



# kasneb

## ANNUAL REPORT AND FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

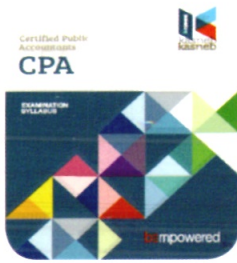
Prepared in accordance with the Accrual Basis of Accounting under the  
International Public Sector Accounting Standards (IPSAS)



kasneb IS ISO 9001: 2015 CERTIFIED

bempowered

# PROFESSIONAL QUALIFICATIONS



## Certified Public Accountants (CPA)

Certified Public Accountants are skilled and competent professional accountants, auditors, finance managers, tax consultants and practitioners both in public and private sectors.



## Certified Secretaries (CS)

Certified Secretaries are expert practitioners in governance, governance audits and compliance, corporate secretarial practice, corporate law, consultancy and business management and administration.



## Certified Information Communication Technologists (CICT)

Certified Information Communication Technologists are skilled and competent system developers and programmers, network administrators, system engineers, ICT consultants and practitioners.



## Certified Investment and Financial Analysts (CIFA)

Certified Investment and Financial Analysts are experts in financial analysis, consultants and practitioners in investments and securities, portfolio management, pensions management, investment banking among other related areas.



## Certified Credit Professionals (CCP)

Certified Credit Professionals are skilled and competent top level managers, practitioners and consultants in the rapidly developing field of credit management.

## Vision

Global leader in examination and certification of business professionals.





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## I. CORPORATE INFORMATION AND MANAGEMENT

### (a) Legal framework

kasneb was established as a state corporation under the National Treasury by the Government of Kenya on 24th July 1969. The establishment and operations of kasneb are governed by the following main Acts, among others:

- (i) The Accountants Act, No. 15 of 2008 which repealed and replaced the Accountants Act, Cap 531 of 1977. The Act gave kasneb retroactive recognition since its inception in 1969. The Act also empowered kasneb as the examining body for the Certified Public Accountants (CPA) qualification.
- (ii) The Certified Public Secretaries of Kenya Act, Cap 534 of 1988 empowered and recognised kasneb as the examining body for the Certified Secretaries (CS) qualification.
- (iii) The Investment and Financial Analysts Act, No. 13 of 2015 empowered and recognised kasneb as the examining body for the Certified Investment and Financial Analysts (CIFA) qualification.

kasneb consults with the Councils of ICPAK, ICPSK, ICIFA, ICMK as well as other stakeholders in executing its mandate.

### (b) Board of directors

kasneb is governed by a Board appointed by the Cabinet Secretary for the National Treasury. The Board is responsible for the general policy and strategic direction of kasneb. The members of the Board who served during the year are listed on pages 5 and 6.

### (c) Principal activities

The principal activities of kasneb are the development of syllabuses, conduct of professional, diploma and technician examinations and certification of candidates in accountancy, finance, credit, governance and management, information technology and related disciplines, the promotion of its qualifications nationally and internationally and the accreditation of relevant training institutions.

### (d) Location and principal place of business

kasneb Towers  
Hospital Road, Upper Hill  
P.O. Box 41362-00100  
**NAIROBI**

**Telephone:** +254 020 4923000

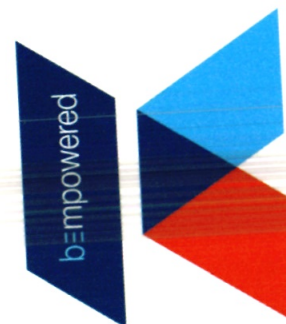
**Fax:** +254 020 2712915

**Email:** info@kasneb.or.ke

**Website:** www.kasneb.or.ke

**Facebook:** kasnebOfficial

**Twitter:** @kasnebOfficial





**(e) Bankers**

National Bank of Kenya Ltd.  
Hill Plaza Branch  
P.O. Box 45219-00100  
**NAIROBI**

Barclays Bank of Kenya Ltd.  
Enterprise Road Branch  
P.O. Box 18060-00500  
**NAIROBI**

Equity Bank Ltd.  
Community Branch  
P.O. Box 8181-00100  
**NAIROBI**

Co-operative Bank of Kenya Ltd.  
Nairobi Business Centre  
P.O. Box 48213-00100  
**NAIROBI**

Kenya Post Office Savings Bank (Post Bank)  
Post Bank House  
P.O. Box 30311-00100  
**NAIROBI**

Kenya Commercial Bank Ltd.  
Capital Hill Branch  
P.O. Box 58233-00200  
**NAIROBI**

UBA Bank Kenya Ltd.  
Upperhill Branch  
P.O. Box 34154-00100  
**NAIROBI**

**(f) Independent auditors**

Auditor-General  
Office of the Auditor General  
P.O. Box 30084-00100  
**NAIROBI**

**(g) Chief Executive Officer**

Pius M. Nduatih  
P.O. Box 41362-00100  
**NAIROBI**

**(h) Principal legal advisers**

**The Attorney-General**  
State Law Office  
P.O. Box 40112-00100  
NAIROBI

**Kaplan & Stratton Advocates**  
Williamson House, 4th Ngong Avenue  
P.O. Box 40111-00100  
NAIROBI

**Mbai Waweru & Associates**  
Lower Hill Duplex Apartments,  
2nd Flr, 41, Upper Hill Road  
P.O. Box 22550-00400  
NAIROBI

**(i) Fiduciary management**

The day to day management is under the following key organs:

- (i) Board of Directors
- (ii) Committees of the Board
- (iii) Chief Executive Officer
- (iv) Directors/Heads of Divisions
- (v) Heads of Unit
- (vi) Deputy Directors

**(j) Fiduciary Oversight Arrangements**

kasneb has in place an Audit and Risk Committee of the Board which provides oversight with respect to the management of affairs of kasneb.





(k) **Key management team**

The key management personnel who held office during the financial year ended 30 June 2018 and who had direct fiduciary responsibility were:

Name	Key responsibilities and qualifications
 <p><b>Pius M. Nduatih</b> Chief Executive Officer</p>	<p>Mr Pius M. Nduatih was appointed Secretary and Chief Executive on 14 January 2008 in accordance with Section 16 (1) of the Accountants Act, No.15 of 2008. He retired on 13 January 2019.</p> <p>He is a holder of a Bachelor of Commerce degree in Accounting and a Master of Business Administration. He is also a holder of the CPA and CPS qualifications.</p> <p>The key responsibilities are providing overall leadership and strategic direction to kasneb, implementing Board and Government of Kenya policies and decisions, mobilising resources, promoting positive corporate image, ensuring adherence to corporate values and promoting good governance and ethical practices for sustainable growth and development.</p>
 <p><b>James G. Nduati</b> Finance Director</p>	<p>Mr James G. Nduati was appointed the Finance Director on 1 July 2012.</p> <p>He is a holder of a Bachelor of Commerce degree in Accounting and Executive Masters' degree in Finance. He is also a holder of the CPA and CISA qualifications.</p> <p>The key responsibilities are planning, coordinating and implementing the finance and accounting policies and strategies aligned to the strategic plan of kasneb, ensuring compliance with international standards and advising the Chief Executive Officer on finance and accounting matters.</p>
 <p><b>Isaac M. Njuguna</b> Examinations Director</p>	<p>Mr Isaac M. Njuguna was appointed the Examinations Director on 1 July 2015. He was appointed the acting Chief Executive Officer with effect from 14 January 2019.</p> <p>He is a holder of a Bachelor of Commerce degree in Accounting and a Masters' degree in Finance. He is also a holder of the CPA qualification.</p> <p>The key responsibilities are planning, coordinating and implementing examinations development and administration and related policies and strategies aligned to the strategic plan of kasneb, ensuring development and review of syllabuses, efficient administration of examinations, accreditation of relevant training institutions and advising the Chief Executive Officer on examinations and accreditation matters.</p>
 <p><b>Marylucy A. Ajwang'</b> Human Capital and Administration Director</p>	<p>Ms Marylucy A. Ajwang' was appointed the Human Capital and Administration Director on 4 January 2016.</p> <p>She is a holder of a Bachelor of Commerce degree in Business Administration and Commerce and a Masters' degree in Human Resource Management. She is also a holder of a Diploma in Human Resource Management.</p> <p>The key responsibilities are planning, coordinating and implementing human capital and administration policies and strategies aligned to the strategic plan of kasneb and advising the Chief Executive Officer on human capital and administration matters.</p>





## II. MEMBERS OF THE BOARD



Dr. Christopher Yegon

Dr Christopher Yegon was appointed the Vice Chairman of the Board effective from 1 July 2014 up to 30 June 2017. He was reappointed as a member of the Board effective 7 August 2017 and appointed Vice Chairman of the Board effective 1 September 2018. He is a nominee of the Ministry of Education in accordance with Section 15(1)(b) of the Accountants Act, No. 15 of 2008.

He is a holder of a PhD in Human Resource Education, Master of Business Administration and Bachelor of Business Management degree.

Dr Yegon has vast experience in education and training having risen through the ranks in the Ministry of Education to his current position of Deputy Director, Higher Education, State department of University Education



CPA Bernard M. Ndung'u

CPA Bernard M. Ndung'u was appointed to the Board effective from 1 July 2014 up to 30 June 2017 and was reappointed to the Board effective 7 August 2017. He is a nominee of the National Treasury in accordance with Section 15(1)(a) of the Accountants Act, No. 15 of 2008.

He is a holder of a Bachelor of Commerce degree (Finance option) and a Master of Business Administration degree. He is also a holder of the CPA qualification and a Member of the Institute of Certified Public Accountants of Kenya (ICPAK).

CPA Ndung'u has wide experience in finance, auditing and consultancy services gained in International accounting firms including Ernst and Young and PriceWaterhouseCoopers (PWC). He is currently the Director General Accounting Services and Quality Assurance in the National Treasury and Chairman of Public Sector Accounting Standards Board (PSASB).



Dr. Nyambura Koigi

Dr Nyambura Koigi was appointed to the Board effective from 21 January 2011 up to 30 June 2017 and was reappointed to the Board effective 7 August 2017. She is a nominee of the Federation of Kenya Employers in accordance with Section 15(1)(c) of the Accountants Act, No. 15 of 2008.

She is a holder of a Bachelor of Arts degree in Economics, Master of Business Administration degree in Strategic Management and a Doctorate in Business Administration. She is also an Honorary Fellow of the Institute of Certified Public Secretaries of Kenya (ICPSK).

Dr Koigi has worked in various capacities rising to the level of Managing Director, Kenya Post Office Savings Bank (Postbank) from which she retired in June 2014



Mr. Benrodgers M. Milaih

Mr Benrodgers M. Milaih was appointed to the Board effective from 6 June 2016 and was reappointed to the Board effective 1 September 2018. He is a nominee of the Ministry of Public Service, Youth and Gender Affairs in accordance with Section 15(1)(d) of the Accountants Act, No. 15 of 2008.

He is a holder Master of Business Administration (HRM option) and Bachelor of Arts degree.

Mr Milaih has vast experience in the civil service in human resource management. He is currently serving as Director, Human Resource Management in the Ministry of Public Service, Youth and Gender Affairs.



Ms. Mary Njuya

Ms Mary Njuya was appointed to the Board effective from 1 July 2014 up to 30 June 2017 and was reappointed to the Board effective 7 August 2017. She is a nominee of the Attorney General in accordance with Section 15(1)(e) of the Accountants Act, No. 15 of 2008.

She is a holder of Bachelor of Laws degree. Ms Njuya has wide experience in legal matters gained at the Attorney General's Office. She is currently the Acting Registrar General.



FCS Joe Mbutia

FCS Joe M. Mbutia was appointed to the Board effective from 21 January 2011 up to 30 June 2017 and was reappointed to the Board effective 7 August 2017. He is a nominee of the Institute of Certified Public Secretaries of Kenya in accordance with Section 15(1)(g) of the Accountants Act, No. 15 of 2008.

He is a holder of a Bachelor of Science degree in Business Management, Post graduate Diploma in Management, Post graduate diploma in Marketing Management and Master's of Business Administration. He is also a holder of the CPS qualification.

FCS Mbutia has vast experience as a practitioner in company secretarial practice, corporate governance, strategic management, education and training and institutional and management consultancy. He is currently the Principal Consultant, Chart Management Consultants.



FCS Catherine Musakali

FCS Catherine Musakali was appointed to the Board effective from 21 January 2011 up to 30 June 2017 and was reappointed to the Board effective 7 August 2017. She is a nominee of the Institute of Certified Public Secretaries of Kenya in accordance with Section 15(1)(g) of the Accountants Act, No. 15 of 2008.

She is a holder of a Bachelor of Laws degree, Master of Laws degree and the CPS qualification. She also holds a Certificate in Securities and Investments from the Securities and Investments Institute, UK.

FCS Musakali has wide experience in company secretarial practice, governance and legal consultancy having worked as Head of Legal Services in blue chip companies including UAP Provincial Insurance Company Ltd. and Kenya Shell Ltd. She is the Founder of Dorion Associates and Director of Women on Boards Network.



	<p>FCPA Julius W. Mwatu was appointed to the Board effective 1 September 2018. He is a nominee of the Institute of Certified Public Accountants of Kenya in accordance with Section 15(1)(f) of the accountant Act, No. 15 of 2008.</p> <p>He is a holder of a Masterse4 in Business administration (Finance) and a Bachelor's degree in Statistics (BSc). He is also a holder of the CPA, CS and the Certified Financial Analyst qualifications. He is a member of the ICPAK.</p> <p>FCPA Mwatu has over 17 years' experience in the Accounting profession. He is the past Chairman of ICPAK. He is an Audit &amp; Tax partner at CPJ &amp; Associates. He is also Board member of KCAU Board of Trustees, Pan-African Federation of Accountants (PAFA) and the International Federation of Accountants (IFAC).</p>
	<p>CPA Edwin N. Makori was appointed to the Board effective 1 September 2018. He is a nominee of the Institute of Certified Public Accountants of Kenya accordance with Sections 15(1)(f) of the Accountants Acts, No. 15 of 2008.</p> <p>He is a holder of Masters in Business administration (Finance) and a Bachelor of Commerce Degree. He is also a holder of the CPA and CISA qualifications. He is also a certified ERP consultant. He is a member of the Information Systems and Audit Control Association (ISACA) as well the Institute of Leadership Management ILM (U).</p> <p>CPA Makori is the Chief Executive officer of ICPAK and has served on several boards internationally and locally and currently serves in the International Accounting Education Standards Board (IAESB) as a technical advisor.</p>
	<p>Dr George O. Wakah was appointed to the Board effective from 1 July 2014. He is a nominee of the Board of kasneb in accordance with Section 15(1)(h) of the Accountants Act, No.15 of 2008.</p> <p>He is a holder of Doctorate in Business Administration (Finance option), Master of Business Administration and Bachelor of Education (Accounting Major, Economics Minor) degree. He is also a holder of the CIFA qualification and a Member of the Institute of Certified Investment and Financial Analysts(ICIFA).</p> <p>FA Dr Wakah has wide experience gained as a lecturer in both public and private universities. He is currently the Director, Finance and Accounting Services, Parliamentary Service Commission.</p>
	<p>FCPA Benson Okundi was appointed to the Board effective from 1 July 2014 up to 30 June 2017 and was reappointed to the Board effective 7 August 2017. His appointment was revoked effective 1 September 2018. He was a nominee of the Institute of Certified Public Accountants of Kenya in accordance with Section 15(1)(f) of the Accountants Act, No. 15 of 2008.</p> <p>He is a holder of Executive Master of Business Administration degree and Bachelor of Commerce degree. He is also a holder of the CPA qualification and a Fellow of the Institute of CPA.</p> <p>FCPA Okundi has wide experience in Accounting and Auditing services gained at PriceWaterhouseCoopers (PWC). He is currently a partner in PWC Kenya.</p>
	<p>CPA Prof. Patrick Ngumi was appointed to the Board effective from 1 July 2014 up to 30 June 2017 and was reappointed to the Board effective 7 August 2017. His appointment was revoked effective 1 September 2108. He was a nominee of the Institute of Certified Public Accountants of Kenya in accordance with Section 15(1)(f) of the Accountants Act, No.15 of 2008.</p> <p>He is a holder of PhD in Economics and PhD in Business Administration, Master of Business Administration and Bachelor of Education degree. He is also a holder of the CPA and CPS qualifications.</p> <p>CPA Prof. Ngumi has wide experience in finance and accounting having served in various organisations including Housing Finance and Postbank. Recently he served as Director, Private Sector Enablers and Competitiveness, National Economic and Social Council (NESC) and Chief Executive Officer, ICPAK.</p>





### III. CHAIRMAN'S STATEMENT

On behalf of the Board, I am pleased to present the annual report and the financial statements for the financial year ended 30 June 2018.

The Board is responsible for the strategic direction and oversight of kasneb. During the year, the Board ensured that the mandate of kasneb was efficiently and effectively executed as evidenced by the successful administration of examinations in December 2017 and May 2018 both within and outside the country, among other things.



#### **Governance**

The operations of kasneb are governed by the Accountants Act, No. 15 of 2008, the Certified Public Secretaries Act, Cap. 534 of 1988 and the Investment and Financial Analysts Act, No. 13 of 2015. Under the provisions of the Accountants Act No.15 of 2008, the Board has authority to establish committees it considers necessary for the efficient and effective execution of its functions.

The Board comprises even (11) non-executive members appointed by the Cabinet Secretary for The National Treasury in accordance with the provisions of Section 15(1) of the Accountants Act, No. 15 of 2008. The members of the Board serve for a period of three (3) years. The term of the previous Board expired on 30 June 2017. Consequently nine (9) members were appointed vide Kenya Gazette Notice No.11796 dated 20 November 2017 which was published on 1 December 2017. Their appointment was effective from 7 August 2017.

Thereafter, the Cabinet Secretary vide Gazette Notice No. 352 dated 18 January 2019 appointed Dr. Nancy N. Muriuki, Mr. Benrodgers M. Milaih, FCPA Julius W. Mwatu, CPA Edwin N. Makori and Dr. George O. Wakah as members of the Board effective 1 September 2018. In the same Gazette notice Dr. Nancy N. Muriuki and Dr. Christopher Yegon were appointed Chairman and Vice Chairman of the Board respectively. The Cabinet Secretary further revoked the appointment of CPA Prof. DDr. Patrick Ngumi and FCPA Benson Okundi effective 1 September 2018.

The members of the Board are provided with appropriate and timely information to enable them discharge their responsibilities and maintain full and effective control over strategic, financial, operational and compliance issues.

#### **Corporate Strategic Plan (2017-2022)**

The implementation of the fifth Corporate Strategic Plan (2017-2022) commenced on 1 July 2018. The strategies are aligned to the national development agenda, sustainable development goals (2015-2030) and Kenya Vision 2030 and paves way for new initiatives geared towards transformation of kasneb. These initiatives include online delivery of examinations, use of digital marketing platform, research and innovation, implementation of ISO Standards and increased adoption of information communication technology.

The plan is anchored on four pillars namely; Quality professionals, Customer experience, Institutional capacity and Financial sustainability.

#### **kasneb Towers Phase II Project**

The construction of the kasneb Towers II and extension of kasneb Towers I Project was at an advanced stage of completion. The construction works will be completed during the financial year 2018/2019.



**ISO Quality Management System and Information Security Management System**

Kasneb continued to implement the ISO 9001:2015 Quality Management System (QMS). In addition during the year, kasneb commenced the process of certification under ISO/IES 27001:2013 Information Security Management Systems.

**Marketing and communication**

In line with the new professional brand which was launched on 31 March 2017, kasneb continued to communicate and promote the new brand through various media channels.

The Huduma Service Centres in Mombasa, Kisumu, Kisii, Eldoret, Nakuru, Nyeri and Meru continued to provide devolved customer service in order to ensure superior and timely customer experience. Two Huduma centres at Kibra and Makadara in Nairobi were closed during the year due to low traffic.

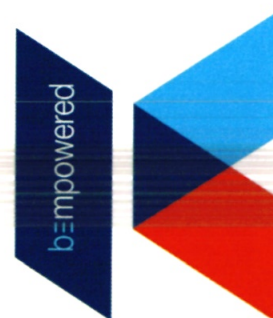
**Way forward**

kasneb will continue to offer market driven quality examinations to empower professionals globally. This will be achieved through continuous research and innovation, regular review of examination syllabuses and increased investment in ICT for enhanced operational efficiency. Greater emphasis will be placed on quality and speedy service delivery in order to guarantee customers a superior experience in accordance with the new kasneb professional brand.

**Appreciation**

I wish to thank the students for their loyalty and confidence in the qualifications of kasneb and their parents, guardians and sponsors for their sacrifice. I feel indebted to the members of the Board for their foresight and the members of staff for their dedication and hard work during the year. I wish to also thank the Government for appointing me Chairman of the Board and also appointing other members to serve for a period of three years effective 1 September 2018. In addition, I acknowledge the Government support in providing a conducive environment to operate in through the National Treasury.

**DR. NANCY N. MURIUKI, PHD**  
**CHAIRMAN**







## IV. REPORT BY THE ACTING CHIEF EXECUTIVE OFFICER

The financial year 2017/2018 was challenging and a turning point for kasneb. As we continued to implement new initiatives under the fifth corporate strategic plan (2017-2022), a harsh political and policy environment led to realization of a deficit after many years of operation. The first half of the financial year was characterised with major disruptions brought about by the 8 August 2017 general elections and the repeat Presidential elections on 26 November 2017. This was a period of great uncertainty running all the way until the famous handshake in March 2018. This uncertainty compiled with the ongoing education reforms especially in the area of KCSE examination led to a significant decline in student numbers and hence revenue. Various austerity measures were put in place to mitigate the disruptions through elimination of wastages and deferment of non-essential expenditure. The impact of these measures is expected to be realised in the financial year 2018/2019.



The following are key highlights of the financial year.

### **Financial performance**

The financial performance for the financial year 2017/2018 was lower than in the previous years resulting into a deficit of Sh.60 million due to various reasons as explained under the management discussion and analysis. Through prudent financial management the expenditure on operations was significantly lower than the previous year. The opportunity cost on the construction of kasneb Towers II meant that there were less funds to invest and an additional asset to maintain while awaiting occupation of the building. This also contributed to the lower financial performance in the short term.

### **Administration of examinations**

The professional and diploma examinations were successfully administered in November 2017 and May 2018. In order to enhance customer satisfaction, we successfully released the results for both professional and diploma examinations in the first half of the month of January 2017 and July 2018 respectively to allow training institutions and candidates adequate time for tuition and preparation for the next examination sitting.

### **Certificate in Accounting and Management Skills (CAMS)**

During the year, we concluded the process of a mid-term syllabuses review which had commenced in the previous financial year. One of the major outcomes of this review was the introduction of the Certificate in Accounting and Management Skills (CAMS) qualification. The new qualification was advised by a comprehensive stakeholder engagement process which identified a critical gap in lower level accounting and management skills for the micro, small and medium enterprise sector, non-governmental organisations (NGOs) and both public and private sector entities. The first CAMS examination were held in November 2018.

### **Enterprise Resource Planning (ERP) system**

Tendering for the ERP system and evaluation of the tenders commenced during the financial year with support of the Information and Communication Technology Authority. The tendering process was expected to be completed in the year 2018/2019.





## **ISO/IEC 27001:2013 Information Security Management System Certification**

During the year, kasneb commenced the process of ISO/IES 27001:2013 Information Security Management Systems (ISMS) certification. This will be critical in managing and protecting kasneb's valuable data and information assets for optimal resource management and smooth operations.

## **Internal culture change**

To ensure success and sustainability of the kasneb Vision in the dynamic operating environment, we increased the momentum of the internal culture change process which we started in the previous financial year. The process was characterised by participatory sessions, group activities, role play, sharing and disclosure and resolution sessions. The objective of the culture change is to adopt enabling culture traits, discard negativity/disabling behaviours, attitudes and beliefs and thereby enhance performance and productivity.

## **Kasneb Towers II project**

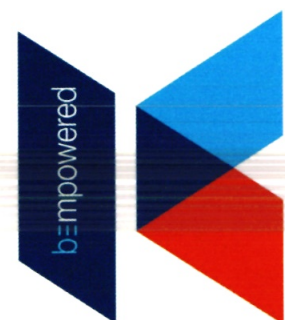
The construction of kasneb Towers II continued during the year and was at advanced stages of completion estimated at 96% as at 30 June 2018. Partial hand-over of kasneb Towers II by the Contractor to kasneb was undertaken on 22 February 2018. The facility was utilised for various activities including prize award ceremony, stakeholders workshop, launch of the Certificate in Accounting and Management Skills (CAMS) qualification, training workshops and marking of May 2018 examinations.

## **Service to the community**

We engaged in various corporate social investment initiatives as outlined under the Economic Social Governance statement of this report. The kasneb Foundation that is expected to offer loans and bursaries to needy students who wish to pursue kasneb qualifications was operationalised during the year.

I thank the members of the Board and staff for their commitment, dedication and support during the year.

**ISAAC M. NJUGUNA**  
**AG. CHIEF EXECUTIVE OFFICER**





## V. CORPORATE GOVERNANCE STATEMENT

The Board of kasneb is responsible for the overall management of kasneb. The Board comprises eleven non-executive members who are accountable to the Government and the people of Kenya through the Parent Ministry, The National Treasury. The members of the Board are committed to achieving the highest standards of good governance. In this regard, the members of the Board and management have committed to work honestly and diligently and have put in place appropriate policies and strategies to ensure compliance with the law and the highest standards of best practice in good governance and business ethics. The members operate in accordance with the broad principles set out in the Accountants Act, No.15 of 2008, the Certified Public Secretaries of Kenya Act, Cap 534 of 1988 and the Investment and Financial Analysts Act, No. 33 of 2015.

### **Members of the Board**

The Board comprises the Chairman, Vice-chairman and nine other members who are appointed by the Cabinet Secretary for the National Treasury for a term of three years. The Chief Executive Officer is an ex-officio member of the Board. The Board meets at least four times a year, with additional meetings being held on need basis. The Board has delegated authority for the day-to-day operations to the Chief Executive Officer who is also the Secretary to the Board. The members of the Board are provided with appropriate and timely information to enable them discharge their responsibilities and maintain full and effective control over strategic, financial, operational and compliance issues.

### **Committees of the Board**

The Board has established the following four standing committees and one sub-committee to which it has delegated certain responsibilities. Each committee meets at least four times a year under the terms of reference approved by the Board.

The main responsibilities of the committees are as follows:

#### **Examinations Committee**

The principal responsibilities of the Committee are development of syllabuses which comply with international standards, development of strategies for management of examinations, receiving and considering examiners reports and guiding the release of results, advising the Board on matters incidental to good strategies for administration of examinations and accreditation of training institutions offering tuition for the qualifications of kasneb and promoting research and innovation.

#### **Finance and General Purposes Committee**

The principal responsibilities of the Committee are developing and overseeing the implementation of the finance strategy, human capital strategy and information communication technology strategy. The Committee is also responsible for the approval of the annual procurement plan and annual budget and for ensuring prudent financial management.

#### **Planning and Business Development Committee**

The principal responsibilities of the Committee are spearheading the development of the corporate strategic plan, monitoring and implementation of the strategic and operational plans and coordinating the performance contracting process. The committee is also responsible for formulating the marketing strategy, business development policy and corporate communication policy.



### **Audit and Risk Committee**

The principal responsibilities of the Committee are to provide assurance to the Board and management on the adequacy of procedures relating to risk management, control and governance, reviewing and approving the audit charter and internal audit annual work plans, reviewing the internal and external audit findings and recommendations and proposing preventive and corrective action as appropriate. The Committee is also responsible for reviewing the systems established to ensure sound public financial management and internal controls. The Head of Internal Audit and Risk is an ex-officio member of the Committee.

### **Examinations Technical Sub-Committee**

The Examinations Technical Sub-Committee is a permanent Sub-Committee of the Examinations Committee. Its principal responsibility is dealing with technical issues on examination matters including syllabuses, accreditation of training institutions research and innovation as delegated by the Examinations Committee from time to time.

### **Membership of Committees**

Members who served in the committees and sub-committee during the financial year 2017/2018 were as shown below:

#### **Examinations Committee**

Christopher Yegon (Chairman)  
Nyambura Koigi  
Catherine Musakali  
Joe M. Mbuthia  
Bernard M. Ndung'u  
Benson Okundi  
Mary Njuya  
Patrick Ngumi  
Sharon J. Kisire  
Yonah O. Okidia  
Jonah K. Aiyabei  
Samuel M. Muriu

#### **Finance and General Purposes Committee**

Nyambura Koigi (Chairman)  
Christopher Yegon  
Bernard M. Ndung'u  
Patrick Ngumi  
Benrodgers M. Milaih

#### **Planning and Business Development Committee**

Catherine Musakali  
(Chairman)  
Nyambura Koigi  
Mary Njuya  
Joe M. Mbuthia  
Benson O. Okundi

#### **Audit and Risk Committee**

Benson Okundi (Chairman)  
Christopher Yegon  
Catherine Musakali  
Mary Njuya  
Bernard M. Ndungu

#### **Examinations Technical Sub-Committee**

Patrick Ngumi (Chairman)  
Joe M. Mbuthia  
Sharon J. Kisire  
Gillian W. Mwaniki  
Yonah O. Okidia  
Samuel M. Muriu  
Jonah K. Aiyabei  
David M. Mwangi  
John O. Nyangweta  
Dorcas M. Omukhulu







**Meetings held by the Board and committees (1 July 2017 to 30 June 2018)**

Board/Committee	Number of meetings held
Board	4
Examinations Committee (EC)	5
Finance and General Purposes Committee (FGPC)	3
Planning and Business Development Committee (PBDC)	2
Audit and Risk Committee (ARC)	1
Examinations Technical Sub-Committee (ETSC)	1

**Summary of attendance in meetings**

NAME	Board meetings		Committee meetings										Total meetings	
	App.	Att.	EC		FGPC		PBDC		ARC		ETSC		App.	Att.
Christopher Yegon	4	4	5	2	3	3	2	1	1	1	-	-	15	11
Nyambura Koigi	4	5	5	3	3	1	2	2	-	-	-	-	14	11
Joe M. Mbuthia	4	3	5	3	-	-	2	2	-	-	1	1	12	9
Catherine Musakali	4	3	5	2	-	-	2	2	1	1	-	-	12	8
Bernard M. Ndungu	4	3	5	3	3	1	2				-	-	14	7
Mary Njuya	4	5	5	3	3	2	2	2	1	1	-	-	15	13
Benson Okundi	4	5	5	3	3	2	2	1	1	1	-	-	15	12
Patrick Ngumi	4	4	5	2	3	1	-	-	-	-	1	1	13	8
Benroddgers M. Milaih	4	4	5	3	-	-	-	-	-	-	-	-	9	7
George O. Wakah	N/A	-	5	1	-	-	-	-	-	-	-	-	5	1
Sharon J. Kisire	N/A	-	5	2	-	-	-	-	-	-	1	1	6	3
Yonah O. Okidia	N/A	-	5	4	-	-	-	-	-	-	1	1	6	5
Jonah K. Aiyabei	N/A	-	5	4	-	-	-	-	-	-	1	1	6	5
Samuel M. Muriu	N/A	-	5	4	-	-	-	-	-	-	-	-	5	4
David M. Mwangi	N/A	-	-	-	-	-	-	-	-	-	1	1	1	1
John O. Nyangweta	N/A	-	-	-	-	-	-	-	-	-	1	-	1	1
Dorcas M. Omukhulu	N/A	-	-	-	-	-	-	-	-	-	1	-	1	1
Gillian W. Mwaniki	N/A	-	-	-	-	-	-	-	-	-	1	-	1	1

**KEY:**

App. - Applicable

Att. - Attended

**Note:** Applicable refers to the number of meetings which members were eligible to attend during the period.

Kasneb has also established a Kasneb Foundation under the Trustees (Perpetual Succession) Act, Cap 164 to administer a loan fund and bursary fund to enable needy students to pursue the qualifications of Kasneb. The Trustees of the Foundation comprise three (3) Board members, two (2) members of staff and two external persons.



## VI. ECONOMIC SOCIAL GOVERNANCE (ESG) STATEMENT

In appreciation of the important role played by communities in which kasneb operates, a vibrant Economic Social Governance (ESG) policy is being pursued. The policy takes into consideration the need for sustainable practices and social governance values. This is in recognition of the vital role played by the society in which the goals and aspirations of kasneb are centred. The pillars of the ESG policy are:

- Education and training
- Health
- Disaster Relief
- Environment
- Youth talent development
- Voluntary community service

kasneb contributed a total of Sh.1,950,000 (shillings one million nine hundred and fifty thousand) only towards economic social governance. In addition, members of staff participated in various ESG activities. The following were some of the key ESG activity engagements:

### Environmental activities

Members of staff participated in the Ndakaini Half Marathon ten (10) kilometre corporate race organised by UAP Old Mutual and Ndakaini Dam Environmental Conservation Association (NDEKA).

### Educational activities

kasneb paid school fees for seven (7) orphaned and vulnerable students from Tunyai Childrens' Centre, Tharaka Nithi for third term (2017) and first and second term (2018). The students are in different secondary schools in Tharaka Nithi County. A donation for buying school uniforms for the forty two (42) orphans of the Tunyai Childrens' Centre was also provided.

Various textbooks were donated to eleven (11) libraries namely; Wajir District Library, Munyu Community Library-Nyeri, Kibera Branch-Nairobi, Bute Community Library-Wajir, Narok Branch, Nyilima Community Library-Siaya, Dzitsoni Community Library-Kilifi, Silibwet Community Library-Bomet, Gilgil Community Library- Nakuru, Timau Community Library-Meru, Ukwala Community Library-Siaya, Wundanyi District Library - Taita Taveta

### Humanitarian Activities

As part of celebrating its 48th Anniversary in July 2017, kasneb donated foodstuffs to Port Reitz School, Mombasa, a special school for physically, mentally and socially handicapped children and the only primary boarding school in Mombasa County that offers education services to needy handicapped children.

A donation was also made to Wells of Hope Centre for economic empowerment of the elderly women of Kibagare Slums, Nairobi.

### Voluntary community service

Members of staff participated in the Kenya Freedom from Hunger Walk. The aim of the walk was to complement the government's efforts in the fight against hunger and malnutrition and its causes among vulnerable communities.





## VII. REPORT OF THE MEMBERS OF THE BOARD

The members of the Board submit their report and audited financial statements for the year ended 30 June 2018 which show the state of affairs of kasneb.

### 1. Principal Activities

The principal activities of kasneb are the development of syllabuses, conduct of professional, diploma and technician examinations and certification of candidates in accountancy, finance, credit, governance and management, information technology and related disciplines, the promotion of its qualifications nationally and internationally and the accreditation of relevant training institutions.

### 2. Results

The results for the year are set out on pages 24 to 44

### 3. Members of the Board

The members of the Board of kasneb who served during the year and to the date of this report are shown on pages 5 and 6.

### 4. Auditors

The Auditor-General is responsible for the statutory audit of the books of account of kasneb in accordance with the provisions of Article 229 of the Constitution of Kenya, 2010 and Section 7 of the Public Audit Act, No. 34 of 2015.

By order of the Board

**ISAAC M. NJUGUNA**  
**AG. CHIEF EXECUTIVE OFFICER**





## VIII. MANAGEMENT DISCUSSION AND ANALYSIS

### SECTION A

#### Operational and Financial Performance

The financial year ended 30 June 2018 was challenging for the education sector in general and higher learning institutions and professional examination bodies in particular. The performance for the year was fair considering the difficult operating environment. The sector was hit by low student enrolment which affected the financial performance of both public and private institutions of higher learning and professional examination bodies including kasneb.

The capital and recurrent expenditure were however fully financed from internally generated revenue. Funds invested in treasury bills and bonds were rolled over where possible while some were utilised to meet some operational expenses due to the declining revenue collection. The projected income from operations for the financial year ended 30 June 2018 was below the targeted performance. This was mainly attributable to the following:

- (a) The impact of placement of Diploma students in Technical Training Institutes by Kenya Universities and Colleges Central Placement Service (KUCCPS) and subsequent funding of diploma students through HELB loans. Students prefer to be placed by KUCCPS to the Technical Training Institutes in order to benefit from the financial assistance.
- (b) The impact of downward trend of student's performance in Kenya Certificate of Secondary Education leading to all students with grade C+ and above being admitted to both public and private universities. Students prefer to go to the universities and graduate in respective fields before registering for professional qualifications offered by kasneb.
- (c) The impact of the new requirement for students to report to universities in the same year when The Kenya Certificate of Secondary Education results are released. Previously many students used to take kasneb qualifications as they waited to join universities a year after release of results.
- (d) The impact of transition to the revised examinations syllabuses which were implemented effective from 1 July 2015 including the phasing out of Technician examinations effective from 1 January 2016.
- (e) The introduction of the Diploma examinations whose minimum entry requirement was KCSE mean grade of C- (C minus) compared to D+ (D plus) for the phased out Technician examinations.
- (f) Competition from universities who also offered diploma courses to students with KCSE mean grade of C- (C minus) who subsequently progressed to degree courses.

The impact of the negative income variance was however, mitigated by savings arising from austerity measures undertaken in managing operating costs including but not limited to automation, re-engineering of processes, wastage reduction and deferment of non-essential expenditure.

During the year, kasneb introduced the Certificate in Accounting and Management Skills (CAMS) qualification following a comprehensive stakeholder engagement process which identified a critical gap in lower level accounting and management skills for the micro, small and medium enterprise sector, non-governmental organisations(NGO) and both public and private sectors. The first examination will be held in November 2018. This qualification is expected to contribute to the growth of the revenue base of the organisation.

The development and subsequent launch of e-kasneb application on 31 March 2017 has greatly assisted students in payment of fees online as well as access to services using mobile phones. This service delivery innovation is expected to result in additional cost savings and enhanced, effective and efficient service delivery.





Kasneb is in the process of implementing various strategies which were identified in the previous financial year to address the numerous challenges and improve on the financial performance. The strategies include but not limited to:

- (i) Letting of office space in kasneb Towers II.
- (ii) Development of new income streams such as establishment of a research and innovation centre.
- (iii) Availing e-learning resources to students and examiners at a subsidised fee.
- (iv) Adoption of digital marketing in line with the unique needs of the target market.
- (v) Introduction of computer based examinations which would allow students to book and undertake the examinations online.
- (vi) Promotion of examinations in foreign countries such as Rwanda, Burundi, Uganda, South Sudan, Somalia and Cameroon.
- (vii) Collaboration with Kenya Universities and Colleges Central Placement Service (KUCCPS) to facilitate admission of students for kasneb examinations through KUCCPS.

## **SECTION B**

### **Compliance with regulatory requirements**

During the year ended 30 June 2018, kasneb complied with all the statutory and regulatory requirements.

## **SECTION C**

### **Key projects and investment decisions the entity is planning/implementing kasneb Towers Phase II Project**

The construction of kasneb Towers II continued during the year and was at advanced stages of completion estimated at 96% as at 30 June 2018. Partial hand-over of kasneb Towers II by the Contractor to kasneb was undertaken on 22 February 2018. The project, once complete is expected to provide facilities for enhanced security, integrity and efficiency in examination processes thus reducing operational costs. The project is also expected to generate some rental income. The expenditure incurred in the construction works is financed from internally generated funds.

### **Enterprise Resource Planning (ERP) system**

The process of sourcing for an Enterprise Resource Planning (ERP) system commenced during the year and was ongoing. The evaluation of the tenders was undertaken with support of the Information and Communication Technology Authority. The tendering process is expected to be completed in the year 2018/2019.

## **SECTION D**

### **Major risks facing the entity**

#### **Financial risk management**

kasneb seeks to minimise its exposure to financial risk by investing only in secure Treasury bills and bonds. There are no financial liabilities like loans and overdrafts other than suppliers liabilities.



## IX. STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES

The members of the Board and management are responsible for preparing financial statements which give a true and fair view of the state of affairs of kasneb as at the end of each financial year and of the operating results for that year.

The members of the Board and management are also required to ensure that the Board keeps proper accounting records which disclose with reasonable accuracy the financial position of kasneb. The members and management are also responsible for safeguarding the assets of the Board.

The members of the Board and management accept responsibility for the financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates and in conformity with the International Public Sector Accounting Standards, Section 81 of the Public Finance Management Act, 2012 and the State Corporations Act, Cap 446. The members are of the opinion the financial statements give a true and fair view of the state of the financial affairs of kasneb as at 30 June 2018 and of its surplus for the year then ended. The members and management further accept responsibility for the maintenance of accurate and complete accounting records which have been relied upon in the preparation of the financial statements as well as on the adequacy of the systems of internal financial controls.

Nothing has come to the attention of the members of the Board and management to indicate that kasneb will not remain a going concern for the next twelve months from the date of this statement.

### Approval of the financial Statements

The financial statements were approved by the Board on 21 September 2018 and signed on its behalf by:

**DR. NANCY N. MURIUKI, PHD**  
**CHAIRMAN**

**ISAAC M. NJUGUNA**  
**AG. CHIEF EXECUTIVE OFFICER**

**JAMES G. NDUATI**  
**FINANCE DIRECTOR**  
ICPAK Member No. 2102



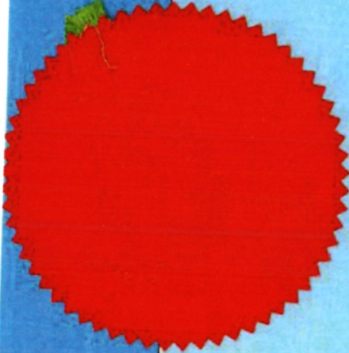


REPORT OF THE AUDITOR GENERAL

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
KENYA ACCOUNTANTS AND SECRETARIES  
NATIONAL EXAMINATIONS BOARD**

**FOR THE YEAR ENDED  
30 JUNE 2018**



## REPORT OF THE AUDITOR GENERAL

## REPUBLIC OF KENYA

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## OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON KENYA ACCOUNTANTS AND  
 SECRETARIES NATIONAL EXAMINATIONS BOARD FOR THE YEAR ENDED  
 30 JUNE 2018

## REPORT ON THE FINANCIAL STATEMENTS

**Opinion**

I have audited the accompanying financial statements of Kenya Accountants and Secretaries National Examinations Board (KASNEB) set out on pages 24 to 44, which comprise the statement of financial position as at 30 June 2018, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects the financial position of Kenya Accountants and Secretaries National Examinations Board as at 30 June, 2018, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (accrual basis) and comply with Accountants Act, 2008.

**Basis for opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kenya Accountants and Secretaries National Examinations Board in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Emphasis of Matter****Poor financial performance**

The board continued to record a downward trend in terms of financial performance, a trend which started in the financial year 2014/2015. In the financial year 2014/2015 the

*Report of the Auditor-General on the Financial Statements of Kenya Accountants and Secretaries National Examinations Board for the year ended 30 June 2018*





## REPORT OF THE AUDITOR GENERAL

Board made a surplus of Kshs.167 million. In the financial year ended 30 June 2018 the Board made a loss of Kshs.60 million. Though the Board's balance sheet is still solid, the management has not disclosed any measures that they have put in place or expected to be implemented to reverse the loss making trend. My opinion is not modified on the above matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no Key Audit Matters to report in the year under review.

### **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

#### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

#### **Basis of Conclusion**

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

#### **Conclusion**

As required by Section 7 (1) (a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

#### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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*Report of the Auditor-General on the Financial Statements of Kenya Accountants and Secretaries National Examinations Board for the year ended 30 June 2018*



## REPORT OF THE AUDITOR GENERAL

### Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to cease operations of the Board, or have no realistic alternative but to do so.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

### Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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*Report of the Auditor-General on the Financial Statements of Kenya Accountants and Secretaries National Examinations Board for the year ended 30 June 2018*

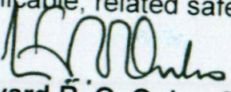


## REPORT OF THE AUDITOR GENERAL

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Board to cease to continue as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Board to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

  
FCPA Edward R. O. Ouko, CBS  
AUDITOR-GENERAL

Nairobi

5 February 2019

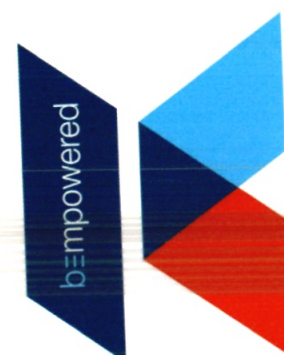
*Report of the Auditor-General on the Financial Statements of Kenya Accountants and Secretaries National Examinations Board for the year ended 30 June 2018*



## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018

	Note	2017/2018 Sh.	2016/2017 Sh.
<b>Revenue from exchange transactions</b>			
Income from operations	4	583,674,708	717,259,348
Income from other sources	5	<u>94,017,609</u>	<u>148,321,766</u>
<b>Total revenue</b>		<b><u>677,692,317</u></b>	<b><u>865,581,114</u></b>
<b>Expenses</b>			
Operating expenses	6	247,461,013	315,116,283
Employee costs	7	414,620,464	456,099,241
Board expenses	8	4,405,065	21,077,494
Administration costs	9	33,172,757	24,024,284
Repairs and maintenance	10	1,323,036	1,647,616
Contracted services	11	13,001,500	12,129,903
Depreciation and amortisation	12	<u>23,998,449</u>	<u>31,033,687</u>
<b>Total expenses</b>		<b><u>737,982,284</u></b>	<b><u>861,128,508</u></b>
<b>Surplus for the period</b>		<b><u>(60,289,967)</u></b>	<b><u>4,452,606</u></b>

The notes set out on pages 25 to 40 form an integral part of the Financial Statements.





## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

ASSETS	Note	2017/2018 Sh.	2016/2017 Sh.
<b>Current assets</b>			
Cash and bank balances	13	312,138,486	220,906,457
Held to maturity investments	14	449,128,200	782,891,450
Trade and other receivables	15	<u>63,912,861</u>	<u>82,754,426</u>
		<b><u>825,179,547</u></b>	<b><u>1,086,552,333</u></b>
<b>Non current assets</b>			
Property, plant and equipment	16(a)	1,303,129,863	1,074,332,791
Leasehold land	16(c)	347,195,120	351,646,340
Intangible assets	17	4,328,922	7,691,968
Held to maturity investments	18	<u>176,535,500</u>	<u>184,684,300</u>
		<b><u>1,831,189,405</u></b>	<b><u>1,618,355,399</u></b>
<b>Total assets</b>		<b><u>2,656,368,952</u></b>	<b><u>2,704,907,732</u></b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	19	120,881,375	99,134,915
Provisions	20	15,171,013	22,511,794
Payments received in advance	21	<u>1,207,993</u>	<u>3,862,485</u>
<b>Total liabilities</b>		<b><u>137,260,381</u></b>	<b><u>125,509,194</u></b>
<b>Net assets</b>		<b><u>2,519,108,571</u></b>	<b><u>2,579,398,538</u></b>
Revaluation reserve	22	441,702,021	441,702,021
Accumulated surplus	23	<u>2,077,406,550</u>	<u>2,137,696,517</u>
		<b><u>2,519,108,571</u></b>	<b><u>2,579,398,538</u></b>
<b>Total net assets and liabilities</b>		<b><u>2,656,368,952</u></b>	<b><u>2,704,907,732</u></b>

The financial statements on pages 19 to 40 were approved by the Board on 21 September 2018 and were signed on its behalf by:

DR. NANCY N. MURIUKI, PHD  
CHAIRMAN

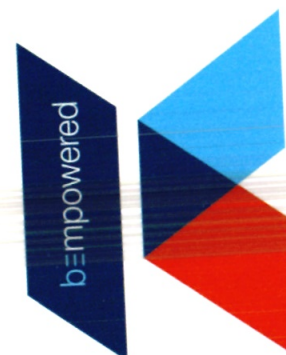
ISAAC M. NJUGUNA  
AG. CHIEF EXECUTIVE OFFICER

JAMES G. NDUATI  
FINANCE DIRECTOR  
ICPAK Member No.2102



## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2018

	Revaluation reserves	Accumulated surplus	Total
	Sh.	Sh.	Sh.
Balance as at 30 June 2016	441,702,021	2,133,243,911	2,574,945,932
Surplus/(deficit) for the period	-	4,452,606	4,452,606
Balance as at 30 June 2017	441,702,021	2,137,696,517	2,579,398,538
Surplus for the period	-	(60,289,967)	(60,289,967)
Balance as at 30 JUNE 2018	<u>441,702,021</u>	<u>2,077,406,550</u>	<u>2,519,108,571</u>





## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Note	2017/2018 Sh.	2016/2017 Sh.
<b>Cash flows from operating activities:</b>			
<b>Receipts</b>			
Revenue from exchange transactions	4	583,674,708	717,259,348
Interest income	5.1	85,560,314	143,218,162
Revenue from non-exchange transactions	5	<u>8,457,295</u>	<u>5,103,604</u>
<b>Total receipts</b>		<b><u>677,692,317</u></b>	<b><u>865,581,114</u></b>
<b>Payments</b>			
Operating expenses			
Employee costs	6	(247,461,013)	(315,116,283)
Board expenses	7	(414,620,464)	(456,099,241)
Administration costs	8	(4,405,065)	(21,077,494)
Repairs and maintenance	9	(33,172,757)	(24,024,284)
Contracted services	10	(1,323,036)	(1,647,616)
(Increase)/Decrease in trade and other receivables	11	(13,001,500)	(12,129,903)
Increase/(Decrease) in payables and provisions		18,841,565	39,065,716
		<u>11,751,187</u>	<u>10,892,151</u>
<b>Total payments</b>		<b><u>(683,391,083)</u></b>	<b><u>(780,136,954)</u></b>
<b>Net cash generated from operating activities</b>		<b><u>(5,698,766)</u></b>	<b><u>85,444,160</u></b>
<b>Cash flows from investing activities</b>			
Purchase/(sale) of financial assets			
Purchase of intangible assets	17	8,148,800	25,945,300
Purchase of property, plant and equipment	16 (b)	(936,300)	(9,685,591)
		<u>(244,044,955)</u>	<u>(395,831,492)</u>
<b>Net cash utilised in investing activities</b>		<b><u>(236,832,455)</u></b>	<b><u>(379,571,783)</u></b>
<b>Cash flows from financing activities</b>			
		-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b><u>(242,531,221)</u></b>	<b><u>(294,127,623)</u></b>
Cash and cash equivalents at beginning of the year	13.2	<u>1,003,797,907</u>	<u>1,297,925,530</u>
<b>Cash and cash equivalents at the end of the year</b>	13.2	<b><u>761,266,686</u></b>	<b><u>1,003,797,907</u></b>



## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2017/2018	2017/2018	2017/2018	2017/2018	2017/2018
	Sh.	Sh.	Sh.	Sh.	Sh.
<b>INCOME FROM EXCHANGE TRANSACTIONS</b>					
Examinations booking fees	601,600,000	(121,800,000)	479,800,000	394,313,941	(85,486,059)
Registration fees	159,800,000	(63,800,000)	96,000,000	78,067,411	(17,932,589)
Annual registration renewal fees	112,800,000	(14,600,000)	98,200,000	64,991,720	(33,208,280)
Exemption fees	73,800,000	(22,300,000)	51,500,000	46,133,471	(5,366,529)
Sale of publications	300,000	(150,000)	150,000	168,165	18,165
<b>Sub-Total</b>	<b>948,300,000</b>	<b>(222,650,000)</b>	<b>725,650,000</b>	<b>583,674,708</b>	<b>(141,975,292)</b>
<b>INCOME FROM OTHER SOURCES</b>					
Interest earned	180,000,000	(60,000,000)	120,000,000	85,560,314	(34,439,686)
Rental income	20,000,000	(16,500,000)	3,500,000	877,516	(2,622,484)
Miscellaneous income	8,500,000	3,500,000	12,000,000	7,579,779	(4,420,221)
<b>Sub-total</b>	<b>208,500,000</b>	<b>(73,000,000)</b>	<b>135,500,000</b>	<b>94,017,609</b>	<b>(41,482,391)</b>
<b>Total income</b>	<b>1,156,800,000</b>	<b>(295,650,000)</b>	<b>861,150,000</b>	<b>677,692,317</b>	<b>(183,457,683)</b>
<b>EXPENDITURE ON OPERATIONS</b>					
Examinations and invigilation	164,000,000	(29,000,000)	135,000,000	118,725,083	16,274,917
Examination prizes	6,500,000	(2,000,000)	4,500,000	3,062,070	1,437,930
Hire of examination halls	8,500,000	(2,500,000)	6,000,000	5,484,826	515,174
Data processing	8,000,000	(3,000,000)	5,000,000	5,553,818	(553,818)
Printing and stationery	35,000,000	(3,000,000)	32,000,000	29,881,849	2,118,151
Local travel and transport	5,300,000	(1,300,000)	4,000,000	4,484,842	(484,842)
Long distance travel and transport	7,400,000	(2,900,000)	4,500,000	4,342,724	157,276
Postage and telephone	15,000,000	(6,000,000)	9,000,000	8,115,358	884,642
Salaries and wages	460,000,000	(85,000,000)	375,000,000	356,610,451	18,389,549
Pension and benefits	56,000,000	(16,000,000)	40,000,000	40,902,932	(902,932)
Education and training	21,200,000	(3,200,000)	18,000,000	17,107,081	892,919
Repairs and maintenance	5,000,000	(3,500,000)	1,500,000	1,323,036	176,964
Audit fees	1,000,000	-	1,000,000	812,000	188,000
Insurance	3,000,000	(1,500,000)	1,500,000	909,833	590,167
Sundry expenses	8,000,000	2,000,000	10,000,000	9,666,713	333,287
Bank charges	2,000,000	-	2,000,000	1,718,628	281,372
Board expenses	23,000,000	-	23,000,000	4,405,065	18,594,935
Marketing and communication	65,000,000	(20,000,000)	45,000,000	38,395,959	6,604,041
kasneb Newslines	15,000,000	(3,000,000)	12,000,000	9,561,384	2,438,616
Legal expenses	1,500,000	(700,000)	800,000	640,856	159,144
Land rent and rates	650,000	50,000	700,000	618,000	82,000
Office provisions	8,000,000	(2,000,000)	6,000,000	5,487,070	512,930
<b>Sub-total</b>	<b>919,050,000</b>	<b>(182,550,000)</b>	<b>736,500,000</b>	<b>667,809,578</b>	<b>68,690,422</b>



## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2017/2018	2017/2018	2017/2018	2017/2018	2017/2018
	Sh.	Sh.	Sh.	Sh.	Sh.
<b>EXPENDITURE ON OTHER ITEMS</b>					
Insurance and maintenance of office premises	18,500,000	(10,500,000)	8,000,000	9,066,661	(1,066,661)
Contracted services	19,800,000	(6,800,000)	13,000,000	13,001,500	(1,500)
Social responsibility	3,500,000	(1,000,000)	2,500,000	1,949,650	550,350
kasneb Foundation Bursary	10,000,000	5,000,000	15,000,000	220,600	14,779,400
Strategic planning	1,000,000	1,000,000	2,000,000	1,513,220	486,780
Research and Innovation Centre	3,500,000	2,000,000	5,500,000	4,378,766	1,121,234
Library books and resource material	4,500,000	500,000	5,000,000	4,216,004	783,996
Examinations development and Research	3,000,000	3,000,000	6,000,000	4,184,200	1,815,800
Miscellaneous expenses	2,200,000	(1,200,000)	1,000,000	1,831,774	(831,774)
Other nonrecurrent	10,500,000	(2,500,000)	8,000,000	5,811,882	2,188,118
<b>Sub-total</b>	<b>76,500,000</b>	<b>(10,500,000)</b>	<b>66,000,000</b>	<b>46,174,257</b>	<b>19,825,743</b>
<b>Total expenditure</b>	<b>995,550,000</b>	<b>(193,050,000)</b>	<b>802,500,000</b>	<b>713,983,835</b>	<b>88,516,165</b>
Surplus from operations	29,250,000	(40,100,000)	(10,850,000)	(84,134,870)	(73,284,870)
Surplus from other sources	132,000,000	(62,500,000)	69,500,000	47,843,352	(21,656,648)
Surplus before depreciation and amortisation expenses	161,250,000	(102,600,000)	58,650,000	(36,291,518)	(94,941,518)
Depreciation and amortisation expenses	101,100,000	(67,200,000)	33,900,000	23,998,449	9,901,551
<b>Surplus for the year</b>	<b>60,150,000</b>	<b>(35,400,000)</b>	<b>24,750,000</b>	<b>(60,289,967)</b>	<b>(85,039,967)</b>





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 1 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The Public Finance Management (PFM) Act, 2012 Section 192 provided the setting up of the Public Sector Accounting Standards Board (PSASB). The Cabinet Secretary National Treasury, gazetted members of the Board through Gazette Notice No. 1199 of 28 February, 2014. Following the Board's approval on the adoption of the International Financial Reporting Standards (IFRS) for state organs operating as Commercial Business Entities and The International Public Sector Accounting Standards (IPSAS) for non-commercial entities, kasneb has adopted the pronouncements made by the IPSAS Board in preparation of its current year financial statements. The financial statements are presented in Kenya shillings.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The statement of cash flows is prepared using the indirect method. The financial statements are prepared on accrual basis.

### 2 ADOPTION OF NEW AND REVISED STANDARDS

#### (a) Relevant new standards and amendments to published standards with effect from the financial year ended 30 June 2018

**IPSAS 33: First time adoption of Accrual Basis of IPSAS**  
kasneb adopted IPSAS in the financial year 2014.

**IPSAS 34: Consolidated Financial Statements**  
This standard is not applicable since kasneb does not have subsidiaries, joint ventures or investments in other companies/institutions.

**IPSAS 35: Separate Financial Statements**  
This standard is not applicable since kasneb does not have subsidiaries, joint ventures or investments in other companies/institutions.

**IPSAS 36: Investments in Associates and Joint Ventures**  
This standard is not applicable since kasneb has no associates or joint ventures.

**IPSAS 37: Joint arrangements**  
This standard is not applicable since kasneb has no joint arrangements with other companies/institutions.

**IPSAS 38: Disclosure of Interests in Other entities**  
This standard is not applicable since kasneb does not have interests in other entities.

#### (b) Early adoption of Standards

There are no new or amended Standards which were adopted before the commencement dates.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Revenue recognition

Examination fees is accounted for in the financial year in which the relevant examination takes place. No value is placed on stocks of examination stationery and past examination papers. Other fees income is accounted for when received. Examination fees refunded to students and candidates are accounted for in the year in which the refunds are made.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income for each period.

### (b) Budget information

The annual budget is prepared on the accrual basis, that is, all planned income and costs are presented in a single statement. On the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

### (c) Property, Plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration, the asset is initially measured at its fair value.

### Depreciation

Depreciation is calculated on a straight-line basis to write off property, plant and equipment over their estimated useful lives.

Non-current assets acquired during the financial year are depreciated using full year depreciation in the year of purchase while no depreciation is provided in the year of disposal. Construction work in progress is not depreciated.

The annual rates of depreciation in use are:

Buildings	2.5%
Buildings - Construction in progress	Nil
Information and communication technology equipment	33.3%
Furniture and fittings	20%
Machinery and office equipment	20%
Motor vehicles	25%

### (d) Intangible assets

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of intangible assets is assessed as finite and cost amortised over a two-year period.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

- (e) **Leasehold land**  
kasneb owns leasehold land on plot LR.209/522/1 in Upper Hill area, Nairobi, on which stands its office premises. The lease on the land is for a period of 93 years and expires in the year 2097. The cost/valuation of the leasehold land is amortised over the remaining lease period on a straight-line basis.

- (f) **Financial instruments**  
Financial instruments are contracts that give rise to both financial assets and financial liabilities.

### Financial assets

#### Initial recognition and measurement

Financial instruments are contracts that give rise to both financial assets and financial liabilities. The financial assets comprise government securities in form of Treasury bills and bonds and are held to maturity. Financial assets within the scope of IPSAS 29: Recognition and Measurement are classified as financial assets and are held to maturity and recognised in the financial statements at cost taking cognisance of any discount or premium on acquisition.

#### Impairment of financial assets

kasneb assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment arising from one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- (i) The debtors or entity of debtors are experiencing significant financial difficulty.
- (ii) Default or delinquency in interest or principal payments.
- (iii) The probability that debtors will enter bankruptcy or other financial reorganization.
- (iv) Observable data indicates a measurable decrease in estimated future cash flows (such as changes in arrears or economic conditions that correlate with defaults).

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. kasneb determines the classification of its financial liabilities at initial recognition. Currently kasneb has no financial liabilities.

- (g) **Provisions**

In accordance with IPSAS (19): Provisions, provisions are recognised in the financial statements when a present obligation (legal or constructive) due to a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Expenses relating to any provision is presented in the statement of financial performance net of any reimbursement. Additional disclosure of the estimated provisions is included in Note 20.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material. Where kasneb expects some or all the provision to be reimbursed,



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

for example, under an insurance contract, the reimbursement is recognised as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

### Contingent assets

kasneb does not recognise a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of kasneb in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognised in the financial statements of the period in which the change occurs.

### Contingent liabilities

kasneb does not recognise a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. As disclosed on Note 26, kasneb has entered into major capital commitments that would entail large cash flow commitments in the future.

### (h) Changes in accounting policies and estimates

kasneb recognises the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

### (i) Employee retirement benefits

kasneb operates a staff retirement benefits scheme for its employees. The scheme, which was established on 1 January 1980, operates in accordance to the provisions of the Retirement Benefits Act, 1997. The assets of the scheme are held in a separate trustee administered fund that is funded by contributions from both the employees and kasneb as the sponsor. The scheme was converted from a defined benefits scheme to a defined contribution scheme with effect from 1 July 2011 in compliance with Treasury Circular No. 18/2010 and the Retirements Benefits Act.

kasneb has no legal or constructive obligation to pay further contributions to the defined contribution scheme if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

kasneb and all its employees also contribute to a statutory defined contribution scheme, the National Social Security Fund (NSSF). The contributions are determined by the National Social Security (NSSF) Act, 2013.

### (j) Related parties and transactions

The senior management team is regarded as related parties and comprise the Chief Executive Officer, Directors and Senior managers. The total remuneration of senior management team for the financial year ended June 2018 were as follows:



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Number of senior management staff	13
Total remuneration (Sh.)	73,475,003
There were no other related party transactions during the financial year ended 30 June 2018.	

### (k) Financial risk management

kasneb seeks to minimise its exposure to financial risk by investing only in secure government treasury bills and bonds. There are no financial liabilities like loans and overdrafts other than suppliers' liabilities.

#### (i) Currency risk

kasneb bank accounts are denominated in Kenyan shilling as shown in note 13.1, except for Kenya Commercial Bank (KCB) Dollar Account which is domiciled at KCB, Capital Hill Branch. Income and expenses are settled in Kenya shilling hence there is minimal or no exposure to currency risk.

#### (ii) Interest rate risk

Interest rate risk arises from possible impact of changes in interest rates on the value of financial instruments. By investing only in government treasury bills and bonds, kasneb has minimal exposure to interest rate risk.

#### (iii) Credit risk

Credit risk is the risk that a party to financial instrument transaction will fail to discharge an obligation and cause the other party to incur a financial loss. kasneb is exposed to minimal credit risk on the debtor account. The risk is minimised since students' fees are paid in advance. Mortgage and car loans advanced to members of staff are fully secured on the property. Only minimal credit facilities are granted mainly to customers advertising in kasneb Newline and bulk short service message (SMS) service providers.

### (l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank and highly liquid investments in Treasury bills which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to members of staff which were not surrendered or accounted for at the end of the financial year.

### (m) Comparative figures

Where necessary the previous financial year comparative figures have been adjusted/reconfigured to conform to the required changes in presentation.

### (n) Significant judgments and sources of estimation uncertainty

The preparation of the financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. kasneb based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of kasneb. Such changes are reflected in the assumptions when they occur.

### Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- (i) The condition of the asset based on the assessment of experts employed by kasneb.
- (ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- (iii) The nature of the processes in which the asset is deployed.
- (iv) Availability of funding to replace the asset.
- (v) Changes in the market in relation to the asset.

### (o) Subsequent events

There are no subsequent events to the financial year end with a significant impact on the financial statements for the year ended 30 June 2018.

4	INCOME FROM OPERATIONS	Note	2017/2018 Sh.	2016/2017 Sh.
	Examination booking fees		394,313,941	472,586,141
	Registration fees		78,067,411	105,005,393
	Annual registration renewal fees		64,991,720	90,337,142
	Exemption fees		46,133,471	49,026,712
	Sale of publications		168,165	303,960
			<u>583,674,708</u>	<u>717,259,348</u>
5	INCOME FROM OTHER SOURCES			
	Rental income		877,516	556,275
	Interest income		85,560,314	143,218,162
	Miscellaneous income		7,579,779	4,547,329
			<u>94,017,609</u>	<u>148,321,766</u>
5.1	INTEREST INCOME			
	Interest income comprises the following:			
	Interest received from government securities		54,177,464	91,283,414
	Accrued interest from government securities/mortgage		20,990,394	43,423,232
	Interest received from mortgage deposit		6,929,782	4,096,504
	Interest earned from bank balances		2,856,388	3,284,515
	Interest earned from advances to staff		606,286	1,130,497
			<u>85,560,314</u>	<u>143,218,162</u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	Note	2017/2018 Sh.	2016/2017 Sh.
<b>6 OPERATING EXPENSES</b>		118,725,083	140,883,272
Examinations and invigilation		3,062,070	6,766,691
Examination prizes		5,484,826	6,035,940
Hire of examination halls		5,553,818	6,269,695
Data processing		29,881,849	32,839,783
Printing and stationery		4,484,842	5,453,364
Local travel and transport		4,342,724	3,177,947
Long distance travel and transport		8,115,358	11,069,440
Postage and telephone		812,000	812,000
Audit fees		909,833	2,422,787
Insurance	6.1	9,666,713	9,455,289
Sundry expenses		1,718,628	2,784,277
Bank charges		38,395,959	59,092,305
Marketing and communication		9,561,384	20,723,238
kasneb Newslines		640,856	24,400
Legal expenses	6.2	618,000	618,030
Land rent and rates		5,487,070	6,687,825
Office Provisions		<u>247,461,013</u>	<u>315,116,283</u>
<b>6.1 SUNDRY EXPENSES</b>		5,817,418	3,997,324
End of year and annual anniversary expenses		1,318,547	2,289,151
Staff uniforms, floral and laundry expenses		2,530,748	3,168,815
Other expenses		<u>9,666,713</u>	<u>9,455,289</u>
<b>6.2 LEGAL EXPENSES</b>			
Legal expenses relate to payments made to firms of advocates hired by kasneb as:			
(a) Plaintiff in a civil case regarding the access road to kasneb.			
(b) Defendant in civil cases relating to a supplier and an employee who was dismissed from service.			
<b>7 EMPLOYEE COSTS</b>		181,564,104	181,815,915
Salaries and wages		40,902,932	41,594,713
Contributions to pension		26,791,352	30,321,563
Contributions to medical aid and benefits		3,629,027	3,762,500
Casual labour		5,319,432	5,304,482
Leave allowances		19,296,694	20,071,468
Commuter allowances		17,107,081	26,632,018
Education and training		47,360,904	49,208,678
Housing benefits and allowances		16,392,861	26,090,616
Overtime payments		3,247,419	3,282,097
Entertainment allowance		38,483,226	40,323,548
Examinations security allowance		1,710,000	1,800,000
Extraneous allowances		1,849,355	1,667,903
Telephone allowances		10,966,077	24,223,740
Performance reward and other bonuses		<u>414,620,464</u>	<u>456,099,241</u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	Note	2017/2018 Sh.	2016/2017 Sh.
<b>8 BOARD EXPENSES</b>			
Chairman's honoraria		-	960,000
Board and committees attendance allowances		3,704,000	6,540,930
Board and committees workshops expenses		<u>701,065</u>	<u>13,576,564</u>
		<b><u>4,405,065</u></b>	<b><u>21,077,494</u></b>
<b>9 ADMINISTRATION COSTS</b>			
Insurance and maintenance of office premises		9,066,661	6,473,315
Social responsibility	9.1	1,949,650	3,570,492
kasneb Foundation - Busary		220,600	-
Strategic planning		1,513,220	2,924,771
Website development and maintenance		4,378,766	2,978,276
Research and Innovation Centre		4,216,004	540,237
Examinations development and Research		4,184,200	-
Miscellaneous expenses		1,831,774	19,977
Other nonrecurrent expenses		<u>5,811,882</u>	<u>7,517,216</u>
		<b><u>33,172,757</u></b>	<b><u>24,024,284</u></b>
<b>9.1 SOCIAL RESPONSIBILITY</b>			
Donations to libraries (KNLS)		1,362,283	2,049,172
Donations to other institutions		232,700	947,380
School fees to needy students		<u>354,667</u>	<u>573,940</u>
		<b><u>1,949,650</u></b>	<b><u>3,570,492</u></b>
<b>10 REPAIRS AND MAINTENANCE</b>			
Machinery and office equipment		1,171,766	1,328,311
Motor vehicles		-	26,850
ICT equipment		39,040	23,381
Building repairs		<u>112,230</u>	<u>269,074</u>
		<b><u>1,323,036</u></b>	<b><u>1,647,616</u></b>
<b>11 CONTRACTED SERVICES</b>			
Building management and maintenance		6,636,480	3,604,368
Security services		3,990,221	5,779,935
Lift service and maintenance		111,708	354,046
Garbage collection services		153,120	152,460
Sanitary services		362,724	361,165
Car park		1,074,781	1,284,772
Generator services		-	120,000
Provision of bottled water		<u>672,466</u>	<u>473,158</u>
		<b><u>13,001,500</u></b>	<b><u>12,129,903</u></b>
<b>12 DEPRECIATION AND AMORTISATION</b>			
Depreciation- Property, plant and equipment	16 (a)	15,247,883	21,782,597
Amortisation- Leasehold land	16 (c)	4,451,220	4,451,220
Amortisation- Intangible assets	17	<u>4,299,346</u>	<u>4,799,870</u>
		<b><u>23,998,449</u></b>	<b><u>31,033,687</u></b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	Note	2017/2018 Sh.	2016/2017 Sh.
<b>13 CASH AND BANK BALANCES</b>			
	13.1	139,758,550	54,914,282
Bank balances		448,913	990,934
Cash-on-hand and in transit		171,931,023	165,001,241
Mortgage deposit		<u>312,138,486</u>	<u>220,906,457</u>
<b>13.1 BANK BALANCES</b>		25,276,608	149,812
National Bank of Kenya Ltd. - Main account		26,538,660	12,884,252
National Bank of Kenya Ltd. - Fee collection account		40,651,966	757,819
Barclays Bank of Kenya Ltd.		3,003,050	9,883,455
Equity Bank Ltd.		3,538,182	15,884,638
Cooperative Bank of Kenya Ltd.		6,471,776	1,835,373
Kenya Post Office Savings Bank (Postbank)		31,750,197	13,319,931
Kenya Commercial Bank Ltd.- Dollar Account		2,516,048	196,189
Kenya Commercial Bank Ltd.- Ksh. Account		12,063	2,813
UBA Kenya Bank.ltd		<u>139,758,550</u>	<u>54,914,282</u>
<b>13.2 CASH AND CASH EQUIVALENT</b>		312,138,486	220,906,457
Cash and bank balances		449,128,200	782,891,450
Treasury Bills and Bonds maturing within one year		<u>761,266,366</u>	<u>1,003,797,907</u>
<b>14 TREASURY BILLS/BONDS MATURING WITHIN ONE YEAR</b>		443,632,400	763,529,950
Treasury Bills maturing within one year		5,495,800	19,361,500
Treasury Bonds maturing within one year		<u>449,128,200</u>	<u>782,891,450</u>
<b>15 RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>		2,644,214	-
Prepayments		20,990,394	43,423,232
Interest receivable		18,520,305	16,287,775
Posta Corporation of Kenya (Postapay receipts)		1,135,916	321,690
Web Tribe Ltd. (Jambopay receipts)		2,342,359	2,007,749
Other receivables		18,279,673	20,713,980
Staff receivables		<u>63,912,861</u>	<u>82,754,426</u>
<b>16 (a) PROPERTY, PLANT AND EQUIPMENT (NET BOOK VALUES)</b>		140,569,783	144,473,696
Building		1,141,781,587	908,937,700
Building work in progress		4,298,993	3,579,911
Information communication technology equipment		11,703,720	9,244,291
Furniture and fittings		1,749,267	3,061,007
Machinery and office equipment		3,026,513	5,036,186
Motor vehicles		<u>1,303,129,863</u>	<u>1,074,332,791</u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

## 16(b) SCHEDULE OF NON CURRENT ASSETS

## PROPERTY, PLANT AND EQUIPMENT - 2017/2018

COST/ VALUATION	Building	Building Construction In-progress	Information Communication Technology Equipment	Furniture and Fittings	Machinery and Office Equipment	Motor Vehicles	Total
	Sh.	Sh.	Sh.	Sh.	Sh.	Sh.	Sh.
At 1 July 2017	156,156,522	908,937,700	65,915,143	48,021,835	29,020,375	31,585,278	1,239,636,853
Additions	-	232,843,887	3,767,094	7,433,974	-	-	244,044,955
Disposals	-	-	(122,600)	(65,837)	-	-	(2,233,437)
<b>At 30 June 2018</b>	<b>156,156,522</b>	<b>1,141,781,587</b>	<b>69,559,637</b>	<b>55,389,972</b>	<b>29,020,375</b>	<b>29,540,278</b>	<b>1,481,448,371</b>
<b>DEPRECIATION</b>							
At 1 July 2017	11,682,826	-	62,335,232	38,777,544	25,959,368	26,549,092	165,304,062
Charge for the year	3,903,913	-	3,048,012	4,974,545	1,311,740	2,009,673	15,247,883
Eliminated on disposal	-	-	(122,600)	(65,837)	-	(2,045,000)	(2,233,437)
Revaluation	-	-	-	-	-	-	-
<b>At 30 June 2018</b>	<b>15,586,739</b>	<b>-</b>	<b>65,260,644</b>	<b>43,686,252</b>	<b>27,271,108</b>	<b>26,513,765</b>	<b>178,318,508</b>
<b>NET BOOK VALUE</b>							
<b>At 30 JUNE 2018</b>	<b>140,569,783</b>	<b>1,141,781,587</b>	<b>4,298,993</b>	<b>11,703,720</b>	<b>1,749,267</b>	<b>3,026,513</b>	<b>1,303,129,863</b>

## PROPERTY, PLANT AND EQUIPMENT - 2016/2017

COST/VALUATION	Building	Building Construction In-progress	Information Communication Technology Equipment	Furniture and Fittings	Machinery and Office Equipment	Motor Vehicles	Total
	Sh.	Sh.	Sh.	Sh.	Sh.	Sh.	Sh.
At 1 July 2016	156,156,522	524,370,484	58,745,882	43,926,820	29,020,375	31,585,278	843,805,361
Additions	-	384,567,216	7,169,261	4,095,015	-	-	395,831,492
Disposals	-	-	-	-	-	-	-
<b>At 30 JUNE 2018</b>	<b>156,156,522</b>	<b>908,937,700</b>	<b>65,915,143</b>	<b>48,021,835</b>	<b>29,020,375</b>	<b>31,585,278</b>	<b>1,239,636,853</b>
<b>DEPRECIATION</b>							
At 1 July 2016	7,778,913	-	55,848,164	34,673,159	24,304,195	20,917,034	143,521,465
Charge for the year	3,903,913	-	6,487,068	4,104,385	1,655,173	5,632,058	21,782,597
Disposals	-	-	-	-	-	-	-
<b>At 30 JUNE 2018</b>	<b>11,682,826</b>	<b>-</b>	<b>62,335,232</b>	<b>38,777,544</b>	<b>25,959,368</b>	<b>26,549,092</b>	<b>165,304,062</b>
<b>NET BOOK VALUE</b>							
<b>At 30 JUNE 2018</b>	<b>144,473,696</b>	<b>908,937,700</b>	<b>3,579,911</b>	<b>9,244,291</b>	<b>3,061,007</b>	<b>5,036,186</b>	<b>1,074,332,791</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	Note	2017/2018 Sh.	2016/2017 Sh.
<b>16 (c) LEASEHOLD LAND</b>			
Cost/valuation		365,000,000	365,000,000
<b>As at 30 June</b>		<b>365,000,000</b>	<b>365,000,000</b>
<b>AMORTISATION</b>			
Balance b/f		13,353,660	8,902,440
Amortisation charge for the year		4,451,220	4,451,220
<b>As at 30 June</b>		<b>17,804,880</b>	<b>13,353,660</b>
<b>Net book value as at 30 June</b>		<b>347,195,120</b>	<b>351,646,340</b>
<b>17 INTANGIBLE ASSETS</b>			
Cost/valuation		33,301,437	23,615,846
Balance brought forward as at 1 July		-	1,711,100
Additions - internal developments		936,300	7,974,491
<b>As at 30 June</b>		<b>34,237,737</b>	<b>33,301,437</b>
<b>Amortization and impairment</b>			
At 1 July		25,609,469	20,809,599
Amortisation		4,299,346	4,799,870
<b>As at 30 June</b>		<b>29,908,815</b>	<b>25,609,469</b>
<b>Net book value as at 30 June</b>		<b>4,328,922</b>	<b>7,691,968</b>
<b>18 FINANCIAL INSTRUMENTS</b>			
The financial instruments in which kasneb has contracted are held to maturity as indicated in note 3 (f) and include Treasury bills and bonds. They are included in the financial statements under current and non-current investments. Treasury bonds maturing after one year are as follows:			
<b>Treasury bonds maturing after one year</b>		<b>176,535,500</b>	<b>184,684,300</b>
<b>19 TRADE AND OTHER PAYABLES</b>			
Examinations and invigilation expenses		14,682,780	4,778,746
Accruals		106,198,595	94,356,169
		<b>120,881,375</b>	<b>99,134,915</b>
<b>20 PROVISIONS</b>			
Leave days: brought forward		7,406,663	8,143,462
Increase/(Decrease) in provision:		(611,220)	(736,799)
Leave		6,795,443	7,406,663
Gratuity		4,588,918	3,107,571
Other non recurrent expenses		-	1,197,120
Examination prizes		2,412,200	4,723,500
Students Newslines		1,374,452	6,076,940
<b>Carried forward</b>		<b>15,171,013</b>	<b>22,511,794</b>
<b>21 PAYMENTS RECEIVED IN ADVANCE</b>			
Prepaid examination fees		1,207,993	3,862,485
<b>22 REVALUATION RESERVES</b>			
The revaluation reserve arose from a revaluation of land, building and motor vehicles by the following registered firms of valuers:			
Land and buildings- NW Realite		441,702,021	441,702,021
Motor vehicles- Automobile Association (AA) of Kenya			



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	Note	2017/2018 Sh.	2016/2017 Sh.
<b>23 ACCUMULATED SURPLUS</b>			
Balance as at 1 July		2,137,696,517	2,133,243,911
Surplus		(60,289,967)	4,452,606
		<b><u>2,077,406,550</u></b>	<b><u>2,137,696,517</u></b>
<b>24 RECONCILIATION OF NET INCOME TO CASH GENERATED FROM OPERATING ACTIVITIES</b>			
Surplus for the year		(60,289,967)	4,452,606
<b>Adjustment for:</b>			
Depreciation and amortisation		23,998,449	31,033,687
<b>Working capital adjustments:</b>			
Increase in receivables		18,841,565	39,065,716
Increase in payables, provisions and prepayments		11,751,187	10,892,151
<b>Net cash flow from operating activities</b>		<b><u>(5,698,766)</u></b>	<b><u>85,444,160</u></b>

**25 MAJOR CAPITAL COMMITMENTS**

kasneb has entered into contractual obligations which will entail major capital commitments for the next two and a half years. The capital commitments relate to the extension of kasneb Towers I and construction of kasneb Towers II. The projects are geared towards enhancing the security and efficiency in the administration of the examinations. The main contractors are Dinesh Construction Limited while the project architects are Jomo Kenyatta University College of Agriculture and Technology (JKUAT) Enterprises Ltd.

The total project costs are as follows:

	Sh.
Construction works	1,074,883,805
Project design and consultancy services (Plus 16% VAT)	124,686,522
<b>Total</b>	<b><u>1,199,570,327</u></b>

As at 30 June 2018 a total of Sh.1,141,781,587 had been spent on certified works and consultancy services which is equivalent to 96% of the total estimated cost of the project.

The procurement method used to identify the project architects and contractors were as follows:

**(a) JKUAT Enterprises Ltd.**

The procurement of JKUAT Enterprises Ltd. as the project managers was undertaken in accordance with the provisions of section 4(2)(c) of the Public Procurement and Disposal Act, 2005 given that JKUAT Enterprises Ltd. is a subsidiary of a Government entity.

**(b) Dinesh Construction Ltd.**

The procurement of Dinesh Construction Ltd. was through open tender. The contract was signed on 11 December 2013 and the contractors took possession of the site on the same day. The construction works commenced on 6 February 2014 and are expected to be completed by June 2019.





**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**26 MORTGAGE DEPOSIT**

kasneb operates a staff mortgage scheme. The staff mortgage scheme is administered by Kenya Commercial Bank Ltd. A revolving fund is maintained with Kenya Commercial Bank Ltd. for the purpose of advancing mortgage loans to members of staff. An interest rate of 4% per annum on reducing balance basis is charged on the mortgage loans.

**27 TAXATION**

The income of kasneb is exempt from income tax by virtue of legal notice No. 116/1975.

**28 EXPLANATORY NOTES ON VARIANCES IN THE FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 30 JUNE 2018**

The following are explanations on some variances in the financial statements:

**28.1 INCOME**

The reported total income of Sh.677.7 million for the year ended 30 June 2018 was lower than the budgeted income of Sh.861.1 million by Sh.173.8 million representing a negative variance of 21.3%. The following is a brief analysis of the various major sources of income.

**(a) Examination booking fees**

The reported income of Sh.394.3 million was lower than the budgeted income of Sh.479.8 million by Sh.85.5 million representing a negative variance of 17.8%. This is attributable to:

- (i) The impact of transition to the revised examinations syllabuses which were implemented effective from 1 July 2015 including slow transition of Technician examinations students to Diploma examinations.
- (ii) The introduction of the Diploma examinations effective from 1 July 2015 whose minimum entry requirement was KCSE mean grade of C- (C minus) compared to D+ (D plus) for the phased out Technician examinations.
- (iii) Competition from universities who also offered diploma courses to students with KCSE mean grade of C- (C minus) who subsequently progressed to degree courses.
- (iv) Reforms in the Education sector where all the students who sat the KCSE examination in 2016 and 2017 and obtained C+ (C plus) and above were offered admission to the universities through KUCCPS immediately after the KCSE results were released.

**(b) Registration fees**

The reported income of Sh.78.1 million was lower than the budgeted income of Sh.96 million by Sh.17.9 million representing a negative variance of 18.6%. This is attributable to lower number of students who registered compared to the projected number.

**(c) Annual registration renewal fees**

The reported income of Sh.65 million was lower than the budgeted income of Sh.98.2 million by Sh.33.2 million representing a negative variance of 33.8%. The variance is attributable to same factors affecting items 1.1 and 1.2 above.

**(d) Exemption fees**

The reported income of Sh.46.1 million was marginally lower than the budgeted income of Sh.51.5 million by Sh.5.4 million representing a negative variance of 10.4%.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### (e) Interest earned

The reported income of Sh.85.6 million was lower than the budgeted income of Sh.120 million by Sh.34.4 million representing a negative variance of 28.7%. This is attributable to amounts invested in treasury bills and bonds which were lower than projected as a result of the shortfall in income targets.

### (f) Rental income

The reported income of Sh.0.9 million was lower than the budgeted income of Sh.3.5 million by Sh.2.6 million representing a negative variance of 74.3%. This is attributable to amounts projected from renting office space at kasneb Towers II which was not realised.

## 28.2 EXPENDITURE

The total expenditure before depreciation of Sh.714 million for the year ended 30 June 2018 was lower than the budgeted expenditure of Sh.802.5 million by Sh.88.5 million representing a positive variance of 11%. The following is a brief analysis of some of the main items of expenditure.

### (a) Examinations and invigilation

The reported expenditure of Sh.118.7 million was lower than the budgeted expenditure of Sh.135 million by Sh.16.3 million representing a positive variance of 12.1%. This is attributable to savings realised on:

- (i) Invigilation, marking and checking costs due to lower candidature in the examinations compared to the budget.
- (ii) Examination materials including examination question papers which are pegged to candidature in the examinations.
- (iii) Merging of centres hence reduction in costs relating to invigilation and hire of examination centres.
- (iv) Utilisation of kasneb towers II for marking of the May 2018 examinations.

### (b) Examination prizes

The reported expenditure of Sh.3.1 million was lower than the budgeted expenditure of Sh.4.5 million by Sh.1.4 million representing a positive variance of 31%. This is attributable to cost savings for use of kasneb Towers II during the prize giving ceremony rather than hiring hotel conference facilities.

### (c) Postage and telephone

The reported expenditure of Sh.8.1 million was lower than the budgeted expenditure of Sh.9 million by Sh.0.9 million representing a positive variance of 10%. This was attributable to:

- (i) Savings arising from postage of receipts, syllabuses and the authority to sit examinations (time tables) to students online rather than through post.
- (ii) Access and downloading of forms and information by students and candidates from the enhanced kasneb website and e-kasneb.

### (d) Staff emoluments

The reported expenditure of Sh.356.6 million was lower than the budgeted expenditure of Sh.375 million by Sh.18.4 million representing a positive variance of 4.9%. This is attributable to:

- (i) Savings due to freeze on recruitment and need to further rationalise the organisation structure and establishment.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

- (ii) Staff separation during the year.
- (iii) Savings on overtime costs due to increased automation of processes.

**(e) Board expenses**

The reported expenditure of Sh.4.4 million was lower than the budgeted expenditure of Sh.23 million by Sh.18.6 million representing a positive variance of 81%. This is attributable to saving on Board members' allowances for the first and second quarters since the board had not been appointed and performance bonus which had been factored in the budget but was awaiting approval from the National Treasury.

**(f) Marketing and communication**

The reported expenditure of Sh.38.4 million was lower than the budgeted expenditure of Sh.45 million by Sh.6.6 million representing a positive variance of 15%. This is attributable to savings from the budgeted expenditure on:

- (i) Savings on promotional materials.
- (ii) Participation in career fairs in secondary schools and international trade fairs in Uganda and Ethiopia which were deferred.

**(g) Insurance and maintenance of office premises**

The reported expenditure of Sh.9.1 million was higher than the budgeted expenditure of Sh.8 million by Sh.1.1 million representing a negative variance of 13.8%. This is attributable to expenses relating to maintenance of kasneb Towers II where no service charge was realised due to unoccupied office space as per item 1.6 above.

**(h) kasneb Foundation - Bursary**

The reported expenditure of Sh.0.2 million was lower than the budgeted expenditure of Sh.15 million by Sh.14.8 million representing a positive variance of 99%. This is attributable to the incorporation process which was ongoing by the end of the financial year before commencement of disbursement of bursary and loans to students.

**(i) Examinations Development and Research**

The reported expenditure of Sh.4.2 million was lower than the budgeted expenditure of Sh.6 million by Sh.1.8 million representing a positive variance of 30%. This is attributable to savings on printing syllabuses and pilot papers for Certificate in Accounting and Management Skills (CAMS) which was deferred to the financial year 2018/2019.

**(j) Other non-recurrent expenses**

The reported expenditure of Sh.5.8 million was lower than the budgeted expenditure of Sh.8 million by Sh.2.2 million representing a positive variance of 275%. This is attributable to market surveys and ISO/IEC 27001 Information Security Management system expenses which were deferred to the financial year 2018/2019.

**29 CURRENCY**

The financial statements are presented in Kenya Shillings (Sh.)



# DIPLOMA QUALIFICATIONS



## Accounting Technicians Diploma (ATD)

The Accounting Technicians Diploma qualification equips candidates with skills and competencies to work as middle level accountants providing technical support in accounting, auditing and taxation in both the public and private sectors.



## Diploma in Information Communication Technology (DICT)

The Diploma in Information Communication Technology graduates possess the technical know-how and skills necessary to work in the dynamic ICT industry as technicians in systems development, systems programming, internet and networking, administration and maintenance.



## Diploma in Credit Management (DCM)

The Diploma in Credit Management graduates are competent and skilled to work as middle level credit managers and credit controllers in both financial and non-financial enterprises.

# CERTIFICATE QUALIFICATION



## Certificate in Accounting and Management Skills (CAMS) examination

The Certificate in Accounting and Management Skills (CAMS) is aimed at equipping candidates with fundamental accounting and management skills to provide essential services to small and medium size enterprises (SMEs), non-governmental organisations (NGOs), corporate and the public sector.

## Mission

Empowering professionals globally by offering quality examinations and undertaking research and innovation.

## Core values

Integrity

Professionalism

Customer focus

Teamwork

Innovativeness





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