



MOI UNIVERSITY

An ISO 9001 – 2008 Certified Institution

MINUTES OF THE 43RD MEETING OF THE AUDIT, RISK AND COMPLIANCE COMMITTEE HELD ON THURSDAY, 9TH AUGUST 2018 AT 9.40 A.M. IN THE BOARD ROOM, NAIROBI CAMPUS

PRESENT

- | | |
|-----------------------------|--|
| 1. CPA Anne Hilda Muchunku | - Chairperson |
| 2. Ms Elizabeth Obel Lawson | - Member |
| 3. Mr Joseph Muchiri | - Member, Rep.PS. State Department of University Education |

IN ATTENDANCE

- | | |
|----------------------------|--|
| 1. Mr John Kisegu | - Rep. Inspectorate, State Corporations |
| 2. CPA Margaret K. Gimaiyo | - Ag. Chief Internal Auditor – Secretary |
| 3. Mr Paul Ngeny | - Senior Internal Auditor |
| 4. CPA Robert K. Kiptiony | - Internal Auditor |

APOLOGY

- | | |
|--------------------|--------------------------------------|
| CPA Isabella Kogei | - Member, Rep. PS. National Treasury |
|--------------------|--------------------------------------|

1.0 PRELIMINARIES AND PRAYER

The Chairperson called the meeting to order at 9.50 a.m. and introduced the Member, Rep. PS. State Department of University Education, Mr Muchiri, followed by a round of introductions from the other Committee members and the Secretariat. Opening prayer was offered by Mr Ngeny.

2.0 QUORUM AND APOLOGIES

CONFIRMED: That there was quorum.

3.0 ADOPTION OF THE AGENDA FOR THE MEETING

TABLED:

The proposed agenda for the meeting:

- a. Prayer;
- b. Quorum and apologies;
- c. Adoption of the Agenda;
- d. Declaration of interest;
- e. Chairperson's remarks;
- f. Confirmation of minutes of the 42nd meeting held on Friday, 4th May and minutes of the special meeting/study mission held on 20th, 21st, 22nd, 28th, and 29th June, 2018;
- g. Matters arising and resolutions of the Committee;
- h. Report of the Income Generating Units (IGUs) Study Mission;
- i. Internal Audit Reports on ACE II-PTRE -2017/2018 Financial Year;
- j. Summary of Internal Audit Reports- 2017/2018 Financial Year;

RESOLVED: Senate should consider other venues and avoid the use of the Students Center plaza. Invigilators should be required to take their tasks seriously.

- iii. The Committee members' allowances were paid by cheques. The Committee had resolved that mechanisms be put in place to pay their allowances by direct deposits to their accounts once Council Secretariat has confirmed attendance.

RESOLVED: Management should consider paying allowances through Electronic Funds Transfer/Real Time Gross Settlement unless it is not possible.

- iv. The next possible study mission areas include Nairobi Campus Car Park, Academic classes/venues, observation of examinations/invigilation management, Finance and Procurement departments.

The Committee had agreed to conduct quarterly study missions on other activities/operations of the University.

RESOLVED: The Secretariat is tasked to identify the next study mission area and organize for it.

MIN. 38/08/18

8.0 REPORT OF THE INCOME GENERATING UNITS (IGUs) STUDY MISSION

TABLED: Report of the Audit, Risk and Compliance Committee's study mission of Income Generating Units in Main, Kitale, Eldoret West and Odera Akang'o Campuses to Council.

RESOLVED: The Secretariat should update the report with the Committee's deliberations/additions before being tabled in the next meeting of Council to be held on the 17th August, 2018.

ADOPTED: The Committee adopted the Report for onward submission to Council for adoption after being proposed by Ms Lawson and seconded by Mr. Kisegu.

MIN. 39/08/18

9.0 INTERNAL AUDIT REPORTS ON ACE II-PTRE (WORLD BANK PROJECT) 2017/2018 FINANCIAL YEAR

TABLED: Financial and Procurement Internal Audit Reports on ACEII-PTRE for 2017/2018 Financial Year.

NOTED WITH CONCERN:

- Posting of entries to the cashbook was not up to date and there were entries appearing in the bank statement and not in the cashbook,
- The bank reconciliation statements provided were erroneously prepared,
- Material specifications prepared by the Maintenance Officer to support refund for the payment of renovation expenses including cost of works and materials was not attached to the request for refunds forms,
- There was delay in accounting for imprests for periods up to two months,
- Accounting for imprest no. IMP001305/18 for money advanced to travel out of the country did not include boarding passes for the staff,
- Two staff were paid subsistence allowances at rates higher than approved rates,



- g. Financing agreement between the University and the counterpart funds donor was not provided for examination,
- h. The summarized expenditures in the Statement of Sources and Uses of Funds do not tally with those reported in the Uses of Funds Statement,
- i. Explanations provided for significant variations in regards to procurement challenges were inadequate, as it did not address specific challenge faced,
- j. Asset register is maintained but yet to be posted to the general ledger account,
- k. The bidder who won the tender for the supply and delivery of dyeing machines did not supply a performance security,
- l. There was no reason provided for using a procedure other than open tendering and no copies of advertisements were kept.

RESOLVED:

- i. Corrections should be made and missing information provided and verified before a final audit report is re-issued on or before 17th August, 2018. Non-compliance issues raised should be addressed since the audit report is posted on the Center's website for all and sundry to see and unnecessary negative publicity should be avoided.
- ii. The Center should adhere to World Bank's requirement on timely and transparent financial and procurement reporting. The Center should conclude the preparation of the 2017/2018 Annual Report and Financial Statements and have them discussed by MUMB. Thereafter, they should be forwarded to Audit, Risk and Compliance Committee for deliberations and recommendation to Council for approval and onward submission to the Auditor General. The Ag. DVC,(F) should make special arrangements with the Auditor General to fast track the auditing of the same and issuance of the audit report before 31st December, 2018 in accordance with the requirements of the World Bank.
- iii. In view of the recurrence of audit issues raised on cash book, fixed assets register and preparation of the Project's financial statements, there is urgent need for the Ag. Deputy Vice Chancellor (Finance) to evaluate the performance of the Project Accountant.

10.0 SUMMARY OF INTERNAL AUDIT REPORTS -2017/2018 FINANCIAL YEAR **MIN. 40/08/18**

AGREED: The Committee discussed and agreed to postpone the deliberation on the summary of Internal Audit Reports -2017/2018 Financial Year to the next meeting.

11.0 ANNUAL AUDIT WORK PLAN FOR 2018/2019 FINANCIAL YEAR **MIN. 41/08/18**

TABLED: Internal Audit's Risk Based Annual Work Plan for 2018/2019 Financial Year.

REPORTED: Input of the Vice Chancellor was sought and included in the work plan.

RECOMMENDED: The Committee recommended the inclusion of the following activities in the 2018/2019 Annual Work Plan;

- i. Legal services;
- ii. Implementation of Council resolutions for the financial year 2017/2018.

APPROVED: The Annual Audit Work Plan for 2018/2019 financial year was approved for implementation with the recommended amendments.

MIN. 42/08/18

12.0 ANY OTHER BUSINESS

It was observed that previous Committee agendas have been long. This has resulted to the meetings extending till late in the afternoon and members excusing themselves from the meeting to attend to other urgent matters.

RESOLVED: The Secretariat should ensure that if the agenda is long, the meeting is held for two days.

Members welcomed the Chairperson from leave.

MIN. 43/08/18

13.0 ADJOURNMENT

There being no other business, the Chairperson thanked all members for attending the meeting. The meeting adjourned at 4.30 p.m. with a word of prayer from Mr. Kisegu.

MIN. 44/08/18

APPROVED FOR CIRCULATION.....  **DATE** 21/9/2018
CHAIRPERSON

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

