

## MOI UNIVERSITY

### MINUTES OF THE SPECIAL MEETING OF THE AUDIT, RISK AND COMPLIANCE COMMITTEE HELD ON THURSDAY, 14<sup>TH</sup> DECEMBER 2017 AT 2.00 P.M. IN THE BOARDROOM, NAIROBI CAMPUS.

#### PRESENT

1. Ms. Elizabeth Obel Lawson - Chairperson
2. CPA Anne Hilda Muchunku - Member
3. CPA Isabella Kogei - Member, Rep.PS. National Treasury

#### IN ATTENDANCE

1. Mr. John Kisegu - Rep. Inspectorate, State Corporations
2. CPA Margaret K. Gimaiyo - Ag. Chief Internal Auditor – Secretary
3. Mr. Paul Ngeny - Ag. Senior Internal Auditor
4. CPA Robert K. Kiptiony - Internal Auditor
5. Prof. Daniel Tarus - Ag. DVC, Finance
6. CPA George Aduda - Ag. Finance Officer

#### APOLOGY

1. Mr. Samwel Joseph Otieno - Member, Rep.PS. State Department of University Education

#### 1.0 PRAYER

The meeting started at 3.00 p.m. with an opening prayer from Ms. Lawson

#### 2.0 QUORUM AND APOLOGIES

**CONFIRMED:** That there was quorum and apology received from Mr. Otieno.

#### 3.0 ADOPTION OF THE AGENDA FOR THE MEETING

##### TABLED:

The proposed agenda for the meeting:

- a. Prayer;
- b. Quorum and apologies;
- c. Declaration of interest;
- d. Chairperson's remarks;
- e. Confirmation of minutes of the 40<sup>th</sup> meeting held on 11<sup>th</sup> December 2017;
- f. Internal audit report on ACE II PTRE World Bank Project;
- g. Status of the KPMG Action plan
- h. Any other Business.

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| 1. Ms. Elizabeth Obel Lawson | - Chairperson                       |
| 2. CPA Anne Hilda Muchunku   | - Member                            |
| 3. CPA Isabella Kogei        | - Member, Rep.PS. National Treasury |

#### **IN ATTENDANCE**

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| 2. CPA Margaret K. Gimaiyo | - Ag. Chief Internal Auditor – Secretary |
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| 4. CPA Robert K. Kiptiony  | - Internal Auditor                       |
| 5. Prof. Daniel Tarus      | - Ag. DVC, Finance                       |
| 6. CPA George Aduda        | - Ag. Finance Officer                    |

#### **APOLOGY**

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**ADOPTED WITH CORRECTION:  
CORRECTION:**

Two items in the agenda, that is, Confirmation of minutes of the 40<sup>th</sup> meeting held on 11<sup>th</sup> December 2017 and Any other Business be removed from the agenda.

**NOTED:** Confirmation of minutes of the 40<sup>th</sup> meeting held on 11<sup>th</sup> December 2017 is done in a regular meeting of the committee while item on Any other Business is not discussed in a special meeting

The Committee adopted the proposed agenda for the meeting after it was proposed by CPA Kogei and seconded by CPA Muchunku.

**4.0 DECLARATION OF INTEREST**

**MIN. 09/12/17**

**DECLARED:** Interest on any matter in the agenda.

**NOTED:** There was no conflict of interest registered.

**5.0 CHAIRPERSON'S REMARKS**

**MIN. 10/12/17**

**REMARKS:** Welcomed members to the meeting and noted that the Ag. Deputy Vice Chancellor, Finance and the Ag. Finance Officer were in attendance on invitation.

**MIN. 11/12/17**

**6.0 INTERNAL AUDIT REPORT ON AFRICA CENTER OF EXCELLENCE IN PHYTOCHEMICALS, TEXTILE AND RENEWABLE ENERGY (ACE II PTRE)**

**NOTED:**

- (i) That World Bank required Internal Audit Unit to undertake a quarterly audit on the financial/procurement operations of the project.
- (ii) The report will form part of the quarterly report to the Bank by the Project Centre leader.
- (iii) The Committee is to receive and deliberate on the audit of the project with the responses from the Centre leader as part of the reporting requirements of the World Bank.

**DISCUSSED:**

The Committee has reviewed the Internal Audit Report together with the Centre Leader responses and made the following observations:

**6.1 Project Bank Account;**

**NOTED:** The Account has been opened in accordance with the requirements of the World Bank and University financial procedures, and further the signatories also comply since one category comprises of project's management and the second, the staff accounting for the project's funds.

**6.2 Statement of Sources and Uses of Funds;**

**NOTED:** The Statement of Sources and Uses of Funds for the period ending November 2017 was audited by Internal Audit. Revenue received and expenditure incurred was verified to the bank statement and payment vouchers for the period.



**RECOMMENDED:** that the Project accountant should review the requirements of IPSAS on operational and reporting currency.

**6.3 Statement of Uses of Funds;**

**NOTED:** Statement of Uses of Funds was prepared as per the project implementation plan and each expense was vouched to relevant source documents.

**6.4 List of Non-Current Assets procured to date using projects funds;**

**NOTED:** Assets were physically confirmed and vouched to the goods received notes GRNs, Invoices, Local purchase orders.

**RESOLVED:** Project Accountant should conclude the posting of all fixed assets to the Fixed Assets Register in the FMIS before 22nd December 2017.

**6.5 Cash Book and Bank Reconciliation;**

**NOTED:** Revenues received and expenditures incurred for the period had been correctly posted in the cash book.

**6.6 PROCUREMENT AUDIT: Purchase of a vehicle for ACE II Project;**

- NOTED:**
- (i) Procurement method used was tender process adopted from the Contract Agreement between Ministry of Transport, Infrastructure, Housing and Urban Development and M/S Toyota Kenya Ltd for Supply of Pick-ups (Diesel Propelled)-Tender No. SB/4/2016-2017 for Ksh. 7,541,000.
  - (ii) The Centre team negotiated the amounts downwards to Ksh. 7,400,000.

**RESOLVED:**

The Centre should in future consider other methods of procurement in order to get value for money such as direct procurement method where applicable

**6.7 PROCUREMENT AUDIT: Record keeping and documentation;**

**NOTED:** Procurement records are kept in the Procurement unit and are not easily retrievable and Local Purchase Orders are not filed in sequence.

**RESOLVED:** Procurement records relating to ACE II PTRE should be transferred to the Project's procurement office by 22<sup>nd</sup> December 2017, for ease of retrieval.

**6.8 PROCUREMENT AUDIT: Procurement using Request For Quotations method;**

**NOTED:** A quotation for procurement, Quotation number Q/AIR/ACEII/2017-18/03 was sent to four bidders and only one bidder responded and was awarded.

**REPORTED:** bidders were reluctant to provide their quotations because of liquidity problems within the University.

**RESOLVED:**

- (i) The University should pursue entering into Memorandum of Understanding (MOU) with Airlines as this will enable the University to obtain tickets at reasonably low fares.
- (ii) Management to report back on the progress in the next meeting of the committee.

**6.9 PROCUREMENT AUDIT: Procurement plan in place, and is being followed.**

**NOTED:** An established procurement plan has been developed and procurement of goods, works and services are within the approved budget.

**7.0 STATUS OF THE KPMG ACTION PLAN**

**MIN. 12/12/17**

**NOTED:** The Audit, Risk and Compliance Committee noted that the World Bank requires the committee to review the status of the KPMG Action Plan report and make deliberations on its implementation.

**COMMITTEE'S RESOLUTION**

Management to prepare a comprehensive action plan which should include all the KPMG audit findings reported and resubmit a status report in the next meeting of the Audit, Risk and Compliance Committee.

**8.0 ADJOURNMENT:**

**MIN. 13/12/17**

There no being other business, the Chairperson thanked all members for attending. The meeting adjourned at 5.00 p.m. with a word of prayer from Mr. Ngeny.

**MIN. 14/12/17**

APPROVED FOR CIRCULATION.....*etabel*..... DATE...15-12-17  
CHAIRPERSON

CONFIRMED AT THE NEXT MEETING.....DATE.....  
CHAIRPERSON