



Department Reviews the Financial Regulations

Since inception, the University of Nairobi University must have had guidelines for its financial operations. The key source of such guidelines was definitely the professional accounting principles and policies. Other sources must have included statutory and managerial directives. The knowledge and experience of individual accountants also aided the financial decision making and processing. However, in this scenario, the dearth of a written down and comprehensive code of financial regulations was glaring. Newly appointed accounting personnel and others involved the financial operations must have felt a serious need for such a document.

It is curious how the situation described above prevailed for such a long time – for almost fifty years. Then the University management came up with the First Edition of the financial regulations about ten years ago. The writing of this document was the joint effort of the Finance and the Internal Audit departments. It was an arduous process that took quite some time and resources. The initial draft was finalized in a workshop held at Masinga Dam Hotel, while the final editing was done in another workshop held at the college which now is the site of The Multimedia University.

The first edition of the financial regulations served this University well for about ten years. This was good justification of the time and resources spent on writing and production of the document. Some of the significant personalities involved in the task included the current Deputy Finance Officer (R), Mr. Patrick Agutu, and the current Senior Accountant I (Income), Mr. L.G. Mwenyura. Mrs. Elizabeth Gakere and Mr. Peter Ngari, among others, also played a key role in the writing and editing. A lot of credit also goes to top management of the University at that time, particularly Professor Gichaga and Professor Kiamba, for supporting the process in kind and in cash. In the ten years under reference, a lot of water has passed under the bridge. The most momentous of the changes that have taken place is the passing of the Kenya Constitution, 2010. This constitution has specific provi-

sions on the management of public finance in Kenya. This University, being a public university, is bound by these provisions. Other new laws, Cont.pg2 based on the constitution, include the Universities Act, 2012, and The University of Nairobi Charter granted in 2013. There also have been important developments in the financial sector, particularly the movement towards cashless transactions through the use ICT. Key of these include Real time Gross settlement System (RTGS), Electronic Fund Transfer (EFT) and Mobile money (M-PESA and Others). Within the same period, the University itself has undergone tremendous transformation and organizational restructuring. These changes created the need for review of the Financial Regulations.

In the circumstances, the current Deputy Vice-Chancellor, Prof. P.F.M. Mbithi, in 2013 appointed a review committee headed by Mr. Joseph Okemwa, then Deputy Finance Officer (S). Mr. Okemwa retired and was replaced by Mr. Leonard Mwenyura at the beginning of this year. Other Members, original and co-opted, were :-Miss Elizabeth Gachithi - Senior Accountant, Grants(Secretary)Mr. Stephen Ndegwa - Internal Auditor Mr. Joseph Thirikwa - Senior Accountant, Student Welfare Authority Mr. Ken Gitau - Bursar, College of



The Financial Regulations review team in one of the sessions at CCU.

Health Sciences Mrs. Mary Irungu - Accountant, Expenditure Section. Mr. Michael Kimani Senior Accountant, Capital Section At the Start of the review work, there was a big challenge inasmuch as the soft copy was not available - and this points to the need for preservation of long term documents in a form that is amenable to change. For the team, the only option was re-typing the existing regulations. This was a major task but the secretary appointed to do it, Miss Winnie Owino, did a commendable job. Nevertheless, the re-typing had its share in delaying completion of the task. The team in its work consulted widely among other accountants. The revised document was ultimately discussed at a Departmental workshop held recently at the Central Catering Unit hall. The recommendations that emanated from the consultations and discussions have been incorporated in the document. The review committee has benefited from the enabling environment provided by the University's top management and at

the Departmental level. The document has been submitted for final approval and printing.

Members of the university community are encouraged to familiarize themselves with the document once it is published. In the meantime, let all and sundry know that the First Edition is still in force but modified in practice due to the aforementioned changes.

Leonard G. Mwenyura
Senior Accountant I – Income Section and Chairman, Financial Regulations Review Committee

Business Center to be IATA Accredited

The University of Nairobi Business Center - Travel Agency is seeking accreditation by International Air Transport Association (IATA). IATA is a seal of approval, recognized worldwide as the global trade association for the airline industry.

With more than 240 member airlines carrying 84% of total air traffic, this accreditation serves a wealth of benefits for the travel agency in providing visibility and credibility, unique global identification, standardized procedures, fair dealings with the airlines, access to IATA's Billing and Settlement Plan (BSP) and a single Sales Agency Agreement which authorizes the sale of international and/or domestic tickets.



BBK and UoN Launches Automated Seamless Cash Management System

The Finance Department, a key driver in the implementation of these innovations takes pride in the launch and implementation of an automated seamless cash management system between the University of Nairobi and Barclays Bank of Kenya.

While launching the programme at the University of Nairobi, BBK Managing Director, Mr. Jeremy Awori said that this was the first collaboration of its kind in the market and that the development creates a win-win situation for both institutions in that the students will have access to first-class service from The Finance Department and the bank is able to showcase the impact of tech-

nology and banking convergence to the business.

This Technology enhances transparency, security and high standards of accountability through readily available information that is also credible for audit purposes. Already Mobile Payment via M-Pesa is ongoing.

At this imperative occasion, The Finance team was represented by the Finance officer Mr. Michael Karue, Deputy Finance Officer – Revenue Mr. Patrick Agutu, Deputy Finance Officer - General Mr. Peter Busienei.



Finance Tree Planting 2014



The Finance Officer and the Deputy Finance Officer General led the Finance department in annual tree planting exercise, an initiative for environmental conservation.

FINANCE DEPARTMENT ADOPTS MPESA – BULK PAYMENT

Finance department has adopted Mpesa bulk payment service as one of its alternative mode of payment. The service is easy to use, cost effective and secure as it eliminates the need to transport large sums of money from University bank accounts.

The move is one of the department's initiative to address congestion at the cash office especially on occasions to effect monthly allowances cash payment to SONU student leaders and the casual workers when large number of customers present themselves to the cashier the same time to receive cash. The new innovation will enable the department to reach its customers in remote locations without physical presence at the cash office. This will offer great relief to beneficiaries who had to travel from remote locations to pick money. The system is ideal for both staff and students. It is run on Barclays bank Mpesa bulk payment system.

While launching the Mpesa service, the Finance Officer noted that the department will continue to roll out a number of financial management innovations aimed at offering more efficient systems and making University customers more comfortable in tandem with new technologies in the market. He noted that Mpesa service is embedded with adequate security features which eliminate the risks associated with cash handling and is likely to be a preferred long-term payment option.

Customers who intend to use the service must have active registered cell phone. The cell phone numbers will be quoted on the payment documents for the cashiers to match the amounts to be paid with the cell phone lines and then send the money directly to the phones.

For a start, customers will have to meet their own transaction charges. However with increased usage, the university will negotiate with the service providers for special rates. The current rates being charged on this ser-

vice are similar to normal charges applied on ordinary Mpesa transactions and varies according to the transaction amounts being transferred. The maximum ceiling for daily transaction is Kshs.140,000.00. Customers could maintain account balances of upto Kshs.100,000.00. The users must have national identity card to facilitate cash withdrawal from Safaricom Mpesa outlets.

Those who are registered with other networks other than Safaricom or unregistered Mpesa users, will still enjoy the service. However charges will be higher than the registered Mpesa users.