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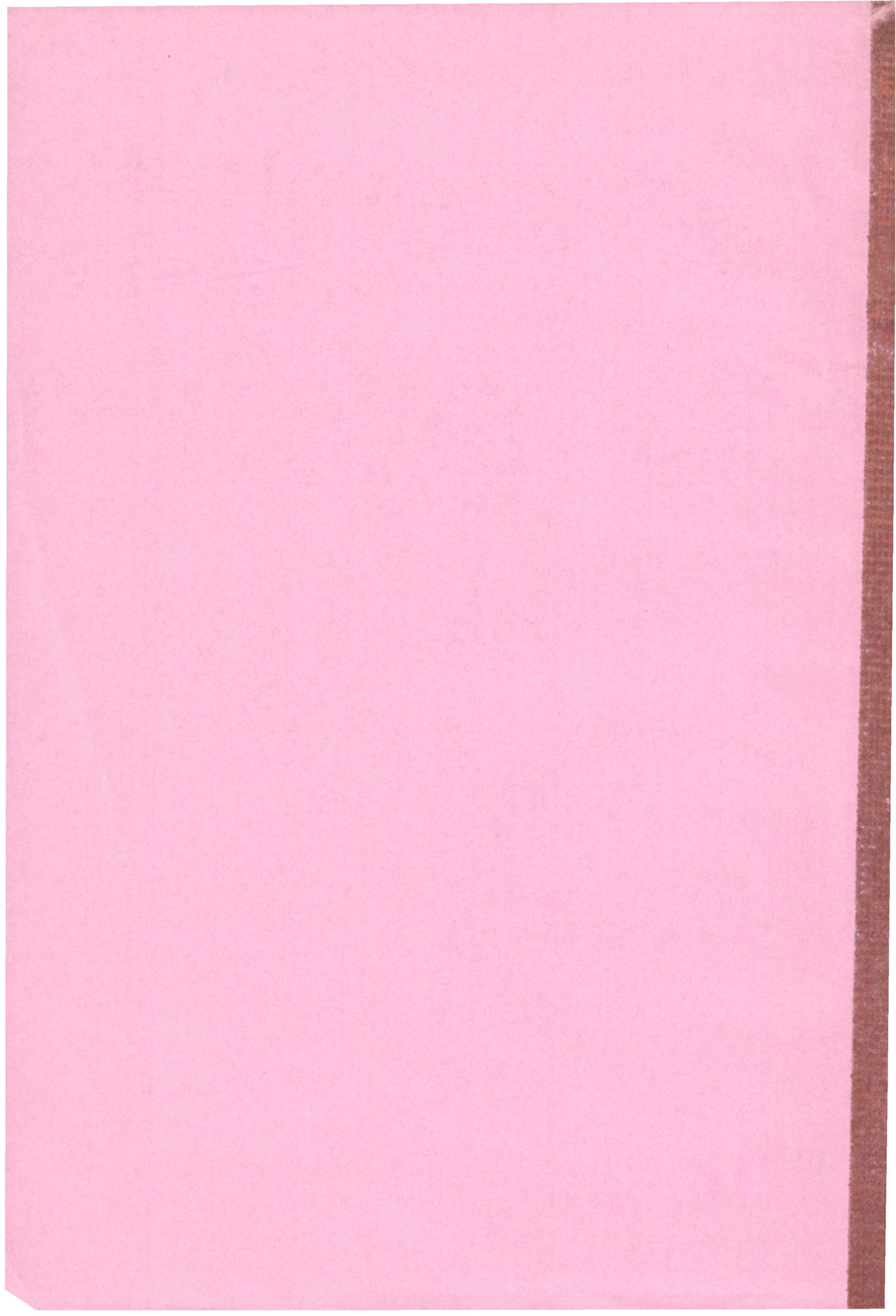
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THE KENYA NATIONAL EXAMINATIONS COUNCIL

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ANNUAL REPORT AND ACCOUNTS FOR THE PERIOD
ENDED 30TH JUNE 1984



THE KENYA NATIONAL EXAMINATIONS COUNCIL

ANNUAL REPORT AND ACCOUNTS FOR THE PERIOD
ENDED 30TH JUNE 1984

The Kenya National Examinations Council
P O Box 73598
NAIROBI, Kenya

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Chairman's Report

For the Year Ended 30th June 1984

In the 1983/84 financial Year, the Kenya National Examinations Council examined candidates for Certificate of Primary Education (C.P.E.), Kenya Junior Secondary Examination (K.J.S.E.), Kenya Certificate of Education (K.C.E.), Kenya Advanced Certificate of Education (K.A.C.E.). As well as these examinations which are primarily for school candidates, the Council examined candidates for post-school certificates through the following examinations: Post-schools Single and Group Certificate Business Examinations, Post-schools Technical Examinations and Primary Teachers Examinations.

Kenya Junior Secondary Examination (K.J.S.E)

In 1983, a total of 31,461 candidates sat for the K.J.S.E. as compared to 39,557 in 1982. This represented a drop of 20.4% over 1982 candidature. Candidates in 1983 performed better than in 1982. Of the 31,461 candidates in 1983, 8,313 representing 26.42% passed compared to 9,785 (24.74%) in 1982.

Performance Statistics

P R O V I N C E	NO. OF CANDIDATES		NO. OF PASSES		PERCENT PASS	
	1982	1983	1982	1983	1982	1983
1. Coast	1707	1219	548	371	32.10	30.43
2. Central	5896	3032	1382	790	23.44	26.06
3. Eastern	9074	7352	2246	2044	24.75	27.80
4. Nairobi	1255	855	273	193	21.75	22.57
5. Rift Valley	5504	5321	1694	1590	30.78	29.88
6. Western	6295	5309	1532	1297	24.34	24.43
7. Nyanza	7923	6687	1711	1714	21.60	25.63
8. North Eastern	0	0	0	0	0	0
9. Private Candidates	1903	1791	399	314	21.00	17.53
OVERALL	39557	31461	9785	8313	24.71	26.42

Kenya Certificate of Education (K.C.E.)

A total of 109,247 candidates took the examination in 1983. In 1982, 103,170 candidates took this examination. This represented an increase in candidature of 5.56%. The 1983 candidates did better than the 1982 candidates. A total of 76889 (70.38%) achieved a Division IV or better compared to 70411 (68.25%) in 1982.

The table below gives a breakdown of how the 1983 candidates obtained certificates as compared to 1982.

DIVISION	NO. OF CAND. PASSING		% PASSES		CUMM %	
	1982	1983	1982	1983	1982	1983
Division One	2923	3494	2.83	3.20	2.83	3.20
Division Two	10039	11417	9.73	10.45	12.56	13.65
Division Three	23097	25450	22.39	23.30	34.95	36.95
Division Four	34352	365213	33.30	33.43	68.25	70.38

The number of centres where examination irregularities were detected decreased from 73 in 1982 to 60 in 1983. However, the number of actual candidates involved increased from 298 in 1982 to 946 in 1983. This was mainly due to irregularities in a few centres. The majority of the cases of irregularities involved instances of collusion between individual candidates rather than whole schools.

Kenya Advanced Certificate of Education (K.A.C.E.)

The candidature for K.A.C.E. examination rose by 3.89% from 15820 candidates in 1982 to 16436 candidates in 1983. The 1983 candidates performed better than those of 1982. In 1983, 5771 (35.11%) obtained either 2 principal passes or better as compared to 5083 (32.13%) in 1982. Below is a summary of performance for the two years.

-----	NO. OF CAND. PASSING		% PASSES		CUMM. %	
	1982	1983	1982	1983	1982	1983
Four Principals only	115	99	0.73	0.60	0.73	0.60
Three Principals only	2222	2668	14.05	16.23	14.77	16.83
Two Principals only	2746	3004	17.36	18.28	32.13	35.11
One Principal only	3871	3658	24.47	22.26	56.60	57.37
Subsidiaries only	5161	5489	32.62	33.40	89.22	90.76

Post-Schools Single and Group Certificate Business Examinations

There are three series of these examinations per year. These are March, July and November series. In 1983, the pass rates in this examination continued to be low mainly due to the fact that a large proportion of the candidates entering for the examinations were private candidates who were inadequately prepared when they sat for the examinations.

Post-Schools Technical Examinations

In 1983, there were three series of examinations. These were in March, July and November. The overall performance was as shown in the table below.

SERIES	NO. OF CAND.	NO. OF CAND. PASSING	PERCENT PASS	REFERRED CAND.	CAND. FAILING
March	205	164	80.00	29	12
July	1234	518	41.98	381	335
November	2005	986	49.18	512	507

Unlike in the Post-Schools Single and Group Certificate Business Examinations, candidates in the Post-Schools Technical Examinations may be given a referral grade if they fail in one or two subjects. Referred candidates are allowed to resist the subjects they fail within the next two sittings in which case if they pass, they are given an overall pass grade irrespective of the grades they had achieved in the first sitting.

Primary Teachers' Examinations

The total entry for Teachers' Examinations, including repeaters, increased from 7333 in 1982 to 7439 in 1983. The number of candidates who took the examination for the first time dropped from 6436 in 1982 to 5834 in 1983. The number of repeaters increased from 897 in 1982 to 1605 in 1983.

Results Summary Statistics (All Candidates)

	ENTRY		NO. PASSING		% PASSING	
	1982	1983	1982	1983	1982	1983
First Time Candidates	6436	5834	4547	4882	70.65	83.68
Repeaters	897	1605	362	727	40.36	45.20
Overall	7333	7439	4909	5609	66.94	75.40

In 1983, separate question papers were set in all the subjects for P1 and P2 candidates. The performance of the two categories is given below, for first-time candidates.

	ENTRY		NO. PASSING		% PASSING	
	1982	1983	1982	1983	1982	1983
P1 Candidates	4992	5498	3993	4610	80.00	83.80
P2 Candidates	1444	336	870	272	60.20	80.90

As can be seen from these tables, performance in 1983 was better than in 1982. It can also be noticed that the P2 candidature dropped remarkably from 1444 in 1982 to only 336 in 1983.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF
THE KENYA NATIONAL EXAMINATIONS COUNCIL FOR THE YEAR ENDED
30TH JUNE, 1984

I have examined the Balance Sheet and the Income and Expenditure Account of the Kenya National Examinations Council in accordance with Section 13 (3) of the Kenya National Examinations Council Act (Cap 225) as amended by the Exchequer and Audit (Amendment) Act, 1985 (Cap 412). I have obtained all the information and explanations that I have required for the purpose of my audit. Proper books of account have been kept by the Council and the Accounts are in agreement therewith. Except for the matters referred to herebelow, in my opinion, the accounts which have been prepared on the basis of the historical cost convention, when read together with the supporting notes there-on, show a fair view of the Council's financial affairs as at 30th June, 1984 and of its operational results for the year ended on that date.

1. SUNDRY DEBTORS

The Balance Sheet Sundry Debtors figure of Kshs.9,036,832.90 as at 30th June, 1984 still includes the amount of Kshs.300,000.00 which, as indicated under paragraph 1 of my report for 1982/83, was advanced to the School Equipment Production Unit in September, 1980 to clear practical examination package from the Customs Department. The advance was to be repaid back to the Council by 30th November, 1980 but was not so repaid and instead it was converted to a loan with effect from 1st January, 1981 repayable at an interest rate of 10% p.a. Apart from the fact that no signed loan agreement was produced to confirm the terms and conditions of repayment for the loan, it is not also understood why after its conversion into a loan the amount of Kshs.300,000.00 is now being treated in the accounts as sundry debt and has been included in the Balance Sheet Sundry Debtors figure of Kshs.903,682.90 as at 30th June, 1984.

2. OUTSTANDING IMPRESTS

The Sundry Debtors figure of Kshs.9,036,833.00 also includes Kshs.6,248,371.00 being outstanding temporary imprests, of which Kshs.3,315,455.00 were issued to Provincial Education Officers to meet examination expenses prior to the year 1983/84. The imprests, which ought to have been surrendered by 30th June, had not been surrendered when the position was verified on 15th September, 1987. No expenditure returns had been made by the same date and in the absence of any detailed expenditure analysis showing how the imprests were spent, I am unable to confirm whether or not the imprests had been utilized for the purpose for which they were intended.

3. FIXED ASSETS

The accounts of the Kenya National Examinations Council for the 1983/84 do not incorporate the value of Office Furniture Equipment and motor vehicles passed on to the Council at its incorporation after the breakup of the former East African Examination Council. Accordingly, the Balance Sheet fixed asset figure of Kshs.3,567,918.00 as at 30th June, 1984 is understated to the extent of the value of the fixed assets excluded. In addition, the Council did not maintain a fixed assets register to record fixed assets owned by it. Accordingly, it is not possible

in the absence of such a register to confirm the correctness of the fixed assets figure of Kshs.3,567,918.00 appearing in the Balance Sheet as at 30th June, 1984.

4. SUSPENSE ACCOUNT

The Council's Trial Balance as at 30th June, 1984 reflected a debit balance difference of Kshs.5,192,924.50, which was charged to a Suspense Account. The Council's Balance Sheet as at that date was, therefore, only balanced through that Suspense Account and the Council has not so far been able to analyse or explain the above Suspense Account Balance. In the absence of such analysis or explanation, I am unable to ascertain what the Suspense Account balance represents or even to confirm the effect, if any, that the balance may have on the accuracy of the Council's Accounts for the year 1983/84.

5. EXTRA CLERICAL ASSISTANCE

During the year 1983/84, the Council paid a total of Kshs.1,292,061.00 as overtime to its officers who worked outside the normal working hours. The payments were subsequently charged to the expenditure item, "extra clerical assistance." The above overtime expenditure represents 37% of the normal personal emolument expenditure for the year 1983/84 and, therefore, appears excessive. Although the Council has explained that the nature of its operations is such that specific deadlines must be met and that its staff have had inevitably to work overtime, it is, however, not understood how payment of overtime at a level in excess of $\frac{1}{3}$ the normal annual personnel costs could be justified.


A. J. OROTH

AUDITOR-GENERAL (CORPORATIONS)

2nd August, 1988

THE KENYA NATIONAL EXAMINATIONS COUNCIL
BALANCE SHEET AS AT 30TH JUNE, 1984

	<u>NOTES</u>	<u>1984</u>	<u>1983</u>
		KSHS	KSHS
<u>ASSETS EMPLOYED</u>			
Fixed Assets	9	3,567,918.00	3,537,429.00
Short-term Investments	10	15,953,342.25	36,197,014.70
<u>CURRENT ASSETS</u>			
Sundry Debtors	11	9,036,832.90	3,268,524.80
Bank		1,857,202.25	9,604,745.85
Cash in Hand		21,626.55	21,626.55
<u>CURRENT LIABILITIES</u>			
Sundry Creditors	12	4,000,000.00	4,000,000.00
Suspense Account	13	5,152,924.50	2,882,269.55
Net Current Assets		9,192,924.50	6,882,269.55
Total Assets		1,701,110.65	6,012,627.65
Financed By:		21,222,370.90	45,747,071.35
Capital Reserve		1,753,000.00	1,300,000.00
Excess of Income over Expenditure	14	19,469,370.90	44,447,071.35
<u>CURRENT LIABILITIES</u>			
Sundry Creditors		21,222,370.90	45,747,071.35

Philip M. Mbitia

CHAIRMAN _____ SECRETARY _____
 DATE 27/10/87 DATE _____

THE KENYA NATIONAL EXAMINATIONS COUNCIL

INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDING 30TH JUNE, 1984

<u>INCOME</u>	<u>NOTES</u>	<u>1984</u>	<u>1983</u>
		<u>KSHS</u>	<u>KSHS</u>
Income from Examination fees	1	65,380,610.40	68,341,158.05
Other Income	2	2,832,026.95	6,139,455.25
Grants from MEST	3	<u>28,800,000.00</u>	<u>28,200,000.00</u>
		97,012,637.35	102,680,613.30
<u>Less: EXPENDITURE</u>			
Personnel	4	5,525,516.80	5,735,943.40
Office Administration & Services	5	9,154,317.20	7,852,511.35
Examination Expenses	6	84,023,216.80	79,223,554.70
Test Development & Research	7	19,357,566.25	2,375,635.20
Housing of Staff & Office Accommodation	8	3,507,209.75	4,026,547.65
Depreciation for the year	9	<u>422,511.00</u>	<u>229,261.00</u>
		121,990,337.80	99,443,453.30
Excess of Income over Expenditure c/f to balance sheet		<u>(24,977,700.45)</u>	<u>3,237,160.00</u>

THE KENYA NATIONAL EXAMINATIONS COUNCIL

TRIAL BALANCE AS AT 30TH JUNE 1984

	<u>DR. SHS.</u>	<u>CR. SHS.</u>
Leasehold Buildings	2,557,574.50	
Motor Vehicles	853,000.00	
Office Equipment	153,721.00	
Office Furniture	449,256.50	
House Furniture	590,338.00	
Accumulated Depreciation		613,461.00
Capital Reserve		1,753,000.00
General Reserve		44,447,071.35
Grants from MEST		28,800,000.00
Other Income		2,832,026.95
Examination fees		65,380,610.40
Short-term Investments	15,953,342.25	
Sundry Debtors	9,036,332.90	
Sundry Creditors		4,000,000.00
Suspense Account		5,192,924.50
Examination Expenses	84,023,216.80	
Housing of Staff & Office Accommodation	3,507,209.75	
Personnel Expenses	5,525,516.80	
Administration & Office Expenses	9,154,317.20	
Test Development & Research	19,357,566.25	
Bank	1,857,202.25	
	<u>153,019,094.20</u>	<u>153,019,094.20</u>

Supporting SchedulesNote 1

<u>Examination Fees</u>	<u>KShs</u>
C.P.E.	6,315.00
K.J.S.E.	305,614.00
P.T.E.	913,535.00
K.C.E.	53,291,789.60
K.A.C.E.	1,179,902.80
Technical	3,045,439.00
Business	5,476,846.00
L.G.C.E.	<u>1,161,169.00</u>
	<u>65,380,610.40</u>

Note 2

<u>Other Income</u>	<u>KShs</u>
Miscellaneous	113,098.00
Interest on Fixed Deposits	2,159,231.45
Royalties	85.00
Computer Usage	524,812.50
Rent	<u>34,800.00</u>
	<u>2,832,026.95</u>

Note 3

<u>Grants from MEST</u>	<u>KShs</u>
21.7.83	9,700,000.00
11.10.83	9,700,000.00
17.1.84	4,700,000.00
2.2.84	<u>4,700,000.00</u>
	<u>28,800,000.00</u>

Note 4

<u>Personnel Expenses</u>	<u>KShs</u>
Personal Emoluments	3,445,740.00
Extra-Clerical Assistance	1,292,061.10
Medical Benefits	480,597.70
Employers' Contributions to Superannuation Scheme	266,177.70
Leave Allowance	6,200.00
Retirement Benefits	<u>34,740.30</u>
	<u>5,525,516.80</u>

Note 5

ADMINISTRATION AND OFFICE EXPENSES

Security Guards	189,038.40
Maintenance of Machines & Equipment	310,497.90
Postage & Railage	95,697.00
Telephone & Telegrams	688,413.10
Advertising	25,190.00
Insurance	5,400.00
Electricity & Water	184,518.15
Uniforms	34,920.00
Cleaning Material	59,002.85
Sundry Expenses	57,333.90
Rank Xerox Stationery	201,200.00
Rank Xerox Maintenance	205,876.05
Council Travel & Subsistence	21,188.80
Overseas Travel on Duty	139,754.00
Entertainment Official	9,086.65
Office Stationery	3,026,790.95
Accounts Stationery	14,220.85
Motor Vehicle Maintenance	474,486.10
Local Staff Travel	104,690.95
Computer Stationery & Rental	3,057,686.60
Careers	22,835.00
Bank Charges	<u>226,490.45</u>
	<u>9,154,317.20</u>

Note 6

Examination Expenses

KShs

C.P.E.	3,955,592.30
K.J.S.E.	1,393,388.80
P.T.E.	2,070,584.20
K.C.E.	58,656,289.65
K.A.C.E.	5,409,476.35
Technical	1,040,110.05
Business	2,390,793.20
Miscellaneous Exams	786,961.70
Invigilation & Supervision	7,652,082.65
Training of Examiners	504,487.90
Hire of Halls	<u>163,450.00</u>
	<u>84,023,216.80</u>

Note 7

Test Development & Research

Printing & Publication	16,549,131.80
Committee Meetings	1,754,048.45
Setting Expenses	855,382.80
Moderation	<u>199,003.20</u>
	<u>19,357,566.25</u>

Note 8

Housing of Staff & Office Accommodation

House rent/allowance	1,848,201.40
Office Accommodation & Rent	<u>1,659,008.35</u>
	<u>3,507,209.75</u>

FIXED ASSETS SCHEDULE

NOTE 9

AS AT 30TH JUNE, 1984

	Leasehold Buildings KShs.	Motor Vehicles KShs.	Office Equipment KShs.	Office Furniture KShs.	House Furniture KShs.	Total KShs.
Balance b/wd 1.7.83	2,557,574.50	400,000.00	153,721.00	449,256.50	590,338.00	4,150,890.
Revaluation	-	453,000.00	-	-	-	453,000.
	2,557,574.50	853,000.00	153,721.00	449,256.50	590,338.00	4,603,890.
Accumulated Depreciation as at 1.7.83	118,497.35	53,333.00	32,988.10	162,647.05	245,995.50	613,461.
Depreciation for the year	63,939.35	213,250.00	15,372.10	56,157.05	73,792.50	422,511.
Accumulated Depreciation as at 30.6.84	182,436.70	266,583.00	48,360.20	218,804.10	319,788.00	1,035,972.
Net Book Value 1.7.83	2,439,077.15	346,667.00	120,732.90	286,609.45	344,342.50	3,537,429.
Net Book Value 30.6.84	2,375,137.80	586,417.00	105,360.80	230,452.40	270,550.00	3,567,918.
Rate of Depreciation	2½%	25%	10%	12½%	12½%	

Note 10

Short-term Investments

KShs

Trans-National Finance Co. Ltd	5,953,342.25
Jimba Credit Corporation Ltd	<u>10,000,000.00</u>
	<u>15,953,342.25</u>

Note 11

Debtors

1983/1984

KShs

MEST	1,462,996.10
Kenya Polytechnic	153,460.00
Temporary Imprest	6,248,370.80
Rd. Cheques	100,049.30
Insurance	30,856.00
Salary Advance	281,265.35
K.S.E.S.	300,000.00
Interest Receivable	135,142.60
Staff Motor loan-schedule attached	<u>294,815.20</u>
	<u>9,006,955.35</u>

Note 12

KShs

Sundry Creditors	4,000,000.00
(This amount represents Kenya's deposit to the defunct East African Examinations Council)	

Note 13

KShs

1983/1984

Suspense Account as at 30.6.83 Cr.	2,882,269.55
Suspense Account for 1983/1984 Cr.	<u>2,310,654.95</u>
Suspense Account as at 30.6.84 CR	<u>5,192,924.50</u>

Note 14

Income & Expenditure

KShs

Balance b fwd 1st July, 1983	44,447,071.35
Excess of Income over Expenditure	<u>(24,977,700.45)</u>
	<u>19,469,370.90</u>

Comments on the Accounts
For the Year Ended 30th June 1984

1. SUNDRY DEBTORS

The issue of the Shs. 300,000.00 advanced to SEPU was forwarded to the Finance and General Purposes Committee of the Council towards the end of 1987 for discussion. It was resolved that we wait a little while for a response to the Council's earlier letter to SEPU on the matter and if none is received, the matter be referred to the Ministry of Education and the Attorney General's Chambers.

In our subsequent Accounts, the amount will be removed from the Sundry Debtors Account and transferred to a Loan Account.

2. OUTSTANDING IMPREST

It is true that Kshs. 3,315,455.00 worth of Imprests were issued to Provincial Education Officers to meet examination expenses prior to the year 1983/84. This matter was referred to the Finance and General Purposes Committee of the council and it was resolved that the matter be referred to the Ministry of Education with the request to the Ministry to assist the Council in recovering the expenditure details and any amounts that may not have been spent.

3. FIXED ASSETS

The value of Fixed Assets passed on to the Council at its incorporation have already been included in the Accounts for the year ending 30th June 1986 and the same have already been submitted to the office of the Auditor General (Corporations).

As regards the question of Fixed Assets Register, the Council carried out a massive exercise in 1983 gathering

information which will assist in opening of the register. Council officers have held discussions with the office of the Auditor General (Corporations) with a view to finding out the best approach especially as regards the listing down of the individual assets and their values. Subsequently, preparation of the Fixed Assets Register is well under way. It is the desire of the Council to have this matter settled and infact an Administrative Officer has already been recruited whose schedule of duties includes the maintenance of the Fixed Assets Register among other duties.

4. SUSPENSE ACCOUNT

The Suspense Account has arisen over the years due to failure of the former Ag. Chief Accountant to apply the double entry book-keeping concept. A new qualified Chief Accountant has now been recruited. With the present system of accounting, we are confident that we shall be able to analyse the Suspense Accounts with the view to reducing it.

5. EXTRA-CLERICAL ASSISTANCE

The Council's operations are such that specific deadlines must be met for work involving processing of entries, career choices, examination results and continuous assessment for the Primary Teachers Examination among many others. Because the establishment cannot cope with these tasks at the required speed during peak times, we have to deploy them to work late on weekdays, Saturdays, Sundays and public holidays to meet the deadlines.

It is appreciated that overtime rates are higher than the normal working rates reflected in the personal emoluments.

Each case of overtime is duly approved before work starts and is closely supervised by senior officers to control the time devoted to a bare minimum.

