
70135	Demonstration/Training Farm Expenses	500,000	- 25,000	475,000	-	200,300	274,700		58
70221	Implementation of Master Time Table	60,000	- 60,000	-	-	-	-		-
70222	Caution Money refund	-	-	-	-	-	-		-
70223	Alumni Expenses	10,000	- 10,000	-	-	-	-		-
70224	Career and Academic Advisory Week	120,000	- 90,000	30,000	-	30,000	30,000		100
	Total Expenses Relating to Core Mandate	30,220,158	(14,701,696)	15,518,462	14,095,519	1,422,943			9
70170	Administrative Costs	Ksh	Kshs	Kshs	Kshs	Kshs	Kshs	%	
70173	Corporate Social Responsibility	100,000	- 81,000	19,000	-	19,000	19,000		100
70174	Newspapers & Magazine	150,000	- 150,000	-	-	-	-		-
70175	HIV/ACU Expenses	40,000	- 30,500	9,500	-	9,500	9,500		100
70176	Tender Expenses	100,000	- 81,000	19,000	-	19,000	19,000		100
70213	Utensils, Cutlery & Crokery	50,000	- 27,500	22,500	-	22,500	-		-
70179	Suitability and Implementation of National and Institutional Policies	50,000	- 50,000	-	-	-	-		-

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70180	ICT Operating Expense	100,000	-	49,432	50,569	74,060	-23,492	-46
70208	Fuel & Lubricants	700,000	-	272,500	427,500	379,900	47,600	11
70182	Advertisements & Publicity	500,000	-	148,441	648,441	1,162,775	-514,334	-79
70183	Anti-Corruption Measures	43,917	-	2,196	41,721	40,280	1,441	3
70220	Bank Charges	200,000	-	10,000	190,000	305,202	-115,202	-61
70221	Cleaning Materials	400,000	-	105,670	505,670	464,960	40,710	8
70222	Subscriptions, License & Affiliation Expenses	300,000	-	15,000	285,000	283,805	1,195	0
70192	Purchase of Medical Drugs	400,000	-	250,000	150,000	149,588	412	0
70181	Performance Contracting Services	300,000	-	303,852	603,852	584,239	19,613	3
70177	Office and Committee Expenses	200,000	-	95,000	105,000	24,230	80,770	77
70190	Staff Team Building	100,000	-	100,000	-	-	-	-
70191	ISO & QA related expenses	100,000	-	90,000	10,000	-	10,000	100
70190	Strategic Plan Implementation & Monitoring	200,000	-	120,000	80,000	78,000	2,000	3
70193	Launch of Multipurpose Hall	100,000	-	100,000	-	-	-	-
70194	Revaluation of Fixed Assets	-	-	-	-	-	-	-
70223	Branding of BUC Niche	60,000	-	30,000	30,000	30,000	-	-
70196	Staff Training	200,000	-	-	200,000	821,100	-621,100	-311
70197	Rent	-	-	-	-	-	-	-
70198	Rates & Title Deed Processing	150,000	-	145,250	4,750	-	4,750	100
70199	Telephone Expenses & Petty cash	300,000	-	122,600	422,600	422,564	36	0
70200	Legal Expenses	200,000	-	-200,000	-	-	-	-
70203	Public Celebrations & Funerals	100,000	-	80,000	20,000	17,500	2,500	13
70202	Purchase of Stationary	1,000,000	-	19,000	1,019,000	1,018,450	550	0
70104	Sports Equipment	50,000	-	50,000	-	-	-	-
70204	Staff Development Administration	80,000	-	80,000	-	-	-	-
70205	Gender Mainstreaming	50,000	-	-	50,000	-	50,000	100
70186	Disability Mainstreaming	50,000	-	40,092	90,092	40,092	50,000	55
70206	Travelling & Accommodation expenses	1,400,000	-	770,000	2,170,000	2,128,966	41,034	2
70207	Payment of Medical Bills	-	-	-	-	-	-	-
70188	Public Complains	10,000	-	10,000	-	-	-	-
70209	Transport expense	20,000	-	20,000	-	-	-	-
70211	Catering Expense	50,000	-	46,000	96,000	95,424	576	1
70212	Purchase of Catering Items	100,000	-	100,000	-	-	-	-
70124	Audit fees	800,000	-	260,000	540,000	540,000	-	-
70215	Uniform & Clothing	30,000	-	-	30,000	22,900	7,100	24

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70349	Alcohol and Drug Abuse	30,000	-	30,000	-	-	-	-	-	-	-	-
70185	National Cohesion and Values	30,000	-	30,000	-	30,000	27,600	2,400	2,400	8		
70187	Safety and Security	30,000	-	15,000	-	15,000	12,000	3,000	3,000	20		
70352	COVID-19 Global Pandemic & Related Expenses	100,000	-	100,000	-	-	-	-	-	-		
70353	Management Board Expenses	30,000	-	28,000	-	2,000	-	2,000	2,000	100		
	Total Administrative Costs	9,003,917	(1,116,722)	7,887,195	7,887,195	8,746,135	8,746,135	-858,940	-858,940	-11		
	Maintenance Expenses	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	%		
70420	Maintenance of Buildings & Stations	500,000	1,086,406	1,586,406	1,573,196	13,211	13,211	1	1			
70421	Maintenance of Computers & Other Electronics	70,000	167,500	237,500	207,200	30,300	30,300	13	13			
70422	Maintenance of Motor Vehicles	300,000	329,248	629,248	615,398	13,850	13,850	2	2			
70423	Maintenance of Grounds & Playgrounds	28,000	162,850	190,850	190,850	-	-	-	-	-		
70424	Maintenance of Furniture, Plant & Equipment	20,000	15,000	35,000	23,910	11,090	11,090	32	32			
70425	Maintenance of Hostels	-	-	-	-	-	-	-	-	-		
70426	Decommissioning the Dump site	50,000	-	50,000	-	-	-	-	-	-		
70427	Water Supplies (Borehole) & Maintenance	30,000	-	1,500	28,500	27,550	27,550	950	950	3		
70428	Resettlement Action Plan -RAP	20,000	-	19,000	-	19,000	-	19,000	19,000	100		
	Total Maintenance Expenses	1,018,000	1,708,504	2,726,504	2,638,104	88,401	88,401	Kshs	Kshs	%		
	Depreciation & Amortization Expenses	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	%		
70451	Depreciation - Buildings	1,000,000	-	1,000,000	992,016	7,984	7,984	1	1			
70455	Depreciation - Plant & Equipment	600,000	-	600,000	1,654,360	1,054,360	1,054,360	-	-	176		
70460	Depreciation - Furniture & Fittings	400,000	-	400,000	2,927,272	2,527,272	2,527,272	-	-	632		
70465	Depreciation - Motor Vehicle	1,200,000	-	1,200,000	4,169,099	2,969,099	2,969,099	-	-	247		
70470	Depreciation - Computer Hardware	500,000	-	500,000	2,903,906	2,403,906	2,403,906	-	-	481		
	Total Depreciation & Amortization	3,700,000	-	3,700,000	12,646,654	8,946,654	8,946,654	-	-	242		
	Utilities	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	%		
71501	Electricity Expenses	1,300,000	100,000	1,400,000	1,350,701	49,299	49,299	4	4			
71502	Water & Sewerage	800,000	-	450,000	335,056	14,944	14,944	4	4			
71503	Internet Charges	1,800,000	1,500,000	3,300,000	3,319,839	19,839	19,839	-	-	1		

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		3,900,000	1,150,000	5,050,000	5,005,596	44,404	1
		Kshs	Kshs	Kshs	Kshs	Kshs	%
	Total Utilities						
	Contracted services						
71512	Security Services	3,000,000	-	3,000,000	3,040,602	40,602	-
71513	Cleaning Services	2,500,000	100,000	2,400,000	2,389,023	10,977	1
71514	Sanitary Services Expenses	700,000	630,000	70,000	223,575	153,575	- 219
71515	Fumigation	200,000	200,000	-	-	-	-
	Total Contracted Services	6,400,000	(930,000)	5,470,000	5,653,200	183,200	-3
	Insurance Expenses						
71533	Medical Scheme Staff	16,000,000	1,729,870	14,270,130	14,270,130	-	-
71534	Group Life Cover	700,000	250,000	950,000	934,112	15,888	2
71535	Group Accident Cover	100,000	100,000	-	-	-	-
71536	WIBA	100,000	100,000	-	-	-	-
71537	Comprehensive Motor Vehicle Insurance	800,000	400,000	1,200,000	1,172,855	27,145	2
	Total Insurance Expenses	17,700,000	(1,279,870)	16,420,130	16,377,097		
	SUB TOTAL-OPERATIONS & MAINTENANCE	91,786,075	(25,810,064)	65,976,011	74,301,551		
	GROSS EXPENDITURE	363,263,875	359,826	363,623,701	373,014,470		
	SURPLUS/(DEFICIT)	-	0	0	8,357,636		

Budget Notes:

- i) **Line 6002 - Tuition Income and related Charges: Actual Kshs 68,591,700 out of Kshs 51,374,269 (Positive Variance of 34% amounting to Kshs 17,217,431)**

The positive variance emanates from higher number of PSSP students reporting in the year especially on Postgraduate category.

- ii) **Line 70040 - Passage and Baggage: Actual Kshs 188,350 out of Kshs 220,000 (positive variance of 14% amounting to Kshs 31,650).**

Passage and baggage is payable to employees who are either joining or leaving the institution in line to the provisions in their terms of service. The expenditure was less owing to lesser mobility of staff in the year.

- iii) **Line 70055 – Employer NSSF: Actual Kshs 1,604,078 out of Kshs 812,598 (negative variance of 97% amounting to Kshs 791,480).**

There was an assessment from NSSF in the in 2020/2021 Financial Year that led to additional contributions required from Employee and Employer amounting to Kshs. 1,766,560 and dating back to July 2018. The assessment from NSSF was following the Circular from the Executive Office of the President dated 13th January 2021, Ref No: OP/CAB.1/8A on *“Clarification on the Implementation of the Public Service Superannuation Scheme for Civil Servants, Teachers and Disciplined Forces”*. The whole amount of Kshs 1,766,560 in the assessment was charged to the employer and to be paid in phase’s crossing over to 2021/2022 Financial Year.

- iv) **Line 70112 – External Examiners: Actual Kshs 1472,500 out of Kshs 1,045,000 (positive variance of 55% amounting to Kshs 572,500).**

The positive variance is as a result of delayed semester openings thereby pushing the moderation of exams that were done in May 2022 to the 2022/2023 Financial Year.

Explanations of Changes between Original and Final Budget

The changes between the original approved budget and the revised budget is as a result of re-allocation of budgeted amounts in the various votes.

18. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

BUC is established by and derives its authority and accountability from the Universities Act No.42, 2012 (Revised 2016) and the Legal Order establishing Bomet University College. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is the provision of university education through teaching, learning, training, innovation digital transformation, research and outreach.

2. Statement of Compliance and Basis of Preparation

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

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

3. Adoption of New and Revised Standards

i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2021.*

Standard	Impact
Other	Applicable: 1 st January 2021:
Improvements to IPSAS	<p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard. <i>BUC does not have leases and Cash Generating Assets therefore no impairments have been reported in the Financial statements. However the institution has been preparing financial statements on IPSAS.</i></p>

ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.*

Standard	Effective date and impact:
IPSAS 41:	Applicable: 1st January 2023:
Financial Instruments	The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:

- Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;
- Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and
- Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

This is not applicable to BUC since there are no financial assets or liabilities.

IPSAS 42:	Applicable: 1st January 2023
Social Benefits	The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess: <ul style="list-style-type: none">(a) The nature of such social benefits provided by the entity;(b) The key features of the operation of those social benefit schemes; and

Standard	<p>Effective date and impact:</p> <p>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</p> <p><i>BUC does not operate any social benefit and therefore no impact in this financial reporting.</i></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 guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><i>This is not applicable to BUC since there are no financial instruments.</i></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> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

IPSAS 43 *Applicable 1st January 2025*

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 cash flows of an Entity.

The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.

IPSAS 44: *Applicable 1st January 2025*

Non- Current The Standard requires,
Assets Held Assets that meet the criteria to be classified as held for sale to be measured
for Sale and at the lower of carrying amount and fair value less costs to sell and the
Discontinued depreciation of such assets to cease and:
Operations 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.

iii. **Early adoption of standards**

BUC did not early – adopt any new or amended standards in year 2020/2021.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The entity 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 entity and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

Rendering of services

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

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

Sale of goods

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

Interest income

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

ii) Revenue from exchange transactions

Dividends

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

Rental income

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

b) Budget information

The original budget for 2021-2022 Financial Year was approved by the National Assembly in July 2021 amounting to Kshs 362,263,875 for the Recurrent Budget and Kshs 50,000,000 for Capital Development. The Recurrent Budget was revised to Kshs 363,623,701 in March 2022 following an addition of Kshs 359,826 for the 2017-2021 Collective Bargaining Agreement (CBA) provided by The National Treasury vide the letter dated 8th April, 2022, Ref: MOE/11/2/146. The Appropriation-in-Aid was not revised. Subsequent re-allocations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

BUC 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

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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 of these financial statements.

c) 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 Entity operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

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

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

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

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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.

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 entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Depreciation for the year has been computed based on the University College Financial Management Policy. The University depreciation policy is that fixed assets are depreciated on a reducing balance basis at annual rates estimated to write off the carrying values of the assets over their expected useful lives.

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The annual rates are as follows:

Buildings	2%
Furniture, Fixtures and Fittings	12.5%
Plant and Equipment	12.5%
Motor Vehicles, Motorcycles and Tractors	25%
Computer and Related Equipment	33.3%

Freehold land is not depreciated. Leasehold land is amortized over the unexpired portion of lease.

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. 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 Entity 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 Entity 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.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. 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. BUC acquired and implemented an Enterprise Resource Planning System in 2020/2021 Financial Year. Amortization of the asset will begin once it has been commissioned.

h) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity 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.

i) Financial instruments
a) Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and Receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity.

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- i) The debtors or an entity of debtors are experiencing significant financial difficulty.
- ii) Default or delinquency in interest or principal payments
- iii) The probability that debtors will enter bankruptcy or other financial reorganization.

- iv) Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults).

b) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

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 Entity.

k) Provisions

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

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

l) Contingent liabilities

Bomet University College 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.

m) Contingent assets

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

n) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.
BUC has maintained Capital and Revenue Reserves in its financial statements.

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

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

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

q) 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.

r) 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.

s) Related parties

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

t) Service concession arrangements

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

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

u) 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.

v) Comparative figures

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

w) 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, 2021.

5. Significant Judgments and Sources of Estimation Uncertainty

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

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 Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

- a) The condition of the asset based on the assessment of experts employed by the Entity.
- 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 20.

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.

BUC maintains Provisions for Gratuity, Audit Fees and General Provisions. The estimates have been achieved through the budget in the case of audit and from the contracts in case of the Gratuity and the General Provisions.

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6. Transfers from the State Department of University Education

Description	2021-2022	2020-2021
	Kshs	Kshs
Unconditional grants		
Operational grant	312,249,416	308,291,350
Other grants	50,000,000	49,224,355
Total Unconditional Grants	362,249,416	357,515,705
Conditional grants		
National housing grant	-	-
National infrastructure grant	-	-
Provincial health grant	-	-
Social services grant	-	-
Basic services subsidy	-	-
Transportation fund (international funding)	-	-
Other organizational grants	-	-
Total government grants and subsidies	362,249,416	357,515,705

The operational grant is meant for the recurrent expenditure and was paid into BUC bank accounts in equal monthly instalments. The other grants were capital development grants that was meant for the ongoing projects.

b) Transfers from State Department of University Education

Name of the Entity sending the grant	Amount recognized to Statement of Financial performance Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund.	Total transfers 2021/2022	Prior year 2020/2021
			Kshs	Kshs	Kshs
State Department of University Education and Research	312,249,416	-	50,000,000	362,249,416	357,515,705
Total	312,249,416	-	50,000,000	362,249,416	357,515,705

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DESCRIPTION	2021/2022	2020/2021
	Ksh	Ksh
7. Transfers from other governments – gifts and services-in-kind		
Operational grant	312,249,416	308,291,350
Total	312,249,416	308,291,350
8. Revenue from Exchange Transactions		
Tuition & Related Charges	39,000,500	20,847,300
Privately Sponsored Students Fees	7,086,400	4,715,950
Students Field Trips/Courses	7,111,000	2,660,000
Students Activities	3,822,400	2,234,700
Student ID	557,400	312,000
Caution Money		
Games and Sports	1,674,000	989,000
Commission of University Education Fees	877,000	513,000
KUCCPS Fees	1,365,000	778,500
Teaching Practice	7,098,000	4,110,000
Total Student Fees	68,591,700	37,160,450
Students Accommodation Fees	-	
Miscellaneous Income	271,420	32,500
Externally Generated Funds	259,570	771,032
Total Other Income	530,990	803,532
Total Revenue from Exchange Transactions	69,122,690	37,963,982
9. Use of Goods and Services:		
Academic Expenses:		
Equipping of Teaching Laboratories		6,492,844
Development of Green Academic Programs		-
Collaborations and Partnerships		-
Staff Development (Competence & Research)- Faculty		26,100
Examination Materials	1,596,000	2,433,717
External Examiners	466,500	
Exam Marking Centre expenses	173,250	
Postal & Telegram expenses	48,410	72,018
Academic Board	27,200	99,670
Teaching materials	-	-
Publishing & printing expenses	20,000	166,400
Library Expenses	643,235	10,096,626
Books and Journals	-	
Newspapers & Magazine	117,621	
University research programme	1,395,990	9,567,729
Games and Sports	552,102	748,000
Students Field Trips/Courses	89,900	1,639,550
Students Activities and Life Skills Enhancement	529,480	2,045,630
BUCSO	447,250	
SGC Elections and Training	53,000	
Admission Expenses	64,120	137,120
Teaching Practice	-	3,756,000

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Commission of University Education Fees	895,000	651,200
KUCCPS Fees	1,288,500	693,000
Caution Money Refund	-	-
Student Smart Card System	-	248,400
International Student and Staff Exchange	-	-
University Outreach and Extension programmes	-	7,840
Work study program	-	129,500
Equipping and Furnishing Lecture Halls, Multipurpose Hall and Teaching Offices	-	19,395
Teaching Equipment	-	-
User Training & Capacity Building for ERP	210,000	244,461
Stakeholder Engagement	-	92,950
Sub-Total	8,617,558	39,368,150
Administrative Expenses:		
Public celebrations and Functions	17,500	21,550
Electricity	1,350,701	2,153,852
Water and Sewerage	335,056	
Travelling & Accommodation	2,003,930	3,279,522
Telephone Expenses & Petty Cash	671,554	1,026,903
Internet Expenses	3,319,839	2,148,929
Purchase of uniform & clothing	-	123,000
Stationery	923,630	1,702,178
Advertising & Publicity	1,162,775	2,721,437
Audit fees	540,000	692,600
Land Rent, Rates & Title Deed Processing	-	-
Payment of Rent	-	-
Computer Expenses	74,060	819,132
Cleaning Materials & Detergents	235,960	731,830
Purchase of Plant, Equipment and Biological Assets- Farm	-	50,250
Purchase of medical Equipment & Drugs	69,840	784,450
ISO & QA Related Expenses	-	196,208
Seminars and Conferences	726,400	1,906,800
Training Expenses	144,300	1,111,050
Staff Development (Competence & Research)- Administrative	-	21,250
Staff Team Building	-	302,100
Office Expenses	44,230	
Strategic Plan Implementation & Monitoring	78,000	474,888
Launch of Library and MPH	-	-
Performance Contracting	584,239	523,810
Anti-corruption Expenses	40,280	
National Cohesion and Values	27,600	
Disability Mainstreaming	40,092	
Safety and Security	12,000	
Revaluation of fixed assets	-	-
Branding of BUC Niche (Green Economy for Sustainability)	-	547,020
Internal Communication System-PABX	-	-
Procurement of ERP Server	-	-
Installation of Solar Power System	-	-
Payment of outstanding debts	-	-

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Procurement of Four Wheel Vehicle	-	
Procurement of Bus	-	
Bank Charges	305,202	159,917
Fuel & Lubricants	409,201	
Catering Expense	95,424	
Utensils, Cutlery & Crokery	22,500	
Sub- Total	13,234,313	21,498,676
Totals Use of Goods and services	21,851,871	60,866,826
10. Employee costs:		
Basic Salaries	160,017,972	112,132,250
House allowance	68,723,234	45,675,177
Commuting and Car Allowances	22,797,655	17,169,758
Salary Arrears		-
Pension contribution	20,226,052	24,482,078
NSSF Employer	1,604,078	
Gratuity contribution	7,053,610	
Entertainment allowances	2,191,774	2,640,000
Responsibility allowances	2,070,524	4,465,445
Domestic Workers allowance	1,920,000	
Soap Allowance	7,667	
Special Duty allowance	18,000	
Telephone Allowances	3,135,774	3,502,000
Professorial Allowances	432,000	398,516
Medical Risk	60,000	540,000
Extraneous allowance	480,000	
Acting allowance	2,139,033	
Passage & baggage allowance	188,350	957,640
Annual Leave Travelling	879,200	
Book and Journal Allowance	388,000	922,000
Research allowance	486,000	
Casuals	968,765	1,336,323
Part Time Teaching Claims	2,176,900	3,500,000
Internship/attachment	239,232	890,127
NITA contribution	88,700	
Staff Medical Scheme- NHIF Cover		8,899,974
Sabbatical, Visiting & Adjunct Academic Staff	320,000	-
Work Study Program	100,400	-
Total	298,712,919	227,511,287
11. Remuneration of directors:		
Chairman's Honoraria		261,000
Other Allowances	1,424,930	5,140,268
Total	1,424,930	5,401,268
12. Depreciation and amortization expense:		
Buildings	992,016	1,012,262
Motor vehicles	4,169,099	5,558,799
Plant and Equipment	1,654,360	1,137,828

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Furniture	2,927,272	2,831,431
Computers	2,903,906	2,988,453
Intangible Asset	-	-
Total	12,646,654	13,528,772
13. Repairs and maintenance of Facilities:		
Maintenance of Motor vehicles	828,198	1,978,410
Maintenance of Plant & Equip.	23,910	318,740
Maintenance of Computers and Electronics	207,200	
Refurbishment and Maintenance of Buildings	485,940	10,704,320
Equipping and Maintenance of Hostels	-	11,000
Water Supplies (Borehole) & Maintenance	27,550	7,259,700
Maintenance of Grounds (fencing), Playgrounds & Waste Management	49,350	3,593,437
Decommissioning the Dumpsite		263,441
Resettlement Action Plan-RAP		1,140,300
TOTAL	1,622,148	25,269,348
14. Contracted Services:		
Medical expenses	-	816,140
Comprehensive Motor Vehicle insurance	1,172,855	1,177,876
Group Life Cover	934,112	
Medical Scheme Staff	14,270,130	
Legal Expenses	-	4,038,903
Subscriptions	269,805	112,854
Security Services	3,040,602	2,921,700
Cleaning Services	2,389,023	2,349,753
Sanitary Expenses	223,575	
Sub-Total	22,300,102	11,417,226
15. Cash and cash equivalents		
Current account	265,329,020	204,725,935
Petty Cash		
Total cash and cash equivalents	265,329,020	204,725,935
a) Current Accounts		
Financial institution		
KCB- Moi University Bomet Campus College- Account Closed	-	-
KCB- Bomet university college –development a/c- 1219837245	229,045,683	127,629,238
NBK- Bomet University college –deposit a/c (Exchequer)- 1071204352900	4,588,854	10,929,438
NBK- Bomet University College-payment a/c-160202686400	8,121,842	28,602,370
KCB- Bomet University College-research a/c- 12198388373	7,248,019	11,363,764
NBK- Bomet university college-students fees account- 1060202684700	5,652,404	9,205,454
Co-op Bomet University College- students fees account- 1129359078100	9,268,585	16,995,671
M-Pesa Pay Bill Account	1,403,633	
Sub- total	265,329,020	204,725,935

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16. Receivables from exchange transactions		
Current receivables		
Student Debtors	11,196,301	16,351,859
Less: 10% Provision for doubtful debts	1,119,630	1,635,186
Net Receivables from Exchange Transactions	10,076,671	14,716,673
17. Receivables from Non-exchange transactions		
Students Fees paid to Moi University		
Supplementary funds for CBA	-	-
Staff Debtors:		
Unaccounted Imprest	2,081,850	2,970,870
Recovery of Basic Salary	-	-
Net Receivables from Non-exchange transactions	2,081,850	2,970,870
18. Inventories		
Stationaries	1,063,029	1,562,917
Cleaning Materials	370,335.00	349,477
Maintenance	76,620.00	65,470
Electricals Materials	-	-
Games and Sports	61,595.00	82,295
Drugs and Equipment	368,954	-
Branded Items	205,715	-
Total Inventories	2,146,248	2,060,159
19. Current Liabilities		
Trade payables	85,403,027	43,992,596
Accrued Payroll Expense (CBA)	2,630,323	2,630,323
HELB Control Account	201,500	204,554
CDF Control Account	1,032,707	45,770
Moi University Graduation Income	296,000	1,000
Fees Prepayments	9,552,312	10,361,526
Union Dues outstanding	110,473	212,588
Caution Money	299,000	
Total	99,525,342	57,448,357
20. Other payables- Contingent Liabilities		
Construction of Dining Hall and Kitchenette	4,980,675	4,980,675
21. Provisions		
General Provisions	21,883,267	54,767,349
Provision for Gratuity	17,289,901	10,236,291
Provision for doubtful debts	1,119,630	1,635,186
Provision for Audit Fees	1,254,600	1,314,600
Total Provisions	41,547,398	67,953,426
22. Non-Current Liabilities		
Retention Funds - Capital Development Project	68,102,071	68,102,070
Retention Funds- Internal Projects	3,113,806	
Retention Funds- ERP System	1,654,493	1,654,493

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Caution Money	1,494,200	851,000
Total Non-Current Liabilities	74,364,569	70,607,563

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Note 23- Property, Plant and Equipment

Particulars	Land	Buildings	Capital In Progress	Motor vehicles	Furniture, Fixtures and Fittings	Plant and Equipment	Computers	Total
Net Book Values at 30 June 2019	934,800,000	113,386,000	520,865,735	7,551,345	6,399,611	7,705,146	4,596,410	1,595,304,247
Additions	-	-	184,085,854	12,002,250	19,465,590	-	2,722,679	218,276,373
Disposals	-	-	-	-	-	-	-	-
Transfers/adjustments	4,000,000.0	61,740,000.0	-	-	-	-	-	65,740,000
As at 30th June 2020	930,800,000	51,646,000	704,951,589	19,553,595	25,865,201	7,705,146	7,319,089	1,747,840,620
Depreciation	-	1,032,920	-	4,888,399	3,233,150	963,143	2,437,257	12,554,869
Net Book Values at 30th June 2020	930,800,000	50,613,080	704,951,589	14,665,196	22,632,051	6,742,003	4,881,832	1,735,285,752
Additions	-	-	108,213,681	7,570,000	19,395	2,360,619	4,092,500	122,256,195
Disposals	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-
As at 30th June 2021	930,800,000	50,613,080	813,165,270	22,235,196	22,651,446	9,102,622	8,974,332	1,857,541,947
Depreciation	-	1,012,262	-	5,558,799	2,831,431	1,137,828	2,988,453	13,528,772
Net Book Values at 30th June 2021	930,800,000	49,600,818	813,165,270	16,676,397	19,820,016	7,964,794	5,985,880	1,844,013,175
Additions	-	-	14,329,798	-	3,598,160	5,270,086	2,734,560	25,932,604
Disposals	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-
As at 30th June 2022	930,800,000	49,600,818	827,495,069	16,676,397	23,418,176	13,234,880	8,720,440	1,869,945,779
Depreciation	-	992,016	-	4,169,099	2,927,272	1,654,360	2,903,906	12,646,654
Net Book Values at 30th June 2022	930,800,000	48,608,802	827,495,069	12,507,298	20,490,904	11,580,520	5,816,533	1,857,299,125

Status of Projects Completion

Construction of Library Block, 2No. Hostel Blocks Multipurpose Hall and Lecture halls		
Total Cost	1,391,982,469	1,391,982,469
Amount certified to date	782,277,216	765,192,337
Percentage of Project Completion	60%	60%
Percentage payment to total cost	54.73%	55%
Start Date	08/11/2016	
Expected Completion Date	02/08/2021	
Construction of Administration Block, Lecture Theatre and Associated Works		
Total cost of project	110,425,696	
Amount certified to date	21,001,088	
Percentage of Project Completion	35%	
Percentage payment to total cost	0%	
Start Date	30/03/2022	
Expected Completion Date	31/03/2025	

Note 24- Particulars of Land and Buildings

LOCATION	REF. NO.	SIZE	LAND VALUE	BUILDINGS
Bomet Town adjacent to St. Michael Secondary School	Plot No. 2'' Bomet Town	4.7 Ha.	310,000,000	51,700,000
Sigor located in Sigor High School	BMT / SIGOR / 1834	23.1 Ha.	24,800,000	64,000,000
Bomet Town adjacent to Bomet Stadium	BMT Town Plot 308/307	18.3 Ha	600,000,000	
SUB-TOTAL			934,800,000	115,700,000
Depreciation 2018-2019 FYR			-	2,314,000
Net Book Value - 30th June 2019			934,800,000	113,386,000
Transfers/adjustments			(4,000,000)	(61,740,000)
Accumulated Depreciation/Amortization -2019/2020 FYR			-	1,032,920
NET BOOK VALUE- 30 JUNE 2020			930,800,000	50,613,080
Accumulated Depreciation/Amortisation-2020/21			-	1,012,262
NET BOOK VALUE- 30 JUNE 2021			930,800,000	49,600,818
Accumulated Depreciation/Amortisation-2021/2022			-	992,016
NET BOOK VALUE- 30 JUNE 2022				48,608,802

Note:

Land ref number BMT/SIGOR/1834 measuring 3.4 Ha with book value of buildings amounting to Kshs 63,000,000 is Sigor High School which had been earlier indicated as transferrable to Bomet University College. The value has been expunged from the books until the issue surrounding the transfer from Basic Education sector is addressed by relevant government offices.

Note 25- Intangible Assets

Particulars	Intangible Assets- ERP SYSTEM
Additions- Capitalization in 2020/2021	16,544,931
Disposals	-
Transfers/adjustments	-
As at 30th June 2020	16,544,931
Amortization	-
Net Book Values at 30th June 2021	16,544,931
Amortization	-
Net Book Values at 30th June 2022	16,544,931

The Intangible Asset will be commissioned and amortized from 2022/2023 Financial Year.

26. Financial Risk Management

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

i) Credit risk

The University College has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the Council. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

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

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	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
As at 30 June 2022				
Receivables from exchange transactions	10,076,671	10,076,671	-	-
Receivables from non-exchange transactions	2,081,850	2,081,850	-	-
Bank balances	265,329,020	265,329,020	-	-
Total	277,487,541	277,487,541	-	-
As at 30 June 2021				
Receivables from exchange transactions	14,716,673	14,716,673	-	-
Receivables from non-exchange transactions	2,970,870	2,970,870	-	-
Bank balances	204,725,935	204,725,935	-	-
Total	222,413,478	222,413,478	-	-

The students under the fully performing category are paying their debts as they continue learning and therefore the credit risk associated with these receivables is minimal.

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

ii) Liquidity risk management

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

The table below represents cash flows payable by the entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

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	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2022				
Trade payables	56,732,128	2,057,725	25,613,173	85,403,026
Current portion of borrowings	-	-	-	-
Provisions	10,776,608	1,672,825	38,796,965	41,547,398
Deferred income	11,082,519			11,082,519
Accrued Payroll Expense		-	2,630,323	2,630,323
Total	78,591,255	3,730,055	67,040,461	140,663,266
As at 30 June 2021				
Trade payables	17,417,041	169,486	26,618,657	43,992,5967
Current portion of borrowings	-	-	-	-
Provisions	-	54,767,349	11,550,891	66,318,240
Deferred income	10,612,850	-	851,000	11,463,850
Accrued Payroll Expense		-	2,630,323	2,630,323
Total	28,029,891	54,936,835	41,650,871	124,404,989

iii) Market risk

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

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

The University College Internal Audit Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The University College has minimal transactional currency exposures since its operations are in the local currency. 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.

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

Management of interest rate risk

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

v) Capital Risk Management

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

Particulars	2021-2022	2020-2021
	Kshs	Kshs
Revaluation reserve		
Retained earnings	84,575,811	61,246,773
Capital reserve	1,848,484,051	1,822,794,949
Total funds	1,933,059,862	1,884,041,722
Total borrowings	-	-
Less: cash and bank balances	265,329,020	204,725,935
Net debt/(excess cash and cash equivalents)	265,329,020	204,725,935
Gearing	0%	0%

27. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the entity 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 BUC, holding 100% of the BUC equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external.

Other related parties include:

- i) The National Government;
- ii) The Ministry of Education
- iii) BUC Council members
- iv) Key Management of Bomet University College
- v) Moi University Management

Related Party Disclosures

Particulars	2021/2022	2020/2021
	Kshs	Kshs
Transactions with related parties		
a) Grants from the Government		
Grants from National Government	362,249,416	357,515,705
Grants from County Government	-	-
Donations in kind	-	-
Total	362,249,416	357,515,705
b) Key management compensation		
Directors' emoluments	1,424,930	5,401,268
Compensation to key management	41,136,864	37,626,904
Total	42,561,794	43,028,172

28. Segment Information

BUC does not operate in different geographical segments.

29. Contingent Assets and Contingent Liabilities

Contingent Assets

BUC did not have any contingent assets for the stated period.

Contingent Liabilities

	2021-2022	2020-2021
	Kshs	Kshs
Contingent liabilities		
Court case against the entity	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from contracts including PPPs	-	-
Others	4,980,675	4,980,675
Total	4,980,675	4,980,675

The University College has various pending bills arising out of the construction of temporary dining hall and Kitchen in 2016 amounting to Kshs 4, 980,675. The claims have not been paid since there was a dispute on how the goods were received and therefore payment were not made. The claims in question were a subject of Audit in Moi University and one of the suppliers has filed a case in court demanding payment for the materials supplied.

The Vice Chancellor of Moi University appointed an Ad-Hoc Committee in April 2018 to look into the issue. The detailed report from the ad-hoc committee is dated 7th May 2018 and it was presented to the Audit Committee of Bomet University College. The Audit Committee of BUC Council

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recommended constitution of another ad-hoc committee with clear guidelines to verify quantity and value for money as well as measure actual materials used in the Dining Hall and other projects which were running concurrently at the time.

On 2nd November 2022, Bomet High Court through Civil Appeal Number E045 of 2022 made a judgement to pay Garden Hardware Limited Ksh 2,924,193 plus interest from the day of filing the suit. BUC has made an appeal against the judgement and therefore the matter is on-going in court.

30. Capital Commitments

Capital commitments	2021-2022	2020-2021
	Kshs	Kshs
Authorised for		
Authorized and Contracted for-paid out to the contractors	4,500,000	49,224,355
Total	4,500,000	49,224,355

31. Surplus Remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year.

BUC did not make any surplus in its budgetary commitments for 2020/2021 Financial Year and hence no remittance to the Consolidated Fund.

32. Events after the Reporting Period

There were no events after the reporting period.

33. Ultimate And Holding Entity

34. The University College is a Semi- Autonomous Government Agency under the Ministry of Education, Science and Technology. Its ultimate parent is the Government of Kenya.

35. Currency

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

APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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)
Basis for Qualified Opinion 1	Variiances between ledger balances and the Financial Statements balances	During implementation of the ERP, some of the data captured into the system by the Vendor had discrepancies. However, in preparation of the referenced Financial Statements, we took into consideration the GL figures in the ERP system and the Manual Schedules which were actual proof of the expenses, liabilities, assets and revenues incurred and received in that period. The statement of Financial performance figures presented now agree with those in the ERP system. The ERP system undergoing some improvements before it is commissioned and we are working towards addressing the reporting issue.	Not Resolved	2022/2023 FYR
Basis for Qualified Opinion 2	Unsupported Revenue from exchange Transactions	BUC has improved the reporting to capture the details of student payments to support the revenue collected.	Resolved	
Basis for Qualified Opinion 3	Land without Ownership Documents	Request has been done to the County Government of Bomet to assist in processing and issuance to Title Deed for Bomet/Sigor/1834 and we are yet to get a response on the matter. Letters were sent to Vice Chancellor Moi University to release the original Title Deeds for Bomet/307 and Bomet/308 since it is in their custody. In addition, a letter have been sent to Principal Secretary National Treasury on the same matter and awaiting response. Letters have been done to Administrator Ardhi House and payment for land on Allotment No. 211 and Director of Survey but they are yet to draw survey map for processing of Title Deed.	Not Resolved	

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Basis for Conclusion 1	Non-Remittance of Tax Dues	<p>The penalty and the interest on VAT is Ksh 37,821 and Ksh 30,257 respectively owing to an error since BUC is not obligated under VAT. BUC followed up with KRA to reverse the erroneous charges, and made a written request for the reversal of erroneous penalties and interest including removal of the VAT. After KRA clears the VAT liability in their systems, itax will enable filing of Pay as You Earn (PAYE) appeal of May 2019 and the Income Tax penalty appeal for September 2020. BUC had informed KRA on 7th June 2019 about the expected late payment of salaries and PAYE for May 2019 owing to the delay in remittance of capitation. Payment of tax was made on 14th June 2019 and hence the waiver in the system will be removed after the VAT obligation and penalties stated above is remove.</p>	Not Resolved	2022/2023 FYR
Basis for Conclusion 2	Delayed Implementation of Projects	<p>The Contractor is yet to seek Approval for the Extension of Contract Period from the Project Manager, State Department of Public Works. Furthermore, financing of the project has been low and no funds allocated by the Government for the Ongoing Proposed Construction of Library Block, 2No. Hostel Blocks Multipurpose Hall and Lecture halls 2021/2022 and 2022/2023 Financial Years.</p>	Not Resolved	
Basis for Conclusion 3	Payment for Incomplete No-Commissioned ERP System	<p>On 26th June, 2020, Bomet University College (BUC) executed a Contract with Appkings Solutions Limited (ASL) for the Supply, Installation, Testing and Commissioning of an Enterprise Resource Planning (ERP) Software Solution for Bomet University College. The Consideration for the Contract was a sum of Kshs. 16,544,931 and payments was made in phases of performance as per the contract. During implementation of the Project, the Contractor's term was impliedly extended because of the need to have all Staff at BUC trained on the use of the said system as this meant that all the staff recruited by BUC in the year 2021 had to be trained. In addition, COVID-19 Pandemic hindered the timely completion of the said Contract. The Contract was silent on how and when Commissioning will be done but currently all the modules are being implemented and improved on case by case basis based on user suggestions.</p>	Not Resolved	2022/2023 FYR

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<p>Basis for Conclusion 4</p>	<p>Payment of Unauthorized Allowances to Top Management</p>	<p>The Terms of Service for the Senior Management Staff of Bomet University College are stipulated in the Terms and Conditions of Service for Senior Management Staff which was Approved by BUC Council. The Management wrote to State Corporations Advisory Committee (SCAC) seeking for Approval of the BUC Human Resource Policy Instruments on 16th November 2021. Further, Circular Ref No. PSC/LEG/009/21/544(27) from the Public Service Commission (PSC) on Employment and Labour Relations Court (ELRC) Petition number.E161 of 2021, advised that Corporations can continue to apply existing Human Resource Instruments as Approved by their Respective Boards pending consultations with critical Stakeholders on Policy and Financial implications of the Court order. Additionally, the SRC undertook a Compliance Checks on 14th December 2021 and the Allowance for Top Management as contained in the Terms and Conditions of Service for Senior Management were submitted for their Review and Ratification, the Report from SRC is expected to be sent to all Universities and Constituent University Colleges once ready.</p>	<p>Not Resolved</p>	<p>2022/2023 FYR</p>
<p>Basis for Conclusion 5</p>	<p>Non-Compliance with the One-Third Basic Pay Rule</p>	<p>The professorial Allowance of Ksh. 8,000 is a CBA negotiated Allowance under the Universities Academic Staff Union, (UASU) which the top Management Staff belong as Professors. (UASU, MU, CBA 2012-2013, Section.19.5) under Academic and Professorial Allowance. BUC is cognizant of the requirements of Section C.1 (3) of the Human Resource Policies and Procedures Manual for the Public Service dated May, 2016 which states that public officers shall not over-commit their salaries beyond two thirds (2/3). Presently after salary deductions, the Payroll Officer runs a Report to check on compliance with the two-thirds rule before printing the final Payroll for approval.</p>	<p>Resolved</p>	
<p>Basis for Conclusion 6</p>	<p>Irregular Staff Recruitment and Appointment</p>	<p>Appointments by Council in Public Universities and University Constituent Colleges is from Grade 14 to Grade 16. Grade 17 to Grade 20 is interviewed by Public Service and appointed by the Cabinet Secretary on recommendation by Council. The Human Resource Manual is in the process of being reviewed to be aligned to the current practice in the sector.</p>	<p>Resolved</p>	

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Basis for Conclusion 7	Irregular Payment of Salary to Former Employee	The overpaid salary of K.sh 601,878 and not K.sh 598,235.90 and of which the total amount was honoured by the Staff on 7 th June 2022.	Resolved.	
Basis for Conclusion 8	Overpayment of Salaries to former Members of Staff	This matter was sufficiently answered and cleared off in the Audit certificate of 2019/2020 Financial Year. However at the time of concluding the audit of 2020/2021 Financial Year, we had not received the certificate of 2019/2020 Financial Year. The decision of BUC Council to recover had not been violated by the acting Management since the financial implication the period October 2017 to June 2019 and hence it was not practical to recover monies in January 2019. Moreover, the salaries of the acting Principal and the acting Deputy Principals had been withheld from January to March 2019 pending the decision of the College Council. During its 10 th Regular Meeting, held on 24 th April 2019 Council approved immediate payments of the withheld salaries for January, February and March 2019, and without any recoveries. Therefore, Council's Approval was implemented and salaries withheld paid.	Resolved	
Basis for Conclusion 9	Irregular Engagement of Casual Employees for more than Twelve Months	The University College disengaged the services of Casual workers and sub contracted security and cleaning services. However there are only a few Casual workers who are hired on need basis on rotation.	Resolved	

Prof. Anne Nangulu

PROF. ANNE NANGULU
PRINCIPAL AND SECRETARY TO COUNCIL

APPENDIX II: PROJECTS IMPLEMENTED BY BOMET UNIVERSITY COLLEGE

Projects implemented by BUC funded by the Government.

Status of Projects completion

	Project	Total project Cost Kshs	Total expended to date Kshs	Completion % to date Kshs	Budget Kshs	Actual Kshs	Sources of funds Kshs
1	Tuition Block, Library, Multipurpose Hall and 2 Hostels.	1,391,982,469	761,813,360	60%	50,000,000	4,500,000	Gok

APPENDIX III: INTER-ENTITY TRANSFERS

Transfers of Recurrent Funds from the State Department for University Education and Research

Date Received	Receipt Number	Amount	Month	Financial Year
03/08/2021	REC00665	25,990,801	July 2021	2021/2022
01/09/2021	REC00713	25,990,801	Aug 2021	2021/2022
29/09/2021	REC00752	25,990,779	Sept 2021	2021/2022
02/11/2021	REC00847	25,990,801	Oct 2021	2021/2022
26/11/2021	REC00918	25,990,801	Nov 2021	2021/2022
28/12/2021	REC01111	25,990,801	Dec 2021	2021/2022
01/02/2022	REC01189	25,990,801	Jan 2022	2021/2022
02/03/2022	REC01329	25,990,801	Feb 2022	2021/2022
01/04/2022	REC01491	25,990,801	March 2022	2021/2022
28/04/2022	REC01492	25,990,801	April 2022	2021/2022
06/06/2022	REC01596	26,170,714	May 2022	2021/2022
29/06/2022	REC01595	26,170,714	June 2022	2021/2022
TOTAL		312,249,416		

Transfers of Capital Development Funds from the State Department for University Education and Research

Date Received	Receipt Number	Amount	Financial Year
12/08/2021	REC00666	25,000,000	2021/2022
16/03/2022	REC01330	25,000,000	2021/2022
Total		50,000,000	

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


CPA Daniel Kimaiyo
 Head of Section, Finance
 Bomet University College

Sign



Johnson Njuguna
 Head of Accounting Unit
 State Department for University Education and Research

Sign


 For PRINCIPAL SECRETARY
 STATE DEPARTMENT FOR
 UNIVERSITY EDUCATION
 P. O. Box 9583 - 00200, NAIROBI



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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount - Kshs	Where Recorded/recognized					Total Transfers during the Year
	as per bank statement			Statement of Financial Performance	Capital Fund	Deferred Income	Receivables		
State Department of University Education and Research	1 st July 2021 to 30 th June 2022	Recurrent	312,249,416	312,249,416	-	-	-	312,249,416	
State Department of University Education and Research	12 th August 2021	Development	-	-	25,000,000	-	-	25,000,000	
State Department of University Education and Research	16 th march 2022	Development	-	-	25,000,000	-	-	25,000,000	
Total			312,249,416	312,249,416	50,000,000			362,249,416	

ANNEX 1: THE UNIVERSITY COLLEGE COUNCIL

The First Council was appointed through Gazette Notice No 10150 and 10151 dated 29th September 2017, appointed for a period of three (3) years effective 29th September 2017 and lapsed on 29th September 2020. The Second Council was appointed through Gazette Notice Vol. Cxxiv – No. 131 dated 8th July 2022 for a period of three (3) years effective 8th July 2022. Below are the list of the Council Members:

Members of Bomet University College Council	Details
 <p>Prof. Simon Eric Mitema Chairperson of Council Appointed on 8th July 2022</p>	<p>Prof. Simon Eric Mitema holds the Bachelor of Veterinary Medicine, MSc and PhD in Pharmacology and Toxicology from the University of Nairobi. He is a Professor of Veterinary Pharmacology and Toxicology and formerly served as Chairman, Department of Public Health, Pharmacology and Toxicology and Director, Centre for International Collaboration and Links. He has supervised 8 PhD and 15 Masters Students' Projects to completion and has published 52 peer-reviewed scientific papers and 20 conference papers. He is a Member of the African Union Expert on residues of Veterinary drugs in food as well as Member of the National Action Plan on Antimicrobial Resistance (AMR) in Kenya</p>
 <p>Prof. Isaac Kosgey Vice Chancellor of Moi University and Ex-Officio Council Member</p>	<p>Prof. Isaac Kosgey is a Professor of Animal Sciences (Animal Breeding and Genetics) and currently the Vice Chancellor of Moi University. He served previously as the Deputy Vice Chancellor (Administration, Finance and Development) at Laikipia University. He holds a Doctor of Philosophy in Animal Sciences and a Master of Science degree in Animal Sciences from Weningen University, Netherlands. In addition, he holds a Bachelor of Science in Animal Production from Egerton University. Diploma in Law from Mount Kenya University, and a Master of Business Administration from Kenyatta University. He holds a Bachelor of Laws degree (LLB) from the Open University of Tanzania, Tanzania.</p>

 <p>Prof. Anne Kisaka Nangulu Principal and Secretary to Council Appointed on 20th August 2019</p>	<p>Bachelor of Arts Degree (History) from the University of Nairobi (UoN), Master of Arts (History) from UoN, PhD in History from West Virginia University, USA. She has trained in Quality Assurance in University/Higher Education.</p> <p>She has extensive experience in teaching, research and management in University education. She served as the Deputy Commission Secretary in charge of Quality Audits and Standards at the Commission of University Education. Also served as Acting Deputy Vice-Chancellor, Academic, Research and Extension at Moi University and Secretary to Senate. She has also served as Dean School of Arts and Social Sciences and Director Quality Assurance at Moi University. She is the Principal and Secretary to Council at Bomet University College and Professor of History at Moi University.</p>
 <p>Bishop (Rev) Dr. Robert Kipkemoi Lang'at Council Member Appointed on 8th July 2022</p>	<p>Rev. Dr. Robert Lang'at is the current Bishop of Africa Gospel Church, Kenya. He holds PhD and a Master of Philosophy from Drew University. He also has a Master of Arts in Theology from Wesley Biblical Seminary (WBS).</p> <p>He has a Bachelors 'degree in Theology from Kenya Highlands University.</p> <p>Has published several Internal Academic Journals in Theology and Missions. Previously served as Assistant Academic Dean at WBS and Head of Department at Kabarak University.</p> <p>Chairperson of Tenwek Mission Hospital in Bomet County. Chairperson of Human Resource, Governance and Staff Disciplinary Committee of Council at Bomet University College.</p>
 <p>Mr. Martin Mugambi Mithega Council Member Appointed on 8th July 2022</p>	<p>Mr. Martin Mugambi is the Managing Partner at Mithega & Kariuki Advocates with more than 30 years' experience in Legal Practice. He is a Commissioner for Oaths and Notary Public.</p> <p>He holds a Master in Business Administration (Human Resource Management), Kenya Methodist University. He holds Bachelor o Laws (LLB. Hons), University of Nairobi and Diploma in Law (dip. Laws) Kenya School of Law.</p> <p>He previously served as a Member of the Insurance Appeals Tribunal and had also served as Director with Agricultural Development Corporation (ADC).</p> <p>Member of Several Professional Bodies; Law Society of Kenya, East Africa Law Society, and Certified Public Secretaries of Kenya among others.</p> <p>Chairperson of Audit and Compliance Committee of Council at Bomet University College.</p>



Eng. Peter Hiram Nduati
Council Member
Appointed on 8th July 2022

Eng. Peter Hiram is a Professional Engineer with over 40 years postgraduate experience in Feasibility Studies, Design and Construction Supervision of Highway Projects in Rural and Urban areas in Kenya and other African countries.

He holds a Msc. Civil and Structural Engineering, Southampton (UK) and Bachelor of Science in Civil Engineering, University of Nairobi.

He is a Member of Institution of Engineers of Kenya, Registered Engineer (Kenya) and Registered Consulting Engineer.

He is Chairperson of Finance, Administration, Strategy, Building and Development Committee of Council at Bomet University College.



Ms. Grace Khayota
Council Member
Appointed on 8th July 2022

Ms. Grace Khayota is the Acting Chief Executive Officer/Administrator at Friends Lugulu Mission Hospital. She previously served as County Executive Committee Member (CEC) in Charge of Gender and Culture, Bungoma County.

She holds Master of Science in Microbiology from Kenyatta University. She also holds a Bachelor of Education (Science) in Botany and Zoology from Kenyatta University.

She has over 20 years' experience in teaching at various Schools. She has also worked as a Coordinator for Exchange Programmes with schools in various countries including USA, Europe and Asia.

She is Chairperson Academic, Research, Extension, Students Affairs and Sealing Committee of Council at Bomet University College.





Mr. Reuben Cherukut Butaki
Council Member
Appointed on 8th July 2022

Mr. Reuben Cherukut Butaki holds Msc in Agriculture from the University of Manitoba, Canada. He also holds a Bachelor Science degree in Chemistry and Botany from the University of East Africa. He previously worked as Director at National Agricultural Research Centre (KARI) Kitale. He also worked as the Managing Director at Kenya Farmers Association (KFA), Nakuru.

He also worked as a Produce Executive at Kenya Farmers Association. Mr. Cherukut also worked as a Senior Agricultural Officer, Njoro, under the Ministry of Agriculture.

He previously worked as Research Officer at Kenya Breweries Limited.

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 <p>Ms Monica Asuna Alternate Member Appointed on 30th September 2019</p>	<p>Ms. Monica Asuna is a Director of Planning at the National Treasury and Planning, Kenya, with 24 years' experience specifically under the Ministry of Finance which is now The National Treasury. She holds a Master degree in Economics from the University of Malawi and BA in Economics from Moi University. She is the Head of United Nations Agencies Division, Development Effectiveness Secretariat and Investor Relations Unit, in the Resource Mobilization Department, Directorate of Public Debt Management Office at the National Treasury and Planning. Previously, she worked in the former Monopolies and Prices Commission in areas of discouraging Restrictive Trade Practices, Review of Mergers and Acquisition applications (1998 -2007); Representative of the Principal Secretary, The National Treasury at Bomet University College</p>
 <p>Dr. John Nyangena Alternate Member Appointed on 1st July 2021</p>	<p>Dr. John Nyangena is the Chief Economist in the Ministry of Education, State Department for University Education and Research. He holds a Doctorate in Environmental Planning from Kenya University and a Master of Philosophy in Development Studies from Moi University and a Bachelor of Science degree in Statistics from Jomo Kenyatta University of Agriculture and Technology. He is also an Environment and Climate Change Expert. Representative of the Principal Secretary, State Department for University Education and Research.</p>
<p>Alternate Member - Inspectorate of State Corporations</p>	<p>Awaiting Communication and Clarification from Inspectorate of State Corporations</p>
<p>Senate Representative (Moi University Senate) to Represent the Vice Chancellor when attending to official matters</p>	<p>To be Appointed</p>