

University in cash problems

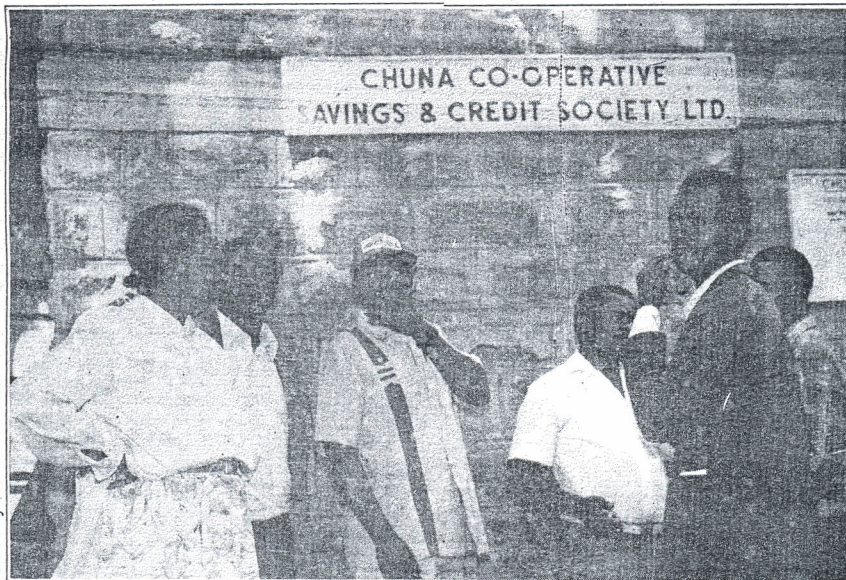
By Anvil Team

The University of Nairobi is facing a cash-flow problem and not a financial crisis, the Deputy Vice-Chancellor in charge of Finance and Administration, Professor Raphael Munavu, has clarified.

"What we are facing is really not a financial crisis but just a cash flow problem," he said. Munavu however hinted that last year's increments on staff salaries might have caused the problem.

The DVC was reacting to allegations that the university was not capable of servicing its debts. Said Munavu, "The university has a lot of assets ... when it comes to that (creditworthiness), we are five star," he maintained.

Sources however maintain that the university is in a deep financial crisis. Salary advances for university staff were suspended in August last year, and had not been reinstated at the time of going to press. The sources also said that the university had to ask for an overdraft to enable it to pay the December salaries. Salaries for the month of January were paid late. Nevertheless, the DVC maintained that "the university had to review its budget and do a virement of expenditure votes in order to get additional funds to supplement salary increments awarded." He, however, that the 25 percent staff salary increments, being a government pronouncement, had to come from the exchequer. He could not disclose what amount of money the university had received from the treasury, and instead referred the press to the Finance Officer, Mr E Khakame, who



Picture by Omwa Ombara

Worried: The faces of these anxious Chuna members tell their suffering after a long wait for their cheques

said, "If the DVC could not tell you that, then I can't either." He however told *The Anvil* that the treasury had allocated Ksh.0.98 billion, but could not state how much would be forthcoming.

Asked to comment on recent power cuts by the Kenya Power and Lighting Company allegedly caused by a KShs. 144 million debt, Professor Munavu insisted that power had not been cut but called for disciplined use of such resources.

"We budget on a yearly basis to meet costs (so) if we overuse, we may have problems ... sometimes there is misuse of facilities like telephone, electricity and water," he

said. He however denied allegations that university phones had been disconnected over outstanding bills to Kenya Posts and Telecommunications (KPT&C). *The Anvil* has established that out of the 50 lines, at the Main Campus, only two are operational.

According to Professor Munavu, complaints about the university's suspension of advances and staff car loan facilities were not justified because the university does not provide loans for such purchases.

"It is the banks that give the car loans, the university merely guarantees through a revolving fund ... the university can not exceed a

certain ceiling fixed by the university council," he said, adding that this way the guaranteeing cannot stop. He however referred *The Anvil* to the University's Chief Finance Officer who could not give details on the status of the fund.

On allegations that chemists and referral hospitals contracted by the university were no longer attending to UoN staff, the Finance boss insisted that the university had no problem with any hospital. He was however not able to confirm the same about chemists.

"The university pays its bills monthly and we have just released cheques to these hospitals this

morning," he said.

The Anvil has established that Mater Misericordiae, Kenyatta and Nairobi West Hospitals, which cater for middle and junior grade staff respectively, had suspended their services. Information availed to *The Anvil* indicates that the university owes Ron Pharmacy KShs. 3.1m; Channis Pharmacy: KShs. 2.5m; National Pharmacy: KShs. 3.8; and Aga Khan: KShs. 12.4m.

Asked to comment on the crisis in the health services, the Acting Chief Medical Officer, Dr. M. R. B Otiemo said that the university is trying its best, and although some hospitals had suspended services to the university, the institution was giving individual attention to those seeking admission in these hospitals.

The DVC however admitted that the university was in arrears "regarding ... statutory deductions." He did not elaborate and referred *The Anvil* to the Finance Officer. Delays in remittance of co-operative deductions to the university Sacco, CHUNA, caused a near-crisis last week when irate members marched to the Vice-Chancellor's office over bouncing cheques for members' loans. (See separate story on page 2)

Efforts to obtain details of the NHIF remittances and outstanding arrears from the Finance Officer, Mr. E Khakame, were fruitless. He declined to release them citing pressure of work. *The Anvil* had established that the university was not remitting staff contributions to the fund which means that hospitals cannot honour cards presented by university staff.