

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
RONGO UNIVERSITY COLLEGE

FOR THE YEAR  
ENDED 30 JUNE 2015



# RONGO

## UNIVERSITY COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2015



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## **I. KEY ENTITY INFORMATION AND MANAGEMENT**

### **(a) Background information**

Rongo University College is a public institution which was established by the Government of Kenya through Legal Notice NO.70, Kenya Gazette Supplement NO.51, on 17th June 2011 as a Constituent College of Moi University. Prior to the gazettelement, it was a Satellite Campus of Moi University from the year 2008 and formally an Institute of Science and Technology, otherwise known as Moi Institute of Technology. (MIT).

#### **VISION**

To be a world class technology driven university in learning and practice.

#### **MISSION**

To provide high quality education through teaching, research, community service and nurture innovative graduates.

#### **CORE VALUES**

1. Integrity
2. Equity
3. Professionalism
4. Teamwork
5. Innovation and adaptability
6. Social responsibility

### **(b) Principle Activities**

The principle activities of the University College are stipulated in the Legal Notice no. 70 of June 2011.

Part 2 section 4(1) of legal notice provides the functions and objectives of the University College which include:

- a) To provide directly, or in collaborations with other institutions of higher learning, facilities for university education (including technological, scientific and professional education) the integration of teaching research and effective application of knowledge and skills to the life work and welfare of the citizens of Kenya;
- b) To participate in the research, transmission, preservation and enhancement of knowledge and to stimulate the intellect participation of students in the economic, social, cultural, scientific and technological development of Kenya;
- c) To provide and advance university education and training to appropriately qualified candidates, leading to the conferment of degrees and award of diplomas and certificates and such other qualifications as the council and the senate shall from time to time determine and in so doing contribute to manpower needs;
- d) To conduct examinations for such academic awards as may be provided in the statutes pertaining to the university college;
- e) To examine and make proposals for new faculties, schools, institutes departments, resource and research centers, degree courses and subjects of study;
- f) To play a leading role in the development and expansion of the opportunities for higher education and research;
- g) To contribute to industrial and technological development through innovations and technology transfer;
- h) To develop as an institution of excellence in teaching, training, scholarships, entrepreneurship, innovation, research and consultancy services;
- i) To participate in commercial ventures and other activities for the benefit of the institution, the community and stakeholders;
- j) To contribute to agriculture, industrial and technological development in Kenya in collaboration with industrial and other institutions through the transfer of appropriate technology;

### **(c) Key Management**

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

1. Management Board
2. Academic Board
3. School Management Boards
4. School Academic Board
5. Departmental Boards

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2014 and who had direct fiduciary responsibility were:

- |                                  |   |
|----------------------------------|---|
| 1. Mr. Julius Kipkeny Kolil      | Member/ Ag. Chairperson                               |
| 2. Dr. Nathan Kitio Psiwa        | Member  |
| 3. Mrs. Beatrice Muthoni Mwaniki | Member  |
| 4. Mrs. Anna Ngibuini Mwaure     | Member  |
| 5. Mrs. Jacinta Aluoch Odhiambo  | Member  |
| 6. Mr. Archer Arina Omolo        | Rep. PS, Ministry of Education Science and Technology |
| 7. Mr. Shem Nyakutu              | Rep. PS, National Treasury                            |
| 8. Prof. Samuel Gudu             | CEO& Secretary to the Council                         |

**(e) Fiduciary Oversight Arrangements**

**I. Human Resource, Finance & Resource Mobilization Committee (HFRC)**

**Committee Members:**

- |                                 |   |                     |
|---------------------------------|---|---------------------|
| 1. Mrs. Jacinta Aluoch Odhiambo | - | Chairperson         |
| 2. Mr. Archer Arina Omolo       | - | Member              |
| 3. Mr. Julius Kipkeny Kolil     | - | Member              |
| 4. Prof. Samuel Gudu            | - | Secretary/Principal |

**Roles of HFRC**

1. To consider qualified candidates for filling vacant positions in the University College in accordance with the job descriptions for the various positions.
2. To recommend to Council the appointment of suitable candidate(s) after considering all the requirements for the position or in case of there being no suitable candidates to recommend re-advertisement of the position
3. To recommend to Council, improvements in the job grading classifications as the Committee may consider appropriate
4. To review and make recommendations to Council on Terms and Conditions of Service as and when necessary or when directed to do so by Council from time to time
5. To examine and make recommendations to Council on salaries, Terms and Conditions of Service for all University Employees
6. To consider and advise Council on actions to be taken in regard to disciplinary matters for staff on academic and non-academic terms of service
7. To explore ways of raising funds for the University College, both internally and externally
8. To act on behalf of Rongo University College (RUC) on all issues concerning Resource Mobilization and Income Generating Activities

9. To provide linkages and synergy amongst all Income Generating Activities
10. To develop appropriate and conducive policies to guide and promote Resource Mobilization and income Generating Activities in the University College
11. To recommend to Council the provision of Capital for potential Income Generating Activities
12. To approve performance contract report on behalf of Council
13. To be in charge of overall University College Planning, including University College Master Plan and Strategic Plan
14. To take charge of all arrangement for erection of new buildings once the finances have been made available
15. To receive and consider the report on the performance of various contractors for the proceeding tender of contract period
16. To be responsible for authorizing expenditure for all maintenance work with the provision that the Committee will have authority to delegate the minor maintenance work to an executive sub-committee of the University College
17. To recommend and to effect as appropriate any modification in physical facilities as may be necessary
18. To recommend to Council on acquisition of new fixed assets including land and to advise council on utilization of such assets and land

## **II. Academic Affairs & Appeals Committee (AAC)**

### **Committee Members:**

- |    |                              |   |             |
|----|------------------------------|---|-------------|
| 1. | Dr. Nathan Kitio Psiwa       | - | Chairperson |
| 2. | Mrs. Anna Ngibuini Mwaure    | - | Member      |
| 3. | Mrs. Jacinta Aluoch Odhiambo | - | Member      |
| 4. | Mr. Archer Arina Omolo       | - | Member      |

### **Roles of AAC**

1. To advise the University College on Policy for Research and Training
2. To develop and review statutes for the University College
3. To approve requests for use of the University College Seal
4. To approve recommendations for award of Honorary Degrees of the University College
5. To receive and consider any appeals of staff who decide to appeal disciplinary decisions made by the HFRC against them
6. To receive and consider appeals from students who decide to appeal decisions made by Senate; except decisions concerning examination matters
7. To make recommendations to Council on the Appeal cases

## **III. Audit Committee (AC)**

### **Committee Members**

- |    |                               |   |             |
|----|-------------------------------|---|-------------|
| 1. | Mrs. Beatrice Muthoni Mwaniki | - | Chairperson |
| 2. | Mrs. Anna Ngibuini Mwaure     | - | Member      |
| 3. | Mr. Shem Nyakutu              | - | Member      |
| 4. | Dr. Nathan Kitio Psiwa        | - | Member      |

### **Roles of AC:**

1. Assisting the Accounting Officer/Chief Executive Officer in enhancing internal controls in order to improve efficiency, transparency and accountability
2. Reviewing audit issues raised by both internal and external auditors
3. Resolving unsettled and unimplemented Public Accounts and Public Investment Committees (PAC/PIC) recommendations
4. Enhancing communication between management, internal and external audit and fostering an effective internal audit function.
5. Risk management

#### IV. Executive Committee (EC)

##### Committee Members:

- |    |                               |   |                     |
|----|-------------------------------|---|---------------------|
| 1. | Mr. Julius Kipkeny Kolil      | - | Chairperson         |
| 2. | Mr. Shem Nyakutu              | - | Member              |
| 3. | Mr. Archer Arina Omollo       | - | Member              |
| 4. | Mrs. Beatrice Muthoni Mwaniki | - | Member              |
| 5. | Prof. Samuel Gudu             | - | Secretary/Principal |

##### Roles of EC

1. To handle urgent business on behalf of Council
2. To pay due regard to necessity to refer matters of major importance to the Council for final approval.  
For instance, the Committee shall not have power to approve the Annual Estimates and Expenditure

##### (f) Rongo University College Headquarter

Rongo University College  
Along Rongo- Migori Road  
P.O. Box 103-40404  
Rongo

##### (g) Rongo University College Contacts

Telephone: (254) 770308253  
E-mail: [principal@ruc.ac.ke](mailto:principal@ruc.ac.ke)  
Website: [www.ruc.ac.ke](http://www.ruc.ac.ke)

##### (h) Entity Bankers

- 1) National Bank of Kenya  
P.O. Box 200 Sare,  
Awendo
- 2) Kenya Commercial Bank  
P.O. Box 266-40404,  
Rongo
3. Cooperative Bank of Kenya  
P.O. Box 40560 - 4040  
Rongo



##### (i) Independent Auditors

Auditor General  
Kenya National Audit Office  
Anniversary Towers, University Way  
P.O. Box 30084  
GOP 00100  
Nairobi, Kenya

##### (j) Principal Legal Adviser

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

## II. THE COUNCIL MEMBERS

MEMBER	DETAILS
 <p>1. <b>Mrs. Beatrice Muthoni Mwaniki</b></p>	<p><b>Date of Birth:</b> 4<sup>th</sup> October, 1953</p> <p><b>Work Experience:</b> Served in the Teachers Service Commission for over 10 years in different capacities including:</p> <ul style="list-style-type: none"> <li>▪ Principal Human Resource Development (HRD) Officer;</li> <li>▪ Assistant Deputy Secretary HRD;</li> <li>▪ Deputy Secretary HRD.</li> </ul> <p><b>Qualifications:</b></p> <ul style="list-style-type: none"> <li>▪ MSc. Human Resource Development—University of Manchester, UK.</li> <li>▪ Bachelor of Education Arts—Kenyatta University College</li> <li>▪ East Africa Advance Certificate of Education (EAACE)</li> <li>▪ East Africa Certificate of Education (EACE)</li> <li>▪ Kenya Certificate of Primary Education (KCPE)</li> </ul>
 <p>2. <b>Mr. Julius Kipkeny Kolil</b></p>	<p><b>Date of Birth:</b> 1<sup>st</sup> January, 1955</p> <p><b>Work Experience:</b> Mr. Kolil is a career banker who has worked in the Kenya Commercial Bank for 25 years in various capacities including:</p> <ul style="list-style-type: none"> <li>▪ Group Head of Operational Risk and Compliance</li> <li>▪ Area Director, Nairobi Region</li> <li>▪ Area Director, Mount Kenya Region</li> <li>▪ Branch Manager in 6 different branches</li> </ul> <p><b>Qualifications:</b></p> <ul style="list-style-type: none"> <li>▪ MBA, Strategic Management—University of Manstrietch at Eastern &amp; Southern Africa Management Institute, Tanzania</li> <li>▪ BCom. Accounting Option—University of Nairobi</li> <li>▪ EAACE</li> <li>▪ EACE</li> <li>▪ Certificate of Primary Education (CPE)</li> </ul>
	<p><b>Date of Birth:</b> 18<sup>th</sup> April, 1966</p> <p><b>Work Experience:</b> Over 20 years working at the Ministry of Health and Kenyatta National Hospital as a Dentist &amp; Consultant Orthodontist (2006-2011)</p> <p><b>Qualification:</b></p> <ul style="list-style-type: none"> <li>▪ Msc. Dental Surgerv—University of Western Cape, South Africa</li> </ul>





3. Dr. Nathan Kitio Psiwa

- Bachelor of Dental Surgery—University of Nairobi
- A-Level



4. Mrs. Jacinta Aluoch Odhiambo

**Date of Birth:** 20<sup>th</sup> June, 1969

**Work Experience:**

- Partnership and Advocacy Manager Forum for African Women, FAWE (2014 to date)
- Program Manager, Forum for African Women Educationalist Regional Secretariat (2010 to date)
- Senior Teacher, French Language in various institutions (1995-2010)
- Pearl House Services Ltd (2006-2008)
- Founder Director, Mobile Education for Life International (MELI)

**Qualification:**

- MA, Sustainable International Development—Brandeis University, Heller School for Social Policy & Management, Waltham, MA, USA.
- B.A Education, French & Business Studies—Kenyatta University



5. **Mrs. Anna Ngibuini Mwaure**

**Date of Birth:** 14<sup>th</sup> April, 1959

**Work Experience:**

- Has worked as a Magistrate in Makadara and Nairobi Law Courts for over 4 years
- An Advocate of the High Court
- General Counsel for World Vision Kenya (2003-2005)
- Lecturer in Legal and Leadership seminars
- Founder Member and Partner at Mwaure & Mwaure Waihiga Advocates

**Qualifications:**

- MA in Communication—Daystar University
- Diploma in Legal Education—Kenya School of Law
- LLB Hons.—University of Nairobi
- A-Level
- CPS(K)
- Member of LSK



6. **Mr. Shem Nyakutu**

**Date of Birth:** 1967

**Work Experience:**

Has worked in the Public Service for over 23 years at the Ministry of Lands and The National Treasury

- Currently Acting Senior Deputy Director of Pensions at the National Treasury
- Deputy Director of Pensions at The National Treasury
- Secretary Defence Forces Pensions Assessment Board
- Deputizes the CEO at the National Treasury
- Representative of the PS, National Treasury at Rongo University College Council & Pwani University Council

**Qualification:**

- Msc. Finance
- BA Geography & Sociology
- LLB
- A-Level



7. **Mr. Archer Arina Omollo**

**Date of Birth:** 23<sup>RD</sup> April, 1967

**Work Experience:**

Mr. Arina has over 16 years of administrative work at the Ministry of Education, currently Ministry of Education, Science and Technology (MoEST) in various capacities:

- Representative of the PS, MoEST at Rongo University College
- Assistant Director of Education, MoEST
- Senior Education Officer, MoEST,
- Deputy District Officer in various Districts

**Qualifications:**

- Msc. In Technological Economics & Management—Southwest Jiaotong University, China
- Bsc. Agricultural Education & Extension—Egerton University
- A-Levels
- O-Levels
- CPE



8. **Prof. Samuel Gudu**

**Date of Birth:** 16<sup>th</sup> August, 1956

**Work Experience:**


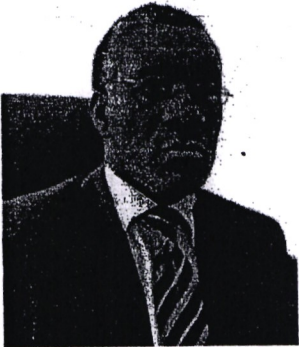
Prof. Samuel Gudu is a world renowned scientist who has worked in the University for over 30 years rising steadily within the ranks from a Graduate Assistant to Professor. He has held the following positions over his University Career:

- Principal Rongo University College since 2012 to date
- Ag. VC, Moi University on Several occasions
- DVC, Planning & Development, Moi University for 10 years
- Ag. Principal Chepkoilel Campus for 1 year
- Director of Research Moi
- Ag. Dean Faculty of Sciences at Moi University
- HoD, Botany, Moi University.

**Qualifications:**

- PhD, Genetics & Biotechnology – Guelph, Canada
- Msc. Genetics & Plant Breeding – University of Nairobi
- Bsc. Agriculture (Hons) – Moi University
- A-Levels
- O-Levels

### III. MANAGEMENT TEAM

MEMBER	RESPONSIBILITY
 <p>1. <b>Prof. Samuel Gudu</b> PhD (Genetics in Molecular Biology), MSc (Genetics and Plant Breeding), BSc (Agriculture)</p>	<p><b>Principal</b></p> <ul style="list-style-type: none"> <li>(i) Providing innovative and visionary leadership;</li> <li>(ii) Creating and sustaining a highly motivated and participatory management team;</li> <li>(iii) Following-up the strategic and vision plan of the University College</li> <li>(iv) Maintaining and promoting the academic standard of the University College and its public relations;</li> <li>(v) Mobilizing financial support</li> <li>(vi) Maintaining and promoting international linkages with other institutions of higher learning;</li> <li>(vii) Promoting efficiency and good management</li> </ul>
 <p>2. <b>Prof. Stanley Shitote</b> PhD (Civil Eng.), MSc (Civil Eng.), BSc (Civil Eng.), Member of the Institution of Engineers of Kenya (MIEK), Registered Engineer (R. Eng), Member of the Kenya Institute of Management (MKIM)</p>	<p><b>Deputy Principal (Administration, Finance and Planning)</b></p> <ul style="list-style-type: none"> <li>(i) Management of Human Resource Planning and Development</li> <li>(ii) Management of Planning, Physical infrastructure and Development</li> <li>(iii) Coordination of Financial functions</li> </ul>



3.

**Prof. Augustino Onkware**

PhD, Plant Physiology

MSc Botany, Plant Physiology and Biochemistry

BSc (Biology)

**Deputy Principal (Academic and Students Affairs)**

- (i) Management of Research
- (ii) Management of Extension
- (iii) Management of External Liaison
- (iv) Management of academic and student affairs



4.

**CPA Janet Chumba**

MBA (Finance),

BBA (Accounting)

CPA (K)

Member of Institute of Chartered Public Accountants (ICPAK)

**Finance Officer**

- (i) Organizing the accounting and finance unit
- (ii) Developing & Implementing adequate accounting systems
- (iii) Overall operation and supervision of finance function in the system.
- (iv) Maintaining accounting standards within the department.



5. **Mr. John Oluoch**  
MPhil.(Communication Studies ),  
PG. Diploma (Public Relations),  
B.Ed. (Hons),  
MPRSK

**Director, Privately Sponsored Students Programme**

- (i) Ensuring steady growth and sustainability of the Privately Sponsored Student Programme.
- (ii) Developing policies and Strategic Plans for the management of Privately Sponsored Student Programme.
- (iii) Facilitating admission of students in liaison with Deputy Principal (ASA) and Deans of Schools.
- (iv) Providing regular briefs to the Principal on Privately Sponsored Student Programme issues.

## V. REPORT OF THE CHIEF EXECUTIVE OFFICER

It is my great joy to present to you the annual report and financial statements for the year ended 30<sup>th</sup> June 2014. This has been a year with new challenges but also many other opportunities to improve and move forward.

We started the year by improving administrative processes efficiency through upgrade of our financial management system. This automated the most paper based function within finance department. Consistent with our spirit of continuous improvement, this laid the platform for automation of other processes in admission and examination to ensure efficiency can be improved through automation.

### **Overall University College performance**

In 2014/15, the University College's financial performance improved significantly. Rongo University College started the financial year 2014/2015 with a cash balance of Kshs. (3,852,106.42) and was allocated Kshs. 246,455,866.00 by the Government during the year under review.

The University College managed to collect Kshs. 372,436,722 in tuition and other charges and Kshs. 27,546,654 from the small income generating activities. In total therefore, the University College had Kshs. 642,587,136 at its disposal during the year 2014/2015 for its recurrent expenditure. This improvement saw the University achieve several milestones and enhance infrastructural development and academic environments. The expansion and refurbishment of the University College facilities will allow admission of students into the College and continue to support the government goal of expanding access to University education. In deed in the next financial year, the University College will admit more students because of the improvement on its facilities.

The academic programs offered by the university college meet the requirement of the job market. They equip the students with the necessary skills to secure employment in the job market. This is because the University College emphasizes hands on and practical orientation in its training which makes the graduates employable in industries and innovative to create job opportunities for self and for others.

In the year under review, the University College received valuable donations in books, computers and equipment necessary to help students develop skills that employers look for in graduates.

The several MOU's signed with various institutions of learning and research confirms the existence of Rongo University College in a market that has very many players offering the same courses.

The year saw an important milestone for RUC as CUE cleared the University College for the award of charter. This came after a yearlong rigorous engagement with all stakeholders. Taking stock of what had been achieved in the previous strategy, a critical analysis of the current status of higher education sector as well as a projection of select activities would further the achievement of the institution's mission.

Finally, I express my gratitude to the very able Council, student leadership and members of staff for their input towards the strategic plan implementation. Our individual commitment will impact society, the government and the Country at large.

I encourage staff members to thoroughly acquaint themselves with the key strategic pillars of vision 2030 and its enablers, in order to impact Kenya and the Southern Nyanza region positively.



Prof. Samuel Gudu  
PRINCIPAL

#### IV. CHAIRMAN'S STATEMENT

It is my great privilege to present to our stakeholders the Annual Report as well as Financial Statements of Rongo University College for the financial year ended 30<sup>th</sup> June, 2015. This annual report helps us to reflect on our performance for the year giving us an opportunity to celebrate our success and at the same time identify areas of improvement.

##### **Education sector overview**

Despite an exponential increase in number of public universities in Kenya in the last three years, the number of Kenyans who qualified to pursue higher education far outstrips the capacity of universities in Kenya. In 2014, the total number of 149,717 attained the minimum university entry qualification compared to 123,365 in 2013. The higher education sector, now regulated by the Commission for University Education (CUE) continued to be a vibrant and competitive sector with more universities being accredited as the country strives to increase access to higher education. The trend of more students sitting for K.C.S.E is expected to continue rising as the government continues to improve its free primary education and free tuition for secondary schools. Rongo University College remains committed to playing a vital role in the higher education sector by providing high quality education through teaching, research, and community service and nurture innovative graduates as enshrined in its mission.

##### **Corporate Governance and Ethics**

The Council is responsible for the governance of the University College and is accountable to the citizens of this country for ensuring that the University College complies with the law and maintain the highest standard of corporate governance, academic standard and ethics.

The Council attaches great importance to the need to conduct the activities and operations of the University College with integrity, fairness and transparency.

##### **Overall University Performance**

In 2014, the University College's financial performance improved significantly as compared to the previous year. Total income increased from Kshs 565 million in 2013 to Kshs 646 million in 2014 while the net assets grew from Kshs 606 million in 2013 to Kshs 764 million in 2014. The University College Council will continue working closely with management to ensure this performance is improved.

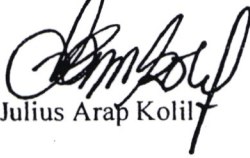
I applaud the fruits of joint partnership between Rongo University College and Rongo Constituency Development Fund (CDF) which has participated a great deal in the development of this institution. In addition The University College would like to thank Migori County for the generous donation of fifty (50) acres of land donated at Macalder in Nyatike Division.

In 2014, Rongo University partnered with more than eight Institutions to support various initiatives that will see the University College improve in research and innovation.

It is always a joy to graduate students and in 2014, the University College through Moi University graduated 343 graduates.

##### **Appreciation**

Finally, I take this opportunity to sincerely thank the government of Kenya, our donors, students and staff who continued to support Rongo University College and I applaud the music team that continue to raise the flag of the University College in the national arena. These are integral parts of the all-round formation that Rongo University College offers. I call upon all stakeholders not to relent in their efforts in ensuring that we continue to improve the University College.

  
Mr. Julius Arap Kolil

**CHAIRMAN OF THE UNIVERSITY COLLEGE COUNCIL**