



UNIVERSITY OF NAIROBI

FINANCIAL REGULATIONS

**EDITION
2016**

VISION

A world-class University committed to scholarly excellence.

MISSION

To provide quality University education and training and to embody the aspirations of the Kenyan people and the global community through creation, preservation, integration, transmission and utilization of knowledge.

CORE VALUES

- Freedom of thought and expression
- Innovativeness and creativity
- Good corporate governance
- Team spirit and teamwork
- Professionalism
- Quality customer service
- Responsible corporate citizenship and strong social responsibility
- Respect for and conservation of the environment.

FOREWORD

The University of Nairobi is a corporate body established in accordance with the Universities Act 2012 and State Corporation Act (cap. 446). The University is charged with prudent management of finances and resources, which includes acquisition of both movable and immovable assets. Its financial management shall be in accordance with constitution of Kenya 2010, Public Finance Management Act 2012 and Public Audit Act 2009.

These Financial Regulations and procedures are therefore designed to ensure operational compliance with these Acts, related guidelines, processes, procedures, circulars and orders. They also outline the responsibilities of all the sections in the Finance, Internal Audit and Procurement departments in the management of the University resources at all its Units.

The three departments shall ensure that the Financial Regulations and Procedures are applied during the implementation of University financial transactions.

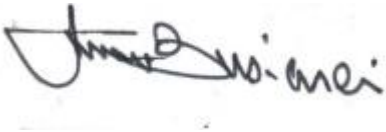


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VICE CHANCELLOR
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PROFESSOR OF VETERINARY SURGERY

PREFACE

Financial Regulations (FR) form the foundation of an organization's operations. To ensure that the University of Nairobi Financial affairs are carried out in a prudent, efficient and orderly manner, the Financial Regulations have been developed to guide all the financial operations.

The Finance function is essential to the management processes of the University of Nairobi as a public institution. The Departments of Finance, Internal audit and Procurement will endeavor to work closely with other departments to ensure adherence to the Financial Regulations and procedures set out in this 2016 edition.



PETER K. BUSIENEI
FINANCE OFFICER

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CHAPTER 1

PREAMBLE

1.0 Introduction

These financial regulations and procedures deal with the management of University of Nairobi finances and resources. The University of Nairobi is established in accordance with Universities Act, 2012. The University of Nairobi is a body corporate with perpetual succession and a common seal, and shall in its corporate name be capable of;

- a) Taking purchasing or otherwise acquiring, holding, charging and disposing of movable or immovable property,
- b) Borrowing or lending money,
- c) Suing and being sued and
- d) Doing or performing all such other things or acts for the proper performance of its functions under, and for the furtherance of, the provisions of the Universities Act, 2012, and the University of Nairobi Charter, which may lawfully be done or performed by a body corporate.

The application of these regulations and procedures shall in all respects comply with the provisions of the Universities Act 2012, and all statutes under this act, as well as the University of Nairobi Charter.

The Council of the University has the overall responsibility of managing the affairs of the University, including the financial portfolio. The Council is also responsible for policy formulation and guidance of operations of all subsidiary companies of the University of Nairobi.

The Constitution of Kenya 2010, The Public Finance Management Act 2012, The Public Audit Act 2009, the State Corporations Act (Cap.446), the Universities Act 2012, and University of Nairobi Charter and Statutes regulate the management of the resources of the University of Nairobi. In particular special attention is drawn to the following provisions:-

1. The State Corporations Act (CAP.446)

Sec 14 (1)“Every state corporation shall keep or cause to be kept proper books recording all the property, undertakings, funds, activities, contracts, transactions and other business of the state corporation.

(2)“The Minister for the time being responsible for finance may prescribe the form of any books required to be kept under subsection (i) and unless a form has been prescribed a form suitable for the purposes shall be used.”

Sec 15 (1) “A Board shall be responsible for the proper management of the affairs of a state corporation and shall be accountable for the moneys, the financial business and the management of a state corporation.

2. The Public Audit Act, 2009

Sec 12(1) for each financial year, each state corporation shall prepare and submit for audit accounts to the Auditor General.

The Accounts shall include the following:-

- a) A balance sheet showing the assets and liabilities as of the end of the financial year,
- b) A statement of the income and expenditures for the financial year,
- c) A cash flow statement for the financial year, and
- d) Any other statements and accounts that may be necessary to fully disclose the financial position of the state corporation.

Sec 13(1) A state corporation shall submit its accounts within three months after the end of the financial year to which the accounts relate.

The National Assembly may extend, by resolution, the time limit for the submission of accounts by a state corporation.

Sec 14 The Auditor General shall examine and audit the accounts submitted by a state corporation, express an opinion and certify the result of the examinations and audits.

Sec 15 (1) The Auditor General shall prepare a report on the examination audit and submit the report to the Minister responsible for finance.

Without limiting what may be included in the report, the report shall indicate whether:-

- a) The information and explanations that were required to perform the examination and audit were received,
- b) Proper books of account have been kept and the accounts are in agreement therewith,
- c) The accounts present a true and fair view of the financial position of the state corporation,
- d) Due provision has been made for the repayment of all money borrowed by the state corporation, and
- e) Adequate amounts have been set aside for depreciation and renewal of the assets of the state corporation.

Without limiting what may be included in the report, the report shall identify cases in which:-

- a) Money has been spent in a way that was not efficient or economical;
or
- b) The rules and procedures followed, or the records kept were inadequate to safeguard property and the collection of revenue.

Sec 19(1) A state corporation whose accounts are examined and audited shall pay for the costs of the examination and audit.

If the examination and audit is conducted by the Auditor General, the payment required under sub-section (1) shall be paid to the Auditor-General and the amount of the payment shall be as determined by the Controller and Auditor-General.

If the examination and audit is conducted by an auditor appointed under section 39, the payment required under subsection (1) shall be paid to the auditor and the amount of the payment shall be as agreed between the state corporation and the auditor.

Sec 39(1) The Auditor-General may appoint an auditor who is not a member of the staff of the Kenya National Audit Office to assist in an examination and audit of accounts.

Only a person registered and practicing as an accountant under the Accountants Act may be appointed under this section.

Any auditor appointed under this section shall comply with any general or special directions given by the Auditor-General.

An auditor appointed under this section shall report to the Auditor-General.

For the purpose of his appointment, an auditor appointed under this section has the powers of the Auditor-General under section 37.

1.1 Sources of University of Nairobi Funds

The University of Nairobi's main source of funds is recurrent and development grants from the National Treasury. Other sources include:-

- a) Tuition fees and other charges.
- b) Accommodation and catering levies.
- c) Investments and Disposals
- d) Income generating Activities.
- e) Research and Endowment Funds.
- f) Rental income.
- g) Donations.
- h) Other charges as may be determined by the University from time to time.

1.2 Accounting Officer

The Vice-Chancellor, as the Chief Executive Officer of the University, deals with the day to day administrative and academic management aspects of the University. The Vice-Chancellor is the accounting officer of the University and therefore responsible for the overall Financial functions of the University. The Deputy Vice-Chancellors, Principals, Deputy Principals, Deans, Directors, Departmental Heads, Thematic Heads and Section Heads exercise delegated authority and are responsible to the Vice-Chancellor for the accounting functions in their respective units.

The duties and responsibilities of the Accounting Officer include:-

- a) Ensuring that the University funds are applied only for the purposes approved by the Council and in conformity with the laid down rules and regulations,
- b) Signing the Statutory Financial Statements and thereby taking responsibility for their accuracy,
- c) Preparing accurate and realistic estimates of recurrent and Development Expenditure, which shall be within the prescribed ceilings,
- d) Ensuring that all amounts due to the University, including tuition fees, other fees or other income, are collected promptly, officially receipted and properly accounted for,
- e) Ensuring that all expenditure incurred by the University is within the approved estimates and is also covered by the authority of the council,
- f) Managing and controlling University resources and ensuring that policies set by the Council are followed,
- g) Ensuring that all reasonable precautions are taken to safeguard the receipt, custody, issue and proper use or disposal of University property and that regulations and statutes relating thereto are strictly observed,
- h) Ensuring that all income and expenditure relating to income generating activities of the University are operated in accordance with approved policies and regulations, and
- i) Ensuring management, guidance and control of operations of subsidiary companies of the University of Nairobi.

In order to effectively discharge these duties and responsibilities, the Vice-Chancellor is assisted by staff in Finance and Audit Departments. These officials carry out day to day financial control responsibilities as delegated by the Vice-Chancellor through the Deputy Vice-Chancellor (Administration & Finance).

1.3 Finance Department

The Finance Department of the University of Nairobi shall have responsibility to meet the requirements of the Universities Act, 2012 (Part IV) and the University of Nairobi Charter, besides the University's other policies, regulations and rules.

- a) This department is charged with the responsibility of implementing sound financial controls of the University. It ensures effective management of the University's financial resources, and provides professional guidance to the University on financial matters.
- b) In order to achieve its objectives the department designs and implements sound accounting and financial systems in accordance with international accounting practices, professional standards and guidelines issued from time to time by professional and regulatory bodies.
- c) The department is responsible for collection, custody and banking of all income due to the University. This includes all income generated through income generating units of the university. All other officers in departments/units of the University undertaking collection of funds exercise delegated authority from the department and must implement all the necessary financial controls in respect of funds collection. The department also ensures that expenditure incurred is in accordance with University policies and guidelines.
- d) The Finance Officer is the administrative and professional head of the Finance Department and is responsible for management of finance staff in conjunction with other University administrators in Central Administration, Colleges and other units. He is assisted by Deputy Finance Officers and College Bursars. Senior Accountants, Accountants and other finance staff, assist these officers in the performance of their duties.

The duties of the Finance Officer include:-

- a) Maintaining books of accounts and records relating to all income, expenditure and investments,

- b) Ensuring sound financial management of University funds through application of appropriate financial systems and investment options,
- c) Implementing effective financial and stores control systems,
- d) Preparing statutory financial statements and other financial reports in conformity with relevant professional standards and other statutory requirements,
- e) Preparing University's annual budget in consultation with user departments and submission of expenditure returns,
- f) Ensuring that University financial systems are sound in design and operation and comply with International Financial Reporting Standards and other professional and regulatory guidelines,
- g) Ensuring economic utilization of University resources and other assets, and
- h) Provide financial consultancy and advisory services to the University of Nairobi management and any other entity as may be approved from time to time.

The internal audit system ensures that there is continuous evaluation and review of all management aspects of the University in compliance with laid down policies, financial regulations, instructions and accounting procedures.

1.4 Internal Audit

The Internal Audit is an independent function whose objective is to provide assurance and consulting activity designed to add value and improve the University's operations. It helps the University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

1.5 Procurement and Budget

Procurement plans will comply with budgetary allocations for that component in the financial year. Therefore Finance and Procurement departments work in liaison to ensure compliance with the foregoing requirement.

1.6 Human Resource

Human Resource Management is handled by Administration Department. The department is headed by Registrar, Administration. This is carried out as guided by the broad framework of the Human Resource Policy 2014 with specific guidelines on the management of members of staff.

The objectives of the Human Resource policy include:

- a) To ensure a standard approach to human resource management.
- b) To enhance efficiency and effectiveness in service delivery.
- c) To institutionalize best practices in human resource management.

The Human resource Policy provides for a reward system that covers all remuneration and emoluments related to work for which respective employees are appointed.

All members of staff serve within the provisions of their respective Terms of Service, Collective Bargaining Agreements (CBAs) and Universities Act, 2012, the Labour laws and any other applicable laws and regulations with respect to salary administration and benefits, health and safety, staff discipline and separation.

The Human Resource policy provides for the achievement of appropriate and progressive training geared to address gaps in skill, knowledge and competence.

1.7 Subsidiary Companies

The Companies which are wholly owned by the University shall operate under the University Financial Regulations.

These companies are;

- a) University of Nairobi Enterprises and Services Ltd.
- b) University of Nairobi Press.

CHAPTER 2

INTERNAL AUDIT

2.0 Introduction

The Internal Audit is an independent function, operating as a department, whose objective is to provide assurance and consulting activity designed to add value and improve the University's operations. It helps the University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The department is headed by the Chief Internal Auditor, assisted by the Deputy Chief Internal Auditor and other internal audit staff. The operations of the department are decentralized with each of the six Colleges, Centre for Self Sponsored Programs and Student Welfare Authority having an internal audit section headed by a senior internal auditor.

The role of the department is to manage comprehensive operational and financial audit programs that provide assurance and consulting services designed to add value and improve the University's risk management, control, and governance processes.

2.1 Reporting Structure

The Chief Internal Auditor is administratively responsible to the Vice-Chancellor for the proper execution of the Internal Audit function at the University, while professionally he is responsible to the Audit Committee of the Council. The Senior Internal Auditor is professionally responsible to the Chief Internal Auditor for the proper execution of the College Internal Audit function while administratively, he is responsible to the Principal of the College in which he is stationed or to the Director SWA as the case may be. To ensure the independence of the Auditors, they shall be free from any operating responsibilities that may impair their objective assessment in discharging their internal audit functions.

In exercising their responsibilities, the internal auditors shall have unrestricted access to all records, books, vouchers, reports or any other information that they may consider necessary in the discharge of their professional duties.

Internal auditors may call upon any officer of the University to offer explanation and information which they may require in order to effectively discharge their duties.

2.2 The Functions of the Internal Audit

The Internal Audit Department seeks to determine whether the University's network of risk management, control and govern processes, as designed and represented by management, is adequate and functioning in a manner to help ensure that;

- a) Risks, including strategic risks, are appropriately identified and mitigated or managed;
- b) Significant financial, managerial, and operating information is accurate, reliable, and timely;
- c) Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations;
- d) Resources are acquired economically, used efficiently, and adequately protected;
- e) More effective business strategies are adopted to mitigate poor performance;
- f) Programs, plans, and objectives are achieved;
- g) Quality and continuous improvement are fostered in the University's control process;
- h) Issuance and control of accountable documents such as receipt books, Local Purchase Orders (LPO's) and stores requisition notes;
- i) Pre-Auditing of payment vouchers and purchase requisitions, for the time being;
- j) Undertaking special investigations on behalf of the University Management, and

- k) Offering consultancy and advisory services to the Management of the University in relation to its subsidiary companies, Income Generating Units' (IGU's) and Special Programs.

2.3 Reference Documents

In carrying out their professional duties, the Internal Auditors shall be guided by the applicable professional guidelines issued by Professional and Regulatory bodies including but not limited to; International Accounting Standards Board (IASB), International Auditing and Assurance Standards Board (IAASB), The Institute of Internal Auditors (The IIA) and Institute of Certified Public Accountants of Kenya (ICPAK). These include:

- a) The ICPAK Internal Audit Manual;
- b) Professional Code of Conduct and Ethics as issued by ICPAK;
- c) International Financial Reporting Standards;
- d) International standards on Auditing;
- e) Exchequer and Audit Act/ Public Audit Act, 2003
- f) Public Officer Ethics Act, 2003;
- g) State Corporation Act Cap. 446;
- h) University of Nairobi Service Charter;
- i) Universities Act 2012;
- j) The Public Procurement and Asset Disposal Act, 2015;
- k) Public Procurement and Disposal Regulations 2006, and
- l) International Professional Practices Framework (IPPF) issued by Institute of Internal Auditors.

CHAPTER 3

THE ACCOUNTING SYSTEM

3.0 Introduction

The University is required to produce statutory financial statements in compliance with the Constitution of Kenya 2010, Universities Act 2012, The Public Audit Act 2009, The Public Finance Management Act 2012, The State Corporations Act and in compliance with The International Public Sector Accounting Standards (IPSAS). These Accounts are subsequently audited by the Auditor General or any other auditor authorized by him. The financial year of the University of Nairobi runs from 1st July to 30th June of the following year.

Pursuant to the above:-

- a) The university shall keep proper books of records of accounts of the income, expenditure and assets of the university.
- b) Within three months from the end of each financial year, the university shall submit to the Auditor General the accounts of the university together with:-
 - i) A Statement of Financial Performance (income and expenditure) of the university during the financial year; and
 - ii) A Statement of Financial Position (Balance Sheet) of the university on the last day of the year.

In order to meet this objective, the University operates an integrated Financial Information Management System (FIMS) which captures accounting data from all the accounting units/colleges of the University.

The computerized accounting system incorporates the classification of accounts, the expenditure and income accounting system, bank accounts, student ledgers, salaries and wages ledgers and all other aspects of financial accounting within the University.

The system encompasses a modular layout consisting of:

- a) Accounts Payable
- b) Accounts Receivable
- c) General Ledger

- d) Inventory Control
- e) Asset Management
- f) Bank Services

3.1 Annual Estimates

In accordance with the Universities Act, 2012, Part IV Section 44(1-3), the University;

- (1) Shall prepare and submit its Annual estimate of revenue and expenditure to the Cabinet Secretary for approval in such form, and as such times as the Cabinet Secretary shall from time to time prescribe.
- (2) May incur expenditure for purposes of the institution in accordance with estimates approved by the Cabinet Secretary, and any approved expenditure under any head of the estimates may not be exceeded without the prior approval of the Council.
- (3) May subject to any other written law ,regulations, and guidelines, appeal to the general public for subscriptions, donations or bequests for the benefit of the University.

The annual estimates shall include all expenditure categories that require to be provided for which include and not limited to the following;

- (a) For the proper funding of the cost of teaching and research activities in the University;
- (b) For the payment of the salaries, allowances and other charges in respect of the staff of the University;
- (c) For the payment of the pensions, gratuities and other charges in respect of retirement benefits which are payable out of the funds of the University;
- (d) For the proper maintenance of the buildings and grounds of the University;
- (e) For the proper maintenance, repair and replacement of the equipment and other movable property of the University;
- (f) For the creation of such reserve funds to meet future or contingent liabilities in respect of retirement benefits, insurance or

replacement of buildings or equipment, or in respect of such other matters as the Council may think fit.

No expenditure shall be incurred for the purposes of the University except in accordance with the annual estimates approved in pursuance of an authorization of the Council and with the prior approval of the Cabinet Secretary.”

3.2 Classification of Accounts

The accounts are classified based on their nature and identified using segmented codes. These segments are coded based on account type, department, nature of expenditure and type of income.

The coding system contains all the information necessary for production of detailed accounts.

3.3 Trial Balance

The Finance Department shall produce the trial balance on a monthly basis and a final one at end of every financial year, for the purpose of:-

- (a) Checking arithmetical accuracy of postings,
- (b) Comparison of actual expenditure and budgeted provisions for budgetary control purposes,
- (c) Preparation of financial management and statutory reports,
- (d) Approval of virements on overspent/under spent votes by Council within the approved estimates,
- (e) Preparation of estimates for submission to the Ministry for the time being responsible for education.

3.4 Preparation of Statutory Financial Statements

The University statutory financial statements shall be prepared at the end of every financial year. These are based on University of Nairobi accounting policies, which are:-

- (a) Statutory financial statements are prepared under the historical cost convention as modified by the revaluation of certain Non-Current Assets,

- (b) Income from grants and fees, includes only the amount receivable during the financial year,
- (c) Income from endowments, donations, research grants and other services rendered are included only to the extent of expenditure incurred during the year,
- (d) Income from short-term deposits is credited to the General Revenue Account or used for purchase of Non-Current Assets and for capital minor works to the extent determined by the University Council during the year,
- (e) Non-Current Assets are stated at cost or professional valuation. Depreciation is provided for at annual rates estimated to write-off assets over the expected useful lives as provided for in the Asset Management Policy.

For the time being the annual rates are:-

(i) Land:-

Freehold	-Nil
Leasehold	-Life of lease

- (ii) Buildings -2% on straight-line basis
- (iii) Furniture and Equipment -10% on straight-line balance
- (iv) Motor Vehicles -20% on straight-line basis
- (v) Computers -33 %on straight-line basis
- (vi) Academic Gowns -5% on straight-line basis

Depreciation for non-current assets acquired through external funds is charged to the Capital Fund. For assets acquired through internally generated revenue, depreciation is charged to the Statement of Comprehensive Income.

- (f) Endowment and Trust Fund investments are stated at the market value;
- (g) Stocks (inventories) are valued at the lower of cost or net realizable value;
- (h) Revenue commitments represent goods and services ordered but not delivered at the end of the financial year;

- (i) The cost of library books is written off to expenditure as incurred;
- (j) Appropriation for Specific Purposes represents revenue generated by Colleges and unspent balances on certain votes carried forward to meet expenditure in the ensuing year;
- (k) The principal pension scheme for the University staff is the University of Nairobi Pensions Scheme 2007. The University's contributions to this scheme are charged to the salaries votes;
- (l) Assets and liabilities in foreign currencies are converted into Kenya Shillings at the rates of exchange ruling at the Statement of Financial Position date. Conversion differences are accounted for in the Appropriation Fund Account;
- (m) Valuation of donated equipment is done by professional valuer or as stated by the donors;
- (n) Research Grants are funds from internal and external sources in the current and previous Financial Years. The uncommitted balance on each account is carried forward until the related research project is complete.

3.5 Year End Finalization of Accounts

(a) Reconciliation of various accounts shall be on continuous basis and must be completed by the end of **July** each year to allow the completion of statutory financial statements by **30th August**. The final trial balance shall be completed by the **31st July**.

(b) Closing of Cash Books:

The closing date of the cash book is 30th June, each financial year.

(c) Accruals:

Pending payments and income earned but not yet received by 30th June shall be accrued and treated either as Sundry Creditors or Debtors and journalized in the accounts.

(d) Non-Current Assets:-

A statement of all Non-Current Assets owned by the University of Nairobi as at the end of the financial year shall be incorporated in the final accounts.

This shall include Non-Current Assets movements during the year as follows:-

- i) A schedule of all additions to Non-Current Assets;
- ii) A schedule of all disposals;
- iii) A computation of gain or loss on disposal;
- iv) A schedule of work-in-progress;
- v) A schedule of all assets donated;
- vi) Transfer of Non-Current Assets;
- vii) Depreciation charge for the year.

(e) Stocks (Inventories):

There shall be a stock taking exercise at the end of every financial year. A statement of all stocks held by the University of Nairobi at the end of the financial year shall be incorporated in the final accounts.

In order to achieve this, there shall be need for:-

- i) A summary of all stocks held;
- ii) Valuation of all stocks;
- iii) Reconciliation of each type of stock by vote between physical stock and ledger card balance;
- iv) Slow moving stocks;
- v) Details of obsolete stocks.

(f) Cash Survey and Bank Balances

- i) There shall be cash survey in every cash office including petty cash as at 30th June which shall be reconciled with the cash book balances. The survey shall be conducted by a team of at least two people appointed by the officer in charge of the accounting unit. Cash book balances shall be reconciled with bank balances.
- ii) Cash and bank balances held by University as at 30th June shall be reflected in the statutory financial statements.

3.6 Statutory Financial Statements for Subsidiary Companies

The University of Nairobi may incorporate subsidiary companies. The University shall exercise control over partially or wholly owned companies in

pursuance of its objectives and ensure preservation and enhancement of its investments.

The statutory financial statements for these subsidiary companies shall be prepared separately but be consolidated and incorporated in the University's Statutory Financial Statements in accordance with International Financial Reporting Standards.

CHAPTER 4

EXPENDITURE

4.0 Introduction

All expenditure incurred by the University shall be within the estimates and budgets approved by the Council or any other officer authorized by the Council.

All such expenditure incurred shall be authorized by relevant Heads of Department/Unit and shall be controlled by Finance Department.

- (a) All payments shall be made on official University of Nairobi payment vouchers. The payment vouchers shall be serialized, dated and shall properly describe the payment being made,
- (b) The payment voucher shall be prepared in Finance Department, and be signed by the person preparing it before subsequent approval by the Section Head,
- (c) The expenditure shall be charged to the proper vote/account.
- (d) The Authority to Incur Expenditure (AIE) form shall be used in order to confirm availability of funds and commit the expenditure in the Budgetary Information System,

4.1 Approval of Expenditure

- a) Heads of user departments will recommend expenditures within planned, approved and budgeted for activities within the financial year.
- b) Levels of Approval;
 - i. Chairman of Department -up to KShs.50, 000.00
 - ii. Principal/Director (SWA) -up to KShs.100, 000.00
 - iii. VC/DVC over KShs.100, 000.00

It is important to observe the rule of 1/12, i.e. the budgeted amount is allocated for twelve months in the year.

The above ceilings are subject to review from time to time.

- c) No originator shall approve an AIE

4.2 Payments

- a) Approval of payment vouchers implies that all the requirements mentioned above (4.0, 4.1) have been met,
- b) All payment vouchers shall be properly supported and duly verified,
- (e) Payments may be effected by way of Cheques, RTGS, EFT, Cash, Mobile Money, SFI or any other method, depending on the circumstances, applicable rules and regulations stipulated by the University, the banks, or as regulated from time to time,
- (f) The first signatory for all Cheques of the University and its subsidiaries, project accounts and IGU accounts shall be the Finance Officer or any other officer of the Finance Department authorized by him.

4.3 Payment for Goods and Services

- (a) Where payment is in respect of good/services purchased, the goods/services shall have been received and confirmed through an Inspection and Acceptance Committee Report. The Chairman or Head of Department where the goods/services are delivered shall certify such receipts.
- (b) The certified invoice, accompanied by the inspection and acceptance committee report and the delivery note shall be attached to the green copy of the purchase order together with the original requisition note, and the goods received note where applicable.
- (c) The certified documents shall be forwarded to the Finance Office for payment.

4.4 Creditors Ledger

There shall be a creditor's ledger in each relevant finance office. The Senior Accountant, Bursar or Accountant in charge shall ensure that an up to date creditor's ledger is maintained and regularly reconciled.

4.5 Payment of Rent and Services for Leased Properties where the University leases property the following payment procedures shall apply:-

- (a) All lease agreements shall be scrutinized and verified by the Estates Manager and the Chief Legal Officer before submission for approval by the Vice Chancellor or any other officer authorized by him on behalf of the University.
- (b) There shall be authorization by Estates Manager and Finance Officer.
- (c) The Chief Internal Auditor may from time to time independently examine the particulars of any lease agreement.
- (d) The Estates Manager shall notify the Finance Officer of any variations occurring within the lease period.

4.6 Salaries and Wages Payments

The Salaries and Wages Sections shall be responsible for:-

- (a) Ensuring timely processing of salaries and wages to the employees within the set time lines;
- (b) Ensuring statutory and other deductions are effected and remitted to relevant authorities within the set time lines;
- (c) Ensuring that only genuine employees are paid.

For proper functioning of Salaries and Wages Sections, the following guidelines shall be observed:-

- (a) There shall be a separate file for every employee maintained by the Registrar Administration, College Registrars, and Director (SWA). The Personnel Division shall assign the personal (Payroll) numbers after identification of the employees.
- (b) Salaries shall be paid as per letter of appointment indicating acceptance of offer with effect from the date indicated in the Staff Movement Advice.
- (c) Removal of employees from the payroll shall be in accordance with their terms of service and duly communicated by the Registrar Administration, College Registrars, Dean, Directors and Chairman of Department and units.
- (d) The authorized officers shall supervise preparation of the payroll. The Head of the Salaries and Wages Section shall ensure that any variation in the payroll is duly authorized.

- (e) Monthly payrolls shall be compared with previous monthly payrolls, and any variances authenticated by the Head of the Section.
- (f) All staff shall be paid in accordance with the terms of their employment.
- (g) All salaries shall be paid through the staff bank accounts.

4.7 Salary Advances

- (a) The University shall grant salary advances only under very special circumstances and on approval by Deputy Vice-Chancellor (A&F).
- (b) Advances shall be controlled through payroll and restricted to the employees' basic pay.
- (c) Advances shall be recovered within a period not exceeding three months.

4.8 Allowances

The University may pay allowances as approved by the Council and where they are within the University regulations subject to budgeted provisions. These allowances include among others house allowance, house to office, responsibility, entertainment, acting, leave, clinical, special duty, passage and baggage, subsistence, day trip, per diem while travelling outside Kenya, honoraria, water, electricity, telephone. The payments shall be within the ceilings as determined by the Council.

4.9 Advances for Research/Official Duties

- (a) No advance shall be granted unless the vote to be charged has adequate funds to meet the expenditure. In case of advances from donor-funded votes, the purpose must be as per terms of agreement between the donor and the University of Nairobi.
- (b) The official application form shall be completed and shall state the amount, a detailed budget and reason for taking the advance.
- (c) The advance holder shall account for it within the prescribed time limit which is normally 2 (two) weeks after the accounting date stated by the applicant unless express authority for extension is granted by the Finance Officer.

- (d) No further advance shall be granted to the advance holder before the previous one has been accounted for.
- (e) All accounting for advances shall be through the Head of Department/unit or the next authorized officer.
- (f) Recovery of outstanding advance shall be instituted on the holder of the advance 14 days after expiry of the prescribed time limit.
- (g) An up-to-date register for advances shall be maintained.
- (h) Over-expenditure in excess of 10% of the amount advanced shall not be permitted.
- (i) Expenditure of research money shall be subject to University Financial regulations, The Public Procurement and Asset Disposal Act, 2015 and regulations as long as it does not contradict the Memorandum of Understanding with the donor.
- (j) All other official advances shall be controlled in the same manner as prescribed in (a) and (i) above.
- (k) All Non-Current Assets procured through grant funds belong to the University and shall be accounted for through the Grants and Capital Sections;

4.10 Foreign Currency Transactions

(a) Foreign payment requirements.

University staffs who require traveling outside the country on official duty shall apply for authority to obtain foreign currency through the University. The following procedures shall apply:-

- i) An approval from the Vice-Chancellor for the expenditure;
- ii) Upon receipt of the Vice-Chancellor's approval, the Finance Officer shall liaise with the University bankers and request for the foreign currency needed.
- iii) The Finance Officer or any officer authorized shall follow up the debit advices related to foreign currency transactions and payment vouchers shall thereafter be raised and marked "for posting only";

(b) Importation

Where the University requires to import goods from foreign countries the following payment procedures will apply:-

- i) Chairmen/Heads of Department shall seek authority from Deputy Vice-Chancellor (A&F) to pay in foreign currency. All imports shall be subject to procurement regulations, documentation and letters relating to importation.
- ii) All foreign procurement should meet the requirements of tender and procurement committees.
- iii) The University will liaise with the bankers for issuance of the letters of credit, where applicable.
- iv) Payment vouchers marked “for posting only” will be raised on receipt of debit advices.

(c) Foreign payments for services rendered.

The University may require payments in foreign currency to be made in respect of services rendered. The following shall be required to effect payment:-

- i) The relevant Department shall submit to Finance Department certified invoices/letters and the necessary internal approvals,
- ii) The Finance Department shall requisition for drafts, RTGS or EFT for foreign currency from the banks, where applicable,
- iii) Payment vouchers marked “for posting only” shall be prepared on receipt of debit advices from the banks.

4.11 Mileage Claims

University policy on official travel requires that University transport be used for official duties whenever possible but where transport is not available; a member staff may claim reimbursement for use of his/her personal vehicle. The reimbursement shall be based on the official rates.

4.12 Submission and Approval of Personal Claims

Personal claims shall be submitted within the relevant financial year or otherwise be forfeited if submitted three months after the end of the Financial

Year. These include mileage, telephone, medical, overtime, among others. Where the claimant is also the Head of Department the approval shall be escalated to the next higher level.

4.13 Cash Payments (Standing Imprest)

Standing imprest shall be maintained by relevant Sections of Finance Department, or as determined by the Finance Officer, for meeting cash payments within the University.

- a) The imprest shall be applied only for emergency and other petty payments as approved by Finance Officer or any other officer authorized by him,
- b) The imprest shall be replenished on regular basis and shall be reconciled against cash balances and payment vouchers,
- c) Adequate internal controls and supervision over the imprest shall be exercised by the officer in charge of the unit. These include:-
 - i) Surprise checks.
 - ii) Regular checking by the authorized officer.
- d) All cash imprest shall not be recouped at less than 50% expenditure,
- e) Over expenditure on cash imprest shall only be reimbursed upon appropriate approval,
- f) All standing imprest shall be surrendered on or before 30th June of every year,
- g) Revenue collected shall not be used as imprest,
- h) All imprest accounts shall be reconciled to zero balance at the end of the financial Year.

4.14 Non - Cash Payments

(a) Except for payments through standing imprest, all other payments shall be by crossed Cheques, EFT, RTGS, SFI, Bank draft, Mobile Money or internal letter of transfer. All such payments shall be controlled through a movement register maintained by an authorized officer;

(b)

- i) Cheques, duly signed by signatories, shall be released only on the authority of the Finance Officer or any other officer approved by him.
- ii) Only authorized agents of the University shall deliver EFT, RTGS, SFI internal letter of transfer, or any other paying instruments to be effected by the bank. The agent shall deliver upon authorization from Finance Officer or any other Officer authorized by him.

4.15 Data Capture

All payment vouchers and other posting media shall be captured accurately in the correct account in the Financial Management Information System (FIMS).

CHAPTER 5

FINANCIAL INFORMATION MANAGEMENT SYSTEM (FIMS)

5.0 Introduction

Financial Information Management System (FIMS) Section was established to support the needs of ICT services within Finance department; thus being charged with the responsibility of ensuring the smooth operation of ICT tools in relation to financial operations.

The functions of the section include but not limited to the following:-

- a) FIMS administration by coordinating and ensuring that mechanisms created for common policies, standards and procedures are followed.
- b) Support users in ensuring all financial data are correctly processed within the FIMS.
- c) Unifying the codes and classification for both the budget classifications and chart of accounts. This is to ensure that the charts of accounts are maintained in accordance to laid out procedures and practices.
- d) Identifying user IT capacity knowledge gaps with regard to FIMS and develop effective training programs.
- e) To provide necessary ICT support to the department as and when required in respect to normal ICT service delivery.
- f) Act as a liaison office between the department and ICTC office.
- g) Identify, design and develop other tools as and when required.
- h) Ensure continuous Integrity of the FIMS.
- i) Digitization of all Accountable records, including the historical ones.

5.1 FIMS as a modular system.

The FIMS is based on Sage ACCPAC, a Financial Management System that allows for data capturing, processing and reporting. The FIMS is accessible in all accounting units of the University which include Central

Administration Finance, College Finance, Student Welfare Authority (SWA), Centre for Self Sponsored Programs (CESSP) and University Health Services (UHS).

Sage ACCPAC is a modular system with integrated modules.

FIMS section shall ensure all modules are operational and available at all times for use by the relevant user sections.

The following modules are implemented and functional within the department:

a) Accounts Receivables

This is an income tracking module that manages University customer register and all transactions relating to sales of goods and services.

This module generates customer invoices, Credit/Debit notes, receives payments and makes refunds to customers.

The module generates the following reports;

- i. Deposit Slips
- ii. Invoices
- iii. Transaction History and other summarized reports

b) Accounts Payable

This is a payment module. All expenses are captured through this module which also maintains a supplier register.

This module captures invoices and claims from suppliers, raises Credit/Debit notes and processes payments.

The module generates the following reports;

- i. Aged Payables
- ii. Transactions History and listing
- iii. Payments details and other payable summaries

c) Bank services

Due to the integrated nature of the system, the module receives data from Accounts Receivables and Accounts Payables. In addition it posts bank charges and other charges originating from the bank and bank transfer entries. Bank reconciliation is a major function of this module.

The module generates the following reports;

- i. Bank Reconciliation Reports
- ii. Payments Reports
- iii. Receipts Reports
- iv. Other summarized reports

d) Inventory Control

The module keeps track of stock levels and processes, inventory receipts, distribution, returns and adjustments.

The module generates the following reports;

- i. Overstocked Items
- ii. Physical Inventory Worksheet
- iii. Posting Journals
- iv. Reorder Report
- v. Distribution Statistics
- vi. Stock Movement
- vii. Transaction History

e) Asset management

This module provides for the processing of asset accounting transactions, acquisitions, depreciation, adjustments, disposals, assets merge and split. It also provides for asset maintenance and leasing.

The module generates the following reports;

Assets register

- i. Transaction History
- ii. Other summarized reports

f) General Ledgers

The General Ledger is the core module of ACCPAC system, providing all the features for budgeting and processing of transactions and capture of journal vouchers. General Ledger fully integrates with all modules in the sense that it receives all summary transactions emanating from the other modules.

The module generates the following reports;

- i. Trial Balance

- ii. Transactions Listing
- iii. Transactions History
- iv. Income Statements
- v. Posting Journals
- vi. Batch Listing
- vii. Chart of Accounts

5.2 Document register

This is a document tracker register for documents as they move within sections of the finance department.

The system generates the following reports

- i. Sent documents
- ii. Received documents
- iii. Pending documents
- iv. Location of document

5.3 Advance Register System

This is a tracking tool for official accounting advance forms. It keeps track of the forms issued to various applicants, details of the applicants and the content of the forms. The system generates email alerts to applicants when advances are due for accounting.

The system generates the following reports;

- i. List of applied advances
- ii. Cleared advances
- iii. Pending advances
- iv. Recovered advances

5.4 Back up Policy

In accordance with the University of Nairobi Information and Communication Technology Policy of 2010, part 3.12, on Systems Backup Policy, FIMS section in collaboration with ICTC office shall maintain regular backups of all data in FIMS.

FIMS data will be backed up offsite.

CHAPTER 6

PROCUREMENT AND STORES CONTROL

6.0 Introduction

Procurement means the acquisition by purchase, rental, lease, hire-purchase, license, tenancy, franchise, or by any other contractual means of any type of works, assets, services or goods including biological assets such as livestock.

All Procurement in the University is guided by the Public Procurement and Asset Disposal Act 2015, Public procurement and Disposal Regulations 2006, and subsequent revisions. Further procurement is also guided by University procurement manual and procedures.

For the purpose of complying with the Public Procurement law, every department is required to obtain and keep readily available to staff, among others, the following documents:-

- a) The Constitution of Kenya 2010
- b) Public Procurement and Asset Disposal Act, 2015
- c) Procurement and Disposal Regulations, 2006
- d) University Procurement Manual and Management Circulars
- e) Departmental Procurement Plans which have already been approved by the Vice Chancellor
- f) Any other document relevant to Public Procurement.

In applying procurement procedures, special attention shall be paid to the following:-

- a) While the price paid is important, what is far more important is obtaining value for money. The right quality to meet the specified need is vital and it is important to ensure that goods, works and services are delivered in line with planned schedules. It is also important to procure the correct quantity of materials having regard to the advantages of bulk procurement.

- b) In addition to the price, the University needs to take into account quality, quantity, source time, internal and external factors, which are crucial to its decision making.
- c) When selecting a supplier the University shall endeavor to identify an organization that will meet its needs in quality, quantity, timing and dependability at the lowest cost, through the Technical Evaluation process.

6.1 Procurement Plans

Procurement plan is a schedule identifying and quantifying procurement requirements during a financial year. Procurement planning is mandatory for all departments. It pre-determines what will be procured, when and at how much. The procurement planning has to be done in accordance with the budget.

Splitting of orders to circumvent approval ceilings is not allowed and cannot subsequently be excused. All departments must ensure they prepare in advance their Procurement Plans which they will follow during the financial year and submit to the authority the part in its procurement plan demonstrating application of preference and reservations schemes in relation to the procurement budget within sixty days after commencement of the financial year. These plans must be approved before they are applied. The Procurement Plans must be filed with Procurement, Vice chancellor, internal audit and the Deputy Vice Chancellor (A&F).

Heads of Departments must ensure that procurement plans are prepared in line with their approved annual budgets and implemented. They must therefore monitor the implementation of procurement plans.

The annual procurement plan should have the following details (where applicable):-

- a) What is to be procured
- b) When it will be procured
- c) Estimated cost

- d) Amount reserved for preference groups
- e) Proposed procurement method
- f) Dates for completion of key procurement activities.

6.2 Choices of Procurement Procedure

Procurement will generally be done using any of the following methods:-

1. Open Tender;
2. Two stage tendering;
3. Design competition;
4. Restricted Tendering;
5. Direct Procurement;
6. Request for quotations;
7. Electronic reverse auction;
8. Low value procurement;
9. Force account;
10. Competitive negotiations;
11. Request for Proposals; and
12. Framework agreements; and any other procurement method and procedure as prescribed in regulations and described in the tender documents.

The preferred procurement method of the University is the Open Tender System for procurement of goods, works and services as stipulated in the Public procurement and Asset disposal Act 2015.

6.3 Procurement Procedures

- a) Whenever a department requires the use of certain goods or services it shall raise a request for procurement to Deputy vice chancellor, principal and Director (SWA).

The request should be based on a requisition form.

Procurement department shall source for suppliers then advice the department to fill an Authority to Incur Expenditure (AIE) form. The relevant approval according to the threshold levels is then granted on the AIE form.

- b) Every requisition note shall be approved by the Head of Department/Unit before submission to the appropriate Office. In case of requisition notes to be charged against donor-funded votes, the approval shall be from the project leader in conjunction with the Head of Department/Unit. Every requisition note shall indicate:-
- i. The name of the supplier
 - ii. The vote to be charged
 - iii. That authority to incur expenditure from the vote has been given by the vote holder
 - iv. Funds available.

The respective Finance Office will commit funds in the vote and ensure strict compliance with the University procurement procedures.

- c) The procurement department shall prepare and issue an L.P.O on the basis of the requisition note.
- d) Responsibility for initiating the purchase of goods/services shall rest with the user-department, whereas the role of the procurement department will be to take charge of the actual process of acquiring the items.
- e) The University shall not be bound for goods/services supplied without an official order.
- f) Payment for goods/services will only be made on receipt of duly certified invoices, supported with evidence of receipt of the goods/services from the inspection and acceptance committee.
- g) Certification of an account by a head of department/unit shall mean:-
- i) That the goods have been received, examined and approved as being in accordance with the specifications and that the prices are in accordance with the order or contract;
 - ii) That the work done or service rendered has been satisfactorily carried out and that, where applicable, the materials used were of the required standard;
 - iii) That the account is arithmetically accurate.

h) Authority to approve procurement of goods and services shall be limited as follows:-

- a) Principal/Director (SWA) - up to KShs.100, 000.00
- b) VC/DVC -over KShs.100, 000.00

The above ceilings are subject to review from time to time.

6.4 Receiving Procedures

Once procurement procedures are certified and a Local Purchase Order is issued, the supplier (vendor) is required to deliver the goods/services to stores.

The following receiving procedure is followed:-

- a) The delivery is checked against the L.P.O for confirmation that the specifications requested have been adhered to.
- b) If the goods are acceptable in terms of quality, quantity and specifications then the delivery note is signed by an authorized officer in the receiving department.
- c) The goods are then stored in an appropriate place in the store.
- d) A Store Received Note (SRN) is raised by the Stores and is subsequently attached to the invoice and delivery note.
- e) The store personnel shall then certify the invoices for the following aspects:-
 - i) Calculations and cross casts.
 - ii) Vote allocation.
 - iii) Confirmation that the L.P.O tallies with the order received.
 - iv) Head of Department then approves the invoice for Payment.

The procurement process will be considered complete once the supplier has been paid.

6.5 Issuing Procedures

Each department will be required to file with the procurement department its procurement plans. The procurement department using the approved procurement method will make necessary orders based on each particular procurement plan and request.

Whenever a department requires any goods or services the following procedure will be followed:-

- a) The department will raise an Internal Requisition Note detailing the goods being requested, quality, quantity and other specifications.
- b) The Internal Requisition Note will require the following approvals before submission to the procurement office:-
 - i. Approval by the Head of Department or Unit requesting for goods;
 - ii. In cases of donor funded projects approval by the head of the research (Project Leader);
 - iii. Confirmation from the Finance Department that funds are available from the vote to be debited or from the Grants Section in case of donor funded projects;
 - iv. The Internal Requisition will then be sent to Audit for pre-auditing, for the time being;

6.6 Stocks and Stores Accounts

The Procurement Department shall be responsible for proper accounting of stocks and stores. Departmental stores should requisition for items required by the departments. The following stores procedures shall apply:-

- a) All requisitions for stores shall be on the prescribed Internal Requisition and Issue Notes,
- b) All departments shall be answerable to Procurement Department for the custody and proper accounting of stocks and stores under their charge and shall implement all stores procedures,
- c) The stores shall maintain adequate records for stock control such as Stock Control Ledger and bin cards,
- d) All goods shall be inspected by the inspection and acceptance Committee to determine compliance with quality and quantity specifications,
- e) A delivery note signed by the storekeeper or any other authorized officer receiving goods shall accompany any invoice submitted for payment. The delivery note shall be signed at the time of delivery of goods,

- f) A Stores Issue Note shall accompany all goods from the store,
- g) All receipts and issues of stores must be recorded in the Stores/Ledger/Bin Cards immediately after each transaction takes place,
- h) There shall be regular stock counts by the Storekeeper. Any discrepancies between the physical stock and the bin cards shall be investigated for appropriate action,
- i) There shall be an annual stock-taking at the end of every financial year; the result shall be incorporated in the statutory financial statements. An independent officer together with the Internal Auditor shall attend and participate in the annual stock-taking.

6.7 Other Rules to Note on Public Procurement Rules and Regulations

- a) Public Procurement records must be kept for a period of at least 6 years from the date any procurement proceedings have been concluded.

CHAPTER 7

INCOME

7.0 Introduction

The main source of income for the University of Nairobi is Capitation Grant from the Kenya Government. Other sources of income include:-

- a) Tuition fees and other charges.
- b) Accommodation and catering levies.
- c) Investments and Disposals
- d) Income generating Activities.
- e) Research and Endowment Funds.
- f) Rental income.
- g) Donations.
- h) Other charges as may be determined by the University from time to time.

All income received must be receipted on the official University of Nairobi receipts.

7.1 Revenue Collections

- a) All revenue received shall be banked intact and promptly.
- b) Tuition and other fees shall only be received in form of direct bank deposits, banker's Cheques or through Electronic Transfers.
- c) Revenue collection in the form of cash shall be discouraged except in circumstances where collection in this form is inevitable.
- d) Payments out of cash collection are strictly prohibited.
- e) Encashment of personal Cheques shall not be allowed.
- f) The receiving cashier shall at all times issue a receipt.
- g) There will be daily checks by section heads on all receipts in use by cashiers.
- h) There shall be a register for all official receipts maintained by Audit Department.
- i) Regular checks shall be carried out by auditors on all receipts in use by cashiers.

- j) Where manual receipts are issued the receiving cashier shall at all times maintain only one receipt book which must be surrendered before obtaining another one. Same as the cases of manual system, electronic receipts shall be accounted for.
- k) There shall be daily checks by supervisors on all revenue collected by cashiers and through direct banking.
- l) Internal Audit shall carry out regular checks on all aspects of revenue collection.
- m) The unit accountant shall regularly check the receipts registers and cash books as to the accuracy of posting and banking on a daily basis. Any shortages or surplus shall be investigated and necessary action taken.
- n) An up-to-date cash book shall be maintained at all times.
- o) Where revenue is received through direct banking, it shall be the duty of receiving officer to ensure the banking slip is genuine before issuing the receipt.
- p) Where revenue is received through direct credits to the bank, electronic funds transfer or mobile money transfer, the receiving officer shall ensure that:-
 - i. The bank statements are checked daily for such credits.
 - ii. The statement issued by the mobile service provider is downloaded regularly or as need be.
 - iii. The remitter is identified and the receipt is acknowledged.
 - iv. The correct beneficiary is identified and official records updated.

7.2 Safes and Cash Boxes

- a) All cash, including Cheques, shall be kept in cash boxes or safes depending on the value and risk.
- b) The strong room shall have at least two different locks, which shall be kept by different officers.

7.3 Loss of Accountable Documents

Any loss of accountable documents shall be reported immediately to the Chief Security Officer, Finance Officer or the Chief Internal Auditor and, if need be, especially where there is loss of money, to the police. The investigations will be carried out by the Police, Internal Security and Internal Audit departments or any combination thereof as may be deemed appropriate

7.4 Cash Handling Precautions

Security precautions shall be exercised over all cash in transits. Depending on the value and perceived risk the supervisor of the unit may contract the services of an authorized and insured cash carrying firm.

There shall be in force insurance cover for:-

- a) Group Personal Accident Cover** - This policy provides cover for University of Nairobi employees (Insured) on a 24 hour basis who might sustain body injury caused by violent, accidental, external and visible means resulting directly and independently to death, permanent disability or temporary disability.
- b) Fidelity Guarantee** - Under this policy, the underwriter indemnifies the University for Loss of money or cash equivalent belonging to the University of Nairobi which might arise following any act of fraud or dishonesty committed by employees directly involved in handling of cash or cash equivalent with regard to Cash in custody and Cash in transit.

7.5 Debtors Control

There shall be a debtor's control function in each finance office. The Senior Accountant, Bursar or Accountant (including SMUs) shall ensure that an up to date debtor's ledger is maintained and regularly reconciled.

7.6 Credit Control

There shall be a credit control function within each finance office for effective debt management. The credit control function shall ensure prompt recovery of all University debts. Any unrecoverable debts shall be referred to the legal office for effecting the process of litigation, if considered feasible.

7.7 Cash Survey

There shall be cash survey in every cash office, including petty cash, as at 30th June every year, which shall be reconciled with the cash book balances. The survey shall be conducted by a team of at least two people appointed by the officer in charge of the accounting unit. The cash book balances shall be reconciled with bank balances. Cash and bank balances held by University as at 30th June shall be reflected in the statutory financial statements.

7.8 Blank and Paid Cheques

- a) All blank Cheques shall be kept under lock and key and shall be under the custody of a Senior Accountant in charge of Income Section, College Bursar, Accountant (including SMUs) or any other designated officer.
- b) An up-to-date register indicating all receipts and issues of blank Cheques shall be maintained by the custodian of such Cheques.
- c) Collection of blank Cheques from the bank shall be done by a signatory of the bank account or an agent authorized by the signatories.
- d) All issues of blank Cheques to the data processing centers shall be recorded in the blank Cheques register, and acknowledged by the person collecting them.

7.9 Dishonored Cheques

- a) A register for dishonored Cheques shall be maintained
- b) When a Cheque is dishonored, the cash book shall be credited immediately and other necessary entries effected.
- c) The drawer(s) of dishonored Cheque(s) shall be informed for immediate cash replacement.
- d) Dishonored Cheques shall be referred to the credit control Section for recovery.
- e) Any unrecoverable debts shall be referred to the legal officer for effecting the process of litigation.
- f) All costs, including bank charges, associated with replacement of a dishonored Cheque shall be borne by the drawer.

7.10 Bank Accounts

- a) There shall be a committee for vetting requests for opening new bank accounts which shall make recommendations to the Accounting Officer of the University. This shall apply to the mainstream University, its subsidiaries and projects including Income Generating Units. The committee shall comprise of the Finance Officer, the Chief Internal Auditor, the relevant Head of department/Unit and any other officer(s) appointed by the Vice-Chancellor. Bank accounts shall only be opened with the approval of the Vice-Chancellor.
- b) The signatories of the bank accounts shall be the Vice-Chancellor, The Deputy Vice-Chancellor (A&F), The Registrar Administration, The Finance Officer, and The Deputy Finance Officers, The College Principals and the College Bursars. The Deputy-Vice Chancellor (AA) shall also be a signatory to the SWA accounts. In all cases, the signature of the Finance Officer, Deputy Finance Officer or College Bursar, as the case may be, shall be mandatory (First Signature).
- c) The Finance Officer, Deputy Finance Officer (SWA) and College Bursars shall maintain records of all bank accounts opened in their areas of operation. In all cases the Finance Officer shall have administrative authority over the management of those accounts.
- d) Bank statements and credit/debit advices shall be collected from the bank by an officer other than the cashier on daily basis.
- e) Scrutiny of the entries in the bank statements shall be carried out daily where possible by a Senior Accountant, Accountant (including SMUs) or College Bursar immediately upon receipt of the same and investigations shall be instituted on any suspicious entries
- f) Preparation of bank reconciliations shall be done by Designated Officers and shall be checked by Senior Accountants/College Bursars. The Internal Auditors shall independently check the bank reconciliations.
- g) Bank reconciliations shall be prepared on a monthly basis, and copies shall be distributed to Finance Officer.

h) Bank signatories to University of Nairobi Accounts shall be removed upon exit from service or transfer from the respective Unit.

7.11 Accounting for Income

The Income Section and all sections dealing with collection of revenue shall process Credit Voucher (CV's) showing a summary of each day's collections and ensure they are promptly posted into the accounting system.

7.12 Security Precautions

There shall be at all times adequate security arrangements in respect of University of Nairobi property including cash in hand and in transit. This may, where necessary, include securing the services of Kenya Police to assist the regular internal security personnel.

CHAPTER 8

STUDENTS FINANCE

8.0 Introduction

All students admitted to the University of Nairobi for any Degree, Diploma, Certificate or other award of the University shall pay the University such registration fees, tuition fees, other fees and charges as the council may from time to time determine.

8.1 Collection of Fees

- a) The responsibility for the collection of fees rests with the Finance Officer.
- b) The Finance Officer shall ensure that all fees due is fully paid and accounted for.
- c) The Principals, Deputy Principals, Deans, Directors of Institutes and schools and Chairmen of Departments shall ensure that no student obtains services by attending classes or taking exams when they have not paid. To fulfill this requirement, they are at liberty to mobilize the resources and staff that work under them. It is irregular for any member of staff to teach or offer any other services to any student who has not paid.
- d) The University shall withhold any and all services, examination results, conferment of any degree, certificate or award until all outstanding fees are settled and further reserve the right to institute other legal recovery proceedings against students with outstanding fees and also surcharge an interest at a rate to be determined by Council.
- e) All tuition and other fees payable by or in respect of students shall be paid into respective fees account of the college, SWA and U.H.S. College Bursars shall deal with all students finance matters in their respective colleges.
- f) Fees paid to the wrong College accounts shall be deemed to be within the University Bank accounts and it is the duty of the college bursar

to initiate a transfer on behalf of the student to the correct respective college account.

8.2 Postgraduate Students

The financial records for Post graduate students shall be maintained by the Central Students Finance Section. Postgraduate students are either self-sponsored, sponsored by University of Nairobi or by other sponsors.

a) University of Nairobi Sponsored Postgraduate Students

Any student awarded University of Nairobi scholarship shall upon acceptance of such scholarship be entitled to disbursements of allowances as stipulated in the Scholarship Award Letter, and as per the following conditions:-

- a) First year students shall be paid their stipend on the strength of University of Nairobi scholarship award letters, together with the staff movement advices from the relevant departments.
- b) A student's stipend shall be stopped when a Staff Movement Advice is received from the Department/Board of Postgraduate Studies indicating that the student has not been attending classes.
- c) Students shall be paid book, research or any other allowances which shall be accounted for in accordance with the University advance accounting procedures, and no further advances shall be allowed unless previous ones have been accounted for.
- d) University of Nairobi sponsored students shall be paid second or subsequent year stipend and other allowances on condition:-
 - i) That scholarship has been renewed, and
 - ii) That the student has paid non-tuition items for the second or subsequent year.

b) Privately Sponsored Students

- a) Privately sponsored students shall be required to pay University fees to CESSP.
- b) The Students Finance/Colleges/CESSP shall provide reports on fees collected to the Finance Officer on regular basis and when requested.

- c) Privately sponsored students shall be paid stipend, research and book allowances when:-
 - i) The allowances have been remitted to the University, and
 - ii) The letters of sponsorship clearly specify the entitlements.

The allowances shall be stopped:-

- a) When the department issues a Staff Movement Advice;
- b) When the funds for stipend, research, books or other allowances are fully utilized.

8.3 Undergraduate Students Fees

- a) All undergraduate students shall be required to pay tuition, examination, medical and other fees at their respective College bank account.
- b) When students opt for University accommodation fees shall be paid to SWA halls collection bank account.
- c) The DFO SWA and College Bursars shall prepare monthly returns regarding tuition, accommodation and other fees to the Finance Officer.

8.4 Loans/Bursaries from Higher Education Loans Board

Kenyan students who require financial assistance may apply to the Higher Education Loans Board for consideration.

The following action shall be taken in connection with loans/bursary awards:

- a) The Finance Officer shall receive loans/bursaries awarded to students from Higher Education Loans Board due to the University as fees. HELB shall provide the list of the beneficiaries of the loans/bursaries.
- b) Students awarded Government of Kenya Loans/bursaries shall have their accounts credited with the loan/bursaries amounts.
- c) Monies received from HELB in respect of Privately Sponsored Students shall be transferred to CESSP.

8.5 Constituency Development Fund (CDF) and Other Sponsors

- (a) All remittances from CDF and other sponsors to the University shall be received by the Central Students Finance Office.

- (b) Upon analysis of the beneficiaries the funds shall be transferred to the respective Colleges or CESSP for the credit of the student's accounts.

8.6 Refunds

Monies received from CDFs and other sponsors shall ONLY be refunded on the following conditions as per University of Nairobi policies:-

- (a) That the student has cleared and graduated and the excess fees had originated from the student's own resources.
- (b) Excess fees arising from CDF, HELB and other sponsors are paid back to source.
- (c) Excess fees arising from donations or sponsorship for students may be considered for transfer to the bookshop or SWA to meet legitimate needs of the students.

CHAPTER 9

NON-CURRENT ASSETS AND INSURANCE

9.1 Non-Current Assets Register

A computerized Non-Current Assets Register shall be maintained by the Finance Officer, Deputy Finance Officer (SWA) and College Bursars. Additions to the Non-Current Assets during the year shall include purchased items, donated items and research items and shall be recorded in the register.

Adequate disclosure as to the nature of the assets, the costs, proper description, conditions and date of acquisition shall be indicated in accordance with the University Fixed Asset Management Policy.

For Non-Current Assets disposed off, the related costs and accumulated depreciation shall be dealt with appropriately in the annual accounts and in the Non-Current Assets register.

Each office shall keep and maintain at all times an inventory of all assets therein.

9.3 Identification of Non-Current Assets/Tagging

All items of Non-Current Assets shall be given identification numbers, which shall be marked on them. The computerized register shall be up dated with numbers of new items.

9.4 Custody of Certificates for Non-Current Assets

All title documents in respect of Non-Current Assets of the University shall be kept in safe custody by the designated Officer. An external custodian, being one of the University bankers, may be appointed by Council when the nature of the documents justifies such an appointment.

9.5 Accounting for Non-Current Assets

The Finance Officer shall ensure that a Financial Information Management System is in place to support recording of Non-Current Assets of the University.

9.6 Service Contracts for Non-Current Assets

Certain items of Non-Current Assets require being on annual service contracts. The service contract proposal shall be submitted by the Head of User Departments/Units to the Procurement Manager, Estates Manager as applicable, and thereafter the Chief Legal Officer for legal advice before the contract is executed. The Deputy Vice-Chancellor (A&F) shall sign the contracts.

In case of dispute between the University and the service providers, the University shall seek advice from the Finance Officer and Chief Legal Officer on financial implication of the dispute before litigation commences.

9.7 Capital Work-in-Progress

Uncompleted works in respect of construction shall normally be included in the statutory financial statements as work-in-progress.

- a) Payment process of major ongoing Capital works will be done according to the agreement and conditions of the contract and involves:
 - i) The Contractor submits to the quantity surveyor an application for payment.
 - ii) The Quantity Surveyor verifies the amounts, prepares an interim valuation of work done and materials on site and forwards the same to the architects.
 - iii) The architect issues an interim payment certificate which the contractor presents to the project manager.
 - iv) The project manager checks that the Certificate meets the requirements of the contract and recommends to the Vice Chancellor for approval.

- v) The Vice Chancellor approves payment and is forwarded to the Finance Officer for payment.
- b) For Capital works supervised internally, the payment process is as below:
 - i) The Manager Construction and Maintenance evaluates and certifies the works.
 - ii) The Manager Construction and Maintenance Issue interim certificates.
 - iii) The Manager Construction and Maintenance recommends to the Vice Chancellor for payment.
 - iv) Upon Vice Chancellor's approval the Finance Officer processes payment.
- c) A schedule/statement of work-in-progress as per the professional certificates shall be prepared by the Finance Department at the end of each financial year. This shall cover all the ongoing capital projects.

9.8 Insurance of Assets

It is the University of Nairobi policy to insure its assets inclusive of motor vehicles, buildings, equipment and cash in transit. All insurance covers shall be awarded through the University of Nairobi tender system.

There are various types of Insurance Covers;

a) Motor Vehicle Insurance

All University of Nairobi motor vehicles shall have comprehensive insurance covers. In all cases the insurance cover shall be renewed promptly on expiry.

b) Group Personal Accident Cover

There shall be an insurance cover for all University employees. The methods and rates of compensation applied shall be as per the insurance policy.

c) Other Insurance Covers shall include:-

- i) Fidelity Guarantee,
- ii) Money Policy,
- iii) Cash in transit,

- iv) Public Liability,
- v) Fire and Perils,
- vi) Burglary,
- vii) Employers Liability (common Law Policy),
- viii) Plate Glass Policy, and
- ix) Any other policy that the University may approve.

9.8 Management of Insurance Policies

The Senior Accountant, Capital Section, shall be responsible for:-

- a) Proper maintenance of insurance records,
- b) Custody of insurance policies and other insurance documents,
- c) Evaluation of insurance requirements and submission of the same to the secretary of the tender committee,
- d) Processing and remittance of insurance premiums as per policy, and
- e) Follow-up of outstanding insurance claims.

9.9 Insurance Claims

Where a loss occurs which is likely to lead to an insurance claim, the user department or member of staff shall promptly report to the Senior Accountant, Capital Section. The Senior Accountant shall promptly report the loss to the insurance company within 48 hours from the day an accident is reported.

CHAPTER 10

LOSSES, WRITE OFFS AND DISPOSALS

10.0 Losses

Losses refer to:-

- a) Loss of finances, e.g. cash, Cheques, government securities, investment certificates and precious metals such as gold;
- b) Loss of other assets such as equipment (e.g. computers, typewriters, furniture and fittings);
- c) Theft of stores and other items;
- d) Loss of vehicles, plant and machinery due to theft;
- e) Damage to movable and immovable property excluding normal wear and tear;
- f) Loss of monies due to non-collection;
- g) Payments and compensations to third parties arising from vehicle and other accidents, litigation claims, professional fees and fines to the extent that these are not recoverable from the insurers or other third parties.
- h) Unauthorized use of stores, vehicles, buildings, equipment or other property;
- i) All other losses including those due to rapid obsolescence of equipment and inventories;
- j) Payments made or liabilities incurred without or in excess of any statutory, administrative, or any other authority, and similar payments arising from incorrect certificates, and irregular or excess issues of stores or rations.

10.1 Reporting of Losses

In the event a loss is discovered, a report shall be made to the Head of Department. The head of department shall report to the Deputy Vice-Chancellor (A&F) or the respective College Principal as appropriate with copies to the Finance Officer, Chief Internal Auditor and the Director, Security and Safety Services.

In all cases an investigation will be instituted by the relevant investigating body, e.g. Internal Audit, and the Security Section where necessary.

10.2 Write Offs

Write-offs refer to approval to charge losses to the respective expenditure votes. The write-offs shall be incorporated in the financial statements. No write-offs shall be made except with the approval of the University Council.

10.3 Disposal

Disposal means the divestiture of public assets, including intellectual and proprietary rights and goodwill and other rights of the University by any means including sale, rental, lease, franchise, auction or any combination however classified, other than those regulated by any other written law.

- a) Disposal also refers to the sale or discarding of obsolete, damaged or otherwise unserviceable items which are no longer required by the University.
- b) Disposal of Assets shall be done in accordance to the Public Procurement and Asset Disposal Act, 2015.
- c) Departments shall identify assets belonging to this category and seek authority from Deputy Vice-Chancellor (A&F) for disposal. Where authority is granted, the Deputy Vice-Chancellor (A&F) shall constitute a disposal committee which shall include external experts where necessary, a representative from the user-department, Internal Audit and Finance Department.
- d) For consumables or perishable items, the Chairman/Head of Department in consultation with finance and audit, shall decide the most appropriate disposal action. Technical personnel may be invited where necessary.
- e) All immovable property of the University shall not be sold or otherwise disposed of without the authority of the University Council.

10.4 Disposal of Accountable Documents

Accounting records and other accountable documents shall NOT be disposed off before expiry of six years from the date of issue or such other longer period as the University may deem fit. However, soft copies may be retained for as long as technology allows.

10.5 Digitization of Accountable Documents

All Accountable records, including the historical ones, be digitized and backed up.

CHAPTER 11

INVESTMENT OF FUNDS

11.0 Introduction

The University may invest funds not required for immediate use and any other funds prescribed to be for investments. The Universities Act 2012, Section 49 (1) and (2), provides:-

- a) “A public university may invest any of its funds in securities in which for the time being trustees may by law invest in trust funds, or in any other securities which the Treasury, or any other authorized body, may from time to time approve for that purpose.
- b) A public university may, subject to the approval of the Treasury or any other authorized body, place on deposit with such bank or banks as the public university may determine, any monies not immediately required for the purposes of the university.”

11.1 Investment Committees

There shall be investment committees constituted by the Finance Officer or his representatives to develop and determine policy and operational guidelines with respect to investments for execution by the Central Finance, S.W.A, Colleges and subsidiary companies.

11.2 Investment Options

The committees shall from time to time establish the cash flow needs and determine when there are investable funds. In making this determination the committees shall ensure that the University does not hold substantial idle cash resources. Whenever such funds are available for investment the University may consider viable investment options from among the following:-

- a) Financial institutions;
- b) Government securities;
- c) Public quoted companies
- d) Commercial enterprises.

- e) Public- Private Partnership.
- f) Public-Public Partnership.

11.3 Factors to be considered before Investment is placed

- a) Government policy and regulations on public investments.
- b) Stability of the institutions to be invested in.
- c) University's past experience with the institutions.
- d) Best rates of interest prevailing in the market.
- e) The amount of the surplus being invested.
- f) Accessibility to the funds, when required.

11.4 Accounting for Investments

The accounting personnel in charge of investment in Central, S.W.A, colleges and subsidiary companies shall establish a framework for accounting for investment in order to ensure that:-

- a) Every investment shall have its own file;
- b) An up-to-date investment register shall be maintained;
- c) The investment certificates shall be kept in safe custody;
- d) Regular follow up of investments shall be done so as to re-invest or recall the investment when due, and
- e) Proper accounts shall be maintained for the investments.

CHAPTER 12

COLLEGE FINANCIAL SET-UP

12.0 Introduction

The University of Nairobi has the following Colleges:-

1. College of Agriculture and Veterinary Sciences
2. College of Architecture and Engineering
3. College of Biological and Physical Sciences
4. College of Education and External Studies
5. College of Health Sciences
6. College of Humanities and Social Sciences

Each College is headed by a College Principal who is the academic and administrative head, and who, under the general authority of the Vice-Chancellor, has such powers and duties as provided by the statutes.

The Colleges have both finance and audit functions which provide professional guidance on financial matters.

12.1 College Finance Section

This Section shall have the responsibility of formulating and implementing sound financial controls for the College. It shall ensure effective and efficient management of College financial resources. The College Bursar shall be the head of the College accounting function and shall be answerable to the Finance Officer (professionally) and to the Principal (administratively). He shall be assisted by other Finance personnel.

12.2 Duties of College Bursar

The College Bursar shall:-

- a) Maintain adequate Financial Information Management Systems embracing the whole of the financial operations of the College.
- b) Exercise supervision and control of the accounting systems in the Departments, Schools, Institutes and Faculties;
- c) Implement effective financial and procurement control systems.

- d) Prepare detailed monthly reports which should include all income, all investments, all debtors, all creditors and bank balances. These reports shall also cover all IGU operations;
- e) Ensure that all income and expenditure relating to income generating activities of the College are operated in accordance with approved policies and regulations.
- f) Provide professional advice on financial matters to the College Administration and departments;
- g) Prepare the College Annual Estimates in conjunction with the College Principal and Chairmen/Heads of Departments and submit these estimates to the Central Administration within the deadlines laid down from time to time;
- h) Maintain a budgetary control system within the College using the University UMIS platform. This shall also apply to all income generating Units (IGUs).The Bursar shall ensure that no expenditure for which there is no provision in the approved estimates is incurred without authority.
- i) The Bursar shall prepare and ensure approval of the College annual budget by the college management board and subsequent submission to the Finance Officer.

With respect to revenue, expenditure and bank accounts, in addition to provisions of chapter 4,6 and 7 of this financial regulation, the Bursar shall be responsible for ensuring the following:-

a) Revenue

The College Bursar shall in conjunction with the College management ensure that;

- i) The financial organization and accounting records necessary to ensure the proper recording of all sums due to the college in accordance with Chapter.7 of these Regulations.
- ii) Collection, control and proper accounting for all cash including fees in all departments and income generating units of the college.

- iii) All monies received on behalf of the College by the cashier or other authorized employee of the University is immediately receipted.
- iv) Appropriate steps to collect sums due to the College are taken and regular reports/debtors statements submitted to the Finance Officer.
- v) An up-to-date debtor's ledger is maintained.
- vi) All monies received in the college are banked promptly; Independent and effective checks of cash balances in the hands of the cashier(s) are conducted.
- vii) A cash and Cheques register for recording all remittances received by the College is maintained.

b) Expenditure

The College Bursar shall in conjunction with the College management ensure that;

- i) All payments processed through the cash books are genuine in all respects and are duly approved for payment by the authorized officer such as the Principal, Dean, College Registrars, Chairman of Department, Director of Institute/School or senior member of staff in charge of a research grant. In addition to provisions of chapter 4 in these financial regulations, the following shall apply in relation to the colleges:-

The duties of the College Cashier include:-

- a) Up-dating the Cash Book daily,
- b) Maintaining and dispatching Cheques promptly,
- c) Closing the imprest cash book and preparing reimbursement claims fully supported,
- d) Paying fully processed and pre-audited vouchers,
- e) Maintaining a dishonored Cheques register,
- f) Collecting cash, receipting and promptly banking of all income, and
- g) Any other duty as may be assigned by the College Bursar.

c) Bank Accounts

- i) College bank accounts including the accounts of Income Generating Units are operated properly within University policies and regulations.
- ii) The bank account signatories shall be the Vice Chancellor, Deputy Vice Chancellor (A&F), College Principal, the Finance Officer, the College Bursar and the Registrar Administration. In all cases the mandatory signatory shall be that of the Finance Officer or the Bursar.
- iii) Bank reconciliation statements, duly supported with bank statements, are prepared and audited monthly.

The reports shall be issued to the Principal and copies distributed to the following:-

- a) Deputy Vice-Chancellor (A&F);
- b) Finance Officer;
- c) Chief Internal Auditor.

12.3 College Internal Audit

The Internal Audit Office at the College is responsible for reviewing internal control systems established by the University in order to examine, evaluate and report on the accounting and other controls regarding the operations of the college, faculties, departments, schools and income generating units.

12.4 Duties of College Internal Auditor

In addition to the provisions of Chapter 2 of these Financial Regulations the duties of the college Internal Auditors shall include:-

- a) Auditing all revenue collections in the College and ensuring that the accounting and banking responsibilities thereon are appropriately implemented;
- b) Auditing all procurement documents and payment vouchers, ensuring that University policies guidelines are complied with.
- c) Auditing bank reconciliation statements and other management reports Emanating from the College before they are released;

- d) Issuance and control of accountable documents e.g. receipt of books, L.P.O's and Stores Requisition Notes;
- e) Undertaking special investigations as well as risk assessment operations of the systems on behalf of the University Management;
- f) Auditing stores and ensuring that stores accounting and control measures are operational in departments, faculties and schools in the college;
- g) Instituting surprise checks over all cashiers undertaking payments and revenue collection in the college;
- h) Participating in end of year board of Survey and stock taking in conjunction with College Bursar, Registrar and the external auditors;
- i) Regular financial appraisal of IGU's to determine their cost effectiveness.

CHAPTER 13

STUDENTS WELFARE AUTHORITY (SWA)

13.0 Introduction

Student Welfare Authority (SWA) was established under the University of Nairobi Statutes to ensure supervision and maintenance of accommodation, boarding and catering amenities and make them available to students on such terms as the council may determine from time to time.

The Authority is managed by Students Affairs Management Board whose chairman is the Deputy Vice-Chancellor (SA). The board is assisted by the SWA Management Committee whose Chairman is the Director. The committee comprises of the Director, Deputy Director, Deputy Finance Officer, and SMU Managers.

The Authority operates a semi-autonomous specialized system due to its unique needs for provision of catering and accommodation services.

13.1 Sources of Funds

The sources of funds for SWA are accommodation and catering levies for both internal and external functions plus other miscellaneous income.

13.2 Management of Bank Accounts

The signatories of SWA bank accounts are the Vice Chancellor, Deputy Vice Chancellor (A&F), Deputy Vice Chancellor (SA), Finance Officer, Director (SWA) and Deputy Finance Officer (SWA). In all cases, the signature of Finance Officer/Deputy Finance Officer (SWA) shall be mandatory (first Signature).

13.3 SWA Finance Department

The Department is charged with the responsibility of designing and implementing sound accounting and financial systems in accordance with University policies and regulations. The accounting functions are decentralized to the Strategic Management Unit accountant answerable to the Deputy Finance Officer.

13.4 Duties of the Deputy Finance Officer (SWA)

The Deputy Finance Officer (SWA) is the head of the SWA Finance Department and is charged with the following responsibilities:-

- a) Maintenance of effective financial controls over all SWA finances;
- b) Ensuring that all revenue accruing within the SWA System is effectively and efficiently accounted for;
- c) Ensuring that all cash collected in all SWA units is banked promptly and intact;
- d) Maintaining proper books of accounts inclusive of records relating to income, expenditure and investments;
- e) Preparation of annual estimates and budgetary control systems relating to SWA funds;
- f) Providing professional guidance on financial matters to SWA Management including Strategic management Units (SMU's);
- g) Preparation and submission of monthly management reports to Director (SWA) with copies to the Finance officer;
- h) Ensuring that all payments processed through the cash books are genuine in all respects and are duly approved by the authorized officer such as the Director or SMU Manager;
- i) Management and supervision of accounting staff in SWA head office and in the SMU's, and
- j) Ensuring that all income and expenditure relating to Income Generating Activities of SWA (incorporating SMU's) are operated in accordance with approved policies and regulations.

13.5 Income

In addition to the provision in chapter 6 of these financial regulations the following additional regulations apply to SWA:-

- a) Accommodation fee shall be paid to SWA central collection account. 70% of the collection shall be transferred to SMUs whereas 30% shall be retained by SWA headquarters.

- b) Excess accommodation fees paid is NOT refundable in any academic year to Continuing students. It is refundable only upon clearance and after graduation.
- c) Disbursement to SMU's shall be made not later than seven (7) days upon receipt of request.
- d) For proper cash flow management, accommodation fees paid to the Central Halls collection account shall be disbursed at reasonable intervals to the SMU's throughout the academic year.

13.6 Expenditure

In addition to the provisions in chapter 4 of these financial regulations, the following additional regulations shall apply to SWA:-

- a) Where payment is in respect of food stuff, only invoices issued for goods delivered within the month shall be honored and the L.P.O deemed as fully executed. No further delivery shall be accepted on the same LPO.
- b) Rent receivable from tuck shops leased to qualifying students shall be charged to the respective student accommodation account during the period of the academic year in advance. The account will be credited progressively with any subsequent payments or approved credits.

13.7 SWA Internal Audit Section

The SWA Internal Audit Section is responsible for reviewing internal control systems established by SWA management in order to examine, evaluate and report on the accounting and other controls regarding its Operations. In reviewing internal controls, the main objective is to determine whether existing internal controls are well designed and effectively operational and, if not, advise SWA management on their weaknesses.

The Internal Audit functions shall be as provided for in College Internal Audit operations.

CHAPTER 14

SUBSIDIARY COMPANIES

The University of Nairobi may incorporate subsidiary companies. The University shall exercise control over partially or wholly owned companies in pursuance of its objectives to ensure preservation and enhancement of its investments.

As separate legal entities, these companies shall draw their mandates from the companies Act, and their memoranda and articles of association, in pursuance of the objectives for which they are set by the University. Subsidiary companies shall be run by boards of directors appointed by the university Council. Financial Regulations applicable to subsidiary companies shall be in compliance with the University Financial Regulations.

Revenues, income, fees, accruals and all other receivables accruing to the subsidiary companies shall be subjected to the procedures outlined in Chapter 7 of these Financial Regulations.

All expenditure incurred by the subsidiary companies shall be controlled and accounted for in accordance with Chapter 4 of these regulations.

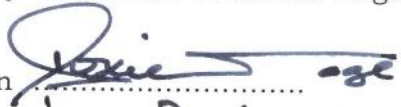




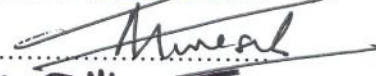

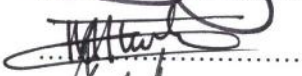




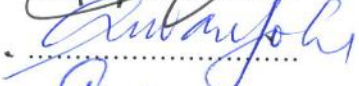

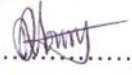
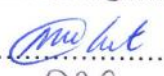
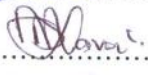
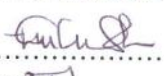


The acquisition, management and disposal of all assets of the subsidiary companies shall be in accordance with the Public Procurement and Asset Disposal Act, 2015 and any other law and University regulations for the time being in operation.

Review Monitoring and evaluation.

The regulations shall be reviewed, monitored and evaluated from time to time and in any event within two years as circumstances may require.

MEMBERSHIP

The following were the members of University of Nairobi Financial Regulations Committee:

- | | | | |
|-----|------------------------|-----------|--|
| 1. | Prof. Isaac Kibwage | -Chairman |  |
| 2. | Mr. Peter Busienei | -Member |  |
| 3. | Prof. Julius Ogeng'o | -Member |  |
| 4. | Mr. John Kenduiwo | -Member |  |
| 5. | Dr. D. M. Bulinda | -Member |  |
| 6. | Mr. Tim Mweseli | -Member |  |
| 7. | Mr. Joseph Mokaya | -Member |  |
| 8. | Mr. Tracisio Thuita | -Member |  |
| 9. | Arch. Jarret Odwallo | -Member |  |
| 10. | Ms. Anna Muriungi | -Member |  |
| 11. | Mr. Patrick Agutu | -Member |  |
| 12. | Mr. Peter Ngari | -Member |  |
| 13. | Mr. Alfred Mukuria | -Member |  |
| 14. | Mr. David Chege | -Member |  |
| 15. | Ms. Jenifer Mburu | -Member |  |
| 16. | Mr. Kenneth Gitau | -Member |  |
| 17. | Mrs. Damaris Kavoi | -Member |  |
| 18. | Ms. Elizabeth Gachithi | -Member |  |
| 19. | Mr. Peter Wekesa | -Member |  |
| 20. | Ms. Esther Ndung'u | -Member |  |

Appendix 1: Revised AIE document.

UNIVERSITY OF NAIROBI
AUTHORITY TO INCUR EXPENDITURE (AIE)
 SERIAL No.

PART A: (To be filled by applicant / User department)

Please authorize expenditure of Kshs.....For the following purpose.....

Name of applicant.....

Personnel / Pay Roll No. Designation

Signature Department Date

PART B: (To be recommended by User department)

This expenditure is necessary and I confirm that it is within the planned, approved and budgeted activities of the Department within the financial yearVote No.....

Amount (Ksh.)

..... Date

Head of Department

PART C: To be completed by Finance Officer / (Budgetary Control Section / Bursar)

vote	budgetary allocation	expenditure to date	proposed exp.	balance

The expenditure is within / outside the Budget and Procurement Plan.

NameSignature Date.....

D.F.O. (E)/ Bursar / Budgetary Control

Approved / Not approved Date.....

VC/DVC/Principal/Dean/Director (SWA)/Chairman

Remarks (If any)

.....

NB: (I) Approval levels

- Chairman of Department -upto Kshs.50,000.00
- Principal / Director (SWA) -upto Kshs.100,000.00
- VC/DVC over Kshs.100,000.00

(II) It is important to observe the rule of 1/12, i.e. the budgeted amount is allocated for twelve months in the year.