

PARLIAMENT
OF KENYA
LIBRARY

REPORT

THE NATIONAL ASSEMBLY	
DATE: 05 JUL 2023	DAY: WED
TABLED BY: Hon Owen Baya, CBS, MP Deputy leader majority	
CLERK AT THE TABLE: Imogen Muriuki	

OF

THE AUDITOR-GENERAL

ON

**HUMAN RESOURCE MANAGEMENT
PROFESSIONALS EXAMINATION BOARD**

**FOR THE YEAR ENDED
30 JUNE, 2022**



HUMAN RESOURCE MANAGEMENT PROFESSIONALS EXAMINATION BOARD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2022

**HUMAN RESOURCE MANAGEMENT
PROFESSIONALS EXAMINATION BOARD
Annual Report and Financial Statements
For the year ended June 30, 2022**

**HUMAN RESOURCE MANAGEMENT
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HUMAN RESOURCE MANAGEMENT PROFESSIONALS EXAMINATION BOARD

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1. KEY ENTITY INFORMATION AND MANAGEMENT

a. Establishment of the Entity

Established under Section 16 of the Human Resource Management Professionals (HRMP) Act No. 52 of 2012, the Human Resource Management Professionals Examinations Board (HRMPEB) is mandated to certify HR professionals in Kenya. Its functions include preparing syllabuses for HR examinations; making rules with respect to the examinations; issuing certificates to candidates who have satisfied examination requirements; and promoting recognition of its examinations locally and

b. Principal Activities

The principal activities are the development of syllabuses for HR examinations; making rules with respect to the examinations; issuing certificates to candidates who have satisfied examination requirements; and promoting recognition of its examinations locally and internationally.

c. Key Management

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

- Board of Directors
- Accounting officer/ CEO
- Management

d. Fiduciary Management

The key management personnel who held office during the financial period ended June 2022 and who had direct fiduciary responsibility were:

- | | |
|---|-----------------------|
| i. Chief Executive Officer/ CEO | Dr. Douglas Ogolla |
| ii. Manager, Examinations Administration | Mrs. Jane Njenga |
| iii. Manager, Test Development | Ms. Margaret Nguu |
| iv. Senior Human Resource & Admin Officer | Mrs. Rebecca Mureithi |
| v. Senior ICT Officer | Mr. Fredrick Laiboni |
| vi Accountant | CPA Vincent Koech |

e. Fiduciary Oversight Arrangements

The Board of Directors has formed an independent Audit Committee and put in place an internal auditor to oversee the management of HRMPEB and ensure compliance with relevant laws and regulations. The Audit Committee works closely with management to review financial reports, monitor internal controls and risk management processes, and address any concerns or issues that may arise. The committee comprises independent directors with the necessary skills and experience to carry out their responsibilities effectively. Its role is critical in maintaining the integrity and transparency of HRMPEB's operations, promoting corporate governance, and ensuring that the organization operates in alignment with its mission, values, and strategic objectives. Overall, the establishment of the Audit Committee reflects HRMPEB's commitment to sound corporate governance and decision-making processes based on reliable information.

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f. Headquarters

Mwalimu Towers 1st Floor
Hill Lane, Off Mara Road – Upper hill
P.O. Box 23733-00100
NAIROBI, KENYA

g. Contacts

Telephone: (254) 799016630/0710 560 560
Email: info@hrmpeb.or.ke
Website: www.hrmpeb.or.ke

h. Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O.Box 60000,00200
Nairobi, Kenya

NCBA Bank Kenya PLC Kenyatta Avenue
P.O. Box 44599-00100
Nairobi, Kenya

Kenya Commercial Bank Capital Hill
P.O. Box 46360-00100
Nairobi, Kenya

i. Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O.Box 30084-00100
Nairobi, Kenya

j Principal Legal Advisor

The Attorney General
State Law Office
Harambee Avenue
P.O.Box 40112-00200
Nairobi, Kenya

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2. THE BOARD OF DIRECTORS



CS Sharon Kisire- Chairperson

Commissioner C.S. Sharon Kisire FIHRM, HSC holds a Bachelor's degree and a Master's degree in Sociology. She is an ongoing doctorate student. She is a Certified Public Secretary (CPS-K) and the chief examiner for KASNEB, CPS examinations. She has authored several HR and motivational books.

Commissioner C.S. Sharon Kisire is an experienced Organizational behaviour and HR Professional with a wealth of knowledge and experience in all aspects of Organizational management.

C.S Sharon holds several awards on Excellency in Human Capital Management. Sharon started her HR career at Mater Hospital as Deputy HR Manager and later transited to National Oil Corporation (NOCK) in the position of HR & Administration Manager. From there she moved on to Kenya Wildlife Service (KWS) in the position of Director, Human Capital.

Her last employment was with Safaricom as Director Resources from where she left to run her consultancy firm offering Human Resources solutions.



Mr. Nicholas Kanisa- Board Member

Mr. Kanisa earned his MSc in HRM degree from JKUAT, BSc. in HRM degree from Moi University, HND in HRM from Cambridge, Dip. In HRM from Moi University and is a serious Practicing Member of Institute of Human Resource Management in good standing.

He is currently serving as Principal Human Resource Officer with Teachers Service Commission at TSC HQS and previously served since 2008 as Sub County HR Officer in these sub counties; Trans Nzoia East, Kwana and Central Pokot.

Mr.Kanisa is also a director in charge of Training and Advocacy in TEVIRA (Television and Radio listeners Association of Kenya) a not for profit media consumer protection body. Member, Kenya Red Cross and he have also worked for Madison Insurance Company Limited in Sales and Rona Insurance Agency as Marketing Manager.

Mr. Nicholas Kanisa is an independent director representing the Institute of Human Resource Management (IHRM). He also the chair of the Finance, HR, and Strategy Committee of HRMPEB.

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THE BOARD OF DIRECTORS (Continued)



Mr. Samwel Kaumba- Board Member

Mr. Samwel Odiwuor Kaumba is an Advocate of the High Court of Kenya with over 12 years' experience in the practice of law in Kenya, regionally and internationally. Mr. Kaumba holds LLB (Hons) from the University of Nairobi and MPPA from Kenyatta University. He currently serves as a Senior State Counsel in the Office of the Attorney-General and Department of Justice.

His key areas of practice and application of law include: Constitutional and Administrative Law; Commercial Litigation and Arbitration; Public Law and Governance; Public Procurement Law, Public Private Partnerships; Regulatory compliance; Government related transactions advice; Bilateral and Multi-lateral agreements; Negotiating and drafting of regional integration instruments; and consideration of project implementation arrangements.

Mr. Samwel Kaumba is an independent director appointed by the office of the Attorney General. He is a member of the Audit and Risk committee of HRMPEB.



Prof. Hazel Gachunga- Board Member

Prof. Hazel Gachunga is specialized in Human Resource, Performance Management, Organizational Behaviour and Change Management. She teaches and consults extensively both nationally and internationally in the areas listed and especially change management. Prof Hazel Gachunga has been appointed as a visiting lecturer in the University of Western Australia and the Strathmore University Business School.

Prof Hazel is a holder of a split site Doctorate in Business Administration from the University of Nairobi/University of Sheffield and has undertaken the International Faculty Development Programme at the IESE Business School in Spain. She has also conducted extensive research and published in the areas of organizational change, performance management, work life balance, organizational justice, organizational commitment, organizational politics and leadership from the University of Sheffield, United Kingdom.

Hazel has been a lead consultant in the evaluation of companies for the Company of Year Awards (COYA/OPI) hosted by the Kenya Institute of Management. This has given her a wealth of exposure on leadership and change dynamics of winning companies in the East and Central African Region. She has been a key assessor for the Manager of the Year Awards (MOYA) and Chief Executive Officer CEO Award.

Prof. Hazel is an independent director appointed by the Institute of Human Resource Professionals (IHRM). She is the chairperson of the Examinations and Quality Assurance committee of HRMPEB. She is also a member of the Audit and Risk committee of HRMPEB.

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THE BOARD OF DIRECTORS (Continued)



Dr. Gladys Asuga, Ph.D.- Board Member

Dr Asuga is a holder of a PhD in Education leadership from the University of Newcastle in Australia, A Master's degree in Education Studies, A Master's degree in Curriculum Development and a higher Diploma in Human Resource Management. She has attended a number of courses in public service administration organized both locally and internationally. She has also conducted research in the field of leadership development and published a number of papers in international refereed journals.

Dr Gladys Asuga is an experienced organizational design and development human resource professional, a researcher and educationist with a wealth of knowledge in all aspects of strategic organization management and education leadership development. Her aim is to ensure that organizations are properly structured, employ the right balance of staff in terms of skill and experience, and that training and development opportunities are available to staff to enhance their performance and that of the organization.

Having worked in the public service for a number of years providing guidance to public service institutions in the area of public service transformation, Dr Asuga has a wealth of experience in Public Service Administration. Her other interests are in Educational leadership and management and the preparation and professional development of educational leaders.

Dr. Asuga is independent director representing the State Department of Public Service She is a member of HR and Strategy committee of the HRMPEB. She is also a member of the Examinations committee of the HRMPEB.



Mr. Mohamed Abdi- Board Member

CHRP Mohamed Aden is an astute Human Resources Executive with over 14 years of experience. He earned his Master's Degree from the University of Nairobi and a Bachelor's Degree in Business Management from Moi University. He is a Certified Human Resource Professional (CHRP-K) with higher national diploma as well as a diploma in human resource Management.

CHRP Mohamed Aden is a certified Human Resource Consultant with a focus on developing organizations, leaders and individuals. He has diverse HR background developed through experience in private companies, various industries and HR positions. A visionary with the unique ability to apply a range of technical and non-technical skills to any HR situation.

Mr. Mohamed Abdi is an independent director nominated by the Institute of Human Resource Management (IHRM). He is the chair of the Audit and Risk committee of the HRMPEB.

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THE BOARD OF DIRECTORS (Continued)



Mr. Emmanuel Mulwa- Board Member

Mr. Emmanuel Mulwa is currently the Head of Human Resource Management and Development at the Kenya Institute of Curriculum Development.

He holds a Master's degree in Human Resource Management (University of Manchester) and a Bachelor's (Honours') Geography and Government from University of Nairobi.

He has had extensive professional training and exposure to local and international training in the field of Human Resource Management. He is a seasoned HR practitioner in the Public Service and a full member of the Institute of Human Resource Management (IHRM).

Mr. Emmanuel Mulwa is an independent director representing the Kenya Institute of Curriculum Development (KICD). He is a member of the HR committee of the HRMPEB.



Mr. Jacob Omulo- Board Member

Jacob Omulo holds a Bachelor's Degree in Education from Egerton University. He is a senior practitioner in Education having taught English as a Second Language at Secondary School level for 15 years and examined the subject at National Level for 8 years. He is widely experienced in Field logistics and Management of examinations.

He is also versed in Governance, having sat in the Boards of various Organizations and Charities in Kenya. He brings to HRMPEB useful experience in Management of Examinations.

Mr. Jacob Omulo is an independent director representing the Kenya National Examinations Council (KNEC). He is a member of the Examinations and Quality Assurance committee of HRMPEB.

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THE BOARD OF DIRECTORS (Continued)



Dr. Douglas Ogolla, PhD, MHIM- CEO

Dr. Douglas Ogolla is a seasoned HR professional and practitioner registered with Institute of Human Resource Management (IHRM) as a Full Member with reg. no. 00439 and practicing certificate holder. He has over 20 years' experience as HR consultant, Researcher and Curriculum Development expert. Dr Ogolla joined Human Resource Management Professionals Examinations Board (HRMPEB) as Secretary/Chief Executive Officer in May 2020.

Previously, he served as a Lecturer at Catholic University of Eastern Africa between the years 1995 to 2000 and lately Senior Lecturer at Kenya Methodist University where he held the position of Chairman of Department, Business Administration, Deputy Director, Directorate of Post Graduate Studies and Program Leader (Business Administration).

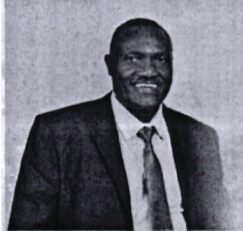
In 2016, Dr Ogolla was seconded by the Inter-University Council of East Africa (IUCEA) as a visiting Lecturer at International Leadership University (ILU) in Bujumbura, Burundi where he taught Post Graduate programs in Business Administration. He served as an examiner with Kenya National Examination Council (KNEC), the Kenya Accountants Secretaries National Examinations Board (KASNEB), and HRMPEB for over 15 years.

Additionally, he participated in the panel that developed Certified Human Resource Management Professionals (CHRP) curriculum in 2012. He holds B. Com (HRM), P.G Diploma (HRM), M.A., M.Phil. And PhD in Business Administration (Human Resource Management).

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3. MANAGEMENT TEAM



**Dr. Douglas Ogolla
CEO**

Dr. Douglas Ogolla Holds PhD in Business Administration (Human Resource Management, M.A., and M.Phil. B. Com (HRM), P.G Diploma (HRM).



**Mrs. Jane Wanyoike
Manager, Examinations Administration**

Mrs. Jane Wanyoike Holds MBA-HRM (UON), B.Ed. (arts)-KU, DIP-BA- KNEC, Member, IHRM, Doctorate Student in Human Resource (JKUAT)



**CHRP Margaret Nguu
Manager, Test Development**

CHRP Margaret Nguu holds MBA (HR), B.Ed., CHRP (K), IHRM Member and HND-HRM



**CHRP Rebeccah Mureithi
Senior Human Resource & Admin Officer**

CHRP Rebeccah Mureithi holds CHRP (K), IHRM Member, and BHRM Masters (Corporate Management) ongoing KCA University. Membership No.07373



**Mr. Fredrick Laiboni, CISA
Snr. ICT Officer**

Mr. Fredrick Laiboni, CISA holds MSc. Data Communications (Finalist), BSc. Information Technology (Software Engineering), CISA, - ISACA Associate Member

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**CPA Elizabeth Kimeu
Internal Auditor**

CPA Elizabeth Kimeu holds a BBA (Accounting), CPA-K (ICPAK Member No. 15394), MBA (Finance Option- continuing), and CISA Professional member.



**CPA Vincent Koech
Accountant**

CPA Vincent Koech holds B.COM (Accounting Option), CPA(K), ICPAK Member No.26934

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4. CHAIRPERSON'S STATEMENT



Introduction

On behalf of the Board of Human Resource Management Professionals Examinations Board (HRMPEB), I am glad to present to our stakeholders the annual report and financial statements for the financial period ended 30 June 2022.

The operations of HRMPEB are governed by the Human Resource Professionals Act, 2012 laws of Kenya, which outlines the mandate of the Examination Board to develop curriculum, conduct examinations and certify Human Resource Professionals.

I wish to thank the secretariat for ensuring that the members of the Board and its committees are provided with adequate resources as well as relevant and timely information to enable them discharge their fiduciary responsibilities and maintain full and effective control over strategic, financial, operational and compliance issues.

Governance

The Board was categorized as a State Corporation with SCAC under Ministry of Public Service, Gender, Citizens and Special programs. During this financial year, HRMPEB was involved in corporate social responsibility.

Corporate Strategic Plan (2020-2025)

The implementation of the 1st Corporate Strategic Plan (2020-2025) commenced on and is in the 3rd year of implementation. The strategic plan was anchored on 7 strategic pillars, which are priority objectives which are key enablers to the achievement of the plan. The priority objectives are: Best practice corporate governance, Curriculum Development, Customer focus, Examination Regulation & Certification, Accreditation, Institutional capacity Development Financial sustainability, Recognition of CHRP examinations locally and internationally.

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Projects on Examinations

The Board has implemented the Revised CHRP which has been developed and rolled out in July 2022. The Board has also diversified its products and services by rolling out the CBET Certificate and Diploma in HR courses.

This is in line with the second priority objective of Curriculum Development. The courses have been approved by KNQA and TVETA who are regulating authorities.

The Board has undertaken continuous improvement and Quality assurance to deliver Quality and Credible Examinations that are efficiently administered. In line in achievement of the priority objective 4 of Examination Regulation and Certification.

In line with priority objective 6 of institutional capacity Development, the board has invested in the ICT infrastructure, RESPONDUS to administer online exams to achieve convenience for the clients.

Marketing and promotion

On Marketing, outreach and public communication, HRMPEB has continued to sensitize the public on the professional brand through various social media platforms. HRMPEB has also continued to undertake sensitization of potential students through career talks in universities and colleges.

Way forward

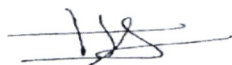
The Board is committed to have the organizational structure filled in line with the strategic plan and in implementation of its policies, to deliver its vision and mission and achieve its objectives.

HRMPEB will leverage on the opportunities presented by Information, Communication and Technology (ICT) to enhance product and service offerings and create value for our customers. Towards this end, digitalization, research and innovation, process re-engineering will be key strategies to be implemented. HRMPEB will continue collaborating with key partners to enhance access and increase the clientele base for online exams.

The Board is committed to have ERP implemented in line with the user requirements to achieve effectiveness and efficiency in its operations and improved service delivery to the customers.

Appreciation

On behalf of the Board, I wish to thank our stakeholders for their confidence in the qualifications of HRMPEB and their continued support. In the same vein, I wish to express my sincere gratitude to the HRMPEB members of staff for their diligence and commitment.



**CS Sharon J. Kisire
CHAIRPERSON OF THE BOARD**

16.05.2023

Date

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5. REPORT OF THE C.E.O



The Financial 2021/2022 marks 10 years since IHRM and HRMPEB Act came in to place, and it's been 10 years of hard work and determination to make the HR Profession recognizable locally and globally.

In the spirit of the anniversary, some of the achievements by HRMPEB include; conducting 11 series of examinations, Development of HR Policy instruments approved by SCAC, Categorization of the BOARD as a state corporation, Revised Curricula, Registration of HRMPEB by KNQA as a Qualification Awarding Institution (QAI), Approval of HRMPEB CBET Diploma and Certificate in Human Resource Management, Accreditation of more training institutions and moving their offices from Cardinal Otunga to Mwalimu towers which is more spacious and conducive for operations.

Further, the board has continued to establish strategic partnerships with Key stakeholders including training institutions, who we have accredited as CHRP Training centers of excellence.

The Board holds commitment to its Clients, Friends and Partners, as such they continue to strengthen the systems and structures to ensure that they are highly functional, responsive and efficient. As such, guided by our Motto: "ENHANCING HR COMPETENCY", the Board approved and implemented a Customer Service charter ensuring it's keen on establishing wholistic co-operation with our partner Organizations and stakeholders.

The following are some of the Key highlights of the financial year:

1. Financial performance

With regards to financial performance this financial year 2021/2022, the Board witnessed an increase in Revenue collection pitting to the New fees structure that was adopted in January 2022. The Board further sought funding from the treasury through State Department of Public Service who accepted the request and are set to fund the Board from next financier year.

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2. Curriculum Development

In relation to our mandate of curriculum development, the Board successfully completed revision of the CHRP curriculum, realigning it with current market and industry requirements. We also launched new programs: a Competency based Diploma and a Certificate in Human Resource Management. These are TVET/College entry level, technical academic courses designed to equip youth with practical competencies.

3. Administration of Examinations

HRMPEB had yet another breakthrough having conducted successfully the 10th and 11th CHRP examinations. Yet again the board successfully designed and administered CHRP online examination during the November/December 2021 and June 2022 examination series. The Board held its 3rd Certification Ceremony where 746 candidates were gazzeted and certified.

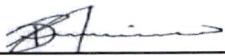
4. HRMPEB Policy Instruments

HRMPEB has worked tirelessly to ensure that we have necessary policy instruments in place to ensure delivery of quality and credible examination. The policy instruments contain regulations, and procedures which we have adopted to provide standard procedure and practice for conducting examinations. As a BOARD, we believe the policy instruments are very comprehensive and they will be able to provide clear guidance to the HRMPEB on all matters of examination, curriculum development, accreditation and certification. The policy manuals we developed as a BOARD conjoined with experts include the Human Resource instruments, Open, Distance and E-Learning Accreditation Policy, Finance Policy, Online Examination policy, Examinations' Quality assurance policy among others.

Conclusion

I want to applaud the management and Board of HRMPEB for this achievement this year, and in the same breath we appreciate our stakeholders including Ministry of Public Service, Gender and special programs, IHRM, KNQA, TVETA, Students, Training institutions and all others who support the Board in ensuring they fulfill their mandate.

Thank you all and God bless you



Dr. Douglas Ogolla, Ph. D,
ACCOUNTING OFFICER/ C.E.O

16.05.2023

Date

**HUMAN RESOURCE MANAGEMENT
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6. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2021/22

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

HRMPEB has seven (7) strategic pillars and objectives within its Strategic Plan for the FY 2018/2019- 2022/2023. These strategic pillars are as follows:

- 1 Best practices corporate governance
- 2 Curriculum Development
- 3 Customer Focus
- 4 Examination Regulation&
- 5 Accreditation
- 6 Institutional Capacity Development & Financial
- 7 Recognition of CHRP examinations locally and

HRMPEB develops its annual work plans based on the above 7 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. HRMPEB achieved its performance targets set for the FY 2019/2020 period for its 5 strategic pillars, as indicated in the diagram below:

	Strategic pillar	Objective	Key performance indicated	Activities	Achievements
1	Adopt best practice of corporate governance	Best practice corporate governance	Training Report	Capacity building of the board members through retreats and training to ensure convergence of purpose and deeper organizational understanding	Training has been achieved
			Visit Reports	Identify and visit of other institutions regulating and examining professionals, possibly locally and internationally	Visits and benchmarking done

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**6. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES
FOR FY 2021/22 *Cont'd***

	Strategic pillar	Objective	Key performance indicated	Activities	Achievements
2	Develop curricula and syllabi for CHRP training	Curriculum Development	Curricula documents according to professional levels	Review CHRP curricula to align with current trends of HR practice and the market demands	Curricula has been developed and implemented in July 2022.
			Syllabi documents for each subject	Review of CHRP syllabi to align with curriculum of the CHRP training	Syllabus reviewed and implemented.
3	Attract and grow HRMPEB clientele base	Customer Focus	A well standardized service	Develop service charter	Service Charter developed
			Implement and Review service charters	Implementation and service charter review reports	Service charter and services review Implemented
4	Deliver CHRP certification	Examination Regulation & Certification	Records of date of release of exam results and release of	Following release of examinations, release certificates within one (1) month.	Certificates released within one month after certification
			Examinations procedure document	Develop/ Review examination procedure to ensure efficiency and timely	Examination procedures reviewed
5	Standardize accreditation requirements	Accreditation	Accreditation criteria document	Develop accreditation criteria	Accreditation criteria developed

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7. CORPORATE GOVERNANCE STATEMENT

Good corporate governance is a fundamental part of the culture and practices by which an organization is operated, regulated and controlled so as to fulfill its goals and objectives in a manner that adds value and benefits all its stakeholders.

The HRMPEB board is responsible for organization's governance. Both the Board and senior management of the organization are committed to the highest levels of corporate governance, which it considers critical in achieving the Organization's mandate. Accordingly, HRMPEB therefore fosters a culture that values and rewards the highest ethical standards and personal and corporate integrity. The Board also has a charter that is reviewed from time to time within a period not exceeding five years.

The Role of the Board

The Board's responsibilities are broadly set out in the State Corporations Act, Cap.446 Laws of Kenya as well as the Human Resource Management Professionals Act No. 52 of 2012 that constitutes the HRMPEB as a state corporation. Specifically, the Board defines HRMPEB's strategies, objectives and values and ensures that its procedures and practices are in tandem to ensure effective control over strategic, financial, operational and

The Directors bring a wealth of experience and knowledge to the Board's deliberations. Except for direction and guidance on general policy, the Board delegates authority of its day-to-day activities to the Management through the Chief Executive Officer. The Board nonetheless is responsible for the overall stewardship of HRMPEB and assumes

Composition and removal of the Board

The Board comprises nine members including the CEO. Four of the Board members are independent non-executive members including the Chairperson. All non-executive board members retire after a term of three (3) years from the date of appointment and are eligible for re- appointment for one more term. With the exception of CEO, the remaining four Board members are institutional representatives bringing on board closely-knit interests, experiences and balance from and by key stakeholders.

The Board members above shall cease to be members if they become bankrupt, incapacitated, resigns in writing or is criminally convicted.

Board Meetings

The Board schedule of meetings is prepared annually in advance. The Board holds its regular meetings at least once every three months and special meetings may be called when necessary.

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Below is the attendance of the meetings by the Board Members:

	Board Member	No. of meetings held in the year	No. of meetings attended	% of attendance
1.	CS Sharon Kisire	15	15	100%
2.	Mr Samwel Kaumba	15	15	100%
3.	Prof Hazel Gachunga	15	12	80%
4.	Mr. Nicholas Kanisa	15	15	100%
5.	Dr. Gladys Asuga	15	15	100%
6.	Mr. Emmanuel Mulwa	15	15	100%
7.	Mr. Jacob Omulo	15	14	93%
8.	Mr. Mohammed Aden	15	15	100%

Audit and Risk Committee Attendance Register Annually

	Board Member	No. of meetings held in the year	No. of meetings attended	% of attendance
1.	Mr. Mohammed Abdi	4	4	100%
2.	Mr. Samwel Kaumba	4	4	100%
3.	Prof. Hazel Gachunga	4	3	90%

HR, Strategy, and Finance Committee Attendance Register Annually

	Board Member	No. of meetings held in the year	No. of meetings attended	% of attendance
1.	Mr. Nicholas Kanisa	11	11	100%
2.	Dr. Gladys Asuga	11	11	100%
3.	Mr. Emmanuel Mulwa	11	11	100%

Examinations and Quality Assurance Committee Attendance Register Annually

	Board Member	No. of meetings held in the year	No. of meetings attended	% of attendance
1.	Prof. Hazel Gachunga	10	7	70%
2.	Dr. Gladys Asuga	10	10	100%
3.	Mr. Jacob Omulo	10	9	80%
4.	Mr. Nicholas Kanisa	10	10	90%

**HUMAN RESOURCE MANAGEMENT
PROFESSIONALS EXAMINATION BOARD
Annual Report and Financial Statements
FOR THE YEAR ENDED JUNE 30, 2022**

8. MANAGEMENT DISCUSSION AND ANALYSIS

1 Operational and financial performance

The organization realized total revenue of Ksh.73, 595,177 as at period ended 30th June, 2022. The exception revenue stream recorded a revenue of Kshs. 32,262,803. Examination fees amounted to Kshs. 27,608,450, while the student registration fees revenue stream was Kshs. 8,053,550.

The expenditure of the board during the period ended 30th June, 2022 was Ksh. 80,503,961. Our major expenditure for the period ended 30th June, 2022 was Staff costs of Kshs. 30,308,182, Admin costs of Kshs. 25,450,635 and Examination Costs of Ksh.

2 Compliance with statutory requirements

HRMPEB has continued to comply with the various statutory requirements applicable for Kenyan government agencies during the 14-month period ending June 30, 2019. This includes making regular contributions to the National Social Security Fund (NSSF) and the National Health Insurance Fund (NHIF) for its employees, as well as deducting and remitting Pay As You Earn (PAYE) taxes to the Kenya Revenue Authority (KRA). Additionally, HRMPEB has ensured compliance with the Pension Fund requirements by contributing a percentage of its employees' gross salaries to the pension fund. These actions demonstrate HRMPEB's commitment to upholding its legal obligations as an employer and contributing to the growth and development of the Kenyan economy.

3 Major risks facing HRMPEB

The Board is facing liquidity risks due to the low turnout of students and post covid effects which had a negative impact on revenue generation, in relation to the activities the Board is supposed to undertake to achieve its mandate. In addition, the following were regarded as the major risks during the financial year ending June 30, 2022.

Compliance Risk: HRMPEB is exposed to compliance risk regarding its legal duties. The board is entrusted with the responsibility of ensuring adherence to various legal, regulatory, and contractual obligations, which include making contributions to the National Social Security Fund (NSSF) and the National Health Insurance Fund (NHIF). Failure to comply with these obligations could result in harm to the agency's reputation, legal sanctions, and financial losses. To reduce this risk, HRMPEB should create and uphold robust compliance management policies and procedures, which entail constant

Operational Risk: The effective implementation of HRMPEB's tasks, such as administering exams, certifying professionals, and supervising the industry, is fraught with operational risk. Furthermore, the board is entrusted with collecting and safeguarding confidential personal information, which presents an additional security hazard. Inadequate management of operational risk can result in monetary losses, legal responsibilities, and harm to the organization's image. To reduce this risk, HRMPEB should adopt effective operational management policies and procedures, which include regular monitoring, internal controls, and continual training of employees.

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Financial Risk: HRMPEB is exposed to financial risk in its management of financial resources, which could impede the board's capability to attain its goals. The agency carries the responsibility of ensuring that financial resources are adequately allocated and managed in line with industry best practices and regulatory requirements. Failure to effectively handle financial risk could result in monetary losses, dwindling funding, and harm to the agency's image. To address this, HRMPEB should establish and uphold robust financial management policies and procedures, which entail regular financial reporting, internal controls, and continuous staff training.

Security Risk: HRMPEB is exposed to security risk associated with the safeguarding of confidential personal data, which could be illicitly accessed or disclosed. The agency is entrusted with the collection and management of personal data, which may encompass personally identifiable information, financial data, and other sensitive information. An instance of data breach could result in damage to the agency's reputation, legal responsibilities, and monetary losses. To minimize this risk, HRMPEB should institute and uphold a comprehensive information security management program, which includes regular risk assessments, security controls, and continual employee training.

It is essential to note that HRMPEB faces numerous potential risks that could impede its ability to deliver on its mandate and protect the interests of its stakeholders. These risks include compliance risk, operational risk, financial risk, and security risk related to the management of sensitive personal data.

However, by implementing proactive measures, HRMPEB can identify, assess, and mitigate these risks to ensure the effective management of its programs and services. This includes creating and upholding sound risk management policies and procedures, which entail regular monitoring, internal controls, and continuous training of employees.

The benefits of effective risk management include safeguarding the agency's reputation, reducing the likelihood of legal liabilities, and minimizing financial losses. By proactively identifying and addressing potential risks, HRMPEB can instill confidence in its stakeholders and enhance its ability to deliver quality services. As such, risk management should be a critical component of HRMPEB's operations, with a focus on promoting a risk aware culture throughout the organization.

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9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

HRMPEB gives recognition to the invaluable role played by communities in which it operates. A vibrant Corporate Social Responsibility (CSR) policy is continually being implemented. The policy takes into consideration the need for sustainable practices and the social governance values which HRMPEB has committed to uphold. This is in recognition of the vital role played by the society in which HRMPEB goals and aspirations are centered

1 Sustainability strategy and profile

Our sustainability is anchored on our vision, statement of purpose and core values which determine the strategic objectives of the School. Our role is to ensure that our business and by extension our various stakeholders are able to grow in a sustainable manner and not in the short term. Our aim is to create value for shareholders and the society alike.

2 Environmental performance

During the year ended 30th June 2022, HRMPEB had no environmental policy guiding the organization. As such, there were no reports on successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organization's products.

3 Employee welfare

The Board has transited the staff to the new salary structure as approved by SCAC. Moreover, more training is required to ensure that staff fit their new job descriptions.

4 Market place practices

a) **Responsible competition practice:** In order to ensure responsible competition practices with issues like anti-corruption, HRMPEB has been ensuring that it undertakes all its activities within the laws of Kenya. Also in order to ensure fair competition and respect for competitors HRMPEB has continued to engage the Government for assistance that they may require.

Responsible supply chain and supplier relations: HRMPEB has ensured that it complies with

b) Public Procurement and Asset Disposal Act 2015 while carrying out procurement operations in order to ensure good business practice. Further, HRMPEB has a procurement and procedure manual that guides operations in procurement. Also in order to ensure that all contracts signed between HRMPEB and the suppliers are honoured including payment of their supplies when they fall due.

c) **Responsible marketing and advertisement:** HRMPEB has been carrying out advertisements on various public dailies as well as on its website for new and existing programs.

d) **Product stewardship:** In order to protect consumer rights and interests, our customers are provided with information regarding the course requirements before admission and during the commencement of the course. Further, the School ensures confidentiality while interacting with

5 Community Engagements

During the year ended 30th June 2022, HRMPEB didn't have any community engagement including charitable giving (cash & material), Community Social Investment and any other forms of community engagements.

**HUMAN RESOURCE MANAGEMENT
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10. REPORT OF THE DIRECTORS

The Board submit their report together with the financial statements of the Human Resource

i) Principal activities

The principal activities of HRMPEB are the development of syllabuses, conduct of professional,

ii) Results

The results of the board for the year ended June 30, 2022 are set out on page 1 of this report. Below is a summary of the board's performance during the year.

	2022	2021
	Kshs.	Kshs.
Total Revenue	73,595,177	59,274,370
Total Expenditure	<u>(80,503,961)</u>	<u>(65,095,170)</u>
Surplus (Deficit) for the year	<u>(6,908,784)</u>	<u>(5,820,800)</u>

iii) Directors

The members of the Board of HRMPEB who served during the year and to the date of this report are disclosed on page iv-viii of this report.

iv) Auditors

The Auditor-General is responsible for the statutory audit of HRMPEB financial statements in accordance with the provisions of Article 229 of the Constitution of Kenya, 2010 and Section 7 and 35 of the Public Audit Act, No. 34 of 2015

**HUMAN RESOURCE MANAGEMENT
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11. STATEMENT OF DIRECTORS RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, - (entities should quote the applicable legislation under which they are regulated)) require the Directors to prepare financial statements in respect of HRMPEB, which give a true and fair view of the state of affairs of HRMPEB at the end of the financial year/period and the operating results of the entity for that year/period. The Directors are also required to ensure that HRMPEB keeps proper accounting records which disclose with reasonable accuracy the financial position of HRMPEB. The Directors are also responsible for safeguarding the assets of HRMPEB.


The Directors are responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year ended June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for HRMPEB's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Directors are of the opinion that HRMPEB's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of HRMPEB's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that HRMPEB will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Entity's financial statements were approved by the Board on **16.05.2023** and signed on its behalf by:

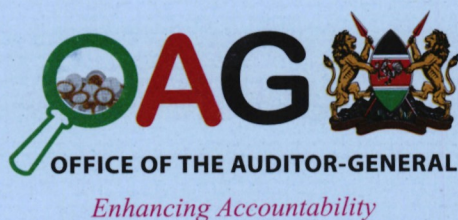


CS Sharon Kisire
Chairperson of the Board



Dr. Douglas Ogolla
Chief Executive Officer

REPUBLIC OF KENYA



Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke

HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON HUMAN RESOURCE MANAGEMENT PROFESSIONALS EXAMINATION BOARD FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and overall governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Human Resource Management Professionals Examination Board set out on pages 1 to 19, which comprise of the statement of financial position as at 30 June, 2022, and the statement of financial

performance, the 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Human Resource Management Professionals Examination Board as at 30 June, 2022, and of 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 the Public Finance Management Act, 2012 and the Human Resource Management Professionals Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of financial position reflects accounts receivables amounting to Kshs.3,754,655 as further disclosed in Note 17 to the financial statements. However, the amount differs with the recomputed Note 17 to the financial statements amount totalling to Kshs.176,803. The resulting variance of Kshs.3,577,852 has not been explained. Similarly, the statement reflects overpayments amounting to Kshs.1,850,670 which differs with the computed Note 18 to the financial statements amount totalling to Kshs.826,550. The resultant variance of Kshs.1,024,120 has also not been explained.

In the circumstances, the accuracy and completeness of accounts receivables and overpayments of Kshs.3,754,655 and Kshs.1,850,670 respectively could not be confirmed.

2. Variance in Property, Plant and Equipment Balance

The statement of financial position reflects property, plant and equipment amounting to Kshs.8,757,304. The amount differs with the assets register balances totalling to Kshs.7,611,044 resulting to unexplained variance of Kshs.1,146,260. Further, the assets register reflects assets costing Kshs.3,212,146 which have not been identified.

In the circumstances, the accuracy and completeness of property, plant and equipment amounting to Kshs.8,757,304 could not be confirmed.

3. Understatement of Revenue

The statement of financial performance reflects total revenue amounting to Kshs.73,595,177. Review of the bank statement revealed that revenue amounting to Kshs.74,739,73 was collected between 1 July, 2021 and 30 June, 2022 resulting to understatement of revenue by Kshs.1,144,557.

In the circumstances, the accuracy and completeness of total revenue amounting to Kshs.73,595,177 in the financial statement could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Human Resource Management Professionals Examination Board Management in accordance with ISSAI 130 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 qualified opinion.

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.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the report on Qualified opinion, Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates.

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, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Failure to Remit Revenue

Review of records revealed that the Board collected revenue amounting to Kshs.73,595,177. However, Kshs.22,078,553 or at least 30% of the total revenue collected was not remitted to the Institute of Human Resource Management. This is contrary to Section 17(J) of the Human Resource Management Professionals Examinations Board Act, 2012 which requires the Board to remit at least 30% of the total revenue collected to the Institute of Human Resource Management.

In the circumstances, Management was in breach of the Human Resource Management Professionals Examinations Board Act, 2012.

2. Operating Bank Accounts

The board operated a National Commercial Bank of Africa (NCBA) and Kenya Commercial Bank (KCB) bank accounts during the year. However, the opening of the bank accounts was not authorized and approved by the National Treasury. This is contrary to Section 28(1) of the Public Finance Management Act, 2012 requires the National Treasury to authorize the opening, operating and closing of bank accounts and sub-accounts for all National Government entities.

In the circumstances, Management was in breach of the Public Finance Management Act, 2012.

3. Failure to Disclose Gratuity for Senior Staff

Review of appointment letters for senior staff revealed that 31% gratuity is payable upon expiry of contract. However, no provision has been made for the expected liability and the same has not been disclosed in the financial statement. This is contrary to Policy 2.7.3 of the Board's Human Resource Policy and Procedure Manual, 2021 which states that employees serving on contract terms shall be eligible for payment of service gratuity based on prevailing Government guidelines.

In the circumstance, Management was in breach of the Board's Human Resource Policy and Procedure Manual, 2021.

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, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis of the Conclusion

1. Internal Control Weakness on Information Systems

A review of the Board's finance Management system revealed the following:

- i) There was no handing over taking over minutes, documentation or expertise on the usage of the system
- ii) The system produced a conflicting result in Trial Balance and ledgers which are useful in the presentation of financial statement, thus it was difficult to put a reliance on the Financial Management System Outputs

- iii) The system could be altered at any time as need a rise and would produce two or three conflicting results for one month at the click of the button.

In the circumstances, the effectiveness of the internal control on Hermes FMS couldn't be ascertained.

2. Accounts Department

The following weaknesses were observed in the accounts department:

- i) There is no segregation of duties in the accounts department. It was noted that invoicing, receipting of revenue, posting of the same in the cashbook and General Ledger and Bank reconciliation of the same is done by the same person in accounts department
- ii) The receipting and recording of revenue was until January, 2022 based on students' phone call and short message services (SMS) communication. The Board did not confirm from authenticated sources on their end before receipting thus casting doubts on the truthfulness of the undertakings
- iii) There is no effective mechanism put in place to define each payment made by the students
- iv) The receipts data cannot be retrieved, the economic codes were found with multiple errors, the cash books do not agree with the ledgers

3. Corporate Governance

A review of the Board's governance structure revealed the following:

- i. The Chief Executive Officer carries out roles of the Company Secretary contrary to paragraph 1,22 (3) of the Mwongozo: Code of Governance Guidelines, 2015 on separation of roles.
- ii. The composition of the Audit Committee membership comprises of three (3) members as stipulated under corporate governance statement. However, none of the members had qualifications on audit, financial management or risk management.
- iii. The financial statement discloses The Board of directors on page IV with professional qualification and experiences over the period, it was noted that the personal files presented to the auditor at the time of audit lack sufficient audit evidence to qualify the above qualification thus the presentation of directors' profile is questionable.

In the circumstances, the internal controls may not be fully effective.

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 maintaining effective 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 and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Board's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Board or to cease operations.

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.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Board's financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit

the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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 controls.
- 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 applicable 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 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 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 controls 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.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

14 June, 2023

**HUMAN RESOURCE MANAGEMENT
PROFESSIONALS EXAMINATION BOARD**
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For the year ended June 30, 2022

13. Statement Of Financial Performance for The Year Ended 30 June 2022

		2022	2021
		Kshs.	Kshs.
Revenue from non-exchange transactions	Note		
Examination fees		27,608,450	28,171,580
Exemption fees		32,262,803	21,752,455
Student Registration fees		8,053,550	5,085,000
Student Registration renewal fees		3,223,935	2,679,150
Other Income	9	2,148,130	621,750
Bank Interest		298,309	964,435
TOTAL REVENUE		73,595,177	59,274,370
Expenditure			
Examination Expenses	10	12,568,460	14,046,547
Admin Expenses	11	25,450,635	20,202,856
Staff Costs	12	30,308,182	18,633,752
Repairs & Maintenance	13	2,149,774	898,370
Board expenses	14	8,381,794	9,929,176
Depreciation	15	1,645,117	1,384,468
TOTAL EXPENDITURE		80,503,961	65,095,170
Surplus (Deficit) for the period		(6,908,784)	(5,820,800)

The notes set out on pages 6 to 18 form an integral part of these Financial Statements.
The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

Ag. Accounting Officer

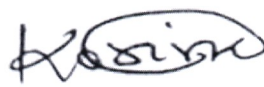
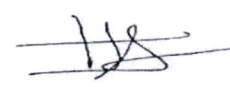
Head of Finance

Board Chair

Name: CHRP Margaret Nguu

Name: CPA Leonard K Name: CS. Sharon Kisire

ICPAK Member No.:
25611

Date: 16.05.2023

Date: 16.05.2023

Date: 16.05.2023

**HUMAN RESOURCE MANAGEMENT
PROFESSIONALS EXAMINATION BOARD
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For the year ended June 30, 2022**

14. Statement of Financial Position as at 30 June 2022

		2022	2021
Non- current assets	Note	Kshs.	Kshs.
Property plant & equipment	15	8,757,304	6,733,434
Current assets			
Prepaid Rent	16a	2,640,000	4,065,156
Cash and cash equivalents	16b	18,647,328	25,505,078
Acc Receivables	17	3,754,675	3,577,872
Total Assets		33,799,307	39,881,541
Liabilities			
Overpayments	18	1,850,670	1,024,120
Net Assets			
Accumulated Surplus	19	31,948,637	38,857,421
Net Assets and Liabilities		33,799,307	39,881,541

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

Ag. Accounting Officer

Name: CHRP Margaret Nguu



Date: 16.05.2023

Head of Finance

Name: CPA Leonard Korir

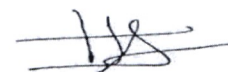
**ICPAK Member No.:
25611**



Date: 16.05.2023

Chairman of the Board

Name: CS Sharon Kisire



Date: 16.05.2023

**HUMAN RESOURCE MANAGEMENT
PROFESSIONALS EXAMINATION BOARD**
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For the year ended June 30, 2022

15. Statement of Changes in Net Assets for the year ended 30 June 2022

	Retained Earnings	Recurrent Grant	Total
As at 1 July 2020	44,678,221	-	44,678,221
Surplus/ (Deficit) for the year	(5,820,800)	-	(5,820,800)
Additions	-	-	-
As at June 30, 2021	<u>38,857,421</u>	-	<u>38,857,421</u>
Balance as at 1 July 2021	38,857,421	-	38,857,421
Surplus for the year	(6,908,784)	-	(6,908,784)
Additions	-	-	-
Balance as at 30 June 2022	31,948,637	-	31,948,637

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16. Statement of Cash Flows for the year ended 30 June 2022

		2022	2021
	Note	Kshs	Kshs
Operating surplus		(6,908,784)	(5,820,800)
Depreciation		1,645,117	1,384,468
Prepaid rent Refund		1,425,156	(2,640,000)
(Increase)/ decrease in A/C receivables		(176,803)	(120,870)
Increase/ (decrease) in payables		826,550	241,370
Cash generated from operations		(3,188,764)	(6,955,832)
INVESTING ACTIVITIES			
Purchase of property, plant & equipment	15	(3,668,986)	(3,769,869)
		(3,668,986)	(3,769,869)
FINANCING ACTIVITIES			
Government grant		-	-
Grant from donors		-	-
Net cash generated from financing activities		-	-
Increase/ (decrease) in cash and cash equivalent		(6,857,750)	(10,725,701)
Cash and cash equivalent at the beginning		25,505,078	36,230,779
Cash and cash equivalent at end of the year	16b	18,647,328	25,505,078

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

Ag. Accounting Officer

Head of Finance

Chairman of the Board

Name: CHRP Margaret Nguu

Name: CPA Leonard Korir

Name: CS Sharon Kisire

ICPAK Member No.:
25611





Date: 16.05.2023

Date: 16.05.2023

Date: 16.05.2023

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17. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2022

	Original Budget Kshs	Adjustments Kshs	Final Budget Kshs	Actual on comparable basis Kshs	Performance Difference Kshs.	% of Utilization %
	a	b	c = (a+b)	d	e = (c-d)	f = (d/c)* 100
Revenue						
Examination fees	43,500,000	(13,500,000)	30,000,000	27,608,450	2,391,550	92%
Exemption fees	55,000,000	(21,000,000)	34,000,000	32,262,803	1,737,197	95%
Student Registration fees	20,000,000	(10,000,000)	10,000,000	8,053,550	1,946,450	81%
Student Registration renewal fees	4,000,000	-	4,000,000	3,223,935	776,065	81%
Other Income	9,550,000	(6,991,000)	2,559,000	2,148,130	410,870	84%
Bank Interest	500,000	-	500,000	298,309	201,691	60%
Total Income	132,550,000	(51,491,000)	81,059,000	73,595,177	(7,463,823)	
Expenses						
Examination Expenses	25,600,000	(13,545,000)	12,055,000	12,568,460	(513,460)	104%
Admin Expenses	28,270,000	(4,950,000)	23,320,000	25,450,635	(2,130,635)	109%
Staff Costs	44,598,322	(11,648,322)	32,950,000	30,308,182	2,641,818	92%
Repairs & Maintenance	2,790,000	(790,000)	2,000,000	2,149,774	(149,774)	107%
Board expenses	13,000,000	(4,000,000)	9,000,000	8,381,794	618,206	93%
Depreciation	-	1,700,000	1,700,000	1,645,117	54,883	97%
Total expenditure	114,258,322	(33,233,322)	81,025,000	80,503,961	521,039	
Surplus/ (deficit) for the year	18,291,678	(18,257,678)	34,000	(6,908,784)		

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18. Notes to the Financial Statements

1 General Information

HRMPEB is established by and derives its authority and accountability from the Human Resource Professionals Act, 2012. HRMPEB is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is administration of Professional Human Resource Examinations and Certification.

2 Statement of Compliance and basis of preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the entity.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act the Human Resource Professionals Act, 2012, and International Public Sector Accounting Standards (IPSAS): The accounting policies adopted have been consistently applied to all the years presented.

3 Adoption of new and revised standards

i. i. New and amended standards and interpretations in issue effective in the year ended 30 June 2021.

Standard	Impact
Other Improvements to IPSAS	Applicable: 1st January 2021
	a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks. <i>This standard is not applicable to HRMPEB as it did not acquire any business during the year.</i>

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Standard/ Amendment to a	Effective date and impact
Other Improvements to IPSAS	Applicable: 1st January 2021 b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.
	c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.
	d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the
	<i>This standard is not applicable to HRMPEB as it does not have leases and impairment.</i>
ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021	
IPSAS 41: Financial Instruments	Applicable: 1st January 2023. The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:
	• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;
	• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and
	• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<i>This standard is not applicable to HRMPEB as it does not hedge its financial instruments</i>	

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<p>IPSAS 42: Social benefits</p>	<p>Applicable: 1st January 2022. The objective of this standard is to improve the relevancy, faithful representatives and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purposes financial reports</p> <ul style="list-style-type: none"> a.) The nature of such social benefits provided by the entity; b.) The key features of the operation of those social benefit schemes; c.) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. <p><i>This standard is not applicable to HRMPEB as it does not offer social benefit</i></p>
<p>Amendments to other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a.) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b.) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c.) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

iii. Early adoption of standards

HRMPEB did not adopt early any new or amended standards in year 2021-2022.

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Notes to the Financial Statements (continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a. Revenue recognition

i. Revenue from non-exchange transactions

The entity recognises revenues from fees when the event occurs to the extent that would give rise to a liability to repay the amount. Other non-exchange revenues are recognised when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Transfers from other Government entities

Revenues from non-exchange transactions with other Government entities are measured at fair value and recognised on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognised in the statement of comprehensive income. Development/ capital grants are recognised in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets

ii. Revenue from exchange transactions

1) Rendering of services

The sale of services is recognised in the year in which HRMPEB delivers the service to the customer, the customer has accepted the service and collectability of the related receivables is reasonably assured.

2) Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

3.) 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 is applied to the principal outstanding amount to

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b. Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Costs 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 statement of financial performance 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 is provided on the cost/valuation of the assets on straight line basis at rates designed to write down the cost of each asset or revalued amount to its residual values over their estimated useful life. The annual rates in use are:

	Rate
Furniture & fitting	12.50%
Computers	30.00%
Softwares	20.00%
Office Equipment	12.50%
Library books	5.00%

A full year's depreciation is recognised in the year of purchase and none in the year of disposal.

c. Leases

HRMPEB does not have any leases.

d. Nature and purpose of reserves

HRMPEB does not create or maintain any reserves in terms of revaluation reserves.

e. Cash and cash equivalent

Cash and cash equivalents comprise cash on hand and cash at bank, short term deposits, on call deposits and highly liquid investments within original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

f. Retirement benefit obligation

HRMPEB and the employees also contribute to the National Social Security Fund (NSSF), a national defined contribution scheme. HRMPEB's contributions obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 200 per employee per month.

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Notes to the Financial Statements (continued)

g. Budget information

The original budget for the FY 2021-2022 was approved by the Board in January 2021. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget is presented in the statement of comparison of budget and actual amounts. The adjustments to amounts in the financial statements are made in the formats and classification schemes adopted for the presentation of the financial statements and

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts as per the statement of financial performance has been presented on page 28 of these financial statements.

h. Intangible asset

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 amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in statement of financial performance in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

i. Subsequent events

Following the conclusion of the 2021/22 cut-off period, the Board undertook various actions. Firstly, they drafted an official letter to the National Treasury, seeking necessary approval to maintain the operation of their NCBA account and additionally open a KCB Account. Moreover, the Board initiated communication with the Institute of Human Resource Management regarding the remittance of 30% of their revenue. It is important to note that responses to both of these aforementioned letters are currently pending. Additionally, the Board reached out to the bank in order to acquire a certificate of balance for the NCBA account.

j. Currency

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

k. Taxes

Current income tax

HRMPEB has not provided for taxation as it is exempted from income tax.

l. Comparative figures

HRMPEB prepared the 2021-2022 financial reports with comparison to the previous year as presented.

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Notes to the Financial Statements (continued)

5 Significant Judgement and Sources of Estimation uncertainty

The preparation of HRMPEB's financial statements in conformity with IPSAS requires management to make judgements, 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 year. 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.

a.) Estimates and assumptions

HRMPEB based its assumptions and estimates on parameters available when the 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 HRMPEB. Such changes are reflected in the assumptions when they occur.

b.) 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 HRMPEB;
- ii.) The nature of the asset, its susceptibility and
- 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.

6 Retained Earnings

The retained earnings represent net income left over to finance HRMPEB's activities, mainly capital expenses.

7 Related party disclosures

Nature of related party relationships

HRMPEB regards a related party as a person or an entity with the ability to exert control individually or jointly or to exercise significant influence over HRMPEB or vice versa. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of HRMPEB, holding 100% of the HRMPEB's equity interest. Other related parties include:

- i. The parent ministry- Ministry of Public Service & Gender
- ii. The National Treasury
- iii. Key Management
- iv. Board of Directors

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Notes to the Financial Statements (continued)

8 FINANCIAL RISK MANAGEMENT

HRMPEB's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. HRMPEB's overall risk management policies are set out by the Board and implemented by the management, and focus on the unpredictability of changes in the business environment and seeks to minimise the potential adverse effects of such risks on its performance by setting acceptable levels of risk. HRMPEB, however, does not hedge any risks and that credit is only extended to customers with an established credit history.

HRMPEB's financial risk management objectives and policies are detailed below:

i. Market risk

The Board has put in place an internal audit function to assist in assessing the risk faced by HRMPEB on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from the changes in market prices, such as interest rate and foreign exchange rates which will affect HRMPEB's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for HRMPEB's finance department is responsible for development of detailed risk management policies and for the day to day implementation of those policies.

ii. Credit Risk

HRMPEB does not have exposure to credit risk, which is the risk that a customer will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables.

Since HRMPEB operates and presents reports using the cash basis of accounting, we do not have credit risk.

iii. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the HRMPEB's Board. HRMPEB manages liquidity risk through continuous monitoring of forecasts and actual

iv. Foreign Currency Risk

HRMPEB does not have transactional currency exposures which arises through purchase of goods and services that are done in currencies other than local currency. Therefore, HRMPEB doesn't transact in other currencies except the Kenya Shilling.

v. Interest rate risk

Interest rate risk is the risk that HRMPEB's financial condition may be adversely affected as a result of changes in interest rate levels. HRMPEB's interest rate risk arises from bank deposits. This exposes HRMPEB's cash flow to interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on HRMPEB's deposits.

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vi. Capital Risk Management

The objective of HRMPEB's capital risk management is to safeguard the Board's ability to continue as a going concern. The capital structure comprises of the following funds:

	2022	2021
	Kshs.	Kshs.
Accumulated surplus (Deficit)	<u>(6,908,784)</u>	<u>38,857,421</u>
	<u>(6,908,784)</u>	<u>38,857,421</u>

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	2022	2021
	Kshs.	Kshs.
9. Other Income		
Sale of Syllabus	10,000	30,000
Student ID Cards Replacement fees	5,000	8,500
Accreditation Application fees	90,000	150,000
Accreditation fees	270,000	280,000
Graduation, Penalties, and Sponsorship	1,524,130	144,250
Tender Purchase Fees	249,000	9,000
	2,148,130	621,750
10. Examination Expenses		
Test Item Development	1,374,075	4,163,622
Exam Moderation & Quality Checking	276,250	455,260
Printing of Examination Scripts, Answer Booklets & Envelopes	1,462,413	2,017,034
Examination Administration, Invigilation & Supervision	2,306,590	4,537,973
Examination Marking	2,982,729	1,767,698
Inspection for Accreditation	51,000	35,000
Hospitality Expenses	1,010,970	1,069,960
Certificates Award Cost	1,172,595	-
Printing of Certificates	869,899	-
Rent of Examinations Halls	1,061,940	-
	12,568,460	14,046,547
11. Admin Expenses		
Water	82,192	46,718
Internet Charges	396,950	406,750
Telephone Charges	12,700	39,550
Electricity	276,530	163,117
Rent and Parking Fees	9,521,280	4,777,319
Licences. Fines & Penalties	320,000	35,000
Office Expenses and Consumables	1,414,947	894,326
Corporate Social Responsibility and Donations	102,000	-
Postage Charges	9,450	9,450
Stationery	1,658,903	857,417
Publicity, Advertising, Marketing & Communication	3,060,394	1,561,879
Sundry Expenses	1,645,117	-
Hire of Facilities	285,491	799,681
Bank Charges	386,586	711,599
Mpesa Charges	40,278	25,268
Service Charge & Other Charges	-	109,140
Insurance Charges	272,954	245,120
Conference and Hotel Charges	561,600	1,405,100
Student Refund	-	604,469
Consultancy/ Facilitation & Audit Fees	4,371,137	7,500,953
Legal Fees	1,032,127	10,000
	25,450,635	20,202,856

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	2022	2021
	Kshs.	Kshs.
12. Staff Costs		
Salaries	21,445,656	13,160,349
Medical Expenses	32,122	34,372
Casual Wages	364,200	115,400
Travel and Accommodation Costs	2,610,141	2,436,040
Staff Membership and Subscriptions	45,700	15,000
Staff Medical Insurance	3,728,843	2,435,091
Staff Welfare	470,000	437,500
Staff Uniforms	52,900	-
Staff Training and Development	1,311,620	-
Telephone Allowances	247,000	-
	<u>30,308,182</u>	<u>18,633,752</u>
13. Repairs & Maintenance		
Software Maintenance	2,149,774	898,370
	<u>2,149,774</u>	<u>898,370</u>
14. Board Expenses		
Sitting Allowance	4,622,482	9,929,176
DSA (Perdiem) & Accommodation	3,759,312	-
	<u>8,381,794</u>	<u>9,929,176</u>

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Notes to the Financial Statements (continued)

15. Property Plant and Equipment

	Software	Computers & Networking	Office Equipment	Library Books	Furniture, Fittings & Fixtures	Total
Cost/ Valuation as at 01/07/2021	633,609	1,345,425	1,733,280	329,668	2,691,452	6,733,434
Revaluation	-	-	-	-	-	-
Additions	-	540,840	595,607	107,705	2,424,834	3,668,986
Disposal	-	-	-	-	-	-
Netbook value As at 30th June 2022	633,609	1,886,265	2,328,887	437,373	5,116,286	10,402,420
Depreciation						
Charge for the year	(126,722)	(565,879)	(291,111)	(21,869)	(639,536)	(1,645,117)
As at 30th June 2022	-	-	-	-	-	-
NBV as at 30th June 2022	506,887	1,320,385	2,037,776	415,505	4,476,751	8,757,304
Netbook value As at 30th June 2021	633,609	1,345,425	1,733,280	329,668	2,691,452	6,733,434

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Notes to the Financial Statements (continued)

	2022 Kshs.	2021 Kshs.
16a. Prepaid Rent		
Prepaid rent relates to rent that was paid	4,065,156	4,065,156
Rent Refund	(1,425,156)	
	<u>2,640,000</u>	<u>4,065,156</u>
16b. Cash and Bank Balances		
	2022	2021
	Kshs.	Kshs.
NCBA	18,638,108	25,505,078
KCB	9,220	-
	<u>18,647,328</u>	<u>25,505,078</u>
17. A/C Receivables		
	176,803	3,577,872
	<u>3,754,675</u>	<u>3,577,872</u>
18. LIABILITIES		
Students Overpayments	826,550	1,024,120
Total	1,850,670	1,024,120
19. Retained Earnings		
Retained Earnings comprises of balance from the previous year and surplus/ (deficit) for the current year		
		Kshs.
Balance as at 1 July 2021		38,857,421
Surplus for the year		(6,908,784)
Additions		-
Amortisation		-
Balance as at 30 June 2022		<u>31,948,637</u>

20. EVENTS AFTER REPORTING PERIOD

There were no material adjusting and non- adjusting events after the reporting period.

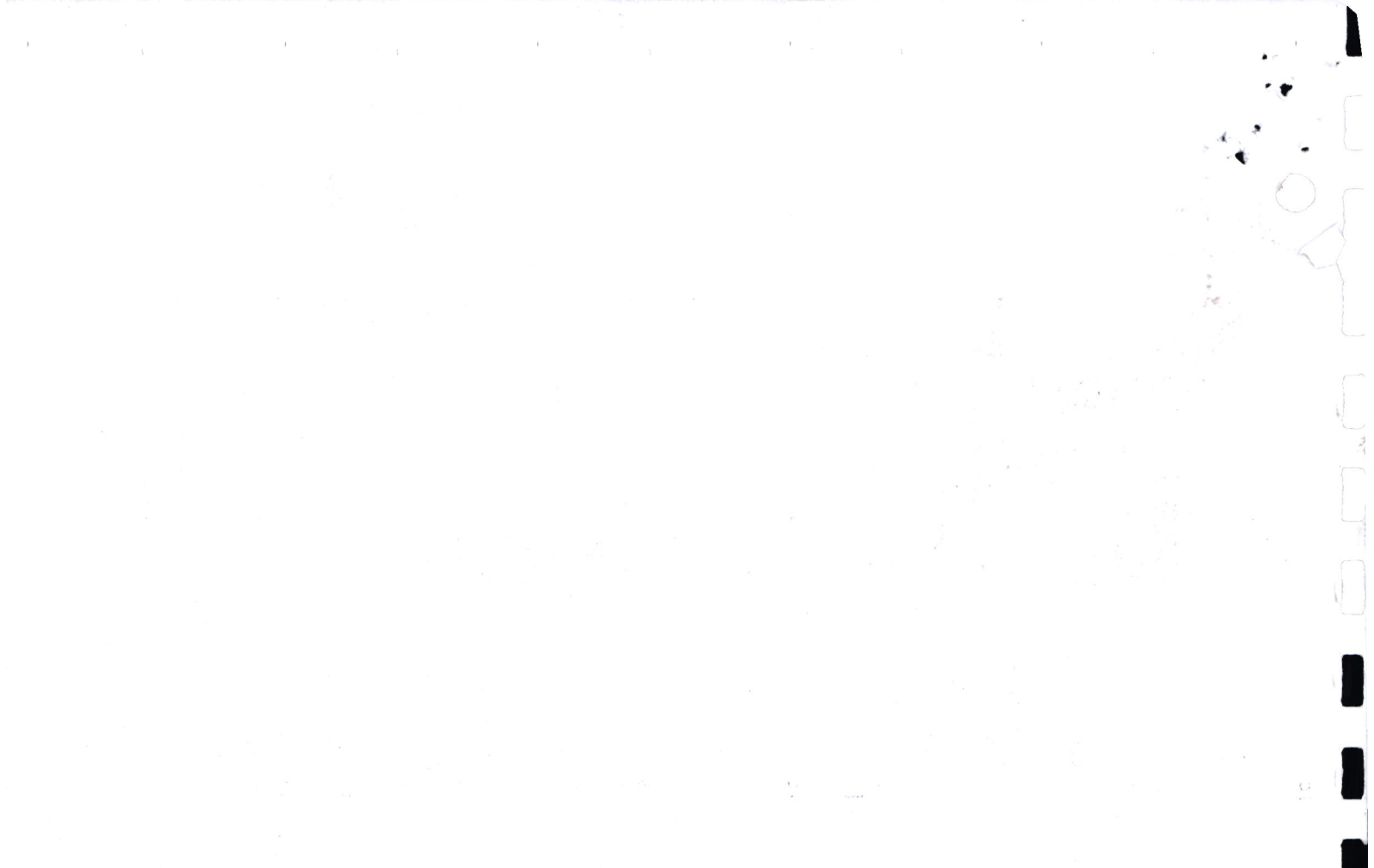
21. CURRENCY

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

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APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

Prior period's audit has not been done



Date	Description	Amount
1900
1901
1902
1903
1904
1905
1906
1907
1908
1909
1910
1911
1912
1913
1914
1915
1916
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1925