

REPUBLIC OF KENYA



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REPORT

DATE: 23 APR 2024

TUESDAY

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BY **OF**

Hon Owen Baya, MP
Deputy Majority leader

CLERK AT
THE TABLE:

A. Shubaka

THE AUDITOR-GENERAL

ON

MULTIMEDIA UNIVERSITY OF KENYA

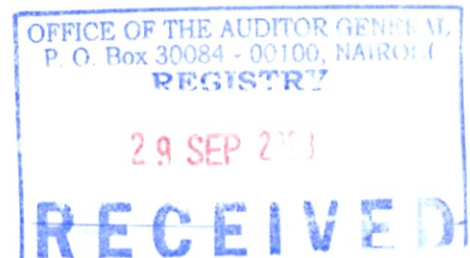
**FOR THE YEAR ENDED
30 JUNE, 2023**



MULTIMEDIA UNIVERSITY OF KENYA

ISO 9001:2015 CERTIFIED INSTITUTION

ANNUAL REPORT AND FINANCIAL STATEMENTS



FOR THE YEAR ENDED

30 JUNE 2023

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



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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Multimedia University of Kenya (MMU) is a Chartered Public University. The University's main Campus is located at Mbagathi along Magadi Road, approximately 20 Kms South West of Nairobi City centre. MMU traces its roots to Central Training School (CTS) which was founded in 1948 as an East African Telecommunications Training Institution. It later changed to Kenya Posts and Telecommunications Corporation (KPTC) Training School after the collapse of the East African Community in 1977. In 1992, it became a subsidiary of Telkom Kenya (TKL) after KPTC split into Postal Corporation of Kenya, Telkom Kenya Ltd and Communications Commission of Kenya (CCK), and was renamed Kenya College of Communications Technology (KCCT). The college operated under CCK between 2006 and 2008 after the privatization of TKL in 2006. In November 2008, it was upgraded to Multimedia University College of Kenya by Legal Order No. 155 of 2008 as a constituent college of Jomo Kenyatta University of Agriculture and Technology. The University College was chartered as a Public University on 4th March 2013 by virtue of the Universities Act No. 42 of 2012 and the Multimedia University Charter, 2013.

The University's main Campus is endowed with modern infrastructure that supports quality learning and research. These include a well-equipped library, lecture halls, state-of-the-art laboratories, workshops, multimedia production and editing studios. To support the University's core mandate, MMU has other facilities such as a modern hotel and conference centre, a radio station, a teleconferencing centre, a medical health centre, health club, laundry and a printing press. The Mbagathi Post Office is located within the University. MMU currently has six faculties, 12 departments and 3 directorates offering Degrees, Diploma and Certificate programmes. Our Academic Programmes are designed in consultation with regulatory bodies and relevant stakeholders to ensure quality education.



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KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

(b) Principal Activities

The principal activity of the University is to provide quality training in Engineering, media, ICT and Business to meet the aspirations of a dynamic society while inculcating a strong research, innovation, production and extension culture with an efficient team of academic and support staff. The University offers training opportunities with the aim of meeting the training needs of the Information and Communication Technology (ICT) sector. The University offers Diplomas and Degrees Academic Programs. The University also runs academic and professional programmes in collaboration with National Computing Centre (United Kingdom), Chartered Institute of Procurement and Supply (United Kingdom) and Kenya National Examination council.

(c) Key Management

Multimedia University's day-to-day management is under the following key organs:

- (i) Council,
- (ii) University Management Board,
- (iii) Senate

(d) Fiduciary Management

The key Management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were;

No.	Designation	Name
1.	Vice Chancellor	Amb. Prof. Festus Kaberia
2.	Deputy Vice Chancellor, A,F & P	Prof. Rosebella O. Maranga
3.	Deputy vice Chancellor, AA, R & I	Prof. Paul N. Mbatia
4.	Registrar, Academic Affairs	Dr. Joash Mulabe
5.	Registrar, Administration	Mr, Cornelius Mutangili
6.	AG. Registrar, Research and Innovation	Mr, Anderson Maina
7.	Ag. Chief Finance Officer	Ms, Leneah Munene
8.	Librarian	Ms. Esther N. Ingaa
9.	Ag. Chief Procurement Officer	Mr. Anthony K. Gitau

(iii)



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(e) Fiduciary Oversight Arrangements

- [i] Full Council
- [ii] Executive Committee (Ad-hoc)
- [iii] Finance and Resource Mobilization Committee
- [iv] Audit Committee
- [v] Establishment, Development, and ICT Steering Committee
- [vi] Human Resource, Staff Welfare and Disciplinary Committee of Council
- [vii] Students Welfare
- [viii] Sealing & Honorary Committee (Ad-hoc)



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KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

(f) Entity Headquarters

P.O. Box 15653, 00503
Magadi Road
Nairobi, Kenya.

(g) Entity Contacts

Telephone: (254) (020), 2071391/2/3
E-mail: vc@mmu.ac.ke
Website: www.mmu.ac.ke

(h) Entity Bankers

1. Kenya Commercial Bank
Ongata Rongai Branch
P.O. Box 267
Ongata Rongai
2. Equity Bank Ltd,
Ongata Rongai Branch,
P.O Box 75104-00200,
Nairobi, Kenya.
3. Co-operative Bank of Kenya,
P. O. Box 470- 00511,
Ongata Rongai.

(i) Independent Auditors

Auditor General – Office of the Auditor General,
P.O. Box 30084-00100,
Nairobi, Kenya.

(j) Principal Legal Advisers

1. Office of the Attorney General
Sheria House.
2. J. Thongori & Co. Advocates
P.O. Box 45707-00100, Nairobi.
3. Miller & Company Advocates
P.O. Box 45707-00100, Nairobi.
4. Muchoki Kanga'ta Njenga & Co. Advocates
P. O. Box 926 - 00100, Nairobi.
5. P. W. Wena & Company Advocates,
P. O. Box 928 - 00100, Nairobi.



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2. THE UNIVERSITY COUNCIL



**1. Prof. Johnstone Mutisya Kiamba
Chairman**

Prof. Kiamba was born 1952 and has over 30 years career experience having held management and teaching positions in various organisations. He has held various public service positions in Kenya, Botswana and South Africa. He is currently a consultant on regional development and environmental planning.

Prof. Kiamba holds a Doctor of Philosophy in Urban & Regional Planning, Nottingham University, UK. He is a member of the Botswana Institute of Town & Regional Planners, South African Council for Town & Regional Planners, Kenya Institute of Planners and is an Advocate of the High Court of Kenya.



**2. QS. Kibasui Ndonga
Treasurer**

Born on 12th July 1955, QS. Ndonga has over 38 years working experience in the construction industry. He is previously worked for Mavji Construction Company and the Ministry of Public Works.

Mr. Ndonga holds a Masters in Business Administration from Jomo Kenyatta University of Agriculture and Technology. He is an independent Director.




He is a Registered Quantity Surveyor, Member of the Institute of Quantity Surveyors of Kenya (IQSK), Member of Architectural Association of Kenya (Quantity surveyor's Chapter) and an Associate Member of the Institute of Arbitrators of Kenya.



**3. Dr. Emmanuel Wamalwa
Member**

Dr. Wamalwa was born 1978 in Trans Nzoia county and has over 15 years working experience in the humanitarian and development sector. He is the Head of Health Programs at CARE International, Kenya and has previously worked for the Kenya Red Cross Society, AMPATH, Kenya Medical Research Institute and the Ministry of Health, Kenya.

Dr. Wamalwa holds a Doctor of Philosophy in Disaster Management & Sustainable Development from Masinde Muliro University of Science and Technology.

 <p>4. Mr. Samson Kahindi Iha Member</p>	<p>Mr. Iha was born in Kilifi County on 6th October, 1958 and has over 23 years working experience in the education sector. He is currently Assistant Language Programmes Manager, Coast Region at Bible Translation & Literacy (BTL-EA) and has previously worked for the Teachers Service Commission.</p> <p>Mr. Iha holds a Masters of Arts in Project Planning & Management. Mr Iha is an independent Director of the board.</p>
 <p>5. Ms. Juliet Wambua-Njogu Member</p>	<p>Born in Nairobi County in 1979, Ms. Wambua-Njogu has over 15 years working experience in the banking and hospitality industries. She is currently the Managing Director of The Alba Hotels Limited. She previously worked at Standard Chartered Bank and Barclays Bank.</p> <p>Ms. Wambua-Njogu holds a Master of Business Administration from Warwick Business School, United Kingdom and is also a graduate of the Strathmore University Owner Manager Program. She is an Independent Director of the board.</p>
 <p>6. Ms Margaret Iyasi Lesuuda Member</p>	<p>Born in Laikipia County, Sub County of Laikipia North. Ms Margaret Iyasi Lesuuda is the Deputy Director Basic Education at the Ministry of Education. She is a representative from the Ministry of Education.</p> <p>Ms Lesuuda holds a Masters of Education and Masters of Arts respectively.</p>



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**7. Mr. Micah Kilonzo
Member**

Mr. Micah Kilonzo was born in Makueni County

Mr. Micah Kilonzo is an Alternate to Principal Secretary, National Treasury.

He holds a Bachelors in Economics






**9. Prof. Amb. Festus Kaberia
Secretary**




Prof. Amb. Festus Kaberia was born in 1949 and is a Professor of Organic Chemistry and a scholar of great repute. Prior to his appointment to MMU he was a professor of organic chemistry at Jomo Kenyatta University. He also served as a deputy commission secretary at the commission for Higher Education.

Prof. Amb. Kaberia has also served as the country as a High Commissioner of Kenya to India. Prof. Kaberia is the secretary to the board.

3. MANAGEMENT TEAM

 <p>1. Prof. Amb. Festus Kaberia Vice Chancellor</p>	<p>Vice Chancellor Prof. Amb. Festus Kaberia is a Professor of Organic Chemistry and a scholar of great repute. Prior to his appointment to MMU he was a professor of organic chemistry at Jomo Kenyatta University. He also served as a deputy commission secretary at the commission for Higher Education.</p> <p>Prof. Amb. Kaberia has also served as the country as a High Commissioner of Kenya to India.</p>
 <p>2. Prof. Rosebella O. Maranga Deputy Vice Chancellor Administration, Finance and Planning</p>	<p>Deputy Vice Chancellor, in charge of Administration, Finance and Planning. Holder of PhD in Medical /Veterinary Entomology, Master of Management and leadership and previously professor of zoology at Jomo Kenyatta University of Agriculture and Technology.</p> <p>Prof Maranga has a wide range experience in development and administration of institutional policy, institutional strategic planning and budget development and implementation, public finance and procurement, Curriculum development and implementation and research and training.</p>
 <p>3. Prof. Paul Mbatia Deputy Vice Chancellor, Academic Affairs Research & Innovation</p>	<p>Deputy Vice Chancellor in charge of Academic Affairs, Research and Innovation, Prof. Paul Mbatia is an Associate Professor of Sociology who has an impressive record of teaching Sociology at the University of Nairobi for many years. Prior to his appointment at Multimedia University of Kenya, he held various senior administrative positions at the University of Nairobi and also served in leadership positions at the Public Sector, Anglican Church of Kenya and at Community level. Prof. Mbatia is a well-established scholar, youth mentor, mediator and a consultant on Social Development.</p>

MANAGEMENT TEAM (CONTINUED)

 <p>4. Mr. Cornelius Mutangili Registrar Administration</p>	<p>Mr Mutangili holds a Bachelor of Arts Degree (sociology & Anthropology), University of Nairobi, Master of Arts (Demography), University of Nairobi. He has since defended his PhD Thesis in Leadership and Governance at JKUAT. An experienced Social Science Researcher in General population dynamics, with particular interest in Reproductive Health and behavioral research. He has over 20 years' experience in Administration, having worked as a Senior Administrator, University of Nairobi, Deputy Registrar, Research and Innovation and Registrar, Research and Innovation, Multimedia University of Kenya.</p>
 <p>5. Dr. Joash Mulabe Registrar Academic Affairs</p>	<p>Registrar Academic Affairs Dr. Mulabe has over 25 years' experience in Administration of public universities. He has served in various universities in different capacities. Before joining MMU, he served as deputy registrar at JKUAT.</p> <p>Dr. Mulabe holds a Bachelor of Arts degree in (Sociology and History-KU); a Master of Business Administration (Human Resource Management - 2005 KU); and a Ph.D. in Human Resource Management and Organizational Behaviour & Theory 2013-UoN. He has also attended relevant short training courses relevant to his career.</p>
 <p>6. Ms. Leneah Munene Ag. Finance Officer</p>	<p>Ag Finance Officer Ms. L. Munene has over 15 years of demonstrated experience in Financial management. She has broad knowledge in the areas of Public Finance and Procurement having served in various public institutions in different capacities. Prior to her appointment as the Ag. Finance Officer she served as the Senior Accountant in MMU.</p> <p>Ms. Munene holds a Masters of Business Administration (Finance) from Daystar University. She is also a CPA K.</p>



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4. CHAIRMAN'S STATEMENT

On behalf of the Multimedia University of Kenya Council, I am pleased to present the Annual Report and Financial Statements for the fiscal year ending on June 30, 2023. It is gratifying to reflect upon the significant progress the University has made during the past year.

The financial year 2022-2023 brought both challenges and opportunities, which the University navigated with strategic precision to fulfill our mission and meet the expectations of our stakeholders. We encountered several formidable challenges, including a reduction in Government funding, economic hardships due to the Covid-19 pandemic, prolonged drought in the region, and global issues such as the conflict in Ukraine. These factors have adversely affected our key stakeholders and, subsequently, our revenue streams, impacting our ability to meet our commitments.

In the recent past, the Government of Kenya underscored the importance of effective management at all public institutions especially universities. This Council has taken this mandate seriously, with a strong commitment to sound financial and human capital management. Our focus remains on providing excellent service to our students, employees, and other stakeholders.

Financial Performance:

In the just concluded fiscal year 2022/2023, the University continued to have a deficit in its books mainly due to reduced Exchequer funding and increasing cost of goods and services. As much as there have been major challenges the University has continued to focus on cost reduction and revenue generation to improve the institution's financial position. A major load on the University's financials is the large pending bills that require systematic reduction. For this to happen, the Council has tasked management to come up with innovative solutions to this issue of pending bills in line with the Government directive to reduce pending bills to the bare minimum.

Strategic Direction of the University:

Multimedia University of Kenya's Vision, 'to be the University of Choice in training, research, innovation, and consultancy,' as outlined in the MMU strategic plan 2017-2022, remains vibrant.



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This vision, coupled with our Mission ‘to provide quality training, foster a culture of research and innovation, and engage in consultancy to meet the aspirations of a dynamic society’, has been the driving force behind our success as a University.

As we conclude this plan and embark on shaping the new strategic plan for the next five years, we acknowledge that we have established a solid foundation for the future. However, it should be noted that there are many activities which were not achieved mainly due to inadequate resources that need to be re-crafted considering the current operating environment and included into the new plan.

Future Outlook:

As the University crafts its new strategic plan for the coming five years, we are committed to aligning with the Government's Bottom-up Economic Transformation Agenda (BETA) and other national priorities aimed at enhancing the quality of life for Kenyans and boosting Kenya's global competitiveness, as outlined in the National Vision 2030. The University must play a pivotal role in supporting the Government's efforts to meet the needs and expectations of our nation's citizens by imparting knowledge, skills and innovating.

As the Chair of the Council, I extend our gratitude to the Government of Kenya for its unwavering support for the University. As a technical university, MMU plays a critical role in nurturing the human capital needed to realize our national development agenda. The Council will persist in safeguarding the University's unique position and will continue to collaborate closely with the Government, management, staff, students, and all stakeholders as we strive for academic excellence and our ongoing commitment to serve society.

A handwritten signature in black ink, appearing to be 'Prof. J. M. Kiamba', written over a white rectangular box.

Prof. J. M. Kiamba, PhD, MA, BA, LLB, Dip. Law (KSL)
CHAIRMAN OF THE COUNCIL



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5. THE VICE CHANCELLOR'S STATEMENT

As a public institution, the Multimedia University of Kenya has a duty to transparently report its financial management to our valued stakeholders and the broader public. Being a prominent university in Kenya, MMU upholds the highest standards by adhering to International Accounting Standards (IAS) and government financial policies.

Similar to many other public universities, MMU has faced ongoing financial challenges that have significantly influenced our development strategies and service delivery. However, under the guidance of our dedicated Council, the University has initiated a transformative journey aimed at enhancing our management systems for greater efficiency. We have embarked on numerous initiatives designed to enrich the experience of our clients, especially our students. To ensure long-term financial sustainability, MMU has focused on cost reduction and revenue generation, with a significant emphasis on automating our internal processes and the use of technology in our teaching. This automation and utilization of technology has greatly improved efficiency, transparency, and accountability.

Our ambition in the forthcoming financial year is to build upon our prudent financial management, automation and other initiatives and continue delivering quality education and services to our students and other stakeholders. We are committed to collaborating with other institutions to enhance the knowledge and skills of our staff and students in their respective fields of expertise. Additionally, we acknowledge the significant pending bills that have accumulated over the years due to underfunding. At MMU, we are actively exploring various strategies to reduce these outstanding bills, and with the support of our stakeholders, particularly the government, we believe we can settle them in due course. We anticipate that the new University Funding Model will contribute to greater financial stability across universities.

We extend our heartfelt gratitude for the unwavering support, both financial and otherwise, that we receive from the government and our various partners. It is this support that continues to propel our institution toward success and excellence. Together, we are committed to shaping a brighter future for our students and the community we serve.


Amb. Prof. Festus Kaberia, PhD. OGW
VICE CHANCELLOR



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**6. STATEMENT OF MULTIMEDIA'S PERFORMANCE AGAINST
PREDETERMINED OBJECTIVES FOR FY 2022/2023**

STRATEGIC ORIENTAION

Vision Statement, Mission Statement, Mandate and Strategic Objectives

Vision Statement

To be a University of choice in Training, Research, Innovation and Extension.

Mission Statement

To provide quality training, nurture a culture of research, innovation and extension to meet the aspirations of a dynamic society.

Statement of Strategic Intent by the Council

In carrying out our duties, we intend to put all our efforts towards contributing effectively and efficiently to the achievement of the national development agenda as espoused in the Kenya Vision 2030 MTP IV, keeping in mind the specific priorities of the Multimedia University of Kenya. Bearing in mind the imperative of inclusivity, we will implement the following Strategic Intentions during the Financial Year:

- i. Provide relevant skills for the Bottom Up Economic Transformation Agenda and Vision 2030 to the economy.
- ii. Carry out strategic research for the Bottom Up Economic Transformation Agenda and vision 2030 deliverables
- iii. Implement the University Post COVID-19 Recovery Strategies and Action Plan on cost cuttings and income generating to ensure frugal utilization of University funds.
- iv. Carry out community empowerment through extension.

Mandate

The Mandate of the University:

1. Provide education directly or in collaboration with other institutions and in so doing, provide for the integration of teaching, research and effective application of knowledge and skills to the life, work and welfare of the citizens of Kenya;
2. Advance knowledge and its practical application by research and other means;
3. Disseminate the outcomes of research by various means, and commercially exploit the results of such research;



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4. Participate in technological innovation as well as in the discovery, transmission and enhancement of knowledge, and to stimulate the intellectual life in the economic, social, cultural, scientific and technological development;
5. Contribute to industrial and technological development of society in collaboration with industry and other organizations;
6. Inculcate a culture of innovation in technology, engineering and science, amongst staff, students and society;
7. Promote education in science, technology, engineering and mathematics within the institution and society and Provide a multi-level system of education and training that is relevant to the needs of the community covering a wide range of fields and levels with provision for recognition of prior learning and flexibility of transition between educational levels;
8. Participate in scholarly work, discovery, transmission, utilization, preservation and enhancement of knowledge and to stimulate the intellectual participation of students in the economic, social, cultural and technological development of Kenya;
9. Offer continuing professional development courses, Determine the curriculum, its mode of delivery and to specify the admission criteria and Conduct examinations;
10. Grant and confer such academic awards as may be provided for in the Act and the Statutes and Establish new colleges, facilities, schools, institutes, departments, other resource and administrative units and centres;
11. Promote the general welfare of staff and students and Develop and provide educational, cultural, professional, technical and vocational services to the community, and in particular fostering of corporate social responsibility
12. Generally, facilitate the development and provision of appropriate and accessible academic programmes and other programmes, Charge fees and tariffs; and Mobilize resources.

It is our responsibility to provide the required leadership in designing suitable plans and strategies that will contribute to high and sustainable socio- economic development. It is our undertaking to ensure that the Multimedia University of Kenya has a credible Strategic Plan and Performance Contract that will deliver the desired goals.

It is also our undertaking that we will perform our responsibilities diligently and to the best of our abilities to support the achievement of the agreed performance targets.



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The Key Result Areas (KRI) /strategic pillars/ themes/ issues Pursued in the period under review are as follows:

KRA 1(Pillar/Theme/Issue: Academic Excellence

KRA 2(Pillar/Theme/issue): Research, Innovation and Extension

KRA 3(Pillar/Theme/issue): Institutional Capacity

Strategic Objectives

In order to implement the three above Key result areas, the University developed the following summarized Strategic Objectives;

During the financial year 2022-2023 the University Council pursued the following strategic objectives derived from the University's Strategic Plan 2017-2021 and actualized the same as per the indicated below 2022-2023 University work Plan.

1. To improve access, quality and relevance of academic programmes
2. To improve the student's progression/ completion rate.
3. To position the University as a reputable research and innovation centre
4. To attract, retain competent staff
5. To improve mobilization, utilization and management of financial resources.
6. To develop appropriate infrastructure and acquire equipment.

Multimedia University of Kenya develops its annual work plans based on the above three (3) Key results areas and strategic objectives and actualized as per the Work plan indicated below. Assessment of the Board's performance against its annual work plan is done on a quarterly basis and as per performance contracting quarterly reports that reports the actual implementation of the set target on each quarter. The Multimedia University of Kenya Council achieved its performance targets set for the FY 2022/2023 FY period for its three key result Areas and as per negotiated and vetted Performance Contract and which was evaluated by the GOK the University attained a **row score of 1.96 which was in Strong EXCELLENT CATEGORY. This was remarkable improvement compared from previous year 2021-2022 where the University had a row score of 2.777 translating category also EXCELLENT CATEGORY Performance.**



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2022/2023 University Work plan

MULTIMEDIA UNIVERSITY OF KENYA ANNUAL WORK PLAN FOR THE FINANCIAL YEAR 2022/2023

THE UNIVERSITY STRATEGIC OBJECTIVES	ACTIVITIES	EXPECTED OUTPUT (TARGET)	MEASUR-ABLE INDICATORS (Key Performance Indicators)	ACTIVITIES PER QUARTER (TIMELINE FOR IMPLEMENTATION)				RESPONSIBLE OFFICE(R)/ DELIVERABLE S BY:
				QTR 1	QTR 2	QTR 3	QTR 4	
A. OBJECTIVE 1								
To improve access, quality and relevance of academic programmes	Develop and review curriculum that are market oriented.	Developed and reviewed curriculum	Number of new and reviewed curriculum	←				Director, Academic Quality Assurance
	Declare student capacities in tandem with a available space	Declared capacity in programmes each year	Number of students admitted into various programmes	→				Registrar, Academic Affairs
	Development of new Academic Programmes	Developed new Post Graduate Programmes	Number of new Post Graduate Programmes developed	←				All Faculties
	Develop Short Courses	Developed market driven short courses	Number of market driven short courses developed	←				All Faculties
	Advertise available vacancies for self sponsored students	Advertised vacancies for self sponsored programmes each year	The number of self sponsored students(SSP) Enrolled/Admitted into various courses	←				Registrar, Academic Affairs
	Carry out Market Surveys to identify training needs to incorporate in development of competitive programmes	Market Survey reports	Number of Market Surveys carried out to identify training needs for development of competitive programmes	↔				Directorate, Academic Quality Assurance



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THE UNIVERSITY STRATEGIC OBJECTIVES	ACTIVITIES	EXPECTED OUTPUT (TARGET)	MEASUR-ABLE INDICATORS (Key Performance Indicators)	ACTIVITIES PER QUARTER (TIMELINE FOR IMPLEMENTATION)				RESPONSIBLE OFFICE(R)/ DELIVERABLES BY:
				Q T R 1	Q T R 2	Q T R 3	Q T R 4	
B. OBJECTIVE 2								
To improve access, quality and relevance of academic programmes	Timely processing of students issues i.e. leave deferments readmissions, appealsetc Enhancement of quality in service delivery to students	Processed student's issues	Number of Approved matters communicated to students Number of students readmitted, suspended, expelled in a year. Number of Internal/ External Service Quality Audits Undertaken based on the SOPs	←————→				Registrar Academic Affairs
	Transfer of qualified students to courses/ faculties of their choice	Inter/ Intra Institution Transferred students / changed courses in an academic year	The number of students transferred/ courses changed	→————←				Registrar Academic Affairs
	Enhance student work study and Attachments	Students on workstudy programmes and accessing opportunities	Number of students on work study/Attachments/ MoUs for Industrial Linkages	←————→				Dean of Students



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	Enhance Staff Training and Development	Training plan implemented	Number of staff trained		DVC AF&P
	Enhance Staff Performance Management systems	Policy formulate and implemented	Approved Policy		DVC AF&P



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THE UNIVERSITY STRATEGIC OBJECTIVES	ACTIVITIES	EXPECTED OUTPUT (TARGET)	MEASURABLE INDICATORS (Key Performance Indicators)	ACTIVITIES PER QUARTER (TIMELINE FOR IMPLEMENTATION)				RESPONSIBLE OFFICE(R)/ DELIVERABLES BY:
				QTR 1	QTR 2	QTR 3	QTR 4	
E.OBJECTIVE. 5								
To improve mobilization, utilization and management of financial resources.	Enhance financial resource mobilization	Improved student debt collection Increase the number of income generating units Engage Government agencies for increased capitation Upgrade the capacity of current Strategic Business Units Enhance revenue collection from IGUs	Reduced student debt Increased cash collection Number of new IGUs established Increased capitation Number of upgraded Strategic Business Units % of increased revenue					DVC AF&P
	Enhance internal control	Enhance efficiency and effectiveness in the utilization of funds	100% adherence to approved budget					DVC AF&P



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	Enhance Cost Reduction	Installation of green energy systems Managing wasteful processes Recycle waste Produce own food stuff	Number of installed green energy systems % of cost reduction in identified areas Quality and quantity of items recycled Quantity of food items produced	↔				DVC AF&P
E. OBJECTIVE. 5				QTR 1	QTR 2	QTR 3	QTR 4	
To improve mobilization, utilization and management of financial resources.	Institutionalize the PPADA	Sensitized internal and external stakeholders Implement preference and reservation of 30% of the procurement budget for marginalized groups Automate procurement system	Number of Sensitized internal and external stakeholders Registered marginalized groups and report to PPRA Operational automated system	↔				
F. OBJECTIVE. 6								
To develop infrastructure equipment and appropriate acquire								
Expand facilities and resources	Establish E-learning Connectivity and technology infrastructure (40%)	Upgraded E-learning Server Acquired E-tool software Installed three	Establish E-learning Connectivity and technology infrastructure to (40% cumulative)	↔				DVC AA, R&I ,



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		Access points	Rate		
	Construct a Modern Library Complex	Constructed structure of 4th Floor slab and 5th floor half slab with roof -Access Road, Parking and Drainage	Construction of Modern Library Complex to a completion rate of 100%	↔	DVC AF&P & Estates

The diagram below indicates actualization the three KRAs:

Strategy	Objective	Key Performance Indicators	Activities	Results/Target (KRA)
KRA 1: Academic Excellence	Objective 1 To improve access, quality and relevance of academic programmes	Number of new and reviewed curriculum Number of students admitted into various programmes Number of new Post Graduate Programmes developed Number of market driven short courses developed The number of self sponsored students(SSP) Enrolled/Admitted into various courses Number of Market Surveys carried out to identify training needs for development of competitive programmes	Develop and review curriculum that are market oriented. Declare student capacities in tandem with available space Development of new Academic Programmes Develop Short Courses Advertise available vacancies for self-sponsored students Carry out Market Surveys to identify	Two post graduate programmes developed in optics and laser Over 1000 student admitted Two academic programmes developed and four short courses Mounted Over 68 self-sponsored students admitted



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				training needs to incorporate in development of competitive programmes	Stakeholder workshops held in development of new programmes to capture market needs
KRA 1: Academic Excellence		Objective 2 To improve the students progression/ completion rate.	Number of Approved matters communicated to students Number of students readmitted, suspended, expelled in a year. Number of Internal/ External Service Quality Audits Undertaken based on the SOPs The number of students transferred/ courses changed Number of students on work study/Attachments/ MoUs for Industrial Linkages	Timely processing of students issues i.e. leave deferments readmissions, appeals etc Enhancement of quality in service delivery to students Transfer of qualified students to courses/ faculties of their choice Enhance student work study and Attachments	Processing of students undertaken as per University Charter One main Internal audits undertaken and correction implemented The MOUs for linkages established in 2021-2022 FY
KRA 2: Research, Innovation and Extension		Objective 3 To position the University as a reputable research and innovation centre	Established Innovation & Incubation Centre (Manufacturing) at (60%) completion rate Establishment of a National institute for Optics & Lasers- (Manufacturing/Health) at 80 % completion rate Increase funding for research and Development	Establish Innovation & incubation centre Establishment of a National institute for Optics & Lasers Increase a percentage of budget allocation to Research and Development	Innovation center established a National institute for Optics & Lasers Established and Labs operational Research and Development allocated in 2021-2022 was at 2% as per the national research priority Framework



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Strategic Pillar/Theme/Key Result Area (KRA)	Objective	Key Performance Indicators	Strategies	Actual Performance
KRA 3: Institutional Capacity	OBJECTIVE E 4 To attract, retain competent staff	Recruit and deploy qualified staff Approved staff establishment Approved organization Structure Number of staff trained Approved Policy	Review and maintain an optimal staff establishment Enhance Staff Training and Development Enhance Staff Performance Management systems	Qualified staff including two Associate professors and Professor appointed Staff training scheduled developed and implemented Staff appraisal tools developed and implemented
	OBJECTIVE E 5 To improve mobilization, utilization and management of financial resources.	Increased cash collection Number of new IGUs established Increased capitation Number of upgraded Strategic Business Units % of increased revenue 100% adherence to approved budget Number of installed of green energy system Cost reduction in identified areas Quality and quantity of items recycled Quantity of food items produced	Enhance financial resource mobilisation Enhance internal control Enhance Cost Reduction	Income generation Units structured and enhanced Revenue collected secured by implementing cashless points Compliance with approved budget attained Energy audit undertaken and recommendation action plan developed
	OBJECTIVE E 6 To develop appropriate infrastructure and acquire equipment.	Establish E-learning Connectivity and technology infrastructure to (40% cumulative Rate Construction of Modern Library Complex to a completion rate of 100%	Establish E-learning Connectivity and technology infrastructure Construct a Modern Library Complex	E-learning Connectivity and technology infrastructure established to (100% cumulative Rate and uploading of teaching contents and online teaching taking place Modern library complex attained at around 70% completion



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2022/2023 GOK EVALUATION RESULTS OF THE UNIVERSITY PERFORMANCE CONTRACT

**Republic of Kenya Multimedia University of Kenya
 Performance Evaluation Report for the Year: 2022/2023**



Republic of Kenya

2022/2023 FINAL EVALUATION RESULTS

	Indicator Name	Unit	Weight	Current Status	Target	Achievement	Percentage Change	Raw Score	Weighted Score	Remarks
A	Financial Stewardship									
A1	Absorption of Allocated Funds(GoK)	%	5.00	100.00	100.00	100.00	0.00	3.0000	0.1500	Very Good
A2	Appropriation -In-Aid	Kshs	2.00	523850324.42	748,621,574.00	459,580,958.59	-38.61	3.7722	0.0754	Fair
A4	Pending Bills Ratio	%	3.00	1.00	1.00	0.02	98.00	1.0400	0.0312	Excellent
	Weight Sub total		10.00						0.2566	
B	Service Delivery									
B1	Implementation of Citizens' Service Delivery Charter	%	4.00	100.00	100.00	100.00	0.00	3.0000	0.1200	Very Good
B2	Business Process Re-engineering	%	3.00	100.00	100.00	35.00	-65.00	4.3000	0.1290	Poor
B3	Resolution of Public Complaints	%	3.00	100.00	100.00	100.00	0.00	3.0000	0.0900	Very Good
	Weight Sub total		10.00						0.3390	
C	Core Mandate									
C237_1	National institute for Optics& Lasers Established	%	5.00	20.00	100.00	100.00	0.00	3.0000	0.1500	Very Good
C237_10	Partnership and Linkages	No	5.00		2.00	5.00	150.00	1.0000	0.0500	Excellent
C237_11	Community Outreach and Extension Activities Undertaken	No	5.00	100.00	2.00	7.00	250.00	1.0000	0.0500	Excellent



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	Indicator Name	Unit	Weight	Current Status	Target	Achievement	Percentage Change	Raw Score	Weighted Score	Remarks
C237_12	Uploading Course Contents into e-Learning Platform	No	5.00	38.00	12.00	38.00	216.67	1.0000	0.0500	Excellent
C237_13	Project Completion Rate	%	2.00		100.00	85.00	-15.00	3.3000	0.0660	Good
C237_14	Science, Technology and Innovation (STI) Mainstreaming	%	2.00	24.00	100.00	100.00	0.00	3.0000	0.0600	Very Good
C237_2	Post Graduate Students Enrolment Increased	No	4.00	6.00	10.00	61.00	510.00	1.0000	0.0400	Excellent
C237_3	Short courses in Faculties of Science, Computing, Engineering and Media Developed	No	4.00	30.00	2.00	11.00	450.00	1.0000	0.0400	Excellent
C237_4	Self-Sponsored Programme (SSP) Students Enrolled	No	5.00		100.00	601.00	501.00	1.0000	0.0500	Excellent
C237_5	Students mentored on Career and Leadership Skills	No	4.00	68.00	200.00	406.00	103.00	1.0000	0.0400	Excellent
C237_6	Research proposal submitted for funding	No	4.00		3.00	14.00	366.67	1.0000	0.0400	Excellent
C237_7	New Scientific Publications Developed	No	5.00	9.00	20.00	32.00	60.00	1.8000	0.0900	Excellent
C237_8	Monitoring and Evaluation of Teaching and Learning Outcomes	No	5.00	790.00	1.00	2.00	100.00	1.0000	0.0500	Excellent
C237_9	Dissemination of research findings Promoted	No	5.00	20.00	12.00	29.00	141.67	1.0000	0.0500	Excellent
	Weight Sub total		60.00						0.8260	

D	Implementation of Presidential Directives									
D1	Implementation of Presidential Directives	%	2.00	100.00	100.00	100.00	0.00	3.0000	0.0600	Very Good
	Weight Sub total		2.00						0.0600	
E	Access to Government Procurement Opportunities									
E1	Access to Government Procurement Opportunities (AGPO)	Kshs	3.00	55855917.00	41,589,000.00	57,285,230.80	37.74	2.2452	0.0674	Excellent
	Weight Sub total		3.00						0.0674	
F	Promotion of Local Content in Procurement									



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F1	Promotion of Local Content in Procurement	Kshs	2.00	143282904.12	96,972,000.00	197,063,386.69	103.22	1.0000	0.0200	Excellent	
	Weight Sub total		2.00						0.0200		
G	Cross - Cutting										
G1	Asset Management	%	1.00	100.00	100.00	50.20	-49.80	3.9960	0.0400	Fair	
G2	Road Safety Mainstreaming	%	1.00	100.00	100.00	100.00	0.00	3.0000	0.0300	Very Good	
G3	Corruption Prevention	%	2.00	75.00	100.00	90.00	-10.00	3.2000	0.0640	Good	
G4	Youth Internships/ Industrial Attachments/ Apprenticeships	No	1.00	269.00	95.00	288.00	203.16	1.0000	0.0100	Excellent	
G5	Competence Development	%	2.00	100.00	100.00	100.00	0.00	3.0000	0.0600	Very Good	
G6	Disability Mainstreaming	%	1.00	64.00	100.00	100.00	0.00	3.0000	0.0300	Very Good	
G7	Gender Mainstreaming	%	1.00	80.00	100.00	97.00	-3.00	3.0600	0.0306	Good	
G8	Prevention of Alcohol and Drug Abuse	%	1.00	55.00	100.00	22.00	-78.00	4.5600	0.0456	Poor	
G9	Prevention of HIV Infections and Non-Communicable Diseases	%	1.00	98.00	100.00	100.00	0.00	3.0000	0.0300	Very Good	
G10	National Values and Principles of Governance	%	2.00	100.00	100.00	100.00	0.00	3.0000	0.0600	Very Good	
	Weight Sub total		13.00						0.4002		
			100.00	Composite Score- EXCELLECT						1.9692	

After GOK evaluation for 2022-2023 Performance contract Multimedia University of Kenya Council achieved and surpassed its performance targets set for the FY 2021/2022 period for its three key result Areas and as per negotiated and vetted Performance Contract by **attaining a row score of 1.96 which was in Strong EXCELLENT CATEGORY**. This was big improvement compared with previous year 2021-2022 where the University had **attained Excellent Category of 2.27**



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7. CORPORATE GOVERNANCE STATEMENT

7.1 INTRODUCTION

Multimedia University of Kenya (MMU) traces its origins back to 1948 when it was established as the Central Training School (CTS), operating as a department within the East African Telecommunications Training Institution. Over the years, it has undergone a significant transformation and was granted the status of a Chartered Public University in March 2013.

As a Chartered Public University, MMU operates under the governance framework set forth by the Government through the Universities Act No. 42 of 2012 and the Multimedia University of Kenya Charter 2013. This framework is overseen and regulated by the Commission of University Education and operates in accordance with the State Corporation Act.

With a rich history dating back to its early roots, MMU and its predecessor institutions have played a vital role in shaping the educational landscape of Kenya and have positively impacted the lives of countless students. As part of its commitment to excellence and responsible management, the University's Council regularly conducts reviews of its corporate governance framework. This ensures that MMU operates in full compliance with the legal framework governing the University and adheres to the provisions of the State Corporations Act. In doing so, MMU strives to meet the diverse needs of all its stakeholders.

The following Corporate Governance Statement provides an overview of the key components of the corporate governance framework during the fiscal year ending on June 30, 2023



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7.2 The Council Term of Service

The Chairperson and the other independent members of the council serve for a term of three years, they are currently serving their last term having been re-appointed for a further one term on 4th November, 2020. The other members were appointed by their nominating ministries.

7.3 The Roles and Responsibilities of Members

These roles and responsibilities are also retained in the Council's five-year strategic plan (2017-2021), in the Council's annual work plans and in the Board Charter. New members, once appointed, are inducted and given these documents in order to familiarize themselves with the roles and responsibilities as outlined in the law.

7.4 The Council Charter

The Council has in place a Council Charter which was reviewed in 2018. The Council Charter governs;

- Conduct and management of meetings,
- Facilitation of Council members,
- Succession planning,
- Process of Appointment and removal of Council members,
- Roles & functions of the Council,
- Induction & training,
- Conflict of Interest,
- Council remuneration and
- Ethics & conduct.

7.5 The Council Evaluation

During the FY 2022-2023, the State Corporation Advisory Committee (SCAC) facilitated a Council self-evaluation on 04th August, 2023 for the financial year ending 30 June 2023.



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7.6 Compliance to laws and other legal requirements

The Council as a responsible corporate citizen is alive to the tenets of the Constitution of Kenya and accountable to the Government of Kenya, through the Ministry of Education in ensuring that it complies with all applicable laws and statutes and maintain the highest standards of corporate governance.

7.7 The Council Remuneration

The remuneration of the Council is governed by prevailing rates as per Government policy and Government Circulars. Details of the Council and its committee allowances are included in these financial statements.

7.8 Multimedia University Council

The MMU Council Members were appointed on 7th August 2017 vide gazette Notice No. 7602 and No.7603. Their term was renewed by the Gazette Notice No.8996 dated 04th November 2020. The Council members are: -

- a) Prof. Johnstone Mutisya Kiamba
- b) Dr. Emmanuel Wamalwa, PhD
- c) Ms Juliet Wambua-Njogu
- d) Mr. Samson Kahindi Iha
- e) Mr. Kibasui Ndonga
- f) Mr. Micah Kilonzo, PS REP - National Treasury
- g) Margaret Lesuda PS –Ministry of Education
- h) Amb. Prof. Festus Kaberia, - Vice Chancellor and Secretary to the Council

7.9 COUNCIL COMMITTEES

To effectively undertake its role, the Council constituted four working Committees in line with Mwongozo.



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These committees were: -

1. Planning, Finance and Resource Mobilization
2. Human Resource and Staff Welfare
3. Academic and Students Welfare
4. Audit, Risk and Governance

7.10 Number of Council Meetings held during the 2022/2023 Financial Year

The Council held various meetings during the year.

a. Induction and Training in 2022/2023

Council Members were inducted and trained during their first term which ended in July, 2020. Their term was further renewed for period of three (3) years with effect from 4th November, 2020 via Gazette Notice No. 8996.

There were no induction and training for Council Members during the 2022/2023 financial year.

The University has planned for Council trainings in 2023-2024.

b. Process of Appointment and Removal of Council Members

The appointing authority is the Cabinet Secretary, Ministry of Education. Copies of their appointment letters are then sent to the University.

The Current University Council was first appointed on 31st July, 2017 for a period of three (3) years. Their term was further renewed for period of three (3) years with effect from 4th November, 2020 via Gazette Notice No. 8996.

7.13 CONFLICT OF INTEREST, ETHICS AND CONDUCT

In order to ensure that any conflict of interest of a Council member on a matter to be considered by the Council is brought to the attention of the Council, the Council has ensured appropriate procedures are put into place through the approval of the Anti-Corruption Policy, Board Charter, Code of Conduct and Ethics, actualized the conflict of interest register and the confidentiality register. To actualize this, all the Council members upon their induction, took an Oath of Office. Appropriate procedures have been adopted to ensure that, where the possibility of a material conflict arises, the same is dealt with in line with set government guidelines.



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8. MANAGEMENT DISCUSSION AND ANALYSIS

In the Financial year 2022/2023 the University realized revenues totalling KES 1,114,324,228. There was a decrease of 5% in revenue compared to the previous period (2021/2022) total revenue of KES. 1,178,271,108. Revenue from rendering of services decreased by 12% compared to the previous year. The decrease in revenue can mainly be attributed normalization of the academic calendar which had previously been interrupted by the Covid 19 pandemic. In the financial year 2021/2022 the university had a tri semester for all the academic programme in an effort to compensate for the time lost during Covid break this translated to more revenue. However, in 2022-2023 the university returned to normalcy which is two semesters in an academic year hence the reduction in revenue. Tin addition to this there was decline in the number of registered student and this can be attributed to the prevailing harsh economic situation. To mitigate the above the University has launched more programmes including TVET in a bid to generate more income and with the new student funding model the university will be able to generate more income.

Total operating expenses for the financial year 2022-2023 totalled to KES. 1,316,905,596. This was a slight increase of 3% from KES. 1,283,129,688 reported in the previous financial year 2021/2022. Employee cost for the period increased to KES. 996,220,828 in the year 2022/2023 from KES. 978,585,539 in the year 2021/2022. A 2% increase in the payroll cost due to the normal annual increment. Repairs and maintenance remained fairly the same. The repairs and maintenance cost was KES 11,663,031 in the year 2022/2023 compared to KES 11,432,841 in the year 2021/202. General expenses increased from KES 175,917,763 to KES 199,536,677. The cost of operation increased during the year due the increase in the prices of items within the financial year compared to the previous year.

On the overall the University recorded a Financial Deficit of KES (202.5) Million in the financial year 2022/2023 compared to a deficit of KES.202.5Million in the financial year 2021/2022.

SECTION B

Entity's compliance with statutory requirements



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The University has complied with the statutory requirements to a large extent. However due to the cash flow constraints, the university has not been able to comply with payment of its statutory obligation amounting to Kshs. 509,404,010 relating to various taxes. This exposes the university to the contingent liabilities in case penalties are imposed. Additionally, the university has not remitted employee pension amounting to Kshs. 660,973,924. This can expose the university to court cases with the employees. The board of trustee is pursuing the university to pay interest on the unremitted amount. The monthly capitation received from the government is not sufficient to cover the monthly salary or the employees.

SECTION C

Key projects and investment decisions the entity is planning/implementing

The University is committed to providing high quality education, producing competent graduates and endeavors to excel in areas of Training, Research and Innovation, Extension and Consultancy Service to achieve its mandate. Currently the University is constructing a modern Library to enhance achievement of this goal.

SECTION D

Major risk facing the entity

a) Liquidity Risks

Currently the University is not able to meet all of its short term obligations. The University has a current asset ratio of 0.1: 1. The recommended ratio is 1:1.

The current liabilities of Kshs 1,964,210,467 exceeded the current asset of Kshs 200,272,659 by KShs. 1,763,937,807 creating a negative working capital.

The net creditors increased by 8.4% to KShs. 1,964,210,467 from KShs. 1,811,437,166 in the previous year.



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SECTION E

Material arrears in statutory/financial obligations

Due to cash flow constraints the university has the following arrears relating to statutory obligation: -

S/No.	Description	Amount – (KShs)
1.	P.A.Y.E	474,332,138
2.	Withholding VAT	28,404,245
4.	Withholding Tax	6,667,627
5.	Staff Pension	660,973,924
	Total	1,170,377,934



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ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Since its establishment in 1948, MMU has consistently been at the forefront of innovation, contributing significantly to Kenya's emergence as a leader in various professional fields.

i) Sustainability strategy and profile

MMU has proactively developed a comprehensive work plan to uphold sustainability standards. The university places a primary emphasis on energy efficiency as a cornerstone of its sustainability program. Notably, MMU has introduced a popular undergraduate program in renewable energy. Furthermore, the institution has established a consortium dedicated to renewable energy research, development, and training. To date, this consortium has successfully trained more than ten cohorts from diverse industries and governmental bodies.

ii) Environmental performance

MMU is committed to enhancing its environmental performance. A significant initiative involves the installation of solar lighting, particularly for streetlights. In the near future, the university intends to further reduce its environmental footprint by installing solar water heaters in student hostels. This initiative not only benefits the environment but also reduces electricity costs.

Situated near the Nairobi National Park, the university has recognized the importance of preserving local biodiversity. A master plan has been implemented to allocate a substantial portion of the campus as 'Green Areas' to support the flourishing of flora and fauna. Currently, MMU maintains a dedicated nature park for biodiversity conservation.

In line with its environmental responsibility, the university has established a partnership with the WEE Centre to address ICT waste recycling and provide training in E-waste management.



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iii) **Employee welfare**

MMU has demonstrated its commitment to diversity and inclusion by achieving a balanced gender, ethnic, and disability mix among its workforce, reflecting the rich diversity of Kenya.

To empower its staff with the skills necessary for their daily tasks, the university offers a range of in-house courses covering various areas of expertise. The university also employs performance contracting as a means of ensuring that staff members meet their targets. An effective appraisal system has been developed and implemented to guide the performance management system, enhancing overall employee welfare and productivity. In the just concluded year, the University was able to promote employees who had attained higher qualifications and skills. This has greatly increase the morel of all staff.

iv) **Market place practices-**

The university complies with best practice in marketing by being truthful and accurate in all it marketing activities such as advertising, branding, Social media communication etc. Each year the Corporate Affairs department develops a marketing and communication plan which is implemented.

a) **Responsible competition practice.**

As part of it adherence to best practise in marketing and communication the university undertakes responsible market practice and does not defame or malign any of its competitors.

b) **Responsible Supply chain and supplier relations**

Each year the university advertise for suppliers who are short listed based on their qualifications. Each year suppliers are trained about the MMU procurement policy and the PPAD Act. A rotation system has been put in place to ensure all suppliers get a chance to bid for tenders.



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c) **Responsible marketing and advertisement**

As part of its adherence to best practice in marketing and communication the university undertakes responsible market and advertising and does not defame or malign any of its competitors.

Care is taken to ensure all the university's communication is truthful and accurate.

d) **Product stewardship**

To ensure our key consumers i.e. students, parents and guardians, the following activities are undertaken;

1. During the student admission process parents are orientated on various areas and issues of concern that will assist them in managing their student's progression at MMU.
2. To ensure that students stay in MMU is pleasant and seamless the university holds regular meetings with student leaders iron out or improve quality.
3. In the development of innovation, the university has developed a policy to guide innovation and commercialisation of innovations by its staff and students.
4. The university holds an annual innovation week to encourage and stimulate innovation.
5. Products that have been developed within the university are taken through the respective regulatory bodies to ensure adherence to set standards.



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CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Multimedia University of Kenya is dedicated to making a positive impact on society by conducting our operations in a socially responsible manner that benefits our community. Our management, staff, and students work collaboratively to achieve this objective by advocating for accessible and affordable education while minimizing our environmental footprint.

Throughout the year, the University initiated several eco-conscious efforts, including the planting of various trees and plants on our campus. Our long-standing Nurture Park within the main campus is home to diverse flora and fauna, including warthogs, birds, baboons, rabbits, and more. Additionally, we are actively researching and providing training in solar energy use, harnessing renewable energy sources to reduce our carbon footprint. Our certificate and degree courses in renewable energy have garnered significant interest from the public. To align with our commitment, the University, in collaboration with student leadership, has installed solar security lighting across the campus. Furthermore, we are in the process of installing solar water heaters for our hostels, kitchen facilities, and the clubhouse.

In our dedication to youth development, we actively contribute to mentoring young individuals through partnerships that facilitate workshops, conferences, talks, internships, and attachments. These initiatives aim to enhance their educational experience and better prepare them for the professional world. We also support our students by implementing a Work-Study Program for those in need, a successful endeavor we intend to expand. Through various clubs and associations, MMU students engage in numerous activities, such as assisting those in need in neighboring communities and participating in campus and neighborhood clean-up initiatives.

In the realm of corporate governance, the University consistently reviews and updates its policies and programs to align with government directives, industry requirements, and societal expectations. These revisions are carried out with active participation from stakeholders, including students, employees, and professional bodies.



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In our pursuit of providing high-quality university education and research while operating sustainably, we are steadfast in our commitment to meeting societal expectations and contributing to the betterment of our world.



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10. REPORT OF THE UNIVERSITY COUNCIL

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

Principal activities

University provides quality training in Engineering, Media, ICT and Business to meet the aspirations of a dynamic society while inculcating a strong research, innovation, production and extension culture with an efficient team of academic and support staff. The University offers training opportunities with the aim of meeting the training needs of the Information and Communication Technology (ICT) sector.

Results

The results of the University for the Year ended June 30, 2023 are set out on page 1-5. The University operated on deficit and did not have any surplus for remission to the ministry.

University Council

The members of the University Council who served during the year are shown on page VI & VII. In accordance with the University Act of 2012.

One Council Member, Ms. Amina Ibrahim resigned from the Council with effect from 31st May, 2022. The University informed the Ministry of the Education and member is yet to be replaced. The two PS Representatives from the Ministry of Education and The National Treasury have also been replaced. Dr. Stephen Ikikii was replaced by Mr. Micah Kilonzo with effect from 24th November, 2021. Ms. Ann Kaiga was replaced by Ms. Margaret Lesuuda with effect from July, 4th 2022.

Auditors

The Auditor General is responsible for the statutory audit of the University in accordance with the Section 38 & 39 of the Public Finance Management (PFM) Act, 2012, which empowers the Auditor General to nominate other auditors to carry out the audit on his behalf.

By Order of the Board


Amb. Prof. Festus Kaberia, PhD. OGW
VICE CHANCELLOR

DATE: 28/09/2023



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11. STATEMENT OF THE UNIVERSITY COUNCIL RESPONSIBILITIES

Section 8(1) 1 of the Public Finance Management Act, 2012 and section 14 &15 of the State Corporations Act, require the Council to prepare financial statements in respect of the University, which give a true and fair view of the state of affairs of the University at the end of the financial year/period and the operating results of the University for that year/period. The Council is also required to ensure that the University keeps proper accounting records which disclose with reasonable accuracy the financial position of the University. The Council is also responsible for safeguarding the assets of the University.

The Council is responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 accept responsibility for the University's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Council is of the opinion that the University's financial statements give a true and fair view of the state of University's transactions during the financial year ended June 30, 2023, and of the University's financial position as at that date.

The Council further confirm the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University's financial statements as well as the adequacy of the systems of internal financial control.



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

Approval of the financial statements

The University's financial statements were approved by the University Council on 28th September 2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'J. M. Kiamba', written over a dotted line.

Prof. J. M. Kiamba, PhD, MA, BA, LLB, Dip. Law (KSL)
CHAIRMAN OF THE COUNCIL

Date.....28/09/23.....

A handwritten signature in black ink, appearing to be 'F. Kaberia', written over a dotted line.

Amb. Prof. F. Kaberia, PhD, OGW
VICE CHANCELLOR

Date.....28/09/23.....

REPUBLIC OF KENYA

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HEADQUARTERS
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON MULTIMEDIA UNIVERSITY OF KENYA FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of MultiMedia University of Kenya set out on pages 1 to 19, which comprise of the statement of financial position as at

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

Basis for Qualified Opinion

Unsupported Provision for Bad Debts

The statement of financial position reflects a balance of Kshs.275,647,956 in respect of current receivables from exchange transactions, as disclosed in Note 12 to financial statements, which leaves a balance of Kshs.129,980,997 after deduction of Kshs.145,666,959 in respect of provision for bad debts. However, the University has not provided any approved policy on provision for bad debts.

In the circumstances, the accuracy and completeness of the current receivables from exchange transactions balance of Kshs.275,647,956 could not be confirmed.

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

Emphasis of Matter

1. Material Uncertainty in Relation to Sustainability of Services

The statement of financial performance reflects a deficit for the period amounting to Kshs.202,581,368. This increased the accumulated deficit from negative balance of Kshs.1,775,344,594 as at 30 June, 2022 to negative balance of Kshs.1,977,925,963 as at 30 June, 2023. Further, the University's current liabilities balance of Kshs.1,964,210,467 exceeded its current assets balance of Kshs.207,906,472 resulting in negative working capital amounting to Kshs.1,756,303,995. The University is therefore

technically insolvent and is an indication that it may not be able to meet its current obligations as and when they fall due.

This material uncertainty casts significant doubt on the University's ability to continue to sustain services and its existence of the University is dependent on continued support from the Government and creditors.

2. Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.1,368,179,577 and Kshs.1,114,324,228 respectively, resulting to an under-funding of Kshs.253,855,350 or 18% of the budget. The underfunding may have affected implementation of planned activities, which may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of these matters.

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

Unresolved Prior Year Audit Matters

In the audit report of 2021/2022 financial year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues or given any explanation for failure to resolve them. Further, the issues have not been disclosed in the progress on follow-up on the prior year auditor's recommendations notes to the financial statements.

In the circumstances, the Management did not adhere to the provisions of the Public Sector Accounting Standards Board in relation to the prescribed reporting format.

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. Irregular Procurement of Fuel

Examination of a sample of payment vouchers provided for audit revealed that payment of Kshs.4,624,949 was made to an oil marketing Company in Kenya with respect to cost of fuel consumed by University vehicles during the year under review. However, the Management did not provide procurement documents for the product, and in the absence of such documents, it was not possible to confirm that the fuel was competitively procured. Further, 4,000 liters of diesel amounting to Kshs.648,000 procured for the University standby 500 KVA Generator was not supported by tender documents or request for quotation documents.

In the circumstances, the value for money on the expenditure used in the procurement of the fuel amounting to Kshs.648,000 could not be confirmed.

2. Mismanagement of Imprest

Review of the University's imprest registers revealed outstanding imprests of Kshs.11,769,675 which included Kshs.1,759,375 related to general imprests and Kshs.10,010,300 related to research imprests which were long outstanding. This was contrary to Regulation 93(5) of the Public Finance Management Regulations, 2015 which requires a holder of a temporary imprest to account for the imprest within seven (7) working days after returning to duty station, and that in the event of the imprest holder failing to account for the imprest on the due date, the Accounting Officer should recover the full amount from the salary of the defaulting officer, with interest at the prevailing Central Bank rate.

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

3. Unauthorized Service in Acting Capacity

Review of the non-teaching staff records revealed that the head of finance, procurement and human resource departments have been in acting positions for a period of more than three years under six months' renewal contracts, contrary to the Public Service Human Resource Policies Section C.14(4) which requires that, all recommendations for acting appointments in Job Group 'Q' and above shall be accompanied by a draft indent for advertisement of the vacancy. Further, it was noted that, the acting appointment letter for the head of finance department expired on 23 April, 2022 and has since not been renewed.

In the circumstances, Management was in breach of the law and it was not possible to confirm the legality of the acting status.

4. Slow Progress in the Construction of the University Library

The contract for construction of the University library was awarded to a construction Company at a cost of Kshs.565,101,475 on 15 August, 2015 with a contract period of 104 weeks, ending on 24 October, 2020. However, the project has had several extensions of completion dates latest being completion by 1 May, 2022. Physical verification in November, 2023 revealed that the project was still incomplete with the overall physical works at 86% complete.

In the circumstances, the value for money on the expenditure incurred in the construction of the library could not be confirmed.

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

REPORT ON 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 procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of a Disaster Recovery Plan

Review of the Information Technology (IT) systems revealed that the University does not have a disaster recovery plan, a business continuity plan and approved ICT policy.

In the circumstances, the University does not have procedures for identifying, preventing and mitigating against disasters, with the objective of ensuring that its operations are not interrupted, in the event of an unforeseen systems failure.

2. Ineffective Debt Collection Systems

The statement of financial position reflects student debtors balance of Kshs.119,491,031 as disclosed in Note 12 to the financial statements, out of which a balance of Kshs.107,744,918 relates to 2018/2019 and earlier years. Similarly, the statement reflects

trade debtors balance of Kshs.90,867,478 out of which a balance of Kshs.86,832,283 relates to 2018/2019 and earlier years. No explanation was provided for not recovering the outstanding debts.

In the circumstances, the effectiveness of the debt collection systems employed by the University could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit 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 controls as Management determines is necessary to enable the preparation of financial statements which are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 March, 2024




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**13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
30 JUNE, 2023**

Description	Note	2022-2023	2021-2022
Revenue from non-exchange transactions		Shs	Shs
Public contributions and donations	1,19	18,521,877	16,148,692
Transfers from other governments- recurrent grant	2	619,558,004	619,620,719
Amortization of development grant	2,19	15,307,371	20,137,835
Sub Total		653,387,252	655,907,246
Revenue from exchange transactions			
Rendering of services	3	460,057,913	522,363,862
Loss on disposal of fixed asset	4	--	--
Decrease in Bad debts provision		879,063	--
Sub Total		460,936,976	522,363,862
Total Revenue		1,114,324,228	1,178,271,108
Expenses			
Employee costs	5	996,220,828	978,585,539
Council Allowances	6	4,415,875	5,620,289
Depreciation and amortization expense	7	87,778,475	90,734,443
Repairs and maintenance	8	11,663,031	11,432,841
Contracted Services	9	17,920,711	20,838,812
General expenses	10	199,536,677	175,917,763
Total expenses		1,316,905,596	1,283,129,688
Deficit before Tax		(202,581,368)	(104,858,579)
Taxation		-	-
Deficit for the period		(202,581,368)	(104,858,579)


The notes set out on pages 6 to 19 form an integral part of the Financial Statements. Financial Statements set out on pages 1 to 5 were signed on behalf of the University Council by:


Vice Chancellor
Amb. Prof. F. Kaberia, PhD, OGW

Date: 28/09/23


Ag. Finance Officer
Ms. Leneah Munene
ICPAK No. 18513

Date: 28/09/2023


Chairman of the Council
Prof. J. M. Kiamba, PhD, MA, BA,
LLB, Dip. Law (KSL)

Date: 28/09/23



MULTIMEDIA UNIVERSITY OF KENYA
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14. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2023

Description	Note	2022-2023	2021-2022
Assets		Shs	Shs
Current assets			
Cash and cash equivalents	11	46,501,050	136,909,751
Receivables from exchange transactions	12	129,980,997	132,279,058
Receivables from non-exchange transactions	13	19,350,322	5,860,362
Inventories	14	12,074,103	14,070,364
Total Current Assets		207,906,472	289,119,534
Non-current assets		-	-
Property ,plant and equipment	17	3,073,320,937	3,054,886,378
Long term receivables from exchange transactions		-	-
Total Non-current assets		3,073,320,937	3,054,886,378
Total Assets		3,281,227,408	3,344,005,912
Liabilities			
Current liabilities			
Trade & other payables from exchange transactions	15		
Trade Creditors		273,573,526	249,182,284
Taxation		509,404,010	545,600,811
Employee benefit Obligation		1,016,454,312	863,482,351
Refundable deposits from customers-caution money		13,975,802	13,268,302
Payments received in advance		150,802,817	139,903,418
Total current liabilities		1,964,210,467	1,811,437,166
Non Current Liabilities		-	-
Deferred income	16	1,184,684,558	1,197,654,993
Total liabilities		3,148,895,024	3,009,092,159
Net assets		132,332,384	334,913,753
Equity Fund		1,269,222,498	1,269,222,498
Accumulated surplus (deficit)		(1,977,925,963)	(1,775,344,594)
Revaluation reserve		841,035,849	841,035,849
Total capital reserves and accumulated deficit		132,332,384	334,913,753
		-	-
Total net assets and liabilities		3,281,227,408	3,344,005,912

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

Vice Chancellor
Amb. Prof. F. Kaberia, PhD, OGW

Date 28/09/23

Ag. Finance Officer
MsLeneahMunene
ICPAK No. 18513

Date 28/09/2023

Chairman of the Council
Prof. J. M. Kiamba, PhD, MA, BA, LLB,
Dip. Law (KSL)

Date 28/09/23



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15. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2023

	EQUITY FUND	ACCUMULATED SURPLUS	REVALUATION RESERVE	TOTAL	GOK GRANT	LASER OPTIC	GOK ENGINEERING DONATION	KOREA GRANT	CCK GRANT HOSTEL	CCK GRANT	TOTAL
As at 30th June 2021	1,269,222,498	(1,670,486,015)	841,035,849	439,772,332	943,792,031	64,103,379	161,863,746	1,907,088	1,319,999	20,955,277	1,193,941,520
Addition	-	-	-	-	-	-	-	-	-	-	-
For the period	-	(104,858,579)	-	(104,858,579)	40,000,000	-	-	-	-	-	40,000,000
Prior year adjustment	-	-	-	-	-	-	-	-	-	-	-
Grant Amortization	-	-	-	-	(20,137,835)	(1,721,686)	(13,847,909)	(286,062)	(60,000)	(233,036)	(36,286,527)
	-	-	-	-	-	-	-	-	-	-	-
As at 30th June 2022	1,269,222,498	(1,775,344,594)	841,035,849	334,913,753	963,654,196	62,381,694	148,015,837	1,621,026	1,259,999	20,722,242	1,197,654,993
For the period	-	(202,581,369)		(202,581,369)	20,858,813						20,858,813
Prior year adjustment	-	-		-							-
Grant Amortization for the period	-	-		-	(15,307,371)	(4,094,871)	(13,847,909)	(286,062)	(60,000)	(233,035)	(33,829,248)
Total	1,2269,222,498	(1,977,925,963)	841,035,849	132,332,384	969,205,638	58,286,822	134,167,928	1,334,964	1,199,999	20,489,207	1,184,684,558





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16. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2023

QUARTERLY STATEMENT OF CASHFLOWS	Note	Cumulative to date	Cumulative to date
		Current Year 2022-2023	Prior Year 2021-2022
		Shs	Shs
Cash and cash equivalents at the beginning of the quarter	11	136,909,751	208,040,276
Prior Period adjustment		-	-
Cash flows from operating activities		-	-
Receipts		-	-
Public contributions and donations		-	-
Recurrent Government grants	2a	619,558,004	619,620,719
Accrued Government grant- CBA		-	-
Interest from Fixed Deposit	4	-	-
Rendering of services	3	460,057,913	522,363,862
Decrease in Baddebts provision		879,063	-
		1,080,494,980	1,141,984,581
Payments		-	-
Employees Costs	5	996,220,828	981,200,807
Other payments	10,8, 9,6	232,906,294	211,194,438
Net cash flows from operating activities		1,229,127,122	1,192,395,245
Cash flows from investing activities		-	-
Purchase of property, plant, equipment and intangible assets	17	(106,213,033)	134,526,082)
(Decrease)/increase in current receivables		(11,191,900)	22,421,712
(Decrease)/increase in trade payables		152,773,300	48,858,706
(Decrease)/increase in stocks		1,996,261	2,525,804
Net cash flows used in investing activities		37,364,628	60,719,861
Cash flows from financing activities		-	-
Receipts -government grant development		20,858,813	40,000,000
Net cash flows from financing activities		20,858,813	40,000,000
Net increase/(decrease) in cash and cash equivalents		90,408,702	71,130,525
Cash and cash equivalents end of the quarter	11	46,501,049	136,909,751

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


.....
Vice Chancellor
Amb. Prof. F. Kaberia, PhD, OGW


.....
Ag. Finance Officer
Ms Leneah Munene
ICPAK No. 18513


.....
Chairman of the Council
Prof. J. M. Kiamba, PhD, MA, BA, LLB,
Dip. Law (KSL)

Date 28/09/23

Date 28/09/23

Date 28/09/23



MULTIMEDIA UNIVERSITY OF KENYA

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17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023

	Final Budget	Actual on Comparable Basis	Performance Difference
	Kshs	Kshs	Kshs
Revenue			
Public Donations			
Amortization	0	19,400,940	19,400,940
Development Amortization	0	15,307,371	15,307,371
Government grants	619,558,004	619,558,004	--
Rendering of services	748,621,574	460,057,913	(288,563,661)
Total Revenue	1,368,179,577	1,114,324,228	(253,855,350)
Expenses			
Compensation of employees	1,075,500,000	996,220,828	(79,279,172)
Repairs and Maintenance	14,750,000	11,663,031	(3,086,698)
General Expenses	222,250,000	199,536,677	22,713,322
Contracted Services	23,500,000	17,290,710	6,209,289
Council Expenses	6,000,000	4,415,875	1,584,125
Depreciation		87,778,474	(87,778,474)
Total expenditure	1,342,000,000	1,316,905,596	25,094,403
Surplus for the year	26,179,578	(202,581,368)	(228,760,947)

Explanation of the Variance

The budget is prepared on a cash basis and did not take into account the non-cash items namely the depreciation expense and the amortization income

The University had planned to have a tri semester and TVET programmes within the financial year 2022-2023 however this was not realised and therefore the university could not raise the budgeted revenue.

Various cost cutting measures have been put in place have and this has led to reduction in the cost of operation.



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18. NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2023

I **Statement of compliance and basis of preparation– IPSAS 1**

The entity's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the entity and all values are rounded to the nearest thousand (Ksh000). The accounting policies have been consistently applied to all the years presented. 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.

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

II **Summary of significant accounting policies**

a) **Revenue recognition**

b) **Revenue from non-exchange transactions – IPSAS 23**

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.

i) **Revenue from exchange transactions – IPSAS 9**

Rendering of services

Revenue represents the invoiced value of services net of value added tax and is recognized when the service has been rendered to customers.

b) **Budget information – IPSAS 24**

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



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e) Property, plant and equipment – IPSAS 17

Property, plant and equipment are stated at the re-valued cost less accumulated depreciation and impairment losses with the exception of lease holds land and library books costs which are carried at cost. Cost includes expenditure that is directly attributable to the acquisition of the items.

d) Depreciation

Leasehold land is not depreciated.

Depreciation on other property and equipment is calculated on a straight-line basis using the following annual rates:

S/No.	Description	Percentage
1.	Buildings	02%
2.	Plant & Machinery	06%
3.	Furniture & Fittings	12.5%
4.	Computers & Printers	30%
5.	Motor Vehicles	12.5%
6.	Library books	20%

e) Research and development costs

The Entity expenses research costs as incurred.

f) Financial instruments – IPSAS 29

Financial assets and financial liabilities are recognized in the balance sheet when the University becomes a party to the contractual provisions of the instrument.

g) Inventories – IPSAS 12

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the University.

h) Provisions – IPSAS 19

The University reviews its debtor's portfolio regularly to assess the likelihood of impairment. This requires an estimation of the amount that is irrecoverable especially due from students. Currently the University provide for bad debts as general provision of 2%.

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

i) Nature and purpose of reserves

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



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j) Changes in accounting policies and estimates – IPSAS 3

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.

k) Employee benefits – IPSAS 25

Retirement benefit plans

The Entity provides retirement benefits for its employees. 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.

l) Related parties – IPSAS 20

The University 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 University, or vice versa. Members of key management are regarded as related parties and comprise the University Council, University top management and other members of staff

m) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short term liquid investment which are readily convertible to known amounts of cash and which are within three months to maturity when acquired.

n) Comparative figures

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

o) Subsequent events – IPSAS 14

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022



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	2022-2023	2021-2022
	Shs	Shs
1(a). Public contributions and donations		
CCK Other Asset	233,035	233,036
1.CCK -hostel	60,000	60,000
Korea Grant	286,062	286,062
Sub total	579,097	579,098
Amortization of the Engineering Equipment	13,847,909	13,847,909
Laser Optics Amortization	4,094,871	1,721,686
	18,521,877	16,148,692
2. Transfers from other governments–gifts and services-in-kind	-	
Unconditional grants	-	
Operational grant-recurrent	619,558,004	619,620,719
Collective Bargaining Agreement	-	
	619,558,004	619,620,719
Development Grant Amortization	-	
Development Grant Amortization	15,307,371	20,137,835
Development Grant received 2017	-	
Total government grants	634,865,375	639,758,554
3. Rendering of services	-	
Tuition and Other Charges	374,788,328	436,891,360
Student Accommodation	18,110,086	23,594,634
Student Catering	12,071,586	14,980,218
Day Conference facilities	364,995	1,076,000
Printing and Laundry	3,800,258	3,793,956
Club house sales	5,411,906	4,964,831
Other income	26,026,254	21,337,812
Executive Hostels	19,484,500	15,725,050
Total revenue from the rendering of services	460,057,913	522,363,862
Decrease in Provision for Bad debts	879,063	
4. Finance income-external investments		
Interest from Fixed deposits	-	
Total finance income–external investments	-	
5. Employee costs	-	
Salaries and wages	430,831,657	434,442,957
Casual Wages	14,494,940	11,329,581
Resources	109,975,008	100,144,517



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S/No.	Description	2022/2023 Kshs	2021/2022 KShs.
	Employee related costs - contributions to pensions and medical aids		
	Pension	80,855,368	79,933,787
	Gratuity	5,228,460	3,983,866
	Medical	43,483,974	37,901,482
	Travel, motor car, accommodation, subsistence and other allowances		
	Local travel	2,417,042	-
	Foreign travel(external. travel	-	
	Housing benefits ,car allowance and other allowances	-	
	House allowance	159,481,545	163,635,988
	Car Allowance & other allowance	138,500,283	136,144,455
	Leave Allowance	10,952,551	11,068,906
	Employee costs	996,220,828	978,585,539
6.	Remuneration of Council	-	
	Council Allowances	4,415,875	5,620,289
	Total Council emoluments	4,415,875	5,620,289
7.	Depreciation and amortization expense		
	Motor Vehicle	5,825,686	5,825,686
	Furniture and Fittings	7,417,158	7,393,606
	Computers	6,163,620	10,085,671
	Buildings	38,062,186	38,062,186
	Library books	3,480,666	3,506,877
	Plant and Machinery	26,829,160	25,860,416
	Total depreciation and amortization	87,778,475	90,734,443
8.	Repairs and Maintenance		
	General stores(hardware stores& renovation)	9,324,524	9,461,439
	Plant and equipment operations cost	-	
	Vehicles repairs	2,338,508	1,971,402
	Total repairs and maintenance	11,663,031	11,432,841
9.	Contracted Services		
	Cleaning Services	10,276,185	11,942,826
	Security services	7,014,526	8,895,986
	Total contracted services	17,290,711	20,838,812



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S/No.	Description	2022/2023 Kshs	2021-2022 KShs.
10.	General Expenses		
	Advertising	1,346,654	1,244,931
	Audit fees	1,700,000	1,700,000
	Staff Education Support	1,447,237	1,559,428
	Ceremonies	4,323,027	2,190,528
	Legal	6,862,877	4,106,996
	Catering costs	21,771,758	28,594,607
	Fuel and oil motor vehicle	5,403,844	3,996,679
	Insurance	6,432,075	737,529
	Internet services	21,732,776	21,454,320
	Student Activities	4,060,924	5,578,079
	Student work study	1,045,950	480,401
	Student union expenses	2,478,078	1,991,434
	Sports and welfare	5,237,768	5,994,843
	Academic trips	11,846,603	3,335,250
	Student Attachment	1,498,775	--
	Research Cost	10,100,025	5,775,463
	Honoraria	13,855,111	12,167,881
	Postage	702,693	1,020,996
	Printing and stationery	11,184,756	12,935,302
	Library Expenses	981,790	635,280
	Rental	-	
	Cleaning Materials	3,952,492	3,395,208
	Collaboration fee	6,733,240	--
	Skills/staff development	914,000	836,513
	Increase in Bad debts	-	1,769,174
	Lab Chemicals	7,278,026	2,883,474
	Medical materials	1,658,004	4,649,320
	Office expenses	-	2,615,268
	Welfare	290,733	261,500
	Bank charges	2,519,265	3,195,666
	VAT	12,513,959	14,311,267
	Electricity	29,664,240	26,500,426
	Total general expenses	199,536,677	175,917,763



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (Continued)

S/No.	Description	2022/2023 Kshs	2021/2022 KShs.
11.	Cash and cash equivalents		
	Current Account	46,211,827	136,696,478
	Fixed deposits account	-	
	Others-Cash in Hand	289,223	213,273
	Total cash and cash equivalents	46,501,050	136,909,751
	a) Current account		
	Financial institution		
	KCB -Main Account	559,911	6,852,078
	KCB-Madaraka A/c	26,313,052	61,970,888
	KCB -Hotel A/C	792,811	161,240
	Equity Bank -MMU A/C Student collection a/c	413,597	1,336,207
	Equity Bank -Development A/C	14,149,970	46,626,058
	KCB Vice Chancellors Fund	-	983,485
	MMU Research Fund Coop Bank	3,982,486	18,766,522
	Cooperative Bank Electrak Account	-	
	Sub- total	46,211,827	136,696,478
	c) Fixed deposits account	-	
	Equity Bank	-	
	Sub- total	-	
	e) Others(specify)	-	
	Petty cash	289,223	134,987
	Main Kitchen	-	
	cash in hand		78,286
	Sub- total	289,223	213,273
	Grand total	46,501,050	136,909,751
12.	12.Receivablesfromexchangetransactions		
	Current receivables		
	Receivables from exchange transactions		
	Student debtors	119,491,031	128,592,977
	Trade debtors	90,867,478	86,993,019
	Staff debtors	18,570,208	18,765,747
	Supplier Advance Payment	2,000,000	2,000,000
	Prepayment	772,773	
	School fees -Staff Loan	-	76,641
	Vat Receivable	41,354,467	41,354,466
	Kcb Bank Guarantee	2,592,000	1,040,000
		275,647,956	278,822,851
	Less: Provision for bad debts	145,666,959	146,543,793
	Total current receivables from exchange transaction	129,980,997	132,279,058



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023(Continued)

S/No	Description	2022/2023 Kshs	2021/2022 KShs.
13.	Receivables from non-exchange transaction		
	Staff imprest	11,716,509	5,860,362
	Accrued government grant	7,633,813	
	Total current receivables	19,350,322	5,860,362
14.	Inventories		
	Stationery Stock	2,447,432	2,917,031
	Office tea	-	
	Cleaning Materials	2,261,927	3,056,215
	Food & Beverage-Main Kitchen	-	
	Maintenance Stock	2,618,435	2,069,624
	Electricals	328,320	3,377,972
	Medicine	1,839,220	
	Plumbing	866,939	
	hotel -food stores	-	1,325,683
	Beverage Hotel	-	559,703
	Main kitchen	1,141,889	764,136
	Main Hotel	98,495	
	Transport	117,346	
	Networking Materials	354,098	
	Total inventories at the lower of cost and net realizable value	12,074,103	14,070,364
	Current Liabilities		
15.	Trade and other payables from exchange transactions		
	Trade Creditors	-	
	Trade Suppliers	178,155,929	161,826,187
	Accrued Payables	3,864,000	
	Engineering Block fee note	54,429,000	54,429,000
	Staff quarter rent and Telkom rent	22,344,097	22,344,097
	KUCCPS placement Fee	8,440,500	6,045,000
	CUE quality fee	6,340,000	4,538,000
	Sub Total	273,573,526	249,182,284
	Taxation	-	
	Pay As You Earn (P.A.Y.E)	474,332,138	510,113,846
	Value Added Tax	-	
	Withholding Vat	28,404,245	29,197,725
	Withholding Tax	6,667,627	6,289,240
	Sub Total	509,404,010	545,600,811



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023(Continued)

S/No	Description	2022/2023 Kshs	2021/2022 KShs.
	Employee Benefit Obligation	-	
	Third Party Payments (banks, Saccos, Insurance)	38,718,035	30,771,679
	Pension & NSSF	660,973,924	571,503,286
	Gratuity	896,950	896,950
	Part time Lecturers	315,865,403	260,015,879
	Imprest Recovery	-	294,556
	Sub Total	1,016,454,312	863,482,351
	Refundable Customer Deposits	-	--
	Caution Money	13,975,802	13,268,302
	Payments received in advance	-	--
	Bursary	128,950	--
	HELB	685,500	4,574,000
	Unreceipted bank deposits	9,295,278	10,144,299
	Student and guest payment	128,640,091	115,585,447
	Student union subscription	5,757,379	4,635,319
	Prepaid Catering	1,737	1,737
	Student Medical	3,982	8,217
	Student Smart ID	6,289,900	4,954,400
	salary increase CBA 2020-2021	-	--
	Sub Total	150,802,817	139,903,418
	Total trade and other payables	1,964,210,467	1,811,437,166
16.	Deferred Income. Refer to Note 19		
	GOK-Development Grant	969,205,638	963,654,196
	CCK -Grant- other Assets	20,489,207	20,722,242
	CCK- Hostels	1,199,999	1,259,999
	Korea Grant	1,334,964	1,621,026
	G.O.K Engineering Equipment	134,167,928	148,015,837
	Grant for Laser Optic	58,286,822	62,381,694
	Total deferred income	1,184,684,558	1,197,654,993



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17. NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30TH JUNE 2023 (Continued)

	Land	Motor vehicles	Furniture and fittings	Computers	Buildings	Other-Library Books	Plant and Equipment	Capital In Progress	Total
17. Property, plant and equipment									
Cost	Shs	Shs	Shs	Shs		Shs	Shs	Shs	Shs
At June 2021	280,000,000	46,605,490	59,076,910	91,905,305	1,903,109,276	49,753,307	402,312,016	645,181,902	3,477,944,206
Additions	-		71,850	1,609,666	-	1,182,691	28,694,761	102,967,115	134,526,082
At June 2022	280,000,000	46,605,490	59,148,760	93,514,971	1,903,109,276	50,935,998	431,006,776	748,149,016	3,612,470,289
Additions	-	-	188,500	3,510,888	-	-	16,145,918	86,367,727	106,213,033
At June 2023	280,000,000	46,605,490	59,337,260	97,025,859	1,903,109,276	50,935,998	447,152,694	834,516,743	3,718,683,322
Depreciation And Impairment									
At June 2021	-	29,131,871	35,315,391	76,888,586	180,232,716	40,501,288	104,779,615	-	466,849,468
Depreciation	-	5,825,686	7,393,606	10,085,671	38,062,186	3,506,877	25,860,416	-	90,734,443
At 30 June 2022	-	34,957,558	42,708,997	86,974,258	218,294,902	44,008,165	130,640,031	-	557,583,911
Depreciation	-	5,825,686	7,417,158	6,163,620	38,062,186	3,480,666	26,829,160	-	87,778,475
At 30 June 2023	-	40,783,244	50,126,155	93,137,878	256,357,087	47,488,831	157,469,191	-	645,362,385
Net book values									
At June 2023	280,000,000	5,822,246	9,211,106	3,887,981	1,646,752,189	3,447,167	289,683,504	834,516,743	3,073,320,937
At 30 June 2022	280,000,000	11,647,932	16,439,763	6,540,713	1,684,814,375	6,927,833	300,366,745	748,149,016	3,054,866,378



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18. FUNDS AND RESERVES

	2022/2023 KshsKshs	2021/2022
a) Equity Fund	1,269,222,498	1,269,222,498

There was no change in the capital fund during the financial year 2022/2023

b) Accumulated deficit

The accumulated fund brought forward from 2021/2022 was Kshs (1,775,344,594). This has been negatively affected by the current year 2022/2023 deficit of Kshs. (202,581,369) bringing the current accumulated fund to Kshs. (1,977,925,963).

	2022/2023	2021/2022
	KShs 000	KShs 000
Balance b/d	(1,775,344,594)	(1,670,486,015)
Current year Deficit	(202,581,369)	(104,858,579)
Prior Year Adjustment		
Closing Balance	(1,977,925,963)	(1,775,344,594)

c) Revaluation reserve

During the year 2015/2016 the university engaged Sec & M Company to revalue its fixed assets and this resulted to a revaluation of reserve of Kshs 841,035,849. There was no revaluation of the fixed assets in the year 2022/2023 therefore no movement in the revaluation reserve.

	2022/2023	2021/2022
	KShs 000	KShs 000
Revaluation reserve	841,035,849	841,035,849

19. DEFERRED INCOME

Deferred income relates to grants and donations that have been received by the university over a period of time and continue to be amortized. These include: -

a) CCK Grant- Hostel

The university received Kshs 3,000,000 for construction of Senior Hostel from CCK. This is amortized at the rates of 2% annually.

	2022/2023	2021/2022
	KShs 000	KShs 000
Balance b/d	1,259,999	1,319,999
Amortization of grant	(60,000)	(60,000)
Total	1,199,999	1,259,999



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (Continued)

b) CCK Grant other assets

The University received a grant of Kshs 100 million from CCK during the 2007/2008 financial year to cater for development expenditure. This continues to be amortized over the useful life of the assets.

	2022/2023	2021/2022
	KShs 000	KShs 000
Balance b/d	20,722,242	20,955,277
Amortization of grant	(233,035)	(233,035)
Total	20,489,207	20,722,242

c) Korea donation

The University received grant of equipment worth Kshs. 4,767,708 from Korea. This continues to be amortized over the useful life of the equipment.

	2022/2023	2021/2022
	KShs 000	KShs 000
Balance b/d	1,621,026	1,907,088
Amortization of grant	(286,062)	(286,062)
Total	1,334,964	1,621,026

d) Government development grant

The university receives development grant from the government through state department for university education for various projects. During the year 2022/2023 the university received a grant of Kshs13,225,000 from the government for development project. The deferred income method is applied in the treatment of development grant since it gives the full disclosure of the grant received. This grant is amortized over the useful life of the assets acquired.

	2022/2023	2021/2022
	KShs 000	KShs 000
Balance b/d	963,654,196	943,792,031
Grant received	13,225,000	40,000,000
Amortization of grant	(15,307,371)	(20,137,835)
Total	961,571,825	963,654,196

e) Research Infrastructural Grant-Laser Optic

During the financial year 2018/2019 the university received a research infrastructural grant of Kshs 65,990,555 from the ministry of education for the establishment of National Laser Training and research centre. The amortization for the same in this financial year is Kshs4,094,871.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (Continued)

Bank Statement Date	Amount (KShs)	
06/4/2019	65,990,555	2018/2019

f) Engineering Equipment donation

During the year 2016/2017 the university received lab equipment worth of Kshs 225,718,308 and an addition of equipment worth Kshs 5,080,173 in 2018/2017 from the Ministry of Education, Science and Technology (State department for University education).

The grant will be amortized over the useful life of the equipment.

	2022/2023	2021/2022
	KShs 000	KShs 000
Balance b/d	148,015,837	161,863,746
Grant received		
Amortization of grant	(13,847,909)	(13,847,909)
Total	134,167,928	148,015,837

As per the IFRS/IAS 20 there are basically two methods of accounting for the grant, income method and capital method. The University has applied the Income approach because it gives full disclosure of the grant received.

20. RELATED PARTY TRANSACTIONS

(a) The following are the material related party transactions for the year:

	2021/2022	2020/2021
Loans to staff members	18,570,208	18,765,747



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20. APPENDIX 1:

**BREAKDOWN OF TRANSFERS FROM THE STATE DEPARTMENT OF
UNIVERSITY EDUCATION**

Recurrent Grant

GOVERNMENT RECURRENT GRANT FY 2022/2023		
DATE	RECEIPT NO	AMOUNT
18.08.2022	RCT17-2016354	51,629,834.00
08.09.2022	RCT17-2028679	51,629,834.00
03.10.2022	RCT17-2048065	51,629,833.00
10.11.2022	RCT17-2074229	51,629,834.00
09.12.2022	RCT17-2097934	51,629,834.00
30.12.2022	RCT17-2116697	51,629,833.00
03.02.2023	RCT17-2120000	51,629,834.00
17.03.2023	RCT17-2148479	51,629,834.00
14.04.2023	RCT17-2167654	51,629,833.00
05.05.2023	RCT17-2171879	51,629,834.00
09.06.2023	RCT17-2180714	51,629,834.00
27.06.2023	RCT17-2184258	51,629,833.00
TOTALS		619,558,004.00

GOVERNMENT DEVELOPMENT GRANT FY 2022/2023		
DATE	RECEIPT NO.	AMOUNT
03.10.2022	RCT17-2048108	13,225,000.00
04.07.2023	RCT17-2186083	7,633,813.00
TOTALS		20,489,207.00