

REPUBLIC OF KENYA



Enhancing Accountability



REPORT

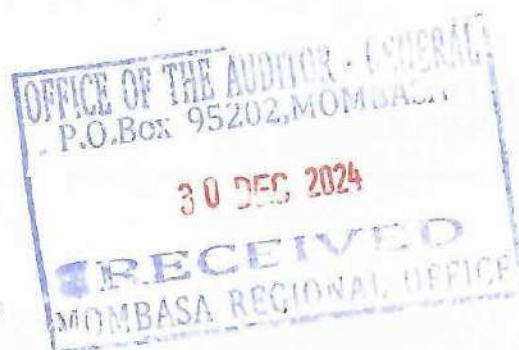
OF

THE AUDITOR-GENERAL

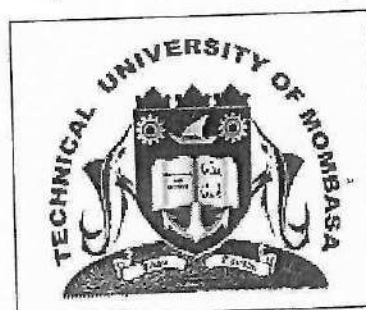
ON

TECHNICAL UNIVERSITY OF MOMBASA

**FOR THE YEAR ENDED
30 JUNE, 2024**



Revised 30th June 2024



TECHNICAL UNIVERSITY OF MOMBASA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

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

TECHNICAL UNIVERSITY OF MOMBASA
Annual Report and Financial Statements
for the year ended June 30, 2024.

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1. Acronyms and Definition of Key Terms

A: Acronyms

VC	Vice Chancellor
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
OAG	Office of the Auditor General
PFM	Public Finance Management
PPE	Property Plant & Equipment
UMB	University Management Board
KUCCPS	Kenya Universities and Colleges Central Placement Service
FY	Financial Year
TUM	Technical University of Mombasa
ISO	International Organization for Standards
SSP	Self Sponsored Programmes
NFM	New Funding Model
UFB	University Funding Board
HELB	Higher Education Loans Board

B: Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key University Information and Management

a) Background information

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

TUM is profoundly committed to providing quality higher education as envisioned by its founders and mandated by Statute. It has five established Schools namely: Applied and Health Sciences, Engineering and Technology, Business, Humanities and Social Sciences, School of Graduate Studies and an Institute of Computing and Informatics. The University admits students across the globe ranging from KUCCPS to Self-Sponsored programmes (SSP). As a result of the high demand for TUM programmes, the student population has tremendously grown over the years, and currently stands at 20,193 composed of 13,775 males and 6,418 females. TUM also recognizes the importance of human capital in driving the vision of the institution and boasts of 247 teaching staff and 336 administrative staff, giving a total of 583. To ensure programmes are congruent with the market demands, the University incorporates industry, stakeholders and professional bodies in the development and review of programmes to comfortably offer solutions in the labour market in the quest to support the Kenya Vision 2030.

b) Principal Activities

Vision

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

Mission

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

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Key University Information and Management (continued)

Motto

Jiddu Tajiddu

Strategic Objectives and Principal activities

- i. Enhance the quality of academic programmes and professional development for faculty;
- ii. Produce graduates with desirable attitudes to confront the various challenges in their lives;
- iii. Foster collaborations, partnerships and strategic alliances with organizations, industry players, local community and other stakeholders;
- iv. Improve student support, welfare services and Alumni engagements;
- v. Strengthen research, innovations and Consultancy services;
- vi. Recruit, retain and provide conducive working environment for staff;
- vii. Upgrade, modernize and expand Physical and facilities and IT Infrastructure.

c) Key Management

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

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

Key University Information and Management (continued)

d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Vice Chancellor	Prof. Laila Abubakar
2.	Dep. Vice Chancellor (Academic, Research and Extension)	Prof. Peter Gichangi
3.	Dep. Vice Chancellor (Administration, Finance and Planning)	Prof. Joseph Rasowo
4.	Registrar (Administration and Planning)	Dr. Shivani Patel
5.	Registrar (Academic Affairs)	Dr. Cromwell Kibiti
6.	Registrar (Partnership Research and Innovation)	Prof. Rahma Udu
7.	Finance Officer	FCCA Dalton Mwaghogho
8.	Procurement Manager	Mr. James Odhiambo
9.	University Librarian	Dr. Wanyenda Chilimo
10.	Dean of Students	Mr. Joel Awino

e) Fiduciary Oversight Arrangements

Finance, Planning and General-Purpose Committee

Membership: -

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

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Key University Information and Management (continued)

Terms of Reference: -

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

Human Resource Management Committee

Membership: -

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

Terms of Reference

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

Key University Information and Management (continued)

Audit, Risk and Compliance Committee

Membership: -

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

Terms of Reference

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

Sealing and Statutes Committee

Membership:

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

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Key University Information and Management (continued)

Terms of Reference

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

f) University Headquarters

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

g) University Contacts

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

h) University Bankers

- 1) National bank of Kenya.
TUM Branch
P.O. Box 576-80100
Mombasa.
- 2) Co-operative Bank Limited
Nkrumah Branch
P.O. Box 87771-80100
Mombasa.
- 3) Standard Chartered Bank Limited.
Treasury Square Branch
P.O. Box 90170-80100
Mombasa.

Key University Information and Management (continued)

- 4) Kenya Commercial Bank
Mvita Branch
P.O. Box 83534-80100
Mombasa.
- 5) Family Bank
Jomo Kenyatta Branch
P.O. Box 97268-80100
Mombasa.
- 6) Equity Bank
Digo Road Branch
P.O. Box 90016-80100
Mombasa.
- 7) Absa Bank
Moi Avenue
P.O. Box 90182 - 80100
Mombasa.
- 8) Gulf Bank
Jomo Kenyatta Avenue Branch
P.O. Box 81189-80100
Mombasa.

i) Independent Auditors





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

j) Principal Legal Adviser




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

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3. The University Council

Ref	Council Members	Details
1.	 <p>PROF. FRANCIS NDUNGU KIBERA, C.B.S Council Chairman Date of Birth: 30th June 1945</p>	<p>Prof. Kibera holds a Doctor of Philosophy (Ph.D.) degree in Business Administration from University of Toronto, and a Master of Business Administration from University of Alberta, Canada. He did his Bachelor of Commerce (B. Com) degree program at the East African University, Nairobi.</p>
2.	 <p>MR. STANLEY KAGERA CS Representative - National Treasury Date of Birth: 11th November 1969</p>	<p>Mr. Kagera holds Master's Degree in Economic Policy Management from Makerere University and a Bachelor of Arts in Economics from Kenyatta University.</p> <p>He is currently the Deputy Director (Public-Private Partnerships) at the National Treasury and Planning and has over 20 years of experience in economics.</p> <p>He is the representative of the Cabinet Secretary, National Treasury and Planning representative to the University Council.</p>
3.	 <p>MS. ANN KAIGA PS Representative- State Department of University Education and Research. Date of Birth: 22nd August 1965</p>	<p>Ms. Kaiga is the alternate to PS-State Department for University Education and Research, Ministry of Education.</p>
4.	 <p>Dr. PAUL MWASARU MWAZUMBO Date of Birth: 31st October 1963</p>	<p>Dr. Mwazumbo, holds a PhD in Strategic Management, Masters in Business Strategic Management, and Bachelor of Science in Chemistry from University of Nairobi. He holds International Diplomas in Environmental Management and Occupational Health and safety Management. He is the Director for Absolute Integration Management Systems Limited and the Lead Auditor at SGS Kenya</p>




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5.	 <p>MS. ALISON IRENE NJERI KARIUKI Independent Council Member Date of Birth: 19th February 1972</p>	<p>Ms Kariuki, holds a Master's in International relations & Development Studies, Bachelor of Law (LLB) from University of Nairobi and Diploma in Law. She is also a corporate governance auditor.</p>
6.	 <p>DR. ASMA HADI AWADH Independent Council Member Date of Birth: 16th July 1982</p>	<p>Dr. Awadh holds PhD in Environmental Science from Pwani University, Masters in Urban Environmental Planning and Management, Bachelor of Science in Environmental Science from Maseno University and Diploma in Management. Currently she is manager-Coast Kenya Programmes at the WWF Kenya</p>
7.	 <p>MR. MUHAMMAD ALI LOO Independent Council Member Date of Birth: 15th January 1966</p>	<p>Dr. Loo holds Master's in Finance and Bachelor of Commerce in Accounting. He is a fully qualified Accountant (CPAK) and Certified Secretary (CSK) Member of Institute of Certified Public Accountants of Kenya (ICPAK) and Institute of Certified Secretaries of Kenya (ICSK). He is the Director of Badi Loo & Associates and Muhammad Loo & Associates.</p>

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8.	 <p>MS. GRACE NEKOYE KATASI Independent Council Member Date of Birth 16th August 1965</p>	<p>Ms Katasi, holds a Masters of Law degree (LLM), Bachelors of Law degree (LLB) from University of Nairobi and a Diploma in forensic Accounting. She is a lecturer at JKUA-School of Law and an associate of Matenu Katasi & Associates.</p>
9.	 <p>PROF. LAILA UWESO ABUBAKAR Vice-Chancellor/ Council Secretary Date of Birth: 13th December 1961</p>	<p>Prof Abubakar holds a PhD in Bio Chemistry, Masters of Science in Biochemistry and a Bachelor of Science (Biochemistry & Chemistry).</p> <p>She is the Secretary to the Council.</p>


4. Key Management Team

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

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4.	 <p>DR. CROMWELL MWITI KIBITI Registrar Academic Affairs</p>	<p>Dr. Kibiti holds a PhD in Ethno botany, MSc in Biotechnology and BSc in Biochemistry.</p>
5.	 <p>DR. SHIVANI PATEL Registrar Administration and Planning</p>	<p>Dr. Patel holds a PhD in Strategic Management, Higher Dip in Human Resource Management, Diploma in Human Resource, MBA on International Business Administration, BSc on Information Systems and Technology and Graduate Trainee from KRA.</p>
6.	 <p>PROF. RAHMA UDU YUSUF Registrar Partnership Research and Innovation</p>	<p>Prof. Yusuf holds PhD in Molecular medicine from Jomo Kenyatta University of Agriculture and Technology (JKUAT) and, a Masters in Biochemistry from Egerton University. She is an Associate Professor and Research scientist in Biochemistry and Molecular biology in the Department of Pure and Applied Sciences at TUM</p>

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7.	 <p>FCPA DALTON MWAGHOGHO JAMES</p> <p>Finance Officer.</p>	<p>FCPA James holds MBA (Strategic Management), BSc. (Hon) Applied Accounting, is a Fellow of Chartered Certified Accountant (FCCA), A Fellow of Certified Public Accountant of Kenya FCPA(K), and a Certified Secretary of Kenya CS(K).</p>
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5. Chairman's Statement

Financial Performance

During the financial year (FY) 2023/2024 TUM closed with a deficit of KShs.141 M compared to the previous FY 2022/2023 where there was a surplus of KShs. 38M. Generally, the comparison of total expenses for the FY 2023/2024 are higher than in the FY 2022/2023. However, the University is striving towards meeting all its current and future obligations as they fall due.

Strategic Direction

The University is committed to offering quality programs in line with its Strategic Vision of global excellence in advancing Knowledge, Science and Technology. This has been clearly outlined in its just completed Strategic Plan 2023/24-2027/28 was completed guided by seven key results areas namely; Administration, Management and Governance, Marketing and Corporate Communication, Training, Research, Innovation and Quality Assurance, Infrastructure Development, Collaborations, Partnerships and Stakeholder Coordination, Sustainability and Green Initiatives and Student Support, Welfare and Alumni Management.

The Council has been able to approve several key policies in efforts to achieve its strategic targets and in compliance with the prevailing laws and regulations. The Strategic Plan targets achieved during the year with regard to policy was the approval of the policy on Rewards, Recognition and Sanctions and submitting the Human Resource Instruments to the Public Service for approval. The University was able to hold the 5th Multi-Disciplinary Conference with most of the papers published in the Multidisciplinary Journal of Technical University of Mombasa (MJTUM).

Future Outlook

Having concluded its third Strategic Plan, the University looks forward to implement the key results areas being hands-on teaching, research and innovation to serve both industry and the community. Other plans are; increase the academic programs through the introduction of new courses on blue economy such as Marine Science and Maritime studies, promotion of partnership, collaboration and linkages with international and local stakeholders for mutual benefits, increase the research output, innovation activities, revenue streams among others.

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Further, the University is committed to be in tandem with the national education trends by strengthening the TVET institute and responding to the requirements of Competency Based Education and Training (CBET) Currently the University is experiencing the twin problems of inadequate and ageing physical facilities and infrastructure. In order to address this, the plan aims to construct and rehabilitate the facilities, purchase motor vehicles, IT hardware and software and equipment.

Chairman of the Council

Sign 

Prof. Francis N. Kibera, (CBS)

Date.....30th December 2024.....

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6. Vice Chancellor's Statement

I hereby present Technical University of Mombasa (TUM) Annual Report and Financial Statements for the year ended 30th June 2024.

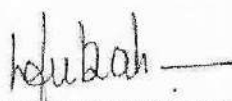
The University is committed to fulfilling the Bottom-Up Economic Transformation Agenda (BETA), Kenya's Vision 2030, the UN's Sustainable Development Goals and Africa's Agenda 2063 as well as industry demands through embracing competency-based curriculum. To ensure programmes are congruent with the market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

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

In 2023/2024 FY, TUM successfully implemented a number of work place policies to affirm good governance and effective and efficient resource mobilization and utilization. The impact of the University's performance is reflected in the recent improved performance contracting (PC) ranking for the 19th PC Cycle FY 2023/2024 by maintain the composite score of 2.849 being very good. During the year the University conducted its fifth multidisciplinary conference and held its 10th Graduation ceremony virtually where 3,500 graduated.

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

Vice Chancellor

Sign

Prof. Laila Abubakar

Date30th December 2024.....

7.Statement of Performance against Predetermined Objectives for FY 2023/2024

TUM has seven Key Results Areas within the current Strategic Plan for the FY 2023/2027. These Key Results Areas are as follows:

KRA1: Administration, Management and Governance

KRA2: Marketing and Corporate Communication

KRA3: Training, Research, Innovation and Quality Assurance

KRA 4. Infrastructure Development

KRA 5. Collaborations, Partnerships and Stakeholder Coordination

KRA 6. Sustainability and Green Initiatives

KRA 7. Student Support, Welfare and Alumni Management

TUM develops its annual work plans based on the above seven KRAs. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. TUM achieved its performance targets set for the FY 2023/2024 period for its 2023-2027 strategic pillars, as indicated in the table below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
KRA1: Administration, Management and Governance	To strengthen Administration and Leadership capabilities	Number of policies reviewed, implementation status	Continuously review, develop and implement policies	Strengthened Administration and Leadership
	To Strengthen Human Capital	Meetings and minutes to review, guidelines, Sensitization	Develop/Review human resource instruments/policies, Establish Staff wellness programmes	Policies in place awaiting PSC approval, Staff wellness programmes established
	To improve Employee Motivation and	Status report, survey forms, Memos	Conduct Employee Satisfaction surveys	Efficiency and effectiveness.

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	organizational culture			
	To ensure a secure and safe working environment	Appointment letter, status reports on compliance.	Appoint Public Health officer	Compliance
KRA2. Marketing and Corporate Communication	To enhance Corporate positioning	Number of website traffic analytics (hits page views)	Revamp and optimize website	Revamped website
	To enhance internal and external communication	Committee appointed, Meetings and minutes on review.	Review Communication Policy Print and Audio/Visual publicity materials	Improved communication
KRA3. Training, Research, Innovation and Quality Assurance.	To enhance the Quality of Academic programmes and professional development for faculty	Minutes of policy review and number of programmes restructured.	Review library policy Review and restructure University Programmes to meet industry needs.	Compliance.
	To strengthen research, innovation and Consultancy services	Upgrading plans Training programmes and attendance sheet.	Undertake upgrading of Incubation Centre in Main Campus, Train staff on patenting and commercialization.	Upgraded incubation centre and sensitized staff
	To strengthen quality assurance frameworks in the university.	Audits schedules conducted and reports.	Conduct ISO Quality Standards Audits, Conduct Academic Quality Assurance Apply for Re-Certification of ISO Quality Standard.	Compliance and recertification certificate.
	To promote Blue Economy	Stakeholders meeting attendance and reports,	Develop market driven Marine and	Short courses developed and mounted.

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		Number of short courses developed.	maritime short courses.	
KRA 4. Infrastructure Development	To Upgrade, Modernize and Expand Physical Facilities	Number of PWD compliant physical infrastructure Number of new fleet of vehicles acquired.	Develop and maintain PWD compliant physical infrastructure and acquire new fleet of vehicles.	Inclusivity, Safe and efficient fleet of vehicle.
	To upgrade, modernize and expand IT Infrastructure	Attendance sheet and Minutes of policy review, Status report on Automation of Audit process, Number of CCTV installed and printers procured	Review ICT Policy and Strategy, Automate the Audit process, Install CCTV Cameras in buildings, Procure Printers,	Approved policy, efficiency in audit process and security status.
KRA 5. Collaborations, Partnerships and Stakeholder Coordination	To foster collaborations, partnerships and strategic alliances with organizations, industry players, local community and other stakeholders	Number of new regional and international collaborations established; existing ones reviewed and community outreach programmes enhanced.	Establish new regional and international collaborations and partnerships; Review existing collaborations and partnerships; Enhance community outreach programme.	Improved stakeholders coordination.
KRA 6. Sustainability and Green Initiatives	To expand and diversify sources of revenue	Number of consultancy bids done; Meetings conducted/attended to lobby the Government capitation.	Bid for and undertake various consultancies to generate income; Lobby the Exchequer for increase in Government capitation and Budget.	Diversified resources

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	To ensure Prudent Financial Management	Report on status of audit manual and number of staff sensitizations.	Review Internal Audit Manual; Sensitize staff on public procurement	Compliance
	To reduce TUM's carbon emissions, waste generation and energy consumption	Number of trees planted.	Undertaking re-Afforestation	Compliance
KRA 7. Student Support, Welfare and Alumni Management	To improve student support, welfare services and Alumni engagements	Number of sports activities facilitated and mentorship programme implemented.	Facilitate participation in diverse sports activities; Establish and implement mentorship programmes	Improved Student Support and Welfare

8. Corporate Governance Statement

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

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

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

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The Council members terms FY 2023/2024

COUNCIL MEMBER	POSITION	APPOINTMENT	EXIT DATE	TERM
Prof. Francis N. Kibera	Council Chairman	08/07/2022	08/07/2025	3 years
Mr. Stanley Maina Kagera	Alternate- CS The National Treasury and Planning	05/05/2021	Exited in June 2024	
Ms. Ann Kaiga	Alternate - PS State Department for University Education (Ministry of Education)	15/08/2022	15/08/2025	3 years
Mr. Muhammad Ali Loo	Independent member	23/05/2023	24/05/2026	3 years
Ms. Alison Irene Njeri Kariuki	Independent member	23/05/2023	24/05/2026	3 years
Dr. Paul Mwasaru Mwazumbo	Independent member	23/05/2023	24/05/2026	3 years
Ms. Grace Nekoye Katasi	Independent member	23/05/2023	24/05/2026	3 years
Dr. Asma Hadi Awadh	Independent member	23/05/2023	24/05/2026	3 years
Mr. Stephen Musyoki	Alternate- CS The National Treasury and Planning	28/3/2024 being replacement of Mr. Stanley Maina Kagera	29/03/2027	3 years

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FULL COUNCIL BOARD MEETINGS

During the FY 2023/2024 the Council met on the following dates:

S/No.	NAME	13/07/23	18/07/23 Special	1/08/23 Special	13/10/23	23/11/23 Special	11/01/24	22/01/24 Special	15/04/24	15/04/24 2 P.M Special	16/04/24 Special	20/05/24 Special
1.	Prof. Francis N. Kibera	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2.	Mr. Stanley Maina Kagera	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
3.	Mr. Stephen Musyoki											✓
4.	Ms. Ann Wangui Kaiga	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5.	Mr. Muhammad Ali Loo	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6.	Ms. Alison Irene Njeri Kariuki	✓	✓	✓				✓				✓
7.	Dr. Paul Mwasaru Mwazumbo	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8.	Ms. Grace Nekoye Katasi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9.	Dr. Asma Hadi Awadh	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10.	Prof. Laila Abubakar	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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Council Committees during the FY 2023/2024

The following shows the Committee Membership during the FY 2023/2024.

COMMITTEE	MEMBERS
Sealing and Statutes Committee	<ol style="list-style-type: none"> 1. Dr. Asma Hadi Awadh - Chairperson 2. Ms. Alison Kariuki -Member 3. Mr. Muhammad Ali Loo -Member 4. Prof. Laila Abubakar - Secretary
Human Resource Management Committee	<ol style="list-style-type: none"> 1. Ms. Grace Nekoye Katasi- Chairperson 2. Ms. Ann Kaiga - Rep. PS MOE 3. Ms. Alison Kariuki -Member 4. Prof. Laila Abubakar - Secretary
Audit, Risk and Compliance Committee	<ol style="list-style-type: none"> 1. Dr. Paul Mwasaru Mwazumbo- Chairperson 2. Mr. Stanley Kagera - Rep CS National Treasury 3. Dr. Asma Hadi Awadh -Member 4. Mr. Justin Ombui - Secretary
Finance, Planning and General Purposes Committee	<ol style="list-style-type: none"> 1. Mr. Muhammad Ali Loo - Chairperson 2. Mr. Stanley Kagera - Rep CS National Treasury 3. Ms. Ann Kaiga - Rep PS MOE 4. Prof. Laila Abubakar - Secretary
TUM Enterprise Ltd	<ol style="list-style-type: none"> 1. Prof. Francis N. Kibera - Chairman 2. Dr. Paul Mwasaru Mwazumbo -Member 3. Mr. Stanley Kagera - Rep CS National Treasury 4. Ms. Grace Nekoye Katasi -Member 5. Prof. Laila Abubakar

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

Finance, Planning and General Purposes Committee (FPGP)

COMMITTEE MEMBER	POSITION	07/7/2023	01/8/2023 Special	05/10/2023	09/1/2024	05/4/2024	20/6/2024 Special
Mr. Muhammad Ali Loo	Chairman	✓	✓	✓	✓	✓	✓
Mr. Stanley Kagera	Rep CS National Treasury	✓	✓	✓	✓	✓	✓
Mr. Stephen Musyoki							✓
Ms. Ann Kaiga	Rep PS MOE	✓	✓	✓	✓	✓	✓
Prof. Laila Abubakar	Council Secretary/Vice Chancellor	✓	✓		✓	✓	✓

Human Resource Management Committee (HRMC)

COMMITTEE MEMBER	POSITION	05/7/2023	04/10/2023	22/11/2023 Special	08/1/2024	05/4/2024
Ms. Grace Nekoye Katasi	Chairperson	✓	✓	✓	✓	✓
Ms. Ann Kaiga	Rep. PS MOE	✓	✓	✓	✓	✓
Ms. Alison Kariuki	Member	✓	✓		✓	✓
Prof. Laila Abubakar	Secretary	✓		✓	✓	✓

Sealing and Statutes Committee (SSC)

COMMITTEE MEMBER	POSITION	05/7/2023	11/7/2023 Special	18/7/2023 Special	04/10/2023	08/01/2024	04/4/24
Dr. Asma Hadi Awadh	Chairman	✓	✓	✓	✓	✓	✓
Ms. Alison Kariuki	Member	✓	✓	✓	✓	✓	✓
Mr. Muhammad Ali Loo	Member	✓	✓	✓	✓	✓	✓
Prof. Laila Abubakar	Council Secretary/	✓	✓	✓		✓	✓

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	Vice Chancellor						
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Audit, Risk and Compliance Committee

COMMITTEE MEMBER	POSITION	6/7/2023	05/10/2023	09/1/2024	04/4/2024
Dr. Paul Mwasaru Mwazumbo	Chairman	✓	✓	✓	✓
Mr. Stanely Kagera	Rep CS National Treasury	✓	✓	✓	✓
Dr. Asma Hadi Awadh	Member	✓	✓	✓	✓
Mr. Justin Ombui	Secretary	✓	✓		✓
Hashim .O. Zein	Internal Auditor			✓	

Succession Plan

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

Council Charter

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

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

Appointment and Removal of Council Members

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

Roles and Functions of the Council and its Committees

The roles and functions of the Council are set out in the Council Board Charter under Section 4. These roles include; Strategic Direction, Recruitment, Research, Education, Financial and Capital Oversight, Ethical Standards, Corporate Governance and Regulatory Compliance, Risk Oversight and Stakeholder Management. The Council Committees have been apportioned the above roles to ensure delivery of its mandate.

Conflict of Interest

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

Board Remuneration

The Council receives remuneration as per the set Government Guidelines. During the FY2022/2023 Council members were paid sitting, subsistence and travel allowances as per the Government approved rates.

Council Evaluation

In line with the provisions of the State Corporations Act 2012, the annual evaluation for the FY ended 30th June 2024 was done on 13th October 2023. This was aimed at enabling the Council members and the Committees to gauge their performance and identify areas of improvement. The evaluation was undertaken by SCAC and the University received and implemented the evaluation results.

Council Diversity

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

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Below is the current Council diversity structure:

COUNCIL MEMBER	POSITION	GENDER	EXPERTISE	ETHNICITY
Prof. Francis N. Kibera	Council Chairman	Male	Business Mgt	Kikuyu
Mr. Stephen Musyoki Munyao	Alternate- CS The National Treasury and Planning	Male	Finance	Kamba
Ms Ann Kaiga	Alternate – PS State Department for University Education and Research (Ministry of Education)	Female	Law	Kikuyu
Prof. Laila Abubakar	Council Secretary/ Vice Chancellor	Female	Biochemistry	Swahili
Mr. Muhammad Ali Loo	Independent member	Male	Finance	Bajuni
Ms. Alison Irene Njeri Kariuki	Independent member	Female	Law	Kikuyu
Dr. Paul Mwasaru Mwazumbo	Independent member	Male	Strategic Mgt/Chemistry	Taita
Ms. Grace Nekoye Katasi	Independent member	Female	Law	Luhya
Dr. Asma Hadi Awadh	Independent member	Female	Environmental Sciences	Arab

9.Management Discussion and Analysis

The government grants increased from KShs 962.3M in FY 2022/2023 to KShs 1,008.8M in FY 2023/2024. Total Income increased to KShs. 1,989.0 M in FY 2023/2024 from KShs. 1,945.1M in prior year 2022/2023, an increase of KShs 46M. The increase, was as a result of UFB, Scholarship and NFM, HELB funds received. However, the increased incomes in current FY were not sufficient enough to cater for the University operational expenses fully.

The Appropriation in Aid (A-in-A) decreased by KShs. 6.7 M from KShs. 986 M in FY 2022/2023 to KShs. 980.2 M in the FY 2023/2024. Other incomes decreased by KShs. 124 M from KShs 405 M in FY 2022/2023 to KShs. 281M in the FY 2023/2024.

Total expenses increased by KShs. 218 M from KShs. 1,911 M in FY 2022/2023 to KShs. 2,130 M in the 2023/2024. This was mainly attributed to by, increase in operating expenses by KShs. 20M due to increased activities at the University, increase in provision for bad debts KShs 19M as a result of increase in student debtors by KShs 47.9M. Personnel Emoluments increased by KShs. 178M attributed by provision of part-time for three semesters amounting to KShs 150M.

In the Statement of Financial Position, total assets increased by KShs 96 M from KShs. 3,587 M in the FY 2022/2023 to KShs. 3,684 M in the FY 2023/2024. Liquidity ratio measured by current ratio of 1.0 in FY 2022/2023 against 0.53 in FY 2023/2024. The current assets reduced by KShs. 179 M compared to prior year due to high provision for bad debt in the current year, while the current liabilities increased by KShs. 456 M a result of introduction of current provision for the ongoing works and outstanding part-time.

In the statement of Cashflow, during FY 2023/2024 we closed with Cash and cash equivalents of KShs 112M compared to prior year 2022/2023 of KShs 129M. Actual payments during the year stood at KShs 1,861M, trade payables at KShs 166M while the trade receivables at KShs 124M. There was a decrease in Inventory by KShs 1.9M compared to prior year.

10. Environmental and Sustainability Reporting

i) Environmental performance

During the international coastal cleanup day, 58 volunteers participated: 10 from Tudor Beach and 48 from Technical University of Mombasa, Kenya Fisheries Service and County Government of Mombasa. Focusing on the mission of the mobilization of millions of positive-minded people into tackling the solid waste crisis and the vision to have a clean and healthy waste-free world, TUM volunteers had a procession from the main gate collecting solid wastes to the main site which was at Tudor Beach, a distance of 700 m. A total of 131.8 kg of plastic bottles, 36.1 kg of glass pieces, 8.95 kg of food wrappers, and 9 kg of take-away plastics were recorded. The overall total weight of waste collected from TUM-Tudor Beach stretch was 185.85kg. This activity was funded by the National Bank of Kenya (NBK).



ii) Employee welfare

a. TUM Cultural day

The Human Resource Department organized a Staff Cultural Day on the 15th May, 2024. The theme of the day was *"Embracing Cultural Diversity at the Workplace"*. The program involved several activities which were organized around the various communities that are represented in the University. These activities included: preparation of traditional foods from various communities, showcasing cultural/traditional attires, cultural songs/dances and football matches. An estimated three hundred and fifty (350) staff participated in the various activities. A panel of external judges was at hand to evaluate the activities of the

various communities with regard to aspect such as presentation and knowledge of the various foods prepared, originality, dance presentations among others.



b. Employee Assistance Programme

The Human Resource Department organized the launching of the Employee Assistance Programme (EAP) on the 18th June, 2024. The launch was aimed at sensitizing and

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publicizing the establishment of this programme to all University Staff. EAP is a workplace programme established to help in identifying and management of employees who are impaired by personal concerns including but not limited to health, family, marital, alcohol and work-related stressors among other. The launch was sponsored by: Absa Bank Limited, National Bank of Kenya. Other institutions that supported the launch include Kenya Ports Authority (our mentors in establishing the programme), Madison Insurance and Mewa Hospital



c. TUM trained its staff on First aid



iii) Responsible competition practice.

TUM trained trainees of Integrity Assurance Officers at TUM Main Campus in the FY 2023-2024. The training was conducted by officers from the EACC on invitation by TUM.

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The training involved staff from the Main, Kwale and Lamu Campuses. The team will assist the Corruption Prevention Committee (CPC) in the fight against Corruption at the University. The occasion was graced by the Vice Chancellor Prof. Laila Abubakar.



iv) Product stewardship

Advocacy Training and Skill Development

These programmes equip the students with advocacy skills that can be shared with their peers. They include training on effective communication, public speaking, and media engagement to prepare students for advocacy roles.

v) Student Leaders sensitization workshop



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11. Report of the Directors

The Council submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of TUM affairs.

i) Principal activities

The principal activities of the University are teaching and research.

ii) Results

The results of the University for the year ended June 30, 2024, are set out on page 1 to 5

iii) Council

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

iv) Auditors

The Auditor-General is responsible for the statutory audit of TUM in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the FY ended June 30, 2024.

By Order of the Council


.....

Prof. Laila Abubakar

Secretary to the Council.

12.Statement of Council Responsibilities

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

The Council is responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the University; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the University; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Council accept responsibility for the University's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act. The Council is of the opinion that the University's financial statements give a true and fair view of the state of TUM's transactions during the financial year ended June 30, 2024, and of the University's financial position as at that date. The Council further confirms the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of TUM's financial statements as well as the adequacy of the systems of internal financial control.

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.

TECHNICAL UNIVERSITY OF MOMBASA
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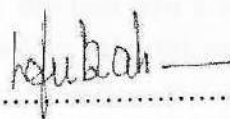
Approval of the financial statements

The University's financial statements were approved by the Council on30th December 2024and signed on its behalf by:



Prof. Francis N. Kibera, CBS

Chairperson of the Council

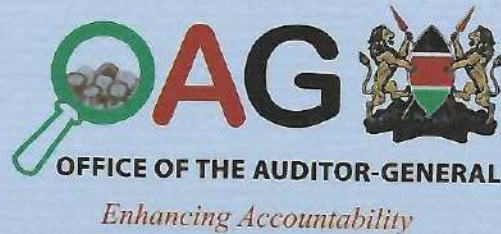


Prof. Laila Abubakar

Vice Chancellor

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON TECHNICAL UNIVERSITY OF MOMBASA FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

- A. Report on 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 the 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; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Technical University of Mombasa set out on pages 1 to 62, which comprise the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Technical University of Mombasa as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the University Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unconfirmed Remittances

The statement of financial performance and Note 6 to the financial statements reflects Government of Kenya (GOK) Grants of Kshs.1,008,820,515. Included in the amount is grants on Higher Education from the Ministry of Education of Kshs.756,707,600, University Funding Board (UFB) Scholarship of Kshs.155,445,279 and New Funding Model - HELB of Kshs.96,667,636. However, the amount disclosed in the financial statements as received differed with that reflected as remitted with variances that were not explained or reconciled as shown below;

Grant	Financial Statements- (Kshs.)	Remittances- (Kshs.)	Variance- (Kshs.)
University Funding Board (UFB) Scholarship	155,445,279	161,067,486	(5,622,207)
New Funding Model - HELB	96,667,636	153,299,203	(56,631,567)
	252,112,915	314,366,689	(62,253,774)

In addition, no listing of the students financed by the New Funding Model - HELB Grant of Kshs.96,667,636 was provided for audit review.

In the circumstances, the completeness and accuracy of the Government Grants of Kshs.1,008,820,515 could not be confirmed.

2. Undisclosed Receipts

The statement of receipts and payments and Note 6 to the financial statements reflects the GOK grants receipts of Kshs.1,008,820,515. However, the cashflow statement reflects the Government grants as Kshs.941,091,689. Out of the resultant variance of Kshs.67,728,826 only Kshs.63,058,967.00 was recognized as receivables in the statement of financial position and as disclosed in Note 19 to the financial statements. No explanation was provided for the nondisclosure of the other receipts balance of Kshs.4,669,859.

In the circumstances, the accuracy and completeness of the GOK grants balance of Kshs.1,008,820,515 could not be confirmed.

3. Incorrect Cash and Bank Balance

The statement of financial position and Note 20 to the financial statements reflects cash and bank balances of Kshs.112,849,949 comprising of bank and cash balances of Kshs.112,457,846 and Kshs.392,100 respectively. However, review of the cashbook records and cashflows statement discloses the following anomalies;

- i. Review of the cashbook reflected total receipts and payments of Kshs.3,933,960,465 and Kshs.3,950,838,264 which differed with that reflected in the cashflow statement of Kshs.1,954,917,718 and Kshs.1,943,804,153 respectively.
- ii. The reconciliation statement for cash book and the financial statements provided in support of the variance had an amount of Kshs.1,838,934,194 reflected as interbank transfers that was not supported with the bank details to which the amounts were transferred to and the transfer documents.

Further, an amount of Kshs.46,615,694 of receipts in respect of external research were excluded from receipt in the cashflow statement but were instead recognized in the statement of financial position and Note 23 to the financial statements as other creditors of Kshs.34,915,755. The treatment and the variance of Kshs.11,699,939 were not explained.

4. Unconfirmed Property, Plant and Equipment Balance

The statement of financial position and Note 30 to the financial statement reflects property, plant and equipment balance of Kshs.3,297,058,746. The amount includes additions during the year of Kshs.368,633,562 out of which Kshs.289,962,401 relates to work in progress. However, the schedule in support of the amount showed a balance of Kshs.293,822,564. The variance was not explained or reconciled. In addition, the expenditure within the schedule were not supported with certified works but instead were provisions for expected works yet to be undertaken.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.3,297,058,746 could not be confirmed.

5. Receivable from Exchange Transactions

The statement of financial position and Note 18 reflects net receivable from exchange transactions of Kshs.123,447,496 after provision of Kshs.396,367,244 and which discloses the following:-

5.1. Unexplained Variance on Student Debtors Receivables and Undisclosed Liabilities

The balance includes 499,427,171 in respect of continuing, scholarship, HELB and household students debtors. However, reports from the invoicing department indicates that the student debtor balance is Kshs.413,495,145, being student debtors continuing and new funding model. The resultant variance of Kshs.85,932,027 was not explained or reconciled.

Further, at the close of the financial year there were prepayments of Kshs.67,462,611 as reflected in the listing from the invoicing department. However, no evidence was provided on how the University had disclosed the amount as a liability in the financial statements.

5.2. Undisclosed Student Debtor Receivables

The statement of financial performance and position and Note 18 reflects net receivable from exchange transactions of Kshs.123,447,496. During the year under review, the University through the Registrar of Post Graduate (PG) Studies invoiced sixty-two (62) PG students at Kshs.28,893,375 and an amount of Kshs.20,159,210 was paid resulting to outstanding student debts of Kshs.8,824,165. However, out of the 62 students, 11 and 44 students had prepayment and arrears of Kshs.700,540 and Kshs.9,524,705 respectively. Out of the 44 students with arrears, only 7 with arrears of Kshs.1,471,550 were disclosed in the debtors amount of Kshs.499,427,171 and the remaining 37 with arrears of Kshs.7,957,830 was not disclosed. No explanation was provided for the non-disclosure.

Further it was not demonstrated how the revenue amounting to Kshs.17,081,050 invoiced to the 37 students had been disclosed in the revenues.

5.3. Undisclosed Dividend Receivable

Included in the receivable from exchange transactions of Kshs.123,447,496, is dividend receivable of Kshs.2,042,752 from TUMEL, declared in the previous year but not paid to the University. During the year under review, TUMEL declared a dividend payable of Kshs.3,178,862.23. However, the amount has not been disclosed as receivable in the financial statements for TUM.

In the circumstances, the accuracy and completeness of receivables from exchange transactions of Kshs.123,447,496 could not be confirmed.

6. Unreconciled Trade Payables

The statement of financial position and Note 22 to the financial statements reflect trade and other payable balance of Kshs.9,491,895 which includes Kshs.1,489,164 due to the Technical University of Mombasa Enterprises Limited (TUMEL). However, the amount differed from that reflected in the TUMEL audited financial statements as amount receivable of Kshs.5,695,592 resulting in an unreconciled variance of Kshs.4,206,428.

In the circumstances, the accuracy and completeness of the payables balance of Kshs.1,489,164 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final income budget and actual amounts on comparable basis of Kshs.2,392,300,000 and Kshs.1,989,003,524 respectively, resulting to under-realization of Kshs.403,296,476 or 17% of the budget. Similarly, the University spent a balance of Kshs.2,308,391,972 against actual receipts of Kshs.1,989,003,524 resulting to over-utilization of Kshs.319,388,448 or 16% of actual receipts.

The under-funding may have affected the planned activities and may have impacted negatively on service delivery.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there were no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements, Lawfulness and Effectiveness in the Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance.

Although Management has indicated that the issues have been resolved, no evidence was provided in support of that status.

Other Information

The Management is responsible for the other information set out on page v to xl which comprise of Key University Information and Management, The University Council, Key Management Team, Chairman's Statement, Vice Chancellors Statement, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Council Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the University's, financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information and I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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. Non-compliance with Law on Fiscal Responsibility - High Wage Bill

The statement of financial performance and Note 9 to the financial statements reflect personnel emoluments of Kshs.1,655,239,673 which represent 83% of the total income of Kshs1,989,003,524. This is contrary to the provisions of Regulation 26 (1)(a) of the Public Finance Management (National Government) Regulations, 2015 which provides that National Government's expenditure on the compensation of employees (including benefits and allowances) not to exceed 35 percent of the National Government's equitable share of the revenue raised nationally plus other revenues generated by the National Government pursuant to Article 209 (4) of the Constitution.

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

2. Unreported Direct Procurement

The statement of financial performance and Note 11 to the financial statements reflect administration/operation expenses of Kshs.160,483,013 which include graduation expenses amounting to Kshs.8,186,532. The University incurred Kshs.6,540,000 on the supply and delivery of graduation gowns through direct method of procurement. However, there was no evidence provided to show that the direct procurement was reported to the Public Procurement Regulatory Authority as required by Regulation 90(1)(b) Public Procurement and Asset Disposal Regulations, 2020 which provides that an accounting officer to within fourteen days after the notification of the award of the contract report any direct procurement of a value exceeding five hundred thousand shillings to the Authority in the prescribed format.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of the Management and University Council

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

In preparing the financial statements, Management is responsible for assessing the University's, ability to continue as a going concern, disclosing, as applicable, matters

related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

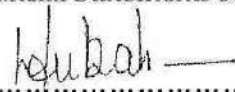
10 January, 2025

TECHNICAL UNIVERSITY OF MOMBASA
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for the year ended June 30, 2024.

14. Statement of Financial Performance for the year ended 30 June 2024


	Notes	2023-2024	2022-2023
		KShs	KShs
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS:			
GOK GRANTS	6	1,008,820,515	962,347,916
TOTAL REVENUE FROM NON-EXCHANGE TRANSACTIONS		1,008,820,515	962,347,916
REVENUE FROM EXCHANGE TRANSACTIONS:			
OTHER INCOME	7	281,308,798	405,985,874
TUITION FEES	8	696,831,459	580,977,408
DIVIDEND INCOME	34	2,042,752	0
TOTAL REVENUE FROM EXCHANGE TRANSACTIONS		980,183,009	986,963,282
TOTAL INCOME		1,989,003,524	1,949,311,198
EXPENSES			
PERSONNEL EMOLUMENTS	9	1,655,239,673	1,476,593,601
COUNCIL EXPENSES	10	17,022,714	12,178,754
OPERATING / ADMINISTRATION EXPENSES	11	160,483,013	139,708,755
TEACHING EXPENSES	12	65,607,769	59,156,463
STUDENTS WELFARE	13	16,706,081	10,882,034
REPAIRS & MAINTENANCE	14	23,299,160	43,606,218
DEPRECIATION	30	96,824,166	94,436,931
AMORTIZATION	31	1,120,348	968,803
AUDIT FEES	15	1,400,000	1,400,000
PROVISION FOR BAD DEBTS	16	92,312,087	72,377,919
TOTAL EXPENSES		2,130,015,011	1,911,309,478
SURPLUS/(DEFICIT) FOR THE YEAR		(141,011,487)	38,001,720

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




 Prof. Laila Abubakar
 Vice Chancellor

Date: 30th Dec 2024



 Dalton Mwaghogho James
 Finance Officer
 ICPAK M/No: 2744
 Date: 30th Dec 2024



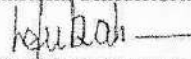
 Prof. Francis N. Kibera, CBS
 Chairman of the Council
 Date: 30th Dec 2024

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15 Statement of Financial Position as at 30 June 2024


	Notes	2023-2024	2022-2023
		KShs	KShs
ASSETS			
CURRENT ASSETS			
INVENTORIES	17	56,595,571	58,506,614
RECEIVABLES FROM EXCHANGE TRANSACTIONS	18	123,447,496	350,566,185
RECEIVABLES FROM NON EXCHANGE TRANSACTIONS	19	82,658,988	16,324,958
CASH & BANK BALANCES	20	112,849,949	429,728,006
TOTAL CURRENT ASSETS		375,552,004	555,125,763
NON - CURRENT ASSETS			
PROPERTY, PLANT & EQUIPMENT	30	3,297,058,746	3,021,389,187
INTANGIBLE ASSETS	31	1,152,202	685,229
INVESTMENTS	21	10,571,938	10,571,938
TOTAL NON CURRENT ASSETS		3,308,782,886	3,032,646,354
TOTAL ASSETS		3,684,334,890	3,587,772,117
CURRENT LIABILITIES			
TRADE AND OTHER PAYABLES	22	9,491,895	18,272,326
OTHER CREDITORS	23	183,101,920	131,419,434
CURRENT PROVISION	24	517,505,407	103,527,235
TOTAL CURRENT LIABILITIES		710,099,222	253,218,995
NON-CURRENT LIABILITIES			
LONG-TERM LIABILITIES	25	34,743,245	37,954,446
TOTAL NON-CURRENT LIABILITIES		34,743,245	37,954,446
TOTAL LIABILITIES		744,842,467	291,173,441
NET ASSETS			
CAPITAL FUND	26	3,427,167,953	3,427,167,953
OTHER FUNDS & RESERVES	27	(767,626,478)	(403,832,810)
DONATED ASSETS FUND	28	279,950,948	273,263,533
TOTAL NET ASSETS		2,939,492,423	3,296,598,676
TOTAL NET ASSETS AND LIABILITIES		3,684,334,890	3,587,772,117

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


 Prof. Laila Abubakar
 Vice Chancellor

Date 30th Dec 2024


 FCPA Dalton Mwaghogho J.
 Finance Officer
 ICPAK M/ Number: 2744
 Date 30th Dec 2024


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

Date 30th Dec 2024

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16. Statement of Changes in Net Assets for the year ended 30 June 2024

	General Fund	Revaluation Reserve	Retained Earnings	Development Grants	Other Funds & Reserves	Donated Assets Fund	Total
Balance At At July 1, 2022	2,099,590,762	18,107,188	(533,040,187)	1,312,233,248	(2,763,245)	269,024,590	3,163,152,356
Revenue Reserve			91,205,657				91,205,657
Surplus (deficit) for the Year			38,001,720				38,001,720
Donated Assets Fund						4,238,943	4,238,943
Balance At At June 30, 2023	2,099,590,762	18,107,188	(403,832,810)	1,312,233,248	(2,763,245)	273,263,533	3,296,598,676
	General Fund	Revaluation Reserve	Retained Earnings	Development Grants	Other Funds & Reserves	Donated Assets Fund	Total
Balance At At July 1, 2023	2,099,590,762	18,107,188	(403,832,810)	1,312,233,248	(2,763,245)	273,263,533	3,296,598,676
Revenue Reserve			(222,782,181)				(222,782,181)
Surplus (deficit) for the Year			(141,011,487)				(141,011,487)
Donated Assets Fund						6,687,415	6,687,415
Balance As At June 30, 2024	2,099,590,762	18,107,188	(767,626,478)	1,312,233,248	(2,763,245)	279,950,948	2,939,492,423

17. Statement of Cash Flows for the year ended 30 June 2024

		2023-2024	2022-2023
	Notes	KShs	KShs
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
GOVERNMENT GRANTS AND SUBSIDIES		941,091,689	962,347,916
OTHER INCOMES		316,446,158	205,467,658
TUITION FEES		697,379,871	580,977,408
CASH FLOWS FROM OPERATING ACTIVITIES		1,954,917,718	1,748,792,982
PAYMENTS			
PERSONNEL EMOLUMENTS		1,655,127,520	1,476,593,601
COUNCIL EXPENSES		14,216,004	12,178,754
OPERATING/ADMINISTRATION EXPENSES		124,118,438	139,708,755
TEACHING EXPENSES		36,904,688	59,156,463
STUDENTS WELFARE		11,245,569	10,882,034
REPAIRS & MAINTENANCE		19,660,610	43,606,218
		1,861,272,829	1,742,125,825
NET CASH FLOW FROM OPERATING ACTIVITIES		93,644,889	6,667,157
CASH FLOWS FROM INVESTING ACTIVITIES			
PURCHASE OF PROPERTY ,PLANT & EQUIPMENT		(82,531,324)	(49,714,008)
INTANGIBLE ASSETS		(883,233)	(892,382)
PRIOR YEAR ADJUSTMENT-ASSETS		(704,088)	1,103,148
NET CASH FLOW FROM INVESTING ACTIVITIES		(84,118,645)	(49,503,242)
CASH FLOW FROM FINANCING ACTIVITIES			
LONG-TERM LIABILITIES		(3,211,201)	(4,008,339)
OTHER FUNDS & RESERVES		(23,193,100)	95,444,600
NET CASH FLOW FROM FINANCING ACTIVITIES		(26,404,301)	91,436,261
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(16,878,057)	48,600,176
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		129,728,006	81,127,830
CASH AND CASH EQUIVALENTS AT END OF YEAR		112,849,949	129,728,006

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In FY 2022/2023 prior year adjustment was advently omitted of Kshs 1,055,628 and only Kshs 47,520 reflected in the report thus led to inconsistency in the cash and cash equivalent at end of the year.

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024

	Original budget	Adjust ments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	KShs	KShs	KShs	KShs	KShs	
INCOME	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
GOK GRANTS	1,047,169,522	0	1,047,169,522	1,008,820,515	(38,349,007)	-4%
INTERNALLY GENERATED	1,345,130,478	0	1,345,130,478	980,183,009	(364,947,469)	-27%
TOTAL INCOME	2,392,300,000	0	2,392,300,000	1,989,003,524	(403,296,476)	-17%
EXPENSES						
PERSONAL EMOLUMENTS	1,739,443,000	0	1,739,443,000	1,655,239,673	84,203,327	5%
COUNCIL EXPENSES	18,900,000	0	18,900,000	17,022,714	1,877,286	10%
OPERATING /ADMINISTRATION EXPENSES	170,157,000	0	170,157,000	160,483,013	9,673,987	6%
TEACHING EXPENSES	72,429,000	0	72,429,000	65,607,769	6,821,231	9%
STUDENTS WELFARE	17,590,000	0	17,590,000	16,706,081	883,919	5%
REPAIRS & MAINTENANCE	23,614,165	0	23,614,165	23,299,160	315,005	1%
AUDIT FEES	1,400,000	0	1,400,000	1,400,000	0	0
PURCHASE OF ASSETS	348,766,835	0	348,766,835	368,633,562	(19,866,727)	-6%
TOTAL EXPENSES	2,392,300,000	0	2,392,300,000	2,308,391,972	83,908,028	0

VARIANCE EXPLANATIONS

1. GOK grants include Capitation under DUC old funding model, UFB Scholarship and HELB loans under NFM.

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2. Internally generated income was below budget by 27% due to change in classification of NFM where Scholarship and HELB loans were moved from A in A to GoK grants.
3. Council expenses was under spent by 9.93 % (within the threshold) but mainly due to austerity guidelines issued by the government on holding meetings/ trainings in the boardrooms and also having blended meetings (virtual and physical). For virtual meetings only sitting allowance is paid.
4. Teaching expenses were under-spent by 9.42% as most of the teaching materials were procured and voted under Central Vote to achieve economies of scale for the whole university.

TECHNICAL UNIVERSITY OF MOMBASA

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19. Notes to the Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

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

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

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

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Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2024.*

There were no new and amended standards issued in the financial year.

- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024*

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an University.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets,</p>

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Standard	Effective date and impact:
Plant and Equipment	infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. Clarifying transaction costs guidance to enhance consistency across IPSAS; Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an University shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>

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Standard	Effective date and impact:
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

iii. Early adoption of standards

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

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

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

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

TECHNICAL UNIVERSITY OF MOMBASA

Annual Reports and Financial Statements

for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Sale of goods

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

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for the Current FY was approved by the National Assembly on June 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the University upon receiving the respective approvals in order to conclude the final budget. Accordingly, the University did not record any additional appropriations on the 2023/2024 budget.

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

approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 18 of these financial statements.

c) Taxes

Current income tax

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable *University* and the same taxation authority.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Sales tax

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

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

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) **Investment property**

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

e) Property, plant and equipment

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

The depreciation rates are as below.

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

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the University. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The University also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated

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over the useful life of the asset. However, if there is no reasonable certainty that the University will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

g) Intangible assets

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

h) Research and development costs

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

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

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

i) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

j) Inventories

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

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

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

ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the University.

k) Provisions

Provisions are recognized when the University has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the University expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

l) Social Benefits

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

m) Contingent liabilities

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

n) Contingent assets

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

TECHNICAL UNIVERSITY OF MOMBASA

Annual Reports and Financial Statements

for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

o) Nature and purpose of reserves

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

p) Changes in accounting policies and estimates

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

q) Employee benefits

Retirement benefit plans

The University provides retirement benefits for its employees and Council. Defined contribution plans are post-employment benefit plans under which the University pays fixed contributions into a separate University (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

r) Foreign currency transactions

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

s) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

t) Related parties

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

u) Service concession arrangements

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

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

TECHNICAL UNIVERSITY OF MOMBASA

Annual Reports and Financial Statements

for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

v) Cash and cash equivalents

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

w) Comparative figures

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

x) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

TECHNICAL UNIVERSITY OF MOMBASA

Annual Reports and Financial Statements

for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in note 33.

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

6. Transfers from Other Government entities

b) Transfers from Ministries, Departments and Agencies (MDAs)

Name of The University Sending the Grant	Amount recognized to Statement of Financial performance. *	Amount deferred under deferred income.	Amount recognised in capital fund.	Total transfers (2023-2024)	Comparative 2022-2023
	KShs	KShs	KShs	KShs	KShs
State Department of University Education				1,008,820,515	962,347,916
Higher Education Grants Central Vote	756,707,600	0	0		
UFB Scholarship Grant Central Vote	155,445,279	0	0		
NFM-HELB Grant Central Vote	96,667,636	0	0		
TOTAL	1,008,820,515			1,008,820,515	962,347,916

NOTE

1. The University is yet to receive KShs 9.15M from UFB Scholarship and NFM HELB for the current financial year ended 30th June 2024.
2. Included in Higher Education grants is KShs 63M which was received in July 2024

TECHNICAL UNIVERSITY OF MOMBASA**Annual Reports and Financial Statements****for the year ended June 30, 2024.****Notes to the Financial Statements (Continued)****7. Other Income**

Description	2023-2024	2022-2023
	KShs	KShs
Registration Fee	15,110,250	22,386,562
Internal Examinations	83,978,463	122,088,740
Sports Levy	20,156,200	29,710,750
Library Levy	20,329,585	29,960,415
Library Fines Central Vote	1,274,838	152,976
Medical Levy	30,265,347	44,764,425
Industrial Attachment Levy	6,851,000	15,342,000
ICT Levy	50,202,500	73,629,375
Academic Transcripts Central Vote	552,885	351,500
Students hostel fee	14,708,925	16,766,490
Application Fee	2,934,763	1,774,780
Project Fee Central Vote	690,700	2,149,300
Student Readmission Fee Central Vote	2,650	0
Lost Items Central Vote	192,681	413,700
Graduation Fee	1,876,375	16,447,100
Center Fees Central Vote	253,900	328,200
Penalties Central Vote	800,275	383,400
Materials Testing Central Vote	257,000	92,500
Change of Course	71,050	189,500
Project Field Work	596,800	945,000
Post Graduate Extension Fee	935,000	0
Catering Income Catering	451,022	0
Training Restaurant Income Training Restaurant	262,025	192,175
Consultancy Fee Central Vote	750,400	0
Administrative Research Income Central Vote	2,577,877	893,266

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Student ID Central Vote	636,000	4,070,000
Material Development Central Vote	0	10,000
Thesis Examination Central Vote	991,750	495,700
Practicals/Laboratory workshops Central Vote	8,080,200	69,400
Hire of Facilities Central Vote	783,779	1,329,830
Hire of Transport Transport	2,273,934	1,476,040
Photocopy & bindery Income Library	55,424	2,200
CISCO	0	40,000
Remarking	1,000	0
Rent Income Central Vote	2,767,674	1,961,156
Staff Rent Income Central Vote	590,500	552,000
Staff training levy Central Vote	2,947,331	2,469,952
Interest on Investment Central Vote	35,437	14,785
Foreign Exchange Gain Central Vote	0	4,222,933
Profit on Disposal of Assets Central Vote	598,922	8,694
Tendering Fees Central Vote	64,251	0
Administrative Fees Central Vote	2,458,523	976,587
Internet Services Central Vote	342,000	635,000
Miscellaneous Income	1,145,263	8,069,953
Health Unit	1,319,299	459,490
Donation Grants Income	0	100,000
Seminar Levy	135,000	60,000
TOTAL	281,308,798	405,985,874

8. Tuition Fees

Description	2023-2024	2022-2023
	KShs	KShs
Tuition Fee Regular Central Vote	228,749,228	125,659,990
Tuition Fee Module II Central Vote	367,496,846	455,317,418

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Description	2023-2024	2022-2023
	KShs	KShs
Tuition Fee NFM Household	100,585,385	0
TOTAL	696,831,459	580,977,408

9. Personnel Emoluments

Description	2023-2024	2022-2023
	KShs	KShs
Basic Salaries Central Vote	649,310,864	656,173,657
House Allowance Central Vote	250,320,714	255,544,174
Medical Insurance Central Vote	95,412,637	78,414,123
Housing Levy Employers Expense Central Vote	14,846,762	0
Pension Employers Expense Central Vote	97,581,449	122,271,629
NSSF Employer's Expense Central Vote	9,405,826	4,003,640
Group Life Central Vote	7,895,170	9,369,112
Responsibility Allowance Central Vote	17,729,338	15,959,046
Non Practising Allowance Central Vote	9,550,000	9,600,000
Professorial Allowance Central Vote	1,770,000	1,650,000
Telephone Allowance Central Vote	8,331,742	8,020,318
Acting Allowance Central Vote	365,417	282,638
Management Allowance Central Vote	28,537,420	30,096,581
Book and Research Allowance Central Vote	5,392,000	4,944,000
Gratuities Central Vote	53,967,541	44,847,022
Leave Allowance Central Vote	9,385,500	9,264,900
Commuting Allowance Central Vote	36,337,728	37,039,815
Car Allowance Central Vote	42,558,693	43,241,092
Entertainment Allowance Central Vote	11,188,871	11,272,506
Passage and Baggage Allowance Central Vote	484,161	281,933
Domestic Workers Allowance Central Vote	1,320,000	1,320,000

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Risk Allowance Central Vote	590,831	595,200
Extraneous Allowance Cenral Vote	3,479,774	3,446,113
Hardship Allowance	926,400	653,400
Part time Teaching	289,179,576	128,178,086
Production Expenses Central Vote	9,371,259	0
Transfer Allowance Cētral Vote	0	124,616
TOTAL	1,655,239,673	1,476,593,601

NOTE

1. *Included in personnel Emolument is KShs 1.655M is part-time provision for three semesters amounting to KShs 150.78M

10. Council Expenses

Description	2023-2024	2022-2023
	KShs	KShs
Chairman's/Director's Honoraria	1,044,000	1,021,549
Sitting Allowance	4,715,450	3,200,000
Induction and Training	3,578,838	640,000
Travel and Accomodation	6,536,860	6,489,905
Other allowances	200,000	827,300
Indemnity	452,065	0
Other expenses	495,500	0
TOTAL	17,022,714	12,178,754

11. Administration/Operating Expenses

Description	2023-2024	2022-2023
	KShs	KShs
Casual wages	143,804	103,216
Travel and Subsistence	14,144,661	13,624,911
Fuel and oils	6,960,300	4,795,285

TECHNICAL UNIVERSITY OF MOMBASA**Annual Reports and Financial Statements****for the year ended June 30, 2024.**

Maintenance of Vehicles Transport	2,705,675	1,614,480
Overseas Travel Central Vote	1,256,002	344,672
Office Stationery	4,088,656	4,140,229
Photocopying	55,424	0
Computer Stationery	9,034,384	6,687,204
Advertising and Publicity	1,293,558	2,462,689
Newspapers	459,400	251,420
Shows and Exhibitions Research	1,130,900	738,046
Open Day Research	8,000	46,600
Electricity	19,824,994	20,281,244
Water and Conservancy	1,414,700	975,190
Graduation Expenses Central Vote	8,186,532	6,429,872
Official Entertainment	45,000	65,350
Expenses of Boards and Committees	8,384,390	8,770,369
Staff Development and Training Central Vote	111,740	1,325,354
Staff Welfare Central Vote	90,000	180,000
Staff Dependants Bursary Scheme Central Vote	1,706,047	1,655,431
Cleaning Materials	1,311,982	1,375,159
Fumigation & Waste Collection Services Accomodation	729,430	718,380
Purchase of Gas and firewood	99,620	96,480
Purchase of Utensils beddings & fittings	2,511,730	259,280
Purchase of foodstuffs	1,375,914	1,365,905
Vehicle Licenses and Inspection Transport	304,630	248,770
Vehicle Insurance Transport	966,554	1,093,453
General Insurance Central Vote	3,862,862	3,862,862
Bank Charges	1,024,770	638,287
Payment of Rent and Rates	761,045	629,760
Staff Uniforms	747,974	464,750
In house Capacity Building Human Resource	2,437,462	1,521,660

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Governance	5,622,022	3,524,740
Subscription Fee	2,975,050	2,535,045
Professional Services Central Vote	7,279,982	4,196,880
Hire of Security Services	14,438,407	12,931,370
Hire of Cleaning Services Central Vote	22,003,686	21,999,996
Funeral Expenses Central Vote	371,501	650,201
CSR Donations Central Vote	0	52,500
Postal and Courier Services	538,430	641,124
Telephone Expenses Central Vote	205,294	77,278
Supervision and Thesis examination School of post graduate	2,058,590	1,818,400
Strategic Plan	813,900	1,246,500
Court Decrees	2,258,550	468,813
Asset revaluation Central Vote	564,900	0
Tum Tvet Institute	1,260,630	2,799,600
Foreign Exchange Loss Central Vote	2,913,931	0
TOTAL	160,483,013	139,708,755

12. Teaching Expenses

Description	2023-2024	2022-2023
	KShs	KShs
Library Expenses Library	6,352,514	3,987,595
Purchase of Teaching Materials	3,814,263	1,488,531
Open Distance Learning ODEL Central Vote	461,350	741,600
Curriculum and Development	229,040	95,000
Maintenance Computer Hardware and Networks	149,600	88,580
Internet Charges Directorate of ITCS	6,234,545	7,257,038
Maintenance Computer Software Directorate of ITCS	5,550,093	4,593,645
Internal Research Expenses Research	8,583,674	8,577,540
Examination Materials Registrar AA	6,935,560	6,356,600

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External Examiners	5,364,118	4,895,798
Consultancy Expenses	6,345,501	6,225,431
ISO Certification	1,558,181	1,007,691
Publications and Conferences Research	2,732,420	1,495,262
Accreditation Central Vote	3,036,715	3,599,462
Industrial Attachment Expenses	8,260,195	8,746,690
TOTAL	65,607,769	59,156,463

13.Student Welfares Expenses

Description	2023-2024	2022-2023
	KShs	KShs
Career Services	136,299	161,000
Guidance and Counselling Dean Of Students	838,350	355,880
Sports Activities Dean Of Students	8,854,525	5,067,500
Medical Expenses Clinic / Medical	5,489,287	3,529,593
Student Work study Programme	9,700	373,961
Music and Drama Dean of Students	1,377,920	1,394,100
TOTAL	16,706,081	10,882,034

14.Repairs and Maintenance

Description	2023-2024	2022-2023
	KShs	KShs
Repairs and Maintenance	8,802,281	6,906,527
Maintenance of Buildings and Stations	13,572,579	35,916,691
Maintenance of Sewerage	924,300	783,000
TOTAL	23,299,160	43,606,218

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15. Audit fees

Description	2023-2024	2022-2023
	KShs	KShs
Audit fees Central Vote	1,400,000	1,400,000
TOTAL	1,400,000	1,400,000

16. Provision for Bad debts

PROVISION FOR BAD DEBTS SCHEDULE AS AT 30TH JUNE, 2024			
	KSHS	KSHS	KSHS
	8-12 Months@25%	Over 1 Year@ 50%	Over 2Years@100%
DEPOSIT CONTINGENCY			725,000.00
GUEST HOUSE ACCOMODATION DEBTORS			7,182,107.00
STAFF MEDICAL DEBTORS			120,776.00
STAFF SALARY ADVANCES	-		131,120.00
TUMEL DEBTORS	-		-
Salary Recovery Receivable			154,446.00
TIVET Bursaries MOHEST			696,531.00
STUDENT DEBTORS	61,134,247.00	7,764,848.00	368,191,278.00
TOTAL	61,134,247.00	7,764,848.00	377,201,258.00
PROVISION FOR BAD DEBTS	15,283,561.75	3,882,424.00	377,201,258.00
TOTAL PROVISIONS			396,367,243.75
BALANCE B/F			111,153,491.00
Adjustment at the beginning of the year			192,901,666.00
New Balance B/F			304,055,157.00
Increase/Decrease in provision			92,312,086.75
BALANCE C/F			396,367,243.75
Provision for the YEAR			92,312,086.75

NOTE

1. There was partial implementation of the Finance Debt Policy in FY 2022/2023 which necessitated corrections with an adjustment of KShs. 192.9M causing an increase of the balance B/F to KShs. 304M

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10. Description	2023-2024	2022-2023
	KShs	KShs
Inventories Estates & project planning	6,139,095	6,216,670
Inventories Hospitality & Tourism	472,684	41,439
Inventories Mechanical Engineering	1,625,053	944,150
Inventories Health Unit	2,549,029	1,592,702
Inventories Administration	5,888,271	12,429,949
Inventories Electrical Engineering	61,433	180,900
Inventories Applied & Health Science	1,976,145	845,130
Inventories Medical Engineering department	696,170	932,990
Inventories Library department	31,559,042	29,264,853
Inventories Building & civil Engineering	34,457	17,500
Inventories Liberal Studies department	21,563	37,992
Inventories Kwale Campus	207,381	135,382
Inventories Lamu Campus	43,503	82,883
Inventories Registry	3,646,692	2,336,400
Inventories Student services	831,142	2,688,751
Inventories Transport & Logistics	203,200	311,612
Inventories Dean School of business	94,733	58,218
Inventories Dean School of Humanities	49,886	29,000
Inventories Management Science	52,235	19,999
Inventories Medical Science Department	350,266	332,036
Inventories Communication Department	93,591	8,058
TOTAL	56,595,571	58,506,614

NOTE

1. Inventories Mechanical Engineering: Increased budget allocation to hedge against budget cut in the 2024/2025FY and TVET donations.
2. Inventories Applied & Health Science: Increased budget allocation to hedge against budget cut in the 2024/2025FY

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3. Inventories Library department: increase is due to new books procured in the FY 2023/2024
4. Inventories Registry: Increased budget allocation to hedge against budget cut in the 2024/2025FY
5. Inventories Health Unit: Increased budget allocation (IGU) to hedge against budget cut in the 2024/2025FY
6. Inventories Administration decreased tremendously from KShs 12.4 in FY 2022/2023 due to Exam booklets that had been received at central stores and bulk purchase that had been done for ribbons for printing student IDs to Kshs 5.8M in FY 2023/2024

18.Receivable from exchange transactions

Description	2023-2024	2022-2023
	KShs	KShs
Prepaid Insurances	7,918,403	6,939,210
Deposit Contingency	725,000	725,000
Student Debtors Continuing	486,554,200	438,638,673
TIVET Bursaries MOHEST	696,531	696,531
Guest Accomodation Debtors	7,182,107	7,182,107
TUMEL DEBTORS	0	600,000
Commercial Rent Receivable	1,426,434	4,921,813
Staff Medical Debtors	120,776	120,776
Salary Recovery Receivable LUCAS MOGAKA	154,446	1,754,446
Student Debtors Scholarship	8,079,953	0
Student Debtors HELB	1,072,567	0
Student Debtors Household	3,710,451	0
Dividend Receivable	2,042,752	0
Staff Salary Advances	131,120	141,120
LESS PROVISION	(396,367,244)	(111,153,491)
TOTAL	123,447,496	350,566,185

19.Receivable from non-exchange transactions

Description	2023-2024	2022-2023
	KShs	KShs
Staff Imprest	631,928	4,025,144
Other Debtors Receivable	82,027,060	12,299,814
TOTAL	82,658,988	16,324,958

NOTE

- Included in other Debtors receivable is capitation for June 2024 of KShs. 63,058,967 which had not been received as at 30th June,2024

20. Cash and Bank Balances

11. Description	2023-2024	2022-2023
	KShs	KShs
Petty Cash Float I	171,000	188,000
Petty Cash Float II	221,100	59,700
CASH BALANCES	392,100	247,700
Cash at Bank National Bank Current Account I	1,784,845	1,816,618
Cash at Bank National Bank Current Account II	16,921,795	13,614,241
Cash at Bank Co operative Bank Fees collection Account	2,058,233	6,024,389
Cash at Bank Standard Chart Bank Fees collection Acc.	7,428,390	13,628,112
Cash at Bank KCB Lamu Satellite Campus	1,050,184	2,128,895
Cash at Bank Family Bank Research A/C	3,529,558	6,781,886
Cash at bank Kiziwi Guest House	1,330,021	698,657
Cash at bank Equity Fees Collection a/c	2,035,375	4,823,370
Cash at bank Development A/C Standard Chartered	2,653,249	3,228,204
Cash at bank NBK Salaries A/C	39,057,369	33,328,522
Cash at bank NBK fees collection a/c	8,130,606	6,200,668
Cash at bank Cash in hand KCB Fees Collection A/C	476,535	6,648,048
Cash at bank Absa Fees Collection A/C	902,897	234,370

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Cash at bank GULF AFRICAN BANK A/C NO. 1700004101	1,920,390	602,606
Cash at bank Family Bank Research USD 096000040196 A/C	23,178,399	29,721,720
BANK BALANCES	112,457,846	129,480,306
Interbank transfer	3	0
CLEARING ACCOUNTS	3	0
TOTAL	112,849,949	129,728,006

21. Investments

Description	2023-2024	2022-2023
	KShs	KShs
Shares in Consolidated Bank	5,000,000	5,000,000
Seed Money TUM Enterprises	5,571,938	5,571,938
TOTAL	10,571,938	10,571,938

22. Trade and other payables

Description	2023-2024	2022-2023
	KShs	KShs
	KShs.	KShs.
General Trade Payables	9,491,895	18,272,326.00
TOTAL	9,491,895	18,272,326.00

23. Other Creditors

Description	2023-2024	2022-2023
	KShs	KShs
E Citizen Cash at bank	1,370,308	0.00
Basic Salary CBA Arrears	1,030,082	1,733,101.00
PAYE Deductions	24,250,180	0.00
Income Tax Withholding	351,583	1,932,684.00

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VAT Clearing	976,572	302,756.00
Student Union Fee	15,469,258	14,309,189.00
Student Benevolent Fund	1,873,708	2,978,663.00
Rent Deposit	45,000	0.00
KUCCPS Levy	0	475,975.00
CUE Levy	4,033,875	1,817,375.00
Alumni Association	8,461,712	8,287,712.00
Project Review fee	382,714	385,282.00
VAT Rent Output	0	352,176.00
Staff Rent Clearing	(871)	39,129.00
External Research	34,915,755	44,867,862.00
HELB	44,293	0.00
Multidisciplinary Conference	1,230,000	715,000.00
STCW Marine	545,872	392,750.00
Other Depositors	15,000	15,000.00
LAPSSET refunds	750,000	750,000.00
External Examinations – KMTLB	20,900	20,900.00
External Examinations – KNEC	115,703	125,900.00
Pension Deductions/Contributions	6,006,652	1,395,821.00
Kenya Credit Traders	4,070	0.00
NSSF Payables	1,253,980	0.00
NHIF Payables	898,700	0.00
Poly Sacco	960,424	0.00
Staff Benevolent Fund	187,500	0.00
Loan Payables Absa	3,283,111	0.00
Insurance Payables Cannon Assurance K	3,541	0.00
Trade Unions Payables	1,030,279	1.00
Other Payables	16,000	0.00
Retentions Payable	7,072,271	7,465,965.00

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Welfare Payables TUMASWA	113,000	0.00
Welfare Payables TUM FINANCE WELFARE	12,000	0.00
Housing Levy Payables	1,418,957	0.00
Insurance Payables British American Insurance	176,074	0.00
Insurance Payables UAP Assurance Life Ltd	13,738	0.00
Insurance Payables Blue Shield Insurance	29,308	0.00
Insurance Payables Madison Insurance	136,272	100,000.00
Insurance Payables Jubilee Insurance	44,993	0.00
Insurance Payables ICEA	256,440	0.00
Insurance Payables Pan Africa Life Assurance	104,794	0.00
Insurance Payables Corporate Insurance Company	5,938	0.00
Insurance Payables Kenindia	5,491	0.00
Insurance Payables CIC GROUP	9,500	0.00
Mhasibu SACCO	10,000	0.00
Mwalimu SACCO	4,067,585	0.00
Kitui Teachers SACCO	65,590	0.00
KEMFRI SACCO	8,900	0.00
Fundilima SACCO	15,000	0.00
Kilifi Teachers Sacco	334,905	0.00
Loan Payables KCB	6,760,528	0.00
Loan Payables NBK	2,774,329	0.00
Loan Payables Equity	95,771	0.00
Loan Payables Standard Chartered	5,322	0.00
Loan Payables Co operative Bank	355,668	0.00
Loan Payables Family Bank	655,642	-1.00
Loan Payables Milimani Commercial Court	120,368	113,786.00
Loan Payables Bank of Africa	55,350	0.00
Loan Payables Faulu Kenya	546,507	0.00
Loan Payables Commercial Bank of Africa	412,510	0.00

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Stima SACCO	1,172,080	0.00
Ukaguzi SACCO	35,185	0.00
Bandari Sacco	16,001	0.00
Ukulima Sacco Society LTD	63,710	0.00
Nacico Co op Savings & Credit Society	6,384	0.00
Mombasa Port Savings & Credit Co op Society Ltd	223,895	0.00
Net Pay	2,197,440	2,419,579.00
CBA Pension Employers Liability	366,277	366,277.00
Provision for Audit Fees	2,800,000	1,400,000.00
Insurance Claims Payable	2,710,560	324,000.00
Helb control a/c	7,401,949	8,462,795.00
CDF control a/c	7,637,405	5,497,934.00
Sponsors control a/c	4,685,306	11,166,365.00
Liberty Insurance payables	38,885	0.00
School based control a/c	6,307,624	500,607.00
Student Fee Clearing a/c	358,884	137,511.00
Plan International control a/c	8,198,537	8,198,537.00
PARTICIP GIZ Sponsors	64,193	232.00
Universities Fund Scholarship Control A/C	3,608,953	0.00
Unallocated Funds Equity Bank	0	979,561.00
Unallocated Funds KCB Fee Bank	0	917,653.00
Unallocated Funds NBK Fee Bank	0	1,023,144.00
Unallocated Funds Coop Bank	0	956,919.00
Unallocated Funds Absa Bank	0	193,574.00
Unallocated Funds Stanchart Bank	0	297,720.00
TOTAL	183,101,920	131,419,434

NOTE

- In current FY all payroll deductions were still outstanding due to delayed disbursement of capitation for June 2024.

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24. Current Provision

Description	2023-2024	2022-2023
	KShs	KShs
Accrued Payables	(517,505,407)	(103,527,235)
TOTAL	(517,505,407)	(103,527,235)

NOTE

- Included in current provisions are major renovation works KShs 289.9M, part-time KShs 150.78 M and purchase of Motor Vehicles KShs.47M

25. Long Term Liabilities

Description	2023-2024	2022-2023
	KShs	KShs
Students Caution Money	(34,509,678)	(37,207,178)
Long term Service Gratuity	(233,567)	(747,268)
TOTAL	(34,743,245)	(37,954,446)

26. Capital Fund

Description	2023-2024	2022-2023
	KShs	KShs
B/F	3,427,167,953	3,427,167,953
MOVEMENTS	-	-
TOTAL	3,427,167,953	3,427,167,953

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27. Other Funds and Reserves

Description	2023-2024	2022-2023
	KShs	KShs
B/F	(403,832,810)	(533,040,187)
MOVEMENTS		
Revenue Reserve	(222,782,181)	91,205,657
SURPLUS (DEFICIT) FOR THE PERIOD	(141,011,487)	38,001,720
C/F	(767,626,478)	(403,832,810)

28. Donated Assets Fund

Description	2023-2024	2022-2023
	KShs	KShs
B/F	273,263,533	269,024,590
MOVEMENTS		
Donated Assets Fund	6,687,415	4,238,943
C/F	279,950,948	273,263,533

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Notes to the Financial Statements (Continued)

30. Property, Plant and Equipment

	Free Hold Land	Building	Furniture & Fittings	Computer & Other Electronics	Plant & Equipment	Motor Vehicle	Capital Work in progress	Total
Cost	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs
RATES	0.0	0.02	0.1	0.3	0.1	0.2		
COST								
Balance As At July 1, 2021	1,047,422,550	2,086,766,440	97,269,023	189,565,028	741,888,301	34,678,914	75,019,812	4,272,610,068
Additions During The Year	0	0	1,513,615	4,963,263	9,670,379	0	(270)	16,146,987
Cost Adjustment During The Year	0	0	0	0	0	(2,054,783)	0	(2,054,783)
TOTAL COST	1,047,422,550	2,086,766,440	98,782,638	194,528,291	751,558,680	32,624,131	75,019,542	4,286,702,272
Accumulated Depreciation B/F	0	342,021,777	81,817,885	145,353,941	498,360,454	25,952,748	0	1,093,506,805
Depreciation For Year 2022	0	41,735,329	3,893,492	8,228,081	42,744,041	4,450,481	0	101,051,424
Accumulated Depreciation - Adjustment	0	(8,377,130)	(117,607)	31,561,569	1,936,679	980,902	0	25,984,413
Accumulated Depreciation C/F	0	375,379,976	85,593,770	185,143,591	543,041,174	31,384,131	0	1,220,542,642

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Cost	Free Hold Land KShs	Building KShs	Furniture & Fittings KShs	Computer & Other Electronics KShs	Plant & Equipment KShs	Motor Vehicle KShs	Capital Work in progress KShs	Total KShs
NBV AS AT June 30, 2022	1,047,422,550	1,711,386,464	13,188,868	9,384,700	208,517,506	1,240,000	75,019,542	3,066,159,630
COST								
Balance As At July 1, 2022	1,047,422,550	2,086,766,440	98,782,638	194,528,291	751,558,680	32,624,131	75,019,542	4,286,702,272
Additions During The Year	0	21,673,114	1,438,525	10,254,754	5,701,743	0	14,506,035	53,574,171
Cost Adjustment During The Year	0	0	0	0	(47,520)	0	(3,860,163)	(3,907,683)
TOTAL COST	1,047,422,550	2,108,439,554	100,221,163	204,783,045	757,212,903	32,624,131	85,665,414	4,336,368,760
DEPRECIATION AND IMPAIRMENT								
Accumulated Depreciation B/F	0	375,379,976	85,593,770	185,143,591	543,041,174	31,384,131	0	1,220,542,642
Depreciation For Year 2023	0	42,168,791	3,763,447	9,106,596	38,158,097	1,240,000	0	94,436,931
Accumulated Depreciation C/F	0	417,548,767	89,357,217	194,250,187	581,199,271	32,624,131	0	1,314,979,573
NBV As At June 30, 2023	1,047,422,550	1,690,890,787	10,863,946	10,532,858	176,013,632	0	85,665,414	3,021,389,187

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	Free Hold Land	Building	Furniture & Fittings	Computer & Other Electronics	Plant & Equipment	Motor Vehicle	Capital Work in progress	Total
Cost	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs
COST								
Balance As At July 1, 2023	1,047,422,550	2,108,439,554	100,221,163	204,783,045	757,212,903	32,624,131	85,665,414	4,336,368,760
Additions During The Year	0	24,145,039	5,009,673	14,967,055	34,549,394	0	289,962,401	368,633,562
Cost Adjustment During The Year	0	0	0	0	0	0	3,860,163	3,860,163
TOTAL COST	1,047,422,550	2,132,584,593	105,230,836	219,750,100	791,762,297	32,624,131	379,487,978	4,708,862,485
DEPRECIATION AND IMPAIRMENT								
Accumulated Depreciation B/F	0	417,548,767	89,357,217	194,250,187	581,199,271	32,624,131	0	1,314,979,573
Depreciation For Year 2024	0	42,651,692	3,322,542	10,297,846	40,552,086	0	0	96,824,166
Accumulated Depreciation C/F	0	460,200,459	92,679,759	204,548,033	621,751,357	32,624,131	0	1,411,803,739
NBV As At June 30, 2024	1,047,422,550	1,672,384,134	12,551,077	15,202,067	170,010,940	0	379,487,978	3,297,058,746

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Notes to the Financial Statements (Continued)**30 (b) Property, Plant and Equipment at Cost**

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

DESCRIPTION	COST	ACCUMULATED DEPRECIATION	NBV
FREE HOLD LAND	1,047,422,550	0	1,047,422,550
BUILDING	2,132,584,593	460,200,459	1,672,384,134
FURNITURE & FITTINGS	105,230,836	92,679,759	12,551,077
COMPUTER & OTHER ELECTRONICS	219,750,100	204,548,033	15,202,067
PLANT & EQUIPMENTS	791,762,297	621,751,357	170,010,940
MOTOR VEHICLE	32,624,131	32,624,131	0
CAPITAL WORK IN PROGRESS	379,487,978	0	379,487,978
TOTAL	4,708,862,485	1,411,803,739	3,297,058,746

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Notes to the Financial Statements (Continued)

31. Amortization

INTANGIBLE ASSETS	COMPUTER SOFTWARE	TOTAL
RATES	0.3	
Balance At At July 1, 2022	19,082,944	19,082,944
Additions During The Year	892,382	892,382
TOTAL COST	19,975,326	19,975,326
Accumulated Amortization B/F	17,265,666	17,265,666
Amortization For Year 2023	968,803	968,803
Prior Year Adjustment - Amortization	1,055,628	1,055,628
Accumulated Amortization C/F	19,290,097	19,290,097
NBV AS AT June 30, 2023	685,229	685,229
NBV AS AT June 30, 2022	1,817,278	1,817,278
	COMPUTER SOFTWARE	TOTAL
RATES	0.3	
Balance At At July 1, 2023	19,975,326	19,975,326
Additions During The Year	883,233	883,233
TOTAL COST	20,858,559	20,858,559
Accumulated Amortization B/F	19,290,097	19,290,097
Amortization For Year 2024	1,120,348	1,120,348
Prior Year Adjustment - Amortization	(704,088)	(704,088)
Accumulated Amortization C/F	19,706,357	19,706,357
NBV AS AT June 30, 2024	1,152,202	1,152,202

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Notes to the Financial Statements (Continued)

32. Retirement benefit Asset/ Liability

b) Amounts recognised in the Statement of Financial Position

The University contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The University's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. 2160 per employee per month. Other than NSSF the University also has a defined contribution scheme operated by Jubilee Life Insurance Limited. Employees contribute 10% while employers contribute 20% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

33. Financial Risk Management

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

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

i) Credit risk

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

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Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	KShs	KShs	KShs	KShs
As at 30 th June 2024				
Receivables from exchange transactions	123,447,496	123,447,496	0	0
Receivables from non-exchange transactions	82,658,988	82,658,988	0	0
Bank balances	112,849,949	112,849,949	0	0
Total	318,956,433	318,956,433	0	0
As at 30 June 2023				
Receivables from exchange transactions	350,566,185	350,566,185	0	0
Receivables from non-exchange transactions	16,324,958	16,324,958	0	0
Bank balances	129,728,006	129,728,006	0	0
Total	496,619,149	496,619,149	0	0

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

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

ii) Liquidity risk management

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

iii) Market risk

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

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

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

a) Foreign currency risk.

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

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

b) Interest rate risk

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

Management of interest rate risk

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

iv) Capital Risk Management

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

Description	2023-2024	2022-2023
	KShs	KShs
Revaluation Reserve	18,107,188	18,107,188
Retained Earnings	(767,626,478)	(403,832,810)
Capital Reserve	2,099,590,762	2,099,590,762
Total Funds	1,350,071,472	1,713,865,140
Total Borrowings	0	0
Less: Cash and Bank Balances	(112,849,949)	(129,728,006)
Net Debt/ (Excess Cash And Cash Equivalent)	(112,849,949)	(129,728,006)
Gearing	0	0

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Notes to the Financial Statements (Continued)

34. Dividend Income

Description	2023-2024	2022-2023
	KShs	KShs
Dividend Income	2,042,752	0
TOTAL	2,042,752	0

35. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

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

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Other related parties include:

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

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

Description	2023-2024	2022-2023
	KShs	KShs
Transactions with related parties		
a) Sales to related parties		
Sales of electricity to govt agencies	0	0
Rent income from govt. Agencies	0	0
Water sales to govt. Agencies	0	0
Others (specify) e.g. interest and bank charges	0	0
Total	0	0
B) purchases from related parties	0	0
Purchases of electricity from KPLC	0	0
Purchase of water from govt service providers	0	0
Rent expenses paid to govt agencies	0	0
Training and conference fees paid to govt. Agencies	0	0
Others (specify)	0	0

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Description	2023-2024	2022-2023
	KShs	KShs
Total	0	0
b) Grants/transfers from the government		
Grants from national govt	1,008,820,515	962,347,916
Grants from county government	0	0
Donations in kind	0	0
Total	1,008,820,515	962,347,916
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for xxx employees	0	0
Payments for goods and services for xxx	0	0
Total	0	0
d) Key management compensation		
Council emoluments	17,022,714	12,178,754
Compensation to key management	0	0
Total	17,022,714	12,178,754

36.Events after the Reporting Period

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

37.Ultimate And Holding University

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

38.Currency

The financial statements are presented in Kenya Shillings (KShs) rounded to the nearest KShs.

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	2024	2023
39 CASH GENERATED FROM OPERATIONS	Kshs.	Kshs.
CASH FLOWS FROM OPERATING ACTIVITIES		
SURPLUS/(DEFICIT) FOR THE YEAR	(141,011,487)	38,001,720
ADJUSTMENT FOR :		
DEPRECIATION	96,824,166	94,436,931
AMORTIZATION	1,120,348	968,803
INCREASE/DECREASE IN PROVISION FOR BAD DEBTS	92,312,087	72,377,919
CASH FLOW FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES	49,245,114	205,785,373
WORKING CAPITAL CHANGES		
INCREASE/DECREASE IN INVENTORIES	1,911,043	(574,615)
TRADE RECEIVABLES	(124,429,094)	(82,126,502)
TRADE PAYABLES	166,917,826	(116,417,099)
NET CASH FLOW FROM OPERATING ACTIVITIES	93,644,889	6,667,157

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40. Appendices

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

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

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

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;

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

.....
Signature

Vice Chancellor

Date: 30th December 2024

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Appendix V- Inter-University Confirmation Letter

Confirmation of amounts received by TUM as at 30th June 2024

Reference Number	Date Disbursed	Recurrent A	Development B	Date Disbursed Inter-Ministerial (UFB) C	Inter-Ministerial (UFB) C	Total D= (A+B+ C)	Amounts received by Technical University of Mombasa as at 30th June 2024	Differences KShs (F) = (D-E)
	10/8/2023	63,058,967	-			63,058,967	63,058,967	-
	30/08/2023	63,058,967	-			63,058,967	63,058,967	-
	12/9/2023	63,058,967	-			63,058,967	63,058,967	-
	1/11/2023	63,058,967	-	1/11/2023	63,667,431	126,726,398	126,726,398	-
	13/12/2023	63,058,967	-		-	63,058,967	63,058,967	-
	8/1/2024	63,058,967	-	27/01/2024	1,432,080	64,491,047	64,491,047	-

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	12/2/2024	63,058,967	-	2/2/2024	13,911,372	76,970,339	76,970,339	-
	13/03/2024	63,058,967	-	2/4/2024	1,145,205	64,204,172	64,204,172	-
	12/4/2024	63,058,967	-	8/4/2024	889,542	63,948,509	63,948,509	-
	17/05/2024	63,058,967	-	24/04/2024	157,896	63,216,863	63,216,863	-
	12/6/2024	63,058,967	-	30/04/2024	71,049,874	134,108,841	134,108,841	-
	1/7/2024	63,058,967	-	22/05/2024	3,191,879	66,250,846	3,191,879	63,058,967
SUB TOTAL		756,707,604			155,445,279.00	912,152,883	849,093,916	63,058,967
NB								
TOTAL HELB RECEIVED AMOUNTED TO						96,667,636		
GRAND TOTAL						1,008,820,519		

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

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

For: PRINCIPAL SECRETARY
STATE DEPARTMENT FOR
UNIVERSITY EDUCATION
P.O. Box 9533 - 00200, NAIROBI

CHIEF FINANCE OFFICER

MINISTRY OF EDUCATION (MoE)

STATE DEPARTMENT OF HIGHER EDUCATION AND RESEARCH (SDHER)

Name Margaret Kavindi Sign Date 30/9/2024

FINANCE OFFICER

TECHNICAL UNIVERSITY OF MOMBASA

Name Dillion Muthoka Sign Date 27/09/2024

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