

Performance-based contracts

The University has in the last five years been on a performance contract with the Government through the Ministry of Higher Education, Science and Technology.

Performance contracting as a management concept is still not a well understood management concept even within the University. From a government perspective, performance contracts emanated from the realization that government departments and institutions are not always clear about their goals, and so they sometimes develop or aim at the wrong goals. These have in the past resulted in declining performance and poor service delivery.

Within the Kenyan public sector, Performance Contract was embraced in the 2004/2005 fiscal year as a management tool by the government to drive service delivery. Initially targeting selected departments, the process was started in most government departments the following year and thus the University of Nairobi was put on its first Performance contract, in what was then quite a novel undertaking.

In those initial years, staff and stakeholders argued that it was the Senior Executive Officers (the VC and DVCs) who were on performance contract, more so those who were newly hired competitively. It was only later elabo-

rated that it is the University which was put on performance contract (through Council), the Vice-Chancellor and the deputies - and the rank and file - being the facilitators or implementers.

But what are the advantages of performance contracting? It assists in focusing on results, by clarifying and goals and objectives. More importantly it defines obligations and responsibilities of the parties to the contract and measures the extent of achievement of each objective.

The act of defining the measures of

“Defining the measures of performance clarifies the expectations of both the public and other stakeholders on the public institution”

performance clarifies the expectations of both the public and other stakeholders on the public institution such as University of Nairobi.

The strategic plan is the cornerstone of the performance contracting process. The importance of a Strategic Plan is that it defines the situational analysis of the institution.

With the strategic plan, an institution is therefore in a position to set its

own (or negotiate with government ministry) performance targets.

Setting of performance contract targets is the centerpiece in the exercise of performance evaluation. It involves: reviewing the annual operating plans; identification of cost efficient, inefficient areas; negotiates agreements to improve performance by way of agreeing to a set of targets for the institution's management.

The critical attribute of the performance contract is that performance targets should be growth oriented.

i.e. each contract year should demonstrate significant growth in the performance of each criterion over the previous year. A good performance contract should also be comprehensive, relevant (to the institution's mandate), benchmarked to past trends and performance of correspondent organizations, specific, realistic, easily understood, attainable and measurable.

The above are the various criteria taken into account when the University negotiates its corporate performance contract with the Ministry. In a cascaded manner, the same criteria is used by University of Nairobi Management when it negotiates performance contract documents with its colleges and key central departments.

Auditor-General gives UoN a clean bill of health

THE UNIVERSITY OF NAIROBI HAS BECOME THE FIRST PUBLIC UNIVERSITY to be issued with the Financial Accounts Audit Certificate for the year ended June 30, 2009 by the Kenya National Audit Office.

Presentation of the financial accounts audit certificate by the Controller and Auditor-General is a testimony of prudent financial management and can largely be attributed to the implementation of a Quality Management System, a requirement of the ISO 9001:2008 Standard.

During the year under review, the University realized a surplus of KShs. 293,330,097 as compared to a surplus of KShs.124, 674,898 for the year 2007/2008. The Report notes further that the cumulative deficit for the University as at June 30, 2009 was KShs. 294,913,005 compared to the deficit of KShs.588, 243,102 as at June 30, 2008.

The Report acknowledges the continued support for research to the University from donors and other government support that stood at KShs. 868,343,317 compared to an amount of KShs. 627,190,710 for the year 2007/2008 for research.

Issuing the Certificate, the Controller and Auditor – General disclosed that the audit which is conducted in accordance with the Internal Standards on Auditing involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.

The audit also evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

The Controller and Auditor General concluded that the audit evidence obtained was sufficient and appropriate to provide a basis for the opinion. “ The financial statements give a true and fair view of the financial position of the University as at 30 June 2009, and of its financial performance and its cash flows for the year then ended”.

The cumulative deficit for the University as at June 30, 2009 was KShs 295 million, compared to the deficit of KShs 588 million, as at June 30, 2008.



Performance of UON Improves

ACCORDING TO THE RESULTS RELEASED by the Government, in 2005/2006, the University was ranked at number 21 among all State Corporations in the country, with a composite score of 2.1209. In that year the University was ranked number 1 among the public universities and also number 1 in the Ministry of Education.

In 2006/2007, the University was ranked sixth among all State Corporations, with a composite score of 1.8094. The University scored even better in the 2007/2008, when the tentative composite score was 1.5614 and those of 2008/2009, where our tentative score was 1.5102.

As of January 2010, according to Webometrics' ranking of World Universities, the University of Nairobi is ranked number 28 in Africa and 3,897 out of over 18,000 universities worldwide. In Kenya, it is number two after Strathmore University.

(See list on ranking on page 52.)