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DEPARTMENT STAFF SEMINAR HELD AT GREEN HILLS  
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Let me start by formally welcoming you all to this very important seminar that we are holding for staff in the Finance Department of the University. It is one among many workshops the University has set to hold for its staff as part of capacity development. For the Finance

Department, this is the 2<sup>nd</sup> phase of a similar training that we conducted for the first group on 18<sup>th</sup> - 21<sup>st</sup> at August 2010.

As you are aware, the Finance Department is one of the key arms of the Administration and Finance Division. The responsibility of the Administration and Finance Division as per statute, is that of Management of Personnel Matters, Finance and Assets.

On its part, the Finance Department is responsible for managing the financial provisions of the University of Nairobi Act (1985), in furtherance to the realization of the Functions and Objects of

the University. Among the key responsibilities performed by the Finance Department, on behalf of Council, is that of preparing estimates of the revenue and expenditure of the University for each year. The annual estimates are approved by the Council before the commencement of the financial year to which they relate and are then submitted to the Minister for approval.

Apart from preparing annual estimates, Council also requires that proper books and records of account of the income, expenditure, assets and liabilities be kept, a function that the Finance Department discharges for the University.

I have quoted the above requirements in the University Act to show the very important role the Finance Department plays in the management of the University, a function discharged under the guidance of the Vice-Chancellor in his capacity as the Accounting Officer, assisted by the Deputy Vice-Chancellor (A&F).

As part of its broader mandate, the Finance Department is also supposed to do the following:

- Ensure effective management of the University's financial resources and provide professional guidance to the University on financial matters .
- To design and implement sound accounting and financial systems in accordance with international accounting

practices, professional standards, and guidelines issued by professional regulatory bodies.

- Collection, custody and banking of all income due to the university.
- Ensuring economic utilization of University resources and other assets.

In our University set up, 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, College Bursars, Senior Accountants, Accountants and other finance staff.

College Bursars are the principal financial advisors to College Principals and in that context, they are also members of College Management Boards. They do this on behalf of the Finance Officer and University Management.

At the other end of the continuum we have the Internal Audit department, which is generally seen as complementing the work of Finance, though their mandate is different. Among the functions of the Internal Audit are:

- Reviewing and appraising the soundness, adequacy and

- application of accounting, financial and other operating controls and recommending effective control measures;
- Ascertaining the extent of compliance with established University policies, programmes, procedures, and financial instructions and reviewing their implementation;
  - Undertaking special investigation on behalf of the University;
  - Providing professional service to the entire University and significantly complementing specific control procedures instituted by Management.

Ladies and Gentlemen,

As you are aware, the University of Nairobi operations in the last six years have been guided by the University's Strategic Plan, initially for 2005-2010, and later reviewed to be for 2008-2013. In the Strategic Plan, the revitalized Vision of the University is as follows:

"A world-class University committed to scholarly excellence" .

To ensure that it is in tandem with the current government thinking, the University's Strategic Plan is currently being further reviewed to capture the aspirations of Vision 2030, the Medium Term Plan (2008-2012) and the recently release Sector Performance Standards (2009-2030).

Of immediate relevance to the Finance Department and of concern as noted in the Strategic Plan is the fact that though the government funding for higher education has continued to

increase in the last few years, this has not translated into any tangible benefits to the University due **to inflationary trends in the economy, the generally high cost of different academic programmes and an escalating wage bill.**

**In order to realize increased revenue and fiscal health within the Plan period, the University adopted the following strategies:**

- To increase internally generated revenue by 7.5% annually .
- **To instill fiscal discipline in all operations and maintain a balanced budget.**
- **To retire old debt.**

The above strategies have been implemented and the University is doing well in the three areas. The same shall be reviewed from time to time as the situation demands.

The matter of income enhancement needs special mention. Since government disbursements (capitation) only meets a proportion of the total annual University budget (approximately 37%), the University has had to increasingly rely on internally generated income to discharge its mandate.

Since 1998, the University's operations have been heavily funded by earnings from module II and lately module III programmes, module I fees, IGUs and external research

grants. Some of these sources have now plateaued, and the University has to re-strategise and also adopt new approaches to bridge the gaps. Some of the income generating areas to be addressed are as follows:

- Make available more space to accommodate Module II courses.
- More vigorous pursuit of Module III programmes.
- Greater growth of consultancies.
- Grow the external grants portfolio.
- Inculcate a sense of business in management of internal IGUs.
- Increased rental income
- Exploitation of University farms e.g. vet farm, coffee farm etc.
- Establish a Science Park.

Meanwhile, the University has put in place various cost cutting measures, including the following:

- Air travel and hotel booking discounts.
- Use of own bottled water.
- Sustenance of power factor capacitor installation.
- Enhance procurement discounts.
- Merger of Information Communication and Technology Centre (ICTC) and Telephone Section.
- Pooled vehicle maintenance and use on long journeys.

Over the years, the University has encouraged teamwork and team spirit as cardinal features of its Human Resource operations. But issues relating to attitude, motivation, culture,

values, productivity, staff development, procedures and practices continue to be challenges.

Specifically, the University has over time experienced problems of low morale and poor work ethics that adversely affect staff commitment and service delivery.

The Finance Department is affected like many others. In this new era, I like to encourage our staff to be ready to adapt to changes in working styles, attitudes and work ethics. Management of change is a known challenge especially for some long-serving employees.

The tendency to keep staff in one section for too long some more than fifteen years has not made the situation any better. In this regard, it is important that accountants in Central be periodically transferred to Colleges and vice-versa. For those who are not professional to Finance, e.g. secretaries, there is need for regular transfers to other units, including teaching departments.

Meanwhile, Management will continue putting in place strategies to address staff morale, including review of terms and schemes of service and engaging the Unions proactively. As the employer, Council through Management will continue to demand the best output from our staff, for we are aware that we have among the best qualified people in various professions.

Ladies and gentlemen,

I cannot conclude without mentioning two critical operational issues in the University i.e. Performance Contracting and ISO. Since 2005/2006, the University has operated on annual performance contracts with the government through the Ministry of Higher Education Science and Technology.

The University also obtained ISO 9001:2008 certification in 2008, indicating its readiness to operate within certain specified international standards of service delivery according to its Quality Management System. We have just concluded an internal ISO Quality Audit which will be followed by the External Surveillance Audit.

On performance contract, the University recently negotiated its performance contract for 2010/2011, whose targets have already been cascaded to the colleges and Central Units. Let me take this opportunity to congratulate the Finance Department for emerging a credible position two (2) in the Central Administration

departments' performance for 2009/2010. I thank all staff in the Finance Department for their participation and support of these two processes. They play a key role in ensuring that ours remains the premier University in Kenya and the region.

Lastly, Let me thank the organizers of this function, including various facilitators and resource persons. I expect we shall have a really fruitful seminar which will be of benefit not just

to the staff in attendance, but ultimately to the whole University. We all have a responsibility of building a high performing organization. It is high time the department plays its rightful role in building "A University of Excellence through Finance"