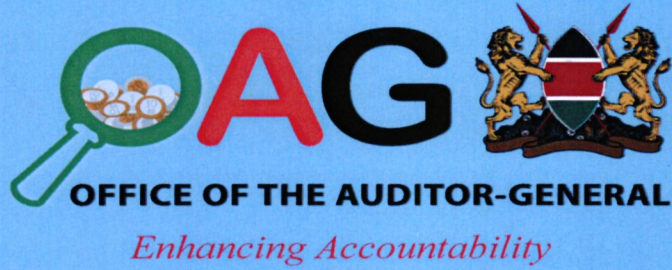


REPUBLIC OF KENYA



REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 08 JUN 2023

Thursday

Hon. Kimani Ichungwah, MP
Leader, Majority Party
Anne Shubuku

THE AUDITOR-GENERAL

ON

ENGINEERS BOARD OF KENYA

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

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2022



ENGINEERS BOARD OF KENYA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30TH, 2022

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

ENGINEERS BOARD OF KENYA
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For the year ended June 30, 2022

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I) KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Engineers Board of Kenya (EBK) is a statutory body established under Section 3(1) of the Engineers Act 2011. The Board is a successor to the Engineers Registration Board (ERB) established by the Engineers Registration Act, Cap 530 (1969 now repealed). The overall mandate of the Board is registration of engineers and firms, regulation of the engineering professional services, setting of standards, development, and general practice of engineering.

Under the country's Vision 2030 development blueprint, manufacturing sector is identified as priority sector for job and wealth creation and is targeted to increase its contribution to the GDP to 15%. Further, quality infrastructure is recognised as an enabler; Vision 2030 targets to increase access to clean and affordable water and sanitation services, energy, transportation, housing and increasing agricultural production. In all these sectors, the development and regulation of engineering practice is considered a key component to the achievement of Vision 2030 goals.

Engineers Board of Kenya Vision Statement

The Board's Vision is *"A safe, efficient and effective engineering infrastructure, systems and processes for Kenya."*

Engineers Board of Kenya Mission Statement

The Board's Mission is *"To ensure production of competent engineers and quality engineering services through regulation, capacity building and enforcing compliance with set engineering standards for improved socio-economic development."*

Engineers Board of Kenya Core Values

The Board's core values are:

- i) Integrity;*
- ii) Professionalism;*
- iii) Teamwork;*
- iv) Public Interest;*
- v) Fairness;*
- vi) Respect and courtesy;*
- vii) Inclusiveness and Diversity.*

(b) Principal Activities

The principal mandate (functions and powers) of the Board are to: -

- (a) Receive, consider, make decisions on applications for registration and register approved Applications;
- (b) Keep and maintain the Register;
- (c) Publish the names of registered and licensed persons under the Engineers Act 2011;
- (d) Issue licences to qualified persons under the provisions of the Engineers Act 2011;

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- (e) Publish and disseminate materials relating to its work and activities;
- (f) Carry out inquiries on matters pertaining to registration of engineers and practice of engineering;
- (g) Enter and inspect sites where construction, installation, erection, alteration, renovation, maintenance, processing or manufacturing works are in progress for the purpose of verifying that—
 - i) Professional engineering services and works are undertaken by registered persons under this Act;
 - ii) Standards and professional ethics and relevant health and safety aspects are observed;
- (h) Assess, approve or reject engineering qualifications of foreign persons intending to offer professional engineering services or works;
- (i) Evaluate other engineering programmes both local and foreign for recognition by the Board;
- (j) Enter and inspect business premises for verification purposes or for monitoring professional engineering works services and goods rendered by professional engineers;
- (k) Instruct, direct or order the suspension of any professional engineering services works, projects, installation process or any other engineering works, which are done without meeting the set-out standards;
- (l) Approve and accredit engineering programs in public and private universities and other tertiary level educational institutions offering education in engineering;
- (m) Set standards for engineers in management, marketing, professional ethics, environmental issues, safety, legal matters or any other relevant field;
- (n) Prepare detailed curriculum for registration of engineers and conduct professional examinations for the purposes of registration;
- (o) Establish a school of engineering and provide facilities and opportunities for learning, professional exposure and skills acquisition, and cause continuing professional development programmes for engineers to be held;
- (p) Establish the Kenya Academy of Engineering and Technology whose purpose shall be to advise the National and the County Governments on policy matters relating to engineering and technology;
- (q) Plan, arrange, co-ordinate and oversee continuing professional training and development and facilitate internship of graduate engineers;
- (r) Collaborate with engineering training institutions, professional associations, engineering organizations and other relevant bodies in matters relating to training and professional development of engineers;
- (s) Determine the fees to be charged by professional engineers and firms for professional engineering services rendered from time to time;
- (t) Hear and determine disputes relating to professional conduct or ethics of engineers;

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- (u) Develop, maintain and enforce the code of ethics for the engineers and regulate the conduct and ethics of engineering profession in general;
- (v) Determine and define disciplines of engineering recognised under the Engineers Act 2011;
- (w) Conduct recruitment of staff of the Board through a competitive process; and
- (x) Carry out such other functions related to the implementation of the Engineers Act 2011.

(c) Key Management

The Board's operations are managed under the following key organs:

1. Board of Directors

The Board of Directors is composed of 7 independent directors drawn from industry (with the Chairperson being appointed by the Cabinet Secretary from amongst these members), the President of the Institution of Engineers of Kenya, 3 public sector directors representing Principal Secretaries in the ministries responsible for matters related to engineering, finance and higher education and the Registrar/CEO. The Board of Directors are responsible for the overall strategy, governance and performance of EBK and delegates responsibility for the day-to-day management of EBK to the Registrar/CEO. The directors are accomplished practitioners with multiple skills that assure the proper functioning and administration of the Board. They are as listed below:

S/No.	Director	Designation
1.	Eng. Erastus K. Mwangera	Chairman
2.	Eng. Julia W. Ondeyo	Vice - Chairperson
3.	Mr. Charles Obiero	Member
4.	Mr. Bernard J. Leparmarai	Member
5.	Eng. Benjamin K. Maingi	Member
6.	Eng. Roselane A. Jilo	Member
7.	Eng. Jane A. Simiyu	Member
8.	Mr. Daniel M. Mutua	Member
9.	Eng. Prof. Silvester O. Abuodha	Member
10.	Eng. Dr. Johnson M. Matu	Member
11.	Eng. Nathaniel O. Matalanga	Member (Upto 31.03.2022)
12.	Eng. Erick O. Ohaga	Member (Joined from 01 st April 2022)
13.	Eng. Margaret N. Ogai	Registrar/CEO

2. Accounting officer/ Chief Executive Officer

The Accounting Officer of the Board is **Eng. Margaret N. Ogai**, who is the Registrar and Chief Executive Officer.

3. Management

The Registrar/CEO is responsible for day-to-day management of EBK. She leads a team of professionals who head various directorates and departments at the Board. They are as listed below:

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S/No.	Name	Designation
1.	Eng. Margaret N. Ogai	Registrar/CEO
2.	Eng. Grace L. Onyango	Director, Capacity Building and Accreditation
3.	Eng. Anthony M. Okere	Director, Compliance and Enforcement
4.	CS Fridah N. Ng'alu	Director, Corporation Secretary & Legal Services (Joined in October 2021)
5.	Mr. Erick O. Obiero	Manager, Human Resources and Administration
6.	Mr. Sebastian A. Bwire	Manager, ICT
7.	CPA Elijah N. Muriuki	Manager, Finance and Accounts
8.	CPA Dennis M. Karanja	Manager, Internal Audit
9.	Ms. Catherine W. Macharia	Manager, Supply Chain Management
10.	Eng. Samwel O. Abich	Manager, GEIP & Acting Manager Registration & Licensing (Effective April 2022)
11.	CPA Stella Gati Maroa	Manager, Research & Strategy (Effective May 2022)
12.	Ms Beth Mbatia	Principal Corporate Communications Officer

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Eng. Margaret N. Ogai	Registrar/CEO
2.	Eng. Grace L.A. Onyango	Director, Capacity Building and Accreditation
3.	Eng. Anthony M. Okere	Director, Engineering Standards and Compliance
4.	CPA Elijah N. Muriuki	Manager, Finance and Accounts
5.	Ms. Catherine W. Macharia	Manager, Supply Chain Management

(e) Fiduciary Oversight Arrangements

Board Committees Towards Good Corporate Governance

The Board has constituted the following Committees towards good corporate governance and as required by the Mwongozo Code of Governance for State Corporations:

1. Registration, Professional Development and Compliance Committee.
2. Academics Qualifications Committee.
3. Finance, Strategy and Human Resource Development Committee.
4. Audit, Governance and Risk Committee

1. Registration, Professional Development & Compliance Committee (RPDCC)

The functions of the Registration, Professional Development and Compliance Committee includes:

- a) To process applications for registration and licencing of engineers and consulting firms.

- b) To prepare curriculum for professional examinations of engineers.
- c) To conduct professional interviews for candidates applying for registration.
- d) To oversee compliance and enforcement of Engineer's Act such as to enter and inspect construction sites and business premises.
- e) To ensure compliance of code of conduct and ethics for engineering practice through activities such as hear disputes and conduct disciplinary hearings
- f) To establish, operationalize and coordinate continuous professional development programmes for engineers of all categories.
- g) To formulate policies for the development of engineering.
- h) To oversee EBK publications and dissemination of reports from Board's activities.
- i) To advise the Board on matters relating to development of engineering education, training and practice as well as registration of foreign engineers
- j) Defining of engineering Discipline for purposes of registration of professional engineers.
- k) To facilitate the establishment and operationalization of the Kenya School of Engineering and the Kenya Academy of Engineering and Technology

Membership of the Committee

- | | | |
|-----------------------------|---|----------|
| i. Eng. Dr. Johnson M. Matu | - | Chairman |
| ii. Eng. Benjamin K. Maingi | - | Member |
| iii. Eng. Jane A. Simiyu | - | Member |
| iv. Eng. Roseline A. Jilo | - | Member |
| v. Mr. Charles O. Obiero | - | Member |

2. Academics Qualifications Committee (AQC)

The functions of the Academics Qualifications Committee include:

- a) To develop, review and update the criteria and procedures for accreditation of engineering programmes.
- b) To evaluate undergraduate engineering programmes offered by the Universities and other Tertiary Level Institutions offering education in engineering.
- c) Assess engineering qualifications of foreign persons intending to offer professional engineering services or works.
- d) Establish and maintain links with international engineering bodies.
- e) To advise the Board on matters relating to engineering education.

Membership of the Committee

- | | | |
|--|---|----------|
| i. Eng. Prof. Sylvester. O. Abuodha | - | Chairman |
| ii. Eng. Nathaniel O. Matalanga (Upto 31.03.22)- | - | Member |
| iii. Eng. Erick O. Ohaga (From April 2022) | - | Member |
| iv. Eng. Julia W. Ondeyo | - | Member |
| v. Mr. Charles O. Obiero | - | Member |
| vi. Mr. Daniel M. Mutua | - | Member |

3. Finance, Strategy and Human Resource Development Committee

The functions of the Finance, Administration, and Human Resources Development Committee include:

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- a) Oversee the finance and administration affairs of the Board.
- b) To monitor the integrity of the financial statements of the Board and any formal communication relating to the Board's financial performance.
- c) To conduct recruitment of staff of the Board through a competitive process.
- d) To formulate the Board's strategies and oversee implementation of the same.
- e) Develop, review or update organizational policies and regulations.
- f) Oversee the resource mobilization, implementation of development programmes and sustainability of the Board.
- g) Maintain links with Government Ministries and Departments.
- h) To ensure compliance with the legal and statutory requirements.

Membership of the Committee

i. Eng. Benjamin K. Maingi	-	Chairman
ii. Eng. Julia W. Ondeyo	-	Member
iii. Mr. Bernard J. Leparmarai	-	Member
iv. Eng. Prof. Sylvester. O. Abuodha	-	Member
v. Mr. Daniel M. Mutua	-	Member

4. Audit, Governance and Risk Committee

The functions of the Audit, Governance and Risk Committee include:

- a) To review the Board's internal financial controls and risk management systems and advise on risk areas.
- b) To monitor and review the effectiveness of the Board's internal audit function and make recommendations to the Board,
- c) To coordinate appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor.
- d) To review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements.
- e) To advise the Board on matters related to audit and Governance.
- f) To ensure audit issues are adequately resolved.
- g) To review compliance with the legal and statutory requirements.

Membership of the Committee

i. Eng. Roseline A. Jilo	-	Chairperson
ii. Eng. Jane A. Simiyu	-	Member
iii. Eng. Nathaniel O. Matalanga (Upto 31.03.22)	-	Member
iv. Eng. Erick O. Ohaga (From April 2022)	-	Member
v. Mr. Bernard J. Leparmarai	-	Member
vi. Mr. Daniel M. Mutua	-	Member

(f) Parliamentary Committee Activities

The Board reports on financial matters to the Parliamentary Investments Committee (PIC) by virtue of being a State Corporation. In addition, the Board due to its mandate also reports to

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the Transport, Public Works and Housing Committee as well as Education, Research and Technology Committees. Most parliamentary committees investigate specific matters of policy or government administration or performance for State Corporations. Other parliamentary committees are responsible for matters related to the internal administration of the parliament.

(g) Management Committees

1. Human Resource Management Advisory Committee

This committee was established under Section 2.15 of the EBK Human Resource Policies and Procedures Manual to undertake several advisory responsibilities to the Registrar/CEO such as on the staff training and development, maintenance of the Board establishment, recruitment processes, performance management, staff disciplinary matters, staff promotions, among many others. During the financial year ended 30th June 2022 the following were the members of this committee:

S/No.	Name	Role
1.	Eng. Grace L. Onyango	Chairperson
2.	Erick O. Obiero	Secretary
3.	Elijah N. Muriuki	Member
4.	Fridah N. Ng'alu	Member
5.	Eng. Samwel O. Abich	Member

2. Performance Contract Committees

These committees were established to prepare, periodically monitor and report to the Board on the progress and implementation of the various targets as outlined in the Board's FY 2021/2022 Performance Contract. During the financial year ended 30th June 2022 the membership of the various committees were constituted as follows:

S/NO.	COMMITTEE	MEMBERS	POSITION
1	ALCOHOL AND DRUG ABUSE & ROAD SAFETY COMMITTEE	Pauline Mwarabu	Chairperson
		Eng. Okere Makokha	Member
		Rose Murugi	Secretary
		Susan Mwendu	Member
		James Muriithi	Member
		Benjamin Kirui	Member
2	INFORMATION SAFETY AND SECURITY MANAGEMENT COMMITTEE	Sebastian Bwire	Chairperson
		Pauline Mwarabu	Secretary
		Tony Kibet	Member
		Titus Muasya	Member
		Juliet Macharia	Member
		Levi Gachanja	Secretariat
		Benjamin Kirui	Secretariat
3		Eng. Okere Makokha	Chairperson

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S/NO.	COMMITTEE	MEMBERS	POSITION
	COMPLAINTS AND COMPLIMENTS & NATIONAL COHESION AND NATIONAL VALUES COMMITTEE	Fridah Ng'alu	Member
		Erick Obiero	Member
		Beth Mbatia	Secretary
		Eng. Samwel Abich	Member
		Jacinta Kariuki	Member
		Ludwina Kuchio	Member
4	HIV/AIDS CONTROL COMMITTEE	Erick Obiero	Chairperson
		Rose Murugi	Secretary
		John Vundi	Member
		Bernard Omutakha	Member
		Rita Ivayo	Secretary
5	GENDER & DISABILITY MAINSTREAMING COMMITTEE	Catherine Macharia	Chairperson
		Beth Mbatia	Member
		Titus Muasya	Member
		Erick Obiero	Member
		Juliet Macharia	Secretary
		Tony Kibet	Member
6	CORRUPTION PREVENTION COMMITTEE	Eng. Margaret N. Ogai	Chairperson
		Eng. Grace Onyango	Member
		Eng. Okere Makokha	Member
		Erick Obiero	Member
		Dennis Karanja	Secretary
		Elijah Muriuki	Member
		Tony Langat	Member
		Sebastian Bwire	Member
		Fridah Ng'alu	Member
		Catherine Macharia	Member
		Norah Nyaboga	Member
		Beth Mbatia	Member
7	BUDGET IMPLEMENTATION COMMITTEE	Eng. Grace Onyango	Chairperson
		Eng. Okere Makokha	Member
		Elijah Muriuki	Secretary
		Fridah Ng'alu	Member
		Erick Obiero	Member
		Catherine Macharia	Member
		Norah Mboga	Member
		Pauline Mwarabu	Member
		Rose Murugi	Member
		Tony Kibet	Member
	Timothy Mumo	Secretariat	

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(h) EBK Headquarters

9th Floor, Fortis Suites,
Hospital Road,
P.O. Box 30324 – 00100,
Nairobi, KENYA

(i) EBK Contacts

Telephone: 020-2719974, 2723101 Ext 3180
(+254)-735330744, (+254)-722509972
E-mail: info@ebk.go.ke
Website: www.ebk.go.ke

(j) EBK Bankers

National Bank of Kenya Ltd
Hill Branch
P.O Box 30081-00100
Nairobi, Kenya

KCB Bank Kenya Limited
Capital Hill Branch
P. O. Box 58233 - 00200
Nairobi, Kenya

HFC Bank
Rehani House,
P.O. Box 45219-00100,
Nairobi, Kenya




(k) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084 – 00100,
Nairobi, Kenya



(l) Principal Legal Adviser

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

II) THE BOARD OF DIRECTORS

 <p>1. Eng. Erastus K. Mwongera, FIEK RCE CBS</p>	<p>Board Chairman Year of Birth: 1949 Eng. Erastus Mwongera is a registered consulting engineer with the Board and a Fellow of the Institution of Engineers of Kenya. He holds a Bachelor's degree (Civil Engineering) from the University of Swansea, United Kingdom. Eng. Mwongera has a vast experience in the Public Service and the Private Sector and has recently served as the Chairman on Kenya Airports Authority, Kenya National Highways Authority, Sameer Group of Companies among many other organizations. Eng. Mwongera is a representative of the private sector in the Board.</p>
 <p>2. Eng. Julia W. Ondeyo, PE. Rep. State Corporations.</p>	<p>Board Vice - Chairperson Year of Birth: 1975 Eng. Julia Ondeyo is a registered professional engineer with the Board and a Corporate member of the Institution of Engineers of Kenya. She holds Bachelor's degree (Civil Engineering) from the University of Nairobi and a Master degree in Business Administration from the Strathmore University. Eng. Ondeyo boasts of over twenty years' experience in the roads sector and is currently Deputy Director at the Kenya National Highways Authority (KeNHA). Eng. Ondeyo represents state corporations in the Board</p>
 <p>3. Eng. Erick O. Ohaga, CE PRESIDENT, Institution of Engineers of Kenya</p>	<p>Year of Birth: 1978 Eng. Erick Ohaga is a consulting engineer with the Board and a Fellow of the Institution of Engineers of Kenya. He holds an MSc. Nuclear Engineering (KINGS), Master of Business Administration (MBA), BSc. in Electrical/Electronic Engineering and Post-Graduate Diploma in Project Planning and Management. He has vast experience spanning over 17 years in Energy Policy Development, Nuclear Policy and Strategy Formulation, Design, Construction, Contract Management, Operations, Maintenance and Planning of Power Systems. He is currently the Director, Nuclear Energy and Infrastructure Development at Nuclear Power and Energy Agency (NuPEA).</p>

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	<p>Eng. Ohaga sits in the Board as the President of the Institution of Engineers of Kenya effective 1st April 2022.</p>
<p>4. Mr. Bernard J. Leparmarai, EBS</p> 	<p>Year of Birth: 1962 Mr Bernard Leparmarai holds a Diploma in Public Administration and Master Degree in Governance & Development Management from the University of Birmingham, United Kingdom.</p> <p>Mr Bernard has over 30 years-experience in the public service as an administrator (formerly Regional Commissioner) for the Nairobi and Coast regions.</p> <p>Mr. Bernard represents the Principal Secretary, State Department of Infrastructure, in the Board effective from 1st April 2021.</p>
 <p>5. Mr. Charles Obiero- PS Rep Ministry of Education</p>	<p>Year of Birth: 1964 Mr Charles Obiero holds a Bachelor of Education (B.Ed) from Kenyatta University and Masters in Education from the MVNU University, India.</p> <p>Mr Obiero has vast experience in the education sector and has worked as a teacher and in the management of the education sector sitting in Governing Councils of public universities in Kenya.</p> <p>Mr Obiero represents the Principal Secretary, State Department of Higher education in the Board.</p>

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 <p>6. FA Daniel M. Mutua, PS, Rep, National Treasury.</p>	<p>Year of Birth: 1967</p> <p>Mr Daniel Mutua is a Financial Analyst and holds BEd Economics / Business Studies from Kenyatta University and Masters in Business Administration from Maastricht Netherlands.</p> <p>Mr Mutua has served in various capacities as financial analyst with vast experience in management of state corporations.</p> <p>Mr Mutua represents the Principal Secretary, National Treasury in the Board.</p>
 <p>7. Eng. Nathaniel O. Matalanga, CE – PRESIDENT, Institution of Engineers of Kenya</p>	<p>YOB: 1965</p> <p>Eng. Nathaniel Matalanga is a consulting engineer with the Board and a Fellow of the Institution of Engineers of Kenya.</p> <p>He holds Bachelor’s degree (Civil Engineering) from the University of Nairobi</p> <p>Eng. Matalanga has over 30 years in engineering practice and is an expert in structural engineering having started his career in the public service before joining the consulting industry. He is the proprietor of Ngasi Consulting engineers.</p> <p>Eng. Matalanga sat in the Board as the President of the Institution of Engineers of Kenya up to 31st March 2022.</p>
 <p>8. Eng. Prof. Silvester O. Abuodha, CE Rep Universities</p>	<p>Chairperson – Academic Qualifications Committee</p> <p>YOB: 1963</p> <p>Eng. Prof. Silvester Abuodha is a consulting engineer with the Board and a Fellow of the Institution of Engineers of Kenya.</p> <p>Eng. Prof Abuodha holds Bachelor’s degree (Civil Engineering) from the University of Nairobi and Msc (Civil Engineering) as well as PhD (Civil Engineering) both from the University of Manchester, United Kingdom</p> <p>Eng Prof Abuodha has a wealth of experience in engineering cutting across the academia, private practice and in the from the public sector where he having begun his career at the Kenya Railways Corporation.</p> <p>Eng. Prof. Abuodha represents Universities in the Board.</p>

 <p>9. Eng. Jane A. Simiyu, CE. - IEK Nominee</p>	<p>YOB: 1964 Key Qualifications Eng. Jane Simiyu is a consulting engineer with the Board and a corporate member of the Institution of Engineers of Kenya. Eng. Simiyu holds a Bachelor's degree in Agricultural Engineering and an MBA (Project Planning & Management) from the University of Nairobi Eng. Simiyu has vast experience in agricultural engineering having worked in the public service and consulting industry. Eng. Simiyu is a Director/ Shareholder at the Tertiary Consulting Engineers. Eng. Simiyu was nominated to the Board by the Institution of Engineers of Kenya.</p>
 <p>10. Eng. Benjamin K. Maingi, CE. - IEK Nominee</p>	<p>Chairperson - Finance, Strategy and Human Resource Development Committee YOB: 1957 Eng. Benjamin Maingi is a consulting engineer with the Board and a corporate member of the Institution of Engineers of Kenya. Eng. Maingi holds a Bachelor's degree in Civil Engineering from the University of Nairobi and an Msc (Highway Engineering) from the University of Birmingham UK Eng. Maingi has vast experience in the engineering sector having served in various senior capacities in the public service. Eng. Maingi was nominated to the Board by the Institution of Engineers of Kenya.</p>
 <p>11. Eng. Roselane Ambasi Jilo, PE. - IEK Nominee</p>	<p>Chairperson - Audit, Governance and Risk Committee YOB: 1970 Eng. Roselane Jilo is a professional engineer with the Board and a Fellow of the Institution of Engineer of Kenya. Eng. Jilo holds a Bachelor's degree in Electrical Engineering from the University of Nairobi, and an MBA (Strategic Management) from Kenya Methodist University. Eng. Jilo has vast experience in engineering management in the public sector and currently works at the Kenya Pipeline Company Eng. Jilo was nominated to the Board by the Institution of Engineers of Kenya</p>


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 <p>12. Eng. Dr. Johnson M. Matu, CE Rep Private Sector</p>	<p>Chairperson – Registration, Professional Development and Compliance Committee YOB: 1955 Key Qualifications Eng. Johnson Matu is a consulting engineer with the Board and a Fellow of the Institution of Engineers of Kenya. Eng. Matu holds a Bachelor’s degree in Civil Engineering, an MBA and a PhD (Project Planning and Management) from the University of Nairobi. Eng. Matu has vast experience in engineering industry and has previously served as the Chairman of the Association of Consulting Engineers of Kenya (ACEK). He has also served as the Chairperson of the Kenya Private Sector Alliance (KEPSA) Energy and Infrastructure Board. Eng Matu is the proprietor of APEC Consulting. Eng. Matu represents the Private sector in the Board.</p>
 <p>13. Eng. Margaret N. Ogai, CE REGISTRAR/CHIEF EXECUTIVE OFFICER</p>	<p>YOB: 1967 Eng. Margaret N. Ogai is a Consulting Engineer with the Board and a Fellow member of the Institution of Engineers of Kenya (IEK). Eng. Margaret holds a Bachelor of Science Degree in Civil Engineering and a Master degree in Business Administration (Procurement) from the University of Nairobi. Eng. Margaret has over 30 years wealth of experience in Infrastructure Development and Highways Management that cuts across both public and private sector. Eng. Margaret serves as the Registrar / Chief Executive Officer of the Board and is responsible for the implementation of the Board’s strategic goals and the management of its resources including giving direction and leadership for the achievement of its mission and vision.</p>

III) MANAGEMENT TEAM

<p>1. Eng. Margaret N. Ogai, CE</p>  <p>MBA (Procurement) & BSc (Civil Engineering), University of Nairobi.</p>	<p>Eng. Margaret N. Ogai is the Registrar/CEO of EBK and the Accounting Officer. She is a Consulting Engineer with the Board and a Fellow member of the Institution of Engineers of Kenya (IEK).</p> <p>She leads the Secretariat of the Board and is responsible for the day-to-day management of affairs and staff of the Board.</p> <p>As the Chief Executive Officer of the Board, she acts in accordance with instructions of the Board of Directors and accepts, transmits, services and keeps custody of documents in accordance with Engineers Act, 2011.</p>
<p>2. Eng. Grace L. Onyango, PE</p>  <p>BEng (Electrical and Electronic Engineering), University of Northumbria at Newcastle.</p>	<p>Director, Capacity Building and Accreditation</p> <p>She is a Professional Engineer with the Board and a Corporate member of the Institution of Engineers of Kenya (IEK).</p> <p>She oversees the Continuing Professional Development, Internship and Accreditation departments under the directorate.</p> <p>She is responsible for building capacity in the engineering profession and provide accreditation for engineering education, training and practice.</p>

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<p>3. Eng. Okere A. Makokha, PE</p>  <p>B.Tech (Electrical and Communications Engineering), Moi University.</p>	<p>Director, Compliance Standards and Enforcement He is a Professional Engineer with the Board and a Corporate member of the Institution of Engineers of Kenya (IEK).</p> <p>He oversees the Engineering Standards and Compliance & Enforcement departments under the directorate.</p> <p>He is responsible for monitoring compliance and enforcing the Engineers Act 2011.</p>
<p>4. CS Fridah N. Ng'alu</p>  <p>MSc (Governance & Leadership), JKUAT; LLB, Moi University; PGD in Law, KSL; Certified Public Secretary, KASNEB.</p>	<p>Director, Corporation Secretary and Legal Services She's a member of the Law Society of Kenya (LSK) and the Institute of Secretaries (ICS).</p> <p>Ms. Ng'alu has served as the Director, Corporation Secretary and Legal Services Effective 12th October 2021. She oversees the Legal department and acts as the secretary to the Board of Directors.</p> <p>Responsible for providing corporate secretarial services to the Board of Directors, provide legal advice to the Board and coordinate provision of legal services.</p>
<p>5. Mr. Erick O. Obiero</p>  <p>MBA (Strategic Management), UoN; BBA, Maseno University; Higher Dip. in Human Resource Management.</p>	<p>Human Resource and Administration Manager He is a full member of the Institute of Human Resources Management of Kenya (IHRM-K).</p> <p>He oversees the Human Resource Management and Administration department.</p> <p>He is responsible for developing adequate human resource capacity for the Secretariat, developing and implementing effective administrative policies, procedures and processes.</p>

<p>6. Sebastian B. Abuya</p>  <p>BSc (Mathematics and Computing, Egerton University; Oracle Certified Associate (OCA), Microsoft Certified Professional (MCP).</p>	<p>Information Communication Technology (ICT) Manager He is a Member of the Computer Society of Kenya.</p> <p>He oversees the Information Communication and Technology department.</p> <p>He is responsible for promoting the use of ICT in delivery of services towards realization of the Board's mandate.</p>
<p>7. CPA Elijah N. Muriuki</p>  <p>MAME, MKU; BCom. (Finance), KCA University; CPA</p>	<p>Finance Manager</p> <p>He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK).</p> <p>He oversees the Finance and Accounts department.</p> <p>He is responsible for the prudent management of financial resources by implementing accounting policies, sound systems and procedures; and reporting on the financial performance of the Board.</p>
<p>8. CPA Dennis M. Karanja</p>  <p>MSc (Finance), UoN; BCom. (Finance), JKUAT; CPA</p>	<p>Internal Audit Manager</p> <p>He is a member of both the Institute of Certified Public Accountants of Kenya (ICPAK) and the Institute of Internal Auditors of Kenya (IIA-K)</p> <p>He oversees the Internal Audit department.</p> <p>He is responsible for evaluating the effectiveness of risk management, internal controls, governance processes and corruption prevention mechanisms of the Board.</p>

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<p>9. Eng. Samwel O. Abich</p>  <p>MSc (Agricultural Engineering), Egerton University; BSc (Agricultural Engineering), JKUAT.</p>	<p>Manager, GEIP & Ag. Manager Registration and Licensing He is a Professional Engineer with the Board and a Corporate member of the Institution of Engineers of Kenya (IEK). He is also a member of the Kenya Society of Environmental, Biological and Agricultural Engineers</p> <p>He currently oversees the registration and licensing department.</p> <p>He is responsible for carrying out registration of engineers and engineering consulting firms and is the repository of information with regard to the engineering registration and qualifications.</p>
<p>10. Catherine W. Macharia</p>  <p>MSc (Purchasing and Supplies Mgmt), JKUAT; BSc (Procurement and Logistics), JKUAT.</p>	<p>Manager, Supply Chain Management She is a member of Chartered Institute of Purchasing and supply (UK) MCIPS and a full member of Kenya Institute of supplies Management, MKISM.</p> <p>She oversees the Supply Chain Management department of the Board.</p> <p>She is responsible for implementation of efficient and effective systems of acquisition of goods, works and services, as well as disposal of assets.</p>
<p>11. CPA Stella Gati Maroa</p>  <p>MBA (Strategic Mgmt), Kenyatta University; BCom (Finance), UoN.</p>	<p>Manager, Research and Strategy She is a member of both the Institute of Certified Public Accountants of Kenya (ICPAK) and the National Quality Institute (NQI).</p> <p>She oversees the Policy, Research and Strategy department of the Board.</p> <p>She is responsible for the policies formulation, Research, Strategic Management, Quality Assurance, Coordination of Risks Management and Performance Management.</p>

12. Beth Mbatia



BSc. (Communications & Public Relations), Moi University; Diploma in Broadcast Journalism, KIMC; Certificate in Marketing Management, EBU.

Principal Corporate Communications Officer

She is a member of Public Relations Society of Kenya (PRSK) and AMWIK (Association of Media Women in Kenya).

She oversees the Corporate Communications department of the Board.

She is responsible for promoting the Board's visibility, managing its branding and developing communication and brand strategy, policies and plans.

IV) CHAIRMAN'S STATEMENT

The financial year ended 30th June 2022 was yet another significant year for the Board as it set out and implemented the strategic targets as guided by the Engineers Act, 2011, the Strategic Plan 2019-2022, and the 18th Cycle Performance Contract (2021-2022).

The Engineers (Scale of Fees for Professional Engineering Services) Rules, 2022 was gazetted during the year and are now being implemented. The Scale of Fees will guide the industry in estimating equal pay for equal work undertaken for professional engineering services. The Board during the year carried out the Countrywide Structural Assessments of Ongoing Buildings in ten (10) County Governments in response to the rampant infrastructural collapses. The purpose of the exercise was to establish the root cause of the disasters and inform on the adequacy of supervision arrangements. The Board has since commenced disciplinary hearings on multiple cases reported to the Board on professional misconduct.

The Global trade is continuously growing due to increased globalisation. The Board successfully organised Trade-In-Services (TIS) workshop on liberalisation of professional services to inform the sector on the emerging issues and the available opportunities in the region. The Board, further, represented Kenya in trade talks at the African Continental Free Trade Area (AfCFTA) and the East African Community (EAC) for liberalised engineering services. The year also saw the collaborative framework with the Board of Registration of Architects and Quantity Surveyors (BORAQS) and the National Construction Authority (NCA) signed. The framework will provide guidance on joint inspection, compliance checks and continuous capacity building of engineers. The Board also approved various policies that will guide its operations and conform to the requirements of the performance contracting guidelines.

The Framework for Collaboration Between Academia and State Department of Infrastructure on Research and Capacity Building for Sustainable Road Infrastructure was inaugurated during the year. The Board will provide the secretariat for the effective implementation of the framework. The Framework will act as a pilot and will be expanded to cover various sectors in the economy. The Board on its aspiration to increase the transition of graduate to professional engineers onboarded the 3rd Cohort of graduate engineers into the Graduate Internship Program. A total of 110No. interns were recruited and placed to various institutions. The Board additionally developed Agency Based Structured Graduate Engineers model. The model targets agencies that have employed graduate engineers, establishes a structured training programme that ensures they quickly transition to be professional engineers. The Board has since signed 5No. of MoUs with various agencies and the first 13No. from Isuzu have successfully been registered.

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The Board successfully organized 3rd Engineering Partnership Convention in Mombasa. The convention was attended by 520 delegates attending physically and 1,500 attending virtually with foreign delegates representatives from Malaysia, South Africa, Tanzania, Rwanda, Uganda, Democratic Republic of Congo, South Sudan, Burundi, and Zimbabwe. The convention provided a platform for policymakers, industry experts, academicians, researchers, trade-in services experts and engineers to discuss the emerging issues from local and international perspectives. The Board Strategic Period 2019-2022 will come to an end in the current financial year. Milestone have been achieved in the engineering development, training and practise under the Medium-Term Plan Three (MTP III). These achievements and other lessons learned are critical as the Board develops the next Strategic Period targets (2023-2028) in line with Medium Term Plan Four (MTP IV) targets. The Board strategic intent in the next five years will be to increase the registration numbers of engineers from 2,500 to 10,000, strengthen compliance to the Engineers Act 2011 to 100% by developing and enforcing engineering standards in national and county governments, develop the capacity of the general practice of engineering by establishing the Kenya Academy of Engineering & Technology and the Kenya School of Engineering; acceding to international accords for accreditation of engineering education and mobility of professional engineers; and lastly to develop and sustain the Engineers Board of Kenya.

I acknowledge and appreciate the funding and the goodwill support from the registered persons, the Government of Kenya through the State Department of Infrastructure and the development partners, particularly The World Bank. Finally, I wish to acknowledge the support the Board has continued to receive from the Cabinet Secretary, MoTIHUD&PW and the Principal Secretary, State Department of Infrastructure throughout the financial year. I also wish to thank the Board of Directors, Management and Staff of the Board for their hard & diligent work throughout the year in executing the mandate of the Board.



Eng. Erastus K. Mwongera, FIEK, CE, CBS

BOARD CHAIRMAN

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V) REPORT OF THE REGISTRAR/ CHIEF EXECUTIVE OFFICER

The Board has continued to implement its mandate under the Engineers Act, 2011, the Engineers Rules 2019 and the Strategic Plan 2019-2022. The Board registered a historic record of 355 professional engineers in one calendar year representing a growth rate of 50.06%. This significant increase is attributable to the Boards deliberate commitment to increase the number to recommended ratio for developing countries. The Board during the year develop innovative mechanisms to boost this number in addition to the Graduate Engineers Programme (GEIP) implementation. The Board developed Agency-Based Structured Graduate Engineer training with Isuzu, Kenya Bureau of Standards (KEBS), Kenya Electricity Transmission Company (KETRACO), and Schneider Electric. The Board will significantly reach out to various agencies during 2022/2023 Financial Year to increase these numbers.

The Board is keen on safeguarding public safety and welfare in engineering services by building engineering capacities to minimise cases of collapse infrastructure. During the, The Board completed the Countrywide Structural Assessment of Ongoing Buildings and developed a report with recommendations to address gaps to prevent further building collapse and loss of lives. The Board established Adhoc committees to conduct disciplinary hearings on all cases referred by National Construction Authority (NCA) and those that were received by the public. Some of the hearings have successfully completed while a number are ongoing. The Board continues to develop and issue compliance and enforcement tools that include Engineers Stamp and Engineers IDs. The tools will ensure quick identification and authenticity of engineering design approvals.

The Engineers Board of Kenya during the year implemented several programmes towards strengthening engineering education in Kenya. The Board is working towards attaining the signatory status on the Washington Accord under the international Engineering Alliance by 2023. The Signatory status will ensure global recognition of our engineering programmes, global mobility of our engineers and attraction of local engineering programmes by students globally. The Board therefore engaged all the stakeholders in the engineering education sector including universities, industry, ministry of education, and Council of Engineering Deans to have a well-coordinated sector. The Framework for Collaboration Between Academia and the State Department of Infrastructure on Research and Capacity Building for Sustainable Road Infrastructure was inaugurated during the year. The framework is now ready for implementation and will lead to applied research and development to be undertaken in specific areas of focus by road agencies and thereby provide solutions needed for sustainable road infrastructure and other transport facilities.

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The Board continued to work closely with its key stakeholders. The Board supported and participated in various activities jointly organized with the Institution of Engineers of Kenya such as the Annual International Conference and the 3rd World Engineers Day on 4th March 2022. The Board also participated in regional and international activities including Trade in Service talks and Mutual Recognition Agreements (MRAs). During the year, the Board continued to strengthen its Human Resource capacity with the engagement of additional offices in all the directorates and the department to increase the staff establishment level from 21% to 33%. The Board has continued to be ranked high in delivery of high-quality services. It achieved a very good score in the 17th and 18th cycle of Performance Contracting.

The enumerated performance as highlights of the successful year though amidst challenges of Covid-19 Pandemic and limited resourced to effectively deliver its mandate. Discussions are ongoing with the Ministry for additional funding and donor support. Adequate funding will enable the Board to upscale compliance and enforcement function, Graduate Engineering Internship Program, establish a School of Engineering to introduce specialized engineering programmes and bridging courses, Kenya Academy of Engineering and Technology for Leadership and Policy advisory on matters engineering and acceding to Washington Accord. The Board will also champion the harmonization of Regulations in the built environment particularly Engineering education and building code. The Board shall be submitting policy proposals for consideration. Finally, the Management acknowledges the continued guidance and support of the Board and the Parent Ministry through the State Department for Infrastructure. We also acknowledge the support of development partners, particularly The World Bank. The Management remains committed to enhancing professionalism in implementation of the mission and we expect to achieve an equally good performance in the FY 2021-22.



Eng. Margaret N. Ogai, CE
REGISTRAR / CHIEF EXECUTIVE OFFICER
ENGINEERS BOARD OF KENYA

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VI) STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR THE FY 2021/2022

The Board launched and operationalized its Strategic Plan (2019-2022) in December 2019. It is the Second Strategic Plan since the enactment of Engineers Act, 2011. It has 5 Key Result Areas (KRA) along which The Board develops its annual work plans also as a basis for annual progress evaluation. The Board achieved its performance targets set for the FY 2021-2022 period as indicated in the diagram below:

Key Result Areas (KRA)	Objective	Key Performance Indicators	Activities	Achievements
KRA 1: Engineers, and engineering firms registered	License qualified and competent engineers, and engineering consulting firms to practise engineering	No. of Engineers and consulting Firms registered.	Process Applications registration applications received. Advertise and Hold pre-submission conferences Conduct professional interviews Implementation of Graduate Engineers Internship Program.	The Board registered 2,089No. engineers in various categories with a record 354No. of professional engineers which is the highest number ever in a FY. On other engineering categories the Board registered 36No. Consulting Engineers, 1,674No. Graduate Engineers, 16No. Consulting Firms and 8No. Temporary Engineers.
KRA 2: Engineering professional services regulated	Ensure effective and efficient enforcement and compliance to the Engineers Act 2011, and Engineers Rules 2019	Number of sensitizationon Code of Conduct and Ethics	Develop and implement a stakeholders engagement plan.	The Board held workshops with CEO's Agencies with Engineering functions, Directors of County Governments in charge of Physical planning, infrastructure and public works to sensitize on Engineers Act and Regulations. The Board held an Engineering Partnership

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				Convention (EPC) in June 2022.
		No. of Compliance Programs undertaken.	Identify, implement and report.	<p>The Board carried out a country-wide structural assessment of ongoing building constructions between 1st and 11th March 2022. In Ten (10) Counties.</p> <p>A collaborative MoU with NCA, BORAQS and EBK was signed for proper coordination and harmonization of respective roles in the construction industry in Kenya.</p>
		Percent of reported and investigated violations	Carry out all the inquiries/ complaints from members of the public regarding professional engineering services offered by Engineers or alleging a breach of the standard of conduct of registered or licensed engineers.	<p>In the Financial year, 2 cases were concluded and Committee reports were presented and adopted by the Board.</p> <p>To fast-track the pending disciplinary cases, the Board during 187th OBM established three additional Ad Hoc Committees and a Task Force.</p>
		Number of identification cards issued	Receive applications and Issue Engineers IDs, Engineers Stamps.	The Board processed a total of 1,100No. Engineers ID s. The Board also launched the Engineers stamp on 10 th December 2021 and in the financial year processed a total of

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				1.621No. Engineers Stamps.
KRA 3: Engineering standards developed and enforced	Ensure compliance with set standards in engineering practice	No. of Standards developed.	Initiation and drafting. Consultations. Public Participation. Approvals Publications. Dissemination. Sensitisations.	The Engineers (Scale of Fees for Professional Engineering Services) Rules, 2022 has been gazetted and commissioned for implementation starting 15 th August 2022.
KRA 4: Capacity for general practice of engineering developed	Build capacity through training and assessment of individual engineers, and engineering firms	No. of CPD programmes undertaken.	Develop CPD Calendar of Activities. Implementation of Graduate Engineers Internship Program (GEIP)	The Board undertook ten (10) CPD programs with 7000 participants during the financial year. The Board also recruited, inducted and placed 110 graduate Engineers under the Graduate Engineers Internship Program (GEIP).
		Capacity Building Framework Developed.	Framework proposals, Briefs, Consultations and approvals.	A collaborative framework between academia and Agencies in the State Department of Infrastructure was developed and launched to harness knowledge, experience and technology for development of sustainable infrastructure in Kenya.

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				An agency-based model for graduate engineers was signed at KEBS, ISUZU and Davis & Shirtliff
KRA 5: Engineers Board of Kenya developed and sustained	Ensure that EBK delivers on its mandate in a sustainable manner	Enhanced Staff capacity.	Implementation of approved staff establishment.	The Board recruited 3 members of staff in the financial year to increase the staff compliment.
		Enhanced operational efficiency	Promote and implement good corporate Governance practices.	The Management developed 10 cross cutting policies which were approved by the Board for implementation.

VII) CORPORATE GOVERNANCE STATEMENT

Introduction

The Board of Directors of EBK upholds high standards of corporate governance which foster a culture that values integrity and ethical behaviour which are essential for sustainable long-term performance and creating shareholder value. The Directors and the Management undertake to perform their duties with impartiality, honesty, transparency, accountability, professionalism, integrity, care and due diligence and to act in good faith to the best interests of the public.

The Board has established a corporate governance framework, the key features of which are set out in this Corporate Governance Statement. The Board of Directors is responsible for the governance framework which operates under approved policies and practices. The governance framework and associated practices are reviewed by the Board and its committees to ensure it complies with current regulations; and is committed to ensuring that the EBK complies with all applicable laws and statutes.

Role and Responsibilities of Directors and Management

The Engineers Act, 2011, provides that the affairs of the EBK are to be managed under the direction of the Board. The Board of Directors are responsible for the overall strategy, governance and performance of EBK and delegates responsibility for the day-to-day management of EBK to the Registrar/CEO. The Registrar/CEO in turn delegates authority to the appropriate senior managers for specific activities and transactions, including implementation of the corporate strategy and operating within the risk appetite set by the Board. This authority is governed by a formal delegation of authority that is approved by the Board and is reviewed as required.

The Board Charter

The Board Charter is a commitment by the Directors to discharge the Mandate of the Board. It outlines the rules that guide them and does not in any way purport to replace or supersede any laws and regulations that guide the operations of the Board. Operations of the Board at EBK are governed by a Board Charter which stipulates the roles and responsibilities of the Board members. The charter was developed and adopted as a key pillar of good corporate governance. Additionally, Mwongozo, the Code of Governance for State Corporations 2015 required that the Board members should develop and adopt a board charter.

Committees of the Board

The Board has four (4) standing Committees established with formal written terms of reference and which observe the same rules of conduct and procedure as the full Board. These Committees are as follows:

1. Registration, Professional Development & Compliance Committee.
2. Academics Qualifications Committee.
3. Finance, Strategy and Human Resource Development Committee.
4. Audit, Governance and Risk Committee.

Induction and Training

Formal letters of appointment are in place with all non-executive directors setting out the terms of their appointment. In the reporting period the Board held a training workshop and two Board retreats where members were sensitized on risk management, strategic planning and operations policies for the Board. Further sensitization programs for directors are regularly undertaken through regular management presentations on key business functions and activities and visits to familiarize with EBK operations. A Board Induction Workshop is scheduled for next FY.

Directors are also offered ongoing professional development and training programmes to enable them to develop and maintain their skills and knowledge. To ensure directors remain equally informed on all material matters impacting the EBK, Board Papers are usually provided at least 7 days before the Board or committee meeting. All important information is usually dispatched to board members to keep them updated on developments affecting the Board.

During the year 2021/2022, all Board members attended a risk management training that was conducted on 13th to 15th September, 2021 in Mombasa facilitated by the Institute of Certified Public Accountants (ICPAK).

Director's Skills and Experience

The Board's objective is to have an appropriate mix of skills, expertise and experience on EBK's Board and Board committees. The Board as currently constituted draws a membership from three major disciplines of Engineering. Further, the Board also has representation from all major stakeholders responsible for engineering matters in the country.

Attendance to Board meetings by Board members

Members are expected to attend all Board meetings except with the permission of the Chairman. Failure to attend three consecutive Board meetings without the Chairman's permission may lead to removal from office.

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Board/Board Committee Meetings

During the year 2021/2022 the Full Board held Four (4) Ordinary Meetings and Three (3) Special Meetings. There were other meetings during the year as need arose.

The summary of number of Board and Board Committee meetings held is presented below:

No.	Board / Board Committee	No. of Meetings Held
1.	Regular Board Meeting	Four (4)
2.	Special Board Meeting	Three (3)
3.	Registration and Professional Development Committee	Five (5)
4.	Academic Qualifications Committee	Four (4)
5.	Finance, Strategy and Human Resource Development Committee	Six (6)
6.	Audit, Risk and Governance Committee	Four (4)

The summary of attendance of Board and Board Committee meetings by individual members is presented below:

No.	Name of Board Member	No. of Board Meetings Attended	No. of Committee Meetings Attended	Total No. of Meetings Attended
1.	Eng. Erastus K. Mwongera, CE, CBS, FIEK	7	-	7
2.	Eng. Erick Ohaga, CE	2	0	2
3.	Mr. Daniel Mutua	6	8	14
4.	Mr. Charles Obiero	3	7	10
5.	Eng. Nathaniel Matalanga, CE	5	6	11
6.	Eng. Benjamin K. Maingi, CE	6	11	17
7.	Eng. Roselane A. Jilo, PE	7	10	17
8.	Eng. Jane A. Simiyu, CE	7	9	16
9.	Eng. Julia W. Ondeyo, PE	6	9	15
10.	Prof. (Eng.) Silvester O. Abuodha, CE	7	10	17
11.	Eng. Dr. Johnson M. Matu, CE	7	9	16
12.	Mr. Bernard J. Leparmarai	7	10	17

Board and Management Performance Evaluation

The Board members evaluate themselves through a Board self-evaluation exercise facilitated by State Corporation Advisory Committee. The performance of individual members falls under the ambit of the Chairman. The Board evaluates the Registrar/CEO. The Registrar/ CEO conducts

annual performance reviews of the senior managers to evaluate their performance against relevant performance measures and reports to the Board on the outcome of this review.

Board Performance Results

In the year under review, performance of the Board was conducted by State Corporations Advisory Committee (SCAC). Results of the exercise gave the Board a score of **96%** which is equivalent to **Very Good**.

Conflict of Interest

During the year ended 30th June 2022 the Board Maintained a Conflict-of-Interest Register, for the reporting period there was no conflict of interest reported by members of the board in the conduct of their functions. As required, before commencement of each meeting held, every board member was given an opportunity to declare any conflict of interest in the matters for consideration.

Remuneration

Payment of Honoraria and allowances to the Chairperson and other allowances to the other members of the Board were made in accordance with Guidelines on Terms and Conditions of Service for State Corporations' Chief Executive Officers, Chairmen and Board Members, Management Staff and Unionisable Staff. The total expenses incurred in relation to Board activities was **Kshs. 14,153,394**.

Succession plan

The succession plan at the Board level involves notifying the appointing officer when the term of the Board is coming to an end. At the management level the Board develops knowledge, skills, and abilities of its staff, and prepares them for advancement or promotion into ever more challenging roles. Further, the Board intends to develop and implement a policy for Management succession planning in the next FY.

Appointment and removal of Board members

Board members are appointed by the Cabinet Secretary in charge of engineering matters in accordance to section 5(1) of the Engineers Act. Vacation of office of Board members is provided for under section 11 of Engineers Act, 2011.

Code of Ethics and Conduct

The Board has developed a code of ethics and conduct to guide its governance operations. The Board did not conduct any governance audit during the financial year under review.

VIII) MANAGEMENT DISCUSSION AND ANALYSIS

SECTION A

The Board's Operational and Financial Performance

The Board implemented its 3 - year Strategic Plan (2019-2022) whose key result areas and activities are geared towards achieving the Boards mandate which is derived from the core functions as set out in the Engineers Act, 2011. They are: Registration of engineers and engineering consulting firms; Regulating engineering professional services; Setting of engineering standards; Development of the general practice of engineering; and Training and Capacity development of the Board. In 2021/2022 the Board implemented the following key activities:

1. IMPLEMENTATION OF THE ENGINEERS ACT

a. Registration of Engineers

The registration of engineers and consulting firms is one of the key mandates and function of the Board. During the year under review, there was a remarkable increase of the total number of engineers registered by the Board.

The following were the engineers registered under various categories:

Registered Engineers During 2021/2022 Financial Year

Category	Number
Consulting Engineers	36
Professional Engineers	354
Graduate Engineers	1674
Consulting Firms	16
Temporary Engineers	8

The trend in the growth of various categories of engineers over the last seven years is summarized as shown below:

Registered Engineers During 2014-2022 Strategic Period

Financial Year	Consulting Engineers	Professional Engineers	Graduate Engineers	Consulting Firms	Temporary Engineers
2014/15	33	127	1,130	0	12
2015/16	14	87	747	0	0
2016/17	21	125	1,755	18	31
2017/18	24	189	2,230	13	9
2018/19	15	74	2,473	25	6

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2019/20	9	110	2,561	19	13
2020/21	56	235	1,576	17	17
2021/22	36	354	1674	16	8
Total	208	1301	14,146	108	96

b. Engineers (Scale of Fees for Professional Engineering Services) Rules, 2022

The Board developed the Engineers (Scale of Fees for Professional Engineering Services) Rules, 2022 in fulfilment of the provisions of Section 7 (1) (s) of the Engineers Act, 2011 that mandates the Board to ‘determine the fees to be charged by professional engineers and firms for professional engineering services rendered from time to time’. The Rules were gazetted on 18th May, 2022 through Legal Notice No. 20 of 2022 and were commissioned on **Tuesday, 19th July, 2022 at the Kenyatta International Convention Centre (KICC)**. The intended purpose of the Rules is to prevent undercutting by and among professional engineers who offer professional engineering services and ensure provision of quality professional engineering services thereby ensuring the safety and welfare of the public and enhancement of socio-economic development of the Country in the realization of the National Developmental Agenda such as Vision 2030, Africa Agenda63 and the SDGs. A Circular from the Ministry of Transport, Housing, Infrastructure, Urban Development & Public Works (MTHIUPW) on the implementation of the Rules has since been sent to the stakeholders. The Scale of Fees will provide guidance in the delivery of professional services as it outlines the obligations of the various parties and provides a basis for professional remuneration.

c. Continuing Professional Development Programs for Engineers

The Board continued strengthening the Continuous Professional Development (CPD) programs for engineers by organizing in house activities in various relevant areas in line with its mandate of developing the engineering profession. During the year under review the Board organized and implemented the CPD training activities which were pre-dominantly conducted via the online platform due to the COVID 19 pandemic restrictions.

In line with Section 7 (1) (r) of the Engineers Act 2011 that allows the Board to “*collaborate with engineering training institutions, professional associations, engineering organizations and other relevant bodies in matters relating to training and professional development of engineers,*” the Board partnered with various institutions to hold a diverse range of physical and virtual events. Over 7,000 engineers registered in the various categories attended the CPD activities held in the FY 2021/2022.

Of note, is the Engineering Partnerships Convention 2022 whose theme was “Building Back Better- Emerging Issues In Engineering” held in Mombasa. The Convention brought together engineering practitioners, engineering leaders and decision makers, government and policy makers, subject matter experts and thought leaders, university and research leaders, and students to discuss emerging issues in the engineering value chain, i.e. engineering education, engineering training and engineering practice.

d. Graduate Engineers Internship Programme

During the year under review, the Board continued receiving funding for the Board's flagship Graduate Engineers Internship Program.

The main objective of the programme is to provide graduate engineers with structured training geared towards preparation for professional registration. The programme is run on three models: -

- i) Government funded models
- ii) Agency and Academia based models
- iii) Self-sponsored models

Under the Government funded model, the Board has successfully recruited, inducted and placed over 200 graduate interns in three cohorts in industry for training.

The Board has signed 3 MOUs with various institutions in the private and public sectors under the agency-based model. This model focuses on employers of graduate engineers who have training programmes and in partnership with the Board, the training programmes are enriched to ensure that the graduate engineers gain competencies required for professional registration. So far, the Board has signed MOUs with the Kenya Bureau of Standards (KEBS), Davis & Shirtliff (D&S) and Isuzu East Africa Ltd.

e. Accreditation of Programmes

The Engineers Act 2011, confers on the Board the function and mandate to accredit engineering programmes in public and private Universities and other tertiary institutions offering education in engineering programmes. During the year under review, this mandate was hindered by an adverse court judgement that had been made in the previous financial year. However, in its 185th ordinary Board Meeting, the Board directed Management to evaluate all applications for recognition of engineering programmes submitted by various Universities in order to enable graduate engineers to register and get jobs. The Board conducted evaluation of 3No programmes at the Kenyatta University and the Multimedia University.

f. Partnerships/Collaborations/Memorandum of Understanding

- The Board held several consultative meetings with the Commission for University Education during the year under review. The two entities deliberated on various ways that they could collaborate to ensure that our stakeholders received quality services. It was noted that there was need of coming up with some harmonized *mundus operandi* especially on accreditation of engineering programs in Kenya. A Memorandum of Understanding was prepared and signed by both parties during the year under review.
- During the 2021/2022 FY, the Board underwent mentorship for provisional signatory status towards acceding to the Washington Accord. The key mentorship sessions held were meant to help the mentors understand:
 - Governance structure of the Board
 - Education system in Kenya.

The Board intends to continue engaging the mentors, i.e., Pakistan Engineering Council and Board of Engineers Malaysia in the quest to become a provisional signatory status at the Washington Accord during the 2022/2023 FY.

- The East African Community (EAC) Engineers Competent Authorities Coordination Committee meeting was held on 29th October 2021. Registrars from the Boards of the East African countries EBK were hosted in Kigali, Rwanda. Part of the Mutual Recognition Agreement (MRA) framework is to facilitate registration, licensing and practice of engineers across the East Africa Community (EAC). Regulators agreed to accelerate its implementation to reduce trade barriers. In September 2021, Kenya & Tanzania signed bilateral agreements to ease trade restrictions. Among the discussions with EBK were ways to strengthen EAC Mutual Recognition Agreement (MRA) for professional engineering services in the region.

g. Country-Wide Structural Assessments on Collapse of Buildings in Kenya

The Board commissioned a risk-based two weeks country-wide structural assessment of on-going building constructions, pursuant to Section 7 (1) (g) of the Engineers Act, 2011; whereby at least 9 Counties were assessed in response to the rampant cases on collapse of buildings in the Country. The team in every county composed of a Board member representing as a team leader, two consulting structural engineers and EBK representative as secretariate. The

counties were Mombasa, Vihiga, Siaya, Kakamega, Nairobi, Kajiado, Kiambu, Kisumu and Nakuru.

The purpose of this exercise was to establish the root cause of the disasters and inform on the adequacy of supervision arrangements. Further the exercised was to determine compliance to the set standards, other statutory requirements such as approval of developments and oversight arrangements by Counties to ensure that quality and safety is achieved. Following the successful exercise, a comprehensive report was prepared with recommendations for policy reforms in the building sector so as to mitigate the emergency. This report has been submitted to the parent ministry (MoTIHUD&PW) and is due for dissemination in the next financial year 2022/2023 upon assenting of the necessary approvals.

h. Engineering Partnerships Convention 2022

One of the Board's major events during the financial year was the Engineers Partnerships Convention (EPC) that was held in Mombasa from 15th – 17th June, 2022. More than 2000 participants (including foreign delegates) attended at the event themed: **"Building Back Better - Emerging Issues in Engineering."** Conversations and break away sessions focused around 4 pillars aligned to the Sustainable Development Goals (SDGs); engineering and innovation, climate change and engineering education.

The Chief Guest's opening remarks, read on his behalf by the PS Infrastructure Prof. Arch. Paul M. Maringa noted that, "Kenya being a member of international and regional partner members has subscribed to various global and intercontinental development commitments." The commitments include the SDGs, African Agenda 2063, Inter-Governmental Authority on Development (IGAD) and East Africa Countries (EAC) development goals. Engineers are at the center in designing and implementation of these developmental goals,"

The Board is committed and seeks to bring in global perspectives to the Kenyan engineering value chain which include introducing reforms in engineering education that were transform it to outcomes-based engineering education as EBK as participated in negotiations of the liberalization of professional engineering services across Africa and the world."

2. DEVELOPMENT OF THE BOARD'S INSTITUTIONAL CAPACITY

i) Refurbishment of the Examination Centre

The Board fully rolled out usage of the newly refurbished world class examination centre on one of its office spaces in the FY 2020/2021. This is in response to the growing demand of the Board's core mandate of registration of engineers and engineering consulting firms. During the

year under review, the Board increased the number of panellists and conducted multiple professional examinations sessions as more rooms had been created for the same.

ii) Employees Welfare

1) Staff Recruitment and Induction

In a bid to strengthen its internal capacity and enhance good governance, the Board competitively and successfully filled the posts of xxx 3No. of senior officers that were vacant. The Board's recruitment policy ensures the gender ratio is taken into consideration as well as other salient features of the constitution such as marginalized and ethnic diversity.

2) Staff Capacity Building

The Board projected staff to undertake various capacity building activities. These included both at individual and Group/Performance Committee levels. The Board has also held a staff team building retreat themed "Agility & Resilience for better results at the work place". These experiences refreshed and motivated staff away from their usual job setup with the aim to move into re-calibration, planning and the pursuit of greater performance.

3) Incorporating Gender and Disability at The Workplace

The Board organised a full day sensitisation prograxxm for staff with trainers from National Gender Equality Commission (NGEC) and National Council for Persons With Disability (NCPWD). Detailed conversations revolved around developing policies and committing to all forms of affirmative action so as to attain balanced diversity. The Board commits to sustainable reinforcement of gender and disability impact.

iii) World Engineering Day held on 4th March, 2022

The 40th General Conference of UNESCO adopted a resolution to proclaim 4th March of every year a world-engineering day for sustainable development. This was an opportunity to celebrate the important contributions of engineers and engineering to sustainable Development and modern life. It was also an opportunity to discuss how engineers could be involved in sustainable development and also to engage the wider community on the contributions of engineers and engineering which were very critical factors for achieving Sustainable Development goals.

The Board in collaboration with the Institution of Engineers of Kenya participated in the World Engineering Day. Due to COVID-19, the celebrations were hybrid. Physical attendance was at the University of Nairobi, Graduation Square. The theme for the 2022 WED celebration was '**Engineering for A Healthy Planet: Celebrating the UNESCO Engineering Report.**'

iv) Automation of the Board's Processes and Services

The following processes have already been automated with continuous improvements and upgrades currently underway:

1. Use of Enterprise Resource Planning (ERP) System

The Board has managed to bring on Board an ERP consultant that is assisting the Board to fix the identified gaps to allow an end-to-end automation of the various processes. The Board has upgraded the ERP system to Microsoft Dynamics 365 Business Central. It is a cloud-based system that is more flexible and has more functionalities. It has automated its internal processes and rolled out Employee Self Service Modules like leave management and payroll systems. Online Engineer Registration module have been developed, and is undergoing internal reviews before deployment.

2. EBK Attendance Management System

The board deployed an Attendance Management System that automates the registration process of attendees and issuance of giveaways for EBK organised events. The system was launched during the Engineers Partnership Convention, 2022.

3. Engineers Stamps

During the year under review, The Board was able to develop and launch the engineers stamps as one of the compliance tools under the Engineers Rules of 2019. These tools will be very helpful to the general public as it ensures that professional engineering services are only offered by practising engineers who are registered under the categories of professional & consulting engineers and are in good standing with the Board. In addition, the intended purpose of the Stamp is for easy identification of genuine engineering documents and certifying engineers. The Board has produced 1631 No. Stamps out of which 612No. stamps have been issued to date.

4. Engineers Identification Cards (Engineers ID)

EBK partnered with the National Bank of Kenya (NBK) for purposes of generating high quality and secure Engineer ID Cards. The Engineers ID Card was launched at a colourful ceremony during the 27th IEK Conference that was held on 23rd – 27th November 2020 at Pride Inn Paradise Beach Resort in Mombasa City. The Board has produced 1100No. Engineers ID out which 777No. ID Cards have been issued to the respective engineers to date.

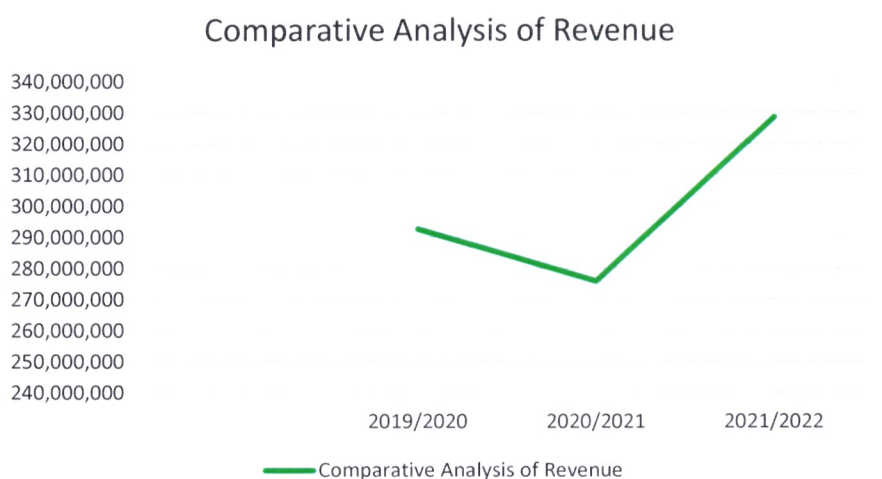
v) **Other Significant Activities carried out during the financial year:**

- Carried out Corruption Risk Assessment in the areas of Information Communication Technology, Payroll Management, Procurement and Financial Management and implemented risk mitigation plan to address the risks identified. The Corruption Prevention Committee was also trained.
- The Board continued registering youth, women and persons with Disability suppliers during period in line with its performance Contract for the financial year 2021/22. These initiatives were geared towards enhancing awareness, building capacity, increasing transparency and promoting allocation of 30% procurement opportunities.
- Successfully inducted the new professional examinations panellists for the various engineering disciplines and they commenced examining the candidates.
- Participated in the 7th Annual Devolution Conference held in Makueni County from 23rd to 26th November 2021. During the conference program, EBK Chairman Eng. Erastus K. Mwangera and Registrar/CEO Eng. Margaret N. Ogai made a presentation at the event themed: **'Multi-level governance for climate action'**. The Board intends to continue discussions on climate change and action, with inclusive curriculum on the same so as to build capacity for local engineers. This forms part of the county government sensitization and engagement as the Board seeks to enhance partnerships.
- EBK Board members and senior management were hosted by the Kenya National Highways Authority (KeNHA) and the project partners for a site tour of the Nairobi Express way national project which is a 27 km stretch from Mlolongo to James Gichuru Road.
- The Board held inaugural pre-submission conferences to guide graduate engineers on the process of registering as Professional Engineers (P.E.) under main disciplines namely Civil engineering; Electrical engineering, and Mechanical & Agriculture engineering. It is now a mandatory requirement for graduate engineers to attend these conferences before undertaking the professional examinations.
- The Board was invited, through the Ministry of Trade and Industrialization, to attend meetings of the African Continental Free Trade Area (AfCFTA) Committee on **Trade-in-Services**. Trade-in-services are aimed at progressively liberalizing services across the Africa Region. Through the Board's participation, negotiated offers for engineering services take into account the specific circumstances of the Kenyan engineers and enable capacity building for them to be globally competitive.
- The Board was able to successfully deal with the following issues, among others:

- Violations of the Engineers Act, 2011 and Engineers Rules 2019, which includes forgery by individuals.
- Various complaints and concerns raised by various agencies and the public. This included suspension of engineers from the NCA online project registration system and conducting of inquiries on the role of some engineer in some buildings and structures that collapsed during and after construction.

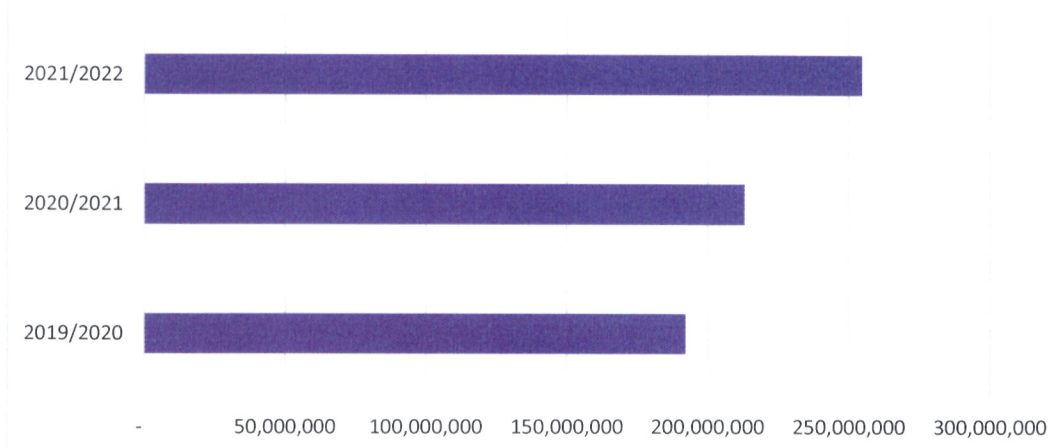
3. FINANCIAL PERFORMANCE

- Over the last three (3) years (2019/2020 to 2021/2022), the Board's revenue has increased from **Kshs. 293,245,326** in 2019/2020, to **Kshs. 275,964,210** in 2020/2021 and **Kshs. 328,531,054** in 2021/2022.



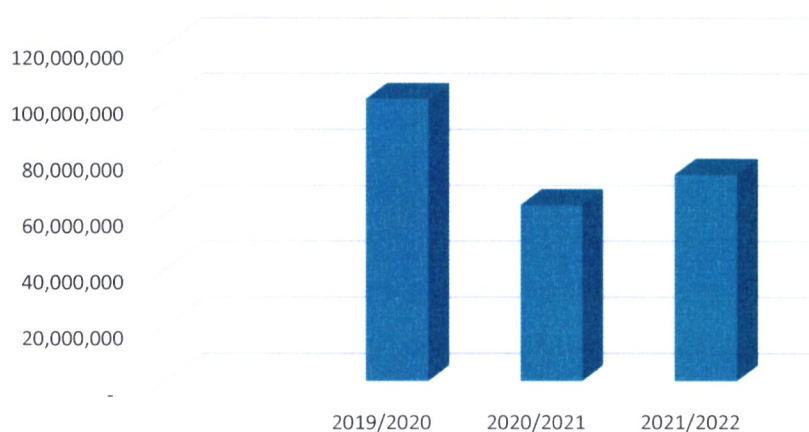
- Over the last three financial years (2019/2020 to 2021/2022), operating expenses have increased from **Kshs. 192,349,179**, to **Kshs. 254,720,863**.

Comparative Analysis of Operating Expenses



- Over the last three (3) years (2019/2020 to 2021/2022), the surplus has increased from **Kshs. 100,896,147** in 2019/2020, to **Kshs. 62,953,499** in 2020/2021 and **Kshs. 73,810,193** in 2021/2022.

Comparative Analysis of Surplus (Deficit)



SECTION B

Board's Compliance with Statutory Requirements

The Board entered registration for PAYE with remittance made vide the KRA i-tax portal. All other staff statutory deductions were also remitted within the stipulated deadlines. There was no major non-compliance that may expose the Board to potential contingent liabilities.

SECTION C

Key Projects and Investment decisions EBK is planning/implementing

The Board is implementing its Strategic Plan and programmes are implemented in accordance with Annual Work Plans and Budgets drawn from the plan. Key projects are geared towards facilitating delivery of the Board's mandate in line with the National Government strategic objectives and policies as outlined in the Medium-Term Plan III of the Vision 2030 and aligned to the President's Big Four Agenda. The Board is carrying out the following three programs in the Medium Term 2018/19 to 2021/22;

1. The Graduate Engineers Internship Programme (GEIP)

Engineering plays a critical role in achievement of vision 2030 and the Big Four Agenda espoused by the government. However, Kenya faces an acute shortage of qualified engineers who can legally and competently practice and support the country in achieving its development agenda.

GEIP is an internship programme designed to enable young graduate engineers to gain hands-on professional experience under the close supervision of registered professional engineers. EBK engages industry to provide internship opportunities for interns. One of the main modes of implementation of the GEIP Programme is to work with organizations that already have graduate engineers as their employees and have an internship programme. Several organizations have reached out to the Board and have their internship programmes come under the Board's GEIP Programme. This will fast track the rate of transition from graduate to professional engineer within these organizations.

2. Establishment of Kenya School of Engineering

The Engineers Act, 2011 gives the Board the function to establish a school of engineering and provide facilities and opportunities for learning, professional exposure and skills acquisition, and cause continuing professional development programmes for engineers to be held; The

School of Engineering will provide a platform where students with deficiencies for Registration in certain disciplines to bridge and become registrable by the Board. This will minimize the challenges associated with non-registration of graduates.

The school of Engineering will equip Engineers with a forum to enhance their professional skills through programmes under Continuing Professional Development. Engineering graduates with training on practical skills required in the Job market therefore ideally adding value to the graduates before they enter the market. The Board has requested the government to fund this programme. The Board established a Task Force to coordinate development of the school.

3. Kenya Academy of Engineering and Technology

The Engineers Act, 2011 gives the Board the function to establish Kenya Academy of Engineering and Technology whose purpose shall be to advise the National and the County Government on policy matters relating to engineering and technology. The Board established a Task Force to coordinate development of KAET.

4. Compliance and Enforcement of Engineering Standards

To conduct monitoring of compliance by entering and inspect sites where projects are being implemented as provided for in the Section 7 (1) (g) and (f) of the Engineers Act, 2011. The Board approved the Monitoring and Compliance framework which was be rolled out in FY 2021/22.

SECTION D

Major Risks facing EBK

The key risks facing the Board include:

i. Operational Risks

- The automation of the Board's core services like application and renewal of engineering licenses in line with the government policy on adopting e-services comes with certain risks like hacking and counterfeit of e-documents.
- Inadequate human resource capacity to facilitate the provision of efficient and effective services.

ii. Market Risks

- Low conversion rate of Graduate Engineers to Professional Engineers due to limited training opportunities.
- Low public awareness of the regulatory framework for engineering services resulting in low engagement of engineers by developers to carry out engineering services.
- Low awareness and uptake of registration services among the consulting engineering firms and temporary engineers.
- Foreign engineers and firms who are not registered with the Board.

iii. Legal and Regulatory risks

- The Board being a regulator is faced with court cases from time to time some of which demand for financial compensation from the Board.
- Overlapping mandates between Engineers Act, 2011 and Universities Amendment Act, 2016 as well as the Engineering Technology Act, 2016; these have impacted on the Board functions relating to accreditation of engineering courses as well as regulation of engineering technologist and technicians vis-à-vis professional engineering services.

SECTION E

Material Arrears in Statutory/Financial Obligations

The Board is not in arrears in terms of its statutory /financial obligations on items such as loan default, outstanding staff and pension obligations/actuarial deficit on pension schemes, non-payment of dividends and loan redemption to the National Exchequer.

SECTION F

The Board's Financial Probity and Serious Governance Issues

There is no financial improbity reported by the Internal Audit Unit, The Board Audit Governance and Risk Committee, External auditors, or other National Government Agencies providing oversight.

There are no governance issues among Board Members and Top Management including conflict of interest. The Conflict-of-Interest Register is maintained to record all declared conflicts of interest among Board Members and Staff.

SECTION G

Pictorials 1 – Engineering Partnerships Convention (EPC) 2022



The Chief Guest, Prof. Arch. Paul M. Maringa, PhD, CBS, Corp. Arch. (FAAK), MKIP (Right) heads for the official opening of the Engineering Partnerships Convention in Mombasa on 15th June 2022. With him are: Eng. Erastus K. Mwongera, CBS, FIEK RCE, Chairman EBK, (Centre) and Eng. Margaret N. Ogai, CE, EBK Registrar/CEO (Left).

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The Chief Guest, Prof. Arch. Paul M. Maringa, PhD, CBS, Corp. Arch. (FAAK), MKIP (Centre) follows the proceedings during the Engineering Partnerships Convention in Mombasa on 15th June 2022. With him are: Eng. Nathaniel Matalanga, CE (Extreme Left); Eng. Erastus K. Mwongera, CBS, FIEK, RCE (Left); Eng. Margaret N. Ogai, CE, (Right) and Eng. Erick Ohaga, CE (Extreme Right).



EBK Board members, Management and other invited guests pose for a group photo during EPC 2022.

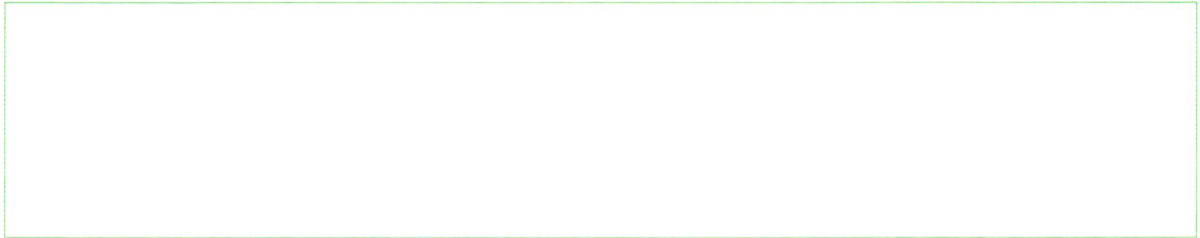
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A portion of the EBK Secretariat pose for a group photo with some Board members and other invited guests during EPC 2022.



Some of the panellists participate in one of the sessions during the EPC 2022.



Pictorials 2 – Launch of the Engineers’ Stamp



The Chief Guest, Prof. Arch. Paul M. Maringa, PhD, CBS, Corp. Arch. (FAAK), MKIP (Right) after drawing the ceremonial curtain for the Launch of the Engineers Stamp. With him are: Eng. Erastus K. Mwongera, CBS, FIEK RCE, Chairman EBK, (Centre) and Eng. Margaret N. Ogai, CE, EBK Registrar/CEO (Left).

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Eng. Nathaniel Matalanga, CE – Immediate Past President of the Institution of Engineers of Kenya was among the invited guests.

Pictorials 3 – Staff Team Building Retreat



The EBK Registrar/CEO, Eng. Margaret N. Ogai, CE, (Centre) poses for a group photo with the EBK Staff

members and consultants during the staff team building retreat.



Up and Below: The staff members participate in the various team-building activities



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IX) ENVIRONMENTAL AND SUSTAINABILITY REPORTING

As the Board strives to ensure production of competent engineers and quality engineering services through regulation, capacity building and enforcing compliance with set engineering standards for improved socio-economic development, we are committed to improving our world and empowering the communities where we live and work. The Board is committed to improving service delivery to all its customers and stakeholders. In this regard, EBK will remain guided by the following core values: -

- Integrity
- Professionalism
- Teamwork
- Public Interest
- Inclusiveness and Diversity

CORPORATE SOCIAL RESPONSIBILITY EVENTS FOR FY 2021/22

The Board managed to incorporate to its normal business some CSR activities namely: -

I) Tree Planting Exercise in Forests across the coastal region of Kenya ***“Presidential directive on tree planting”***

Forests not only provide environmental benefits, but also offer significant income and livelihood options for more than one billion forest-dependent people around the globe. Trees provide a wide range of products (timber, fruit, medicine, beverages, and fodder) and valuable “services”, including sequestering carbon, providing shade, controlling erosion, beautifying landscapes, and increasing the fertility of soils. The Board was involved in implementation of Presidential Directives on the Constitutional target of 10% national tree cover to be achieved by year 2022 through among other initiatives including the revival of Chief’s tree nurseries with technical support of Kenya Forest Service and allocation of 10% Corporate Social Responsibility (CSR) to tree growing;

Accordingly, Engineers Board of Kenya (EBK) committed to enhance the protection of the environment by securing riparian lands, water towers, improving the national forest cover, and other measures to facilitate sustainable development. In Financial Year 2021/22 the Board joined hands with other agencies under the State Department of Infrastructure in planting of over Thirty Thousand Seedlings in Coastal region of Kenya covering the counties of Mombasa, Kwale, Kilifi and Taita Taveta. The Board, led by the Registrar/CEO in conjunction with representatives from the Kenya Forest Service (KFS), Community members, EBK management,

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staff and Interns under GEIP participated in a similar tree planting exercise at Eburru forest in Nakuru County where 3,000 indigenous seedlings were planted as a show of the Board's commitment and contribution towards this year's World Environment Day under the theme #OnlyOneEarth.

The achievements of these activities were:

1. Contributed to the empowerment of the communities' livelihood through, purchase of seedlings from CBO's and their involvement in the land preparation and planting exercise.
2. It gave a forum for awareness creation on trees, environmental protection and also arising development issues.

The Board is committed to contribute to 10% tree planting cover as per the Presidential directive



The EBK Board Chairman, Eng. Erastus K. Mwangera, leads other board members and staff in the mangroves trees' planting exercise at Junda Creek in Mombasa County.



The EBK Registrar/CEO, Eng. Margaret N. Ogai, participates in the mangroves trees' planting exercise at Junda Creek in Mombasa County among other EBK Board & staff members.

II) World Toilet Day Celebrations

The Board recognizes the need to promote environmental sustainability, health and social welfare of the society at large, specifically to the deprived and underprivileged communities through its Corporate Social Responsibility (CSR) programs. On 19th November 2022, EBK participated in commemorating the World Toilet Day (WTD) through sanitation support and a mentorship session at Kyamunyu Primary School in Kola, Machakos County. The program also aimed at protecting children from illness and diseases which will contribute to their health and stability for better quality of life.

X) REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2022 which show the state of the Board's affairs.

Principal activities

The Board's mandate is provided for under Section 6 of the Engineers Act 2011. The Board is responsible for the registration of engineers and firms, regulation of engineering professional services, setting of standards, development and general practice of engineering.

Results

The results of the Board for the year ended June 30, 2022 are set out on pages 01 to 22.

Directors

The members of the Board of Directors who served during the year in accordance with the Engineers Act 2011 are shown on pages xi to xiv. During the year, Eng. Nathaniel Matalanga was replaced by Eng. Erick Ohaga in the Board with effect from 1st April 2022, as the newly elected President of the Institution of Engineers of Kenya.

Auditors

The Auditor General is responsible for the statutory audit of the Board in accordance with Section 68 (2) (K) of the Public Finance Management (PFM) Act 2012, Article 229 of the Constitution of Kenya and the Public Audit Act 2015. The Auditor General may and report on the accounts of any entity that is funded from public funds.

By Order of the Board

Eng. Margaret N. Ogai, CE
Registrar/Chief Executive Officer
Engineers Board of Kenya
Nairobi.

Date: 30.9.2022

XI) STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 (1) of the Public Finance Management (PFM) Act, 2012, Section 14 of the State Corporations Act, 2015, and the Engineers Act, 2011 require the Directors to prepare financial statements which give a true and fair view of the state of affairs of the Board at the end of the financial year and the operating results of the Board for that year. The Directors are also required to ensure that the Board keeps proper accounting records which disclose with reasonable accuracy the financial position of the Board. The Directors are also responsible for safeguarding the assets of the Board. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

The Directors are responsible for the preparation and presentation of the Board's financial statements, which give a true and fair view of the state of affairs of the Centre for and as at the end of the financial year ended on June 30, 2022. 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 Board;
- (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 Board;
- (v) selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Board'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 and the Engineers Act of 2011. The Directors are of the opinion that the Board's financial statements give a true and fair view of the state of the Board's transactions during the financial year ended June 30, 2022, and of the Board's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Board, which have been relied upon in the preparation of

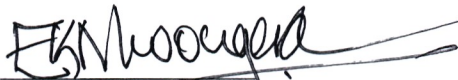
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the Board's financial statements as well as the adequacy of the systems of internal financial control.


The Directors confirm that the Board has complied fully with applicable Government of Kenya Regulations and the terms of external financing covenants (where applicable), and that the Board's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Nothing has come to the attention of the Directors to indicate that the Board 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 Engineers Board of Kenya (EBK) financial statements were approved by the Board on 30/09/ 2022 and signed on its behalf by:



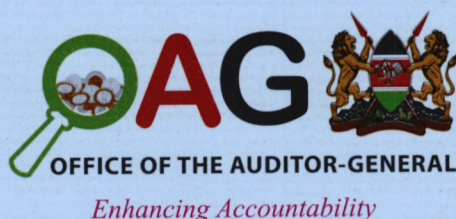
Eng. Erastus K. Mwangera, FIEK, CE, CBS
Board Chairperson



Eng. Margaret N. Ogai, CE
Registrar/CEO

REPUBLIC OF KENYA

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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 ENGINEERS BOARD OF KENYA 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 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 Engineers Board of Kenya set out on pages 1 to 24, which comprise the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and

other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Engineers Board of Kenya 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 Engineers Act, 2011 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Prepayments

The statement of financial position reflects prepayments and accruals balance of Kshs.9,929,536 which, as disclosed in Note 25 to the financial statements, includes prepaid subscriptions balance of Kshs.9,011,113. However, review of the cash and cheques suspense accounts provided for audit indicated a reconciled prepaid subscriptions balance of Kshs.696,000, resulting in an unreconciled variance of Kshs.8,315,113. Management explained that it was not possible to provide a detailed reconciliation since such information can only be provided by the depositors providing instructions on how such funds should be utilized.

In the circumstances, the accuracy of the prepaid subscriptions balance of Kshs.9,011,113 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Engineers Board of Kenya 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

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final budget and actual on comparable basis amounts of Kshs.340,490,000 and Kshs.328,531,054 respectively, resulting to under-funding of Kshs.11,958,946 (or 4% of the budget). Similarly, the Board expended Kshs.254,720,863 against an approved budget of Kshs.340,490,000, resulting to under-expenditure of Kshs.85,769,137 (or 25% of the budget).

In the circumstances, the underfunding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

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 matter 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

Staff Under-Establishment

Review of human resource records provided for audit revealed that the Board had an approved staff establishment of one hundred and twenty-one (121) officers. However, during the financial year under review only thirty-one (31) officers were in post in various cadres which was equivalent to 26%, thus resulting to a shortfall of ninety (90) officers across the various staffing cadres. Management explained that this was due to underfunding of the Board.

In the circumstances, there is a risk of the Board not being able to deliver on its mandate.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter 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 overall governance were not effective.

Basis for Conclusion

Long Outstanding Receivables from Non-Exchange Transaction

The statement of financial position reflects receivables from non-exchange transactions balance of Kshs.115,286,547. Included in the balance is an amount of Kshs.113,911,972 (99%) receivable from graduate engineers, which had been outstanding for more than two (2) years. However, Management did not provide evidence of measures being undertaken to recover the long outstanding receivables.

In the circumstances, the existence of effective internal controls to ensure recoverability of receivables could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Board of Directors

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 its 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.

The Board of Directors is responsible for overseeing the Board's financial reporting process, reviewing the effectiveness of how 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 overall 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 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 control 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 control would not necessarily disclose all matters in the internal control 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 control 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 control 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 Board's 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the 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 sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Board to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and 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

09 May, 2023

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XIII) STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

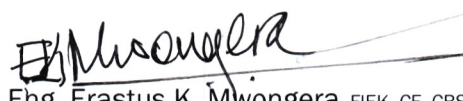
	YEAR	2021/2022	2020/2021
	NOTES	KSHS	KSHS
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
Transfers from other Government Entities	6	228,900,000	135,000,000
Application Fees	7	28,049,300	23,954,941
Annual Subscription Fees	8	51,165,130	108,032,000
In Kind Donations	9	-	1,255,320
Total Non-Exchange Transactions		308,114,430	268,242,261
REVENUE FROM EXCHANGE TRANSACTIONS			
Interest Income	10	3,425,019	2,971,449
Other Income	11	29,670	10,000
CPD Income	12	16,961,935	4,740,500
Total Exchange Transactions		20,416,624	7,721,949
Total Revenue		328,531,054	275,964,210
EXPENSES			
Use of Goods and Services	13	137,587,241	103,843,029
Employee Costs	14	80,225,029	62,855,425
Remuneration of Directors	15	14,153,394	9,872,822
Depreciation and Amortization Expense	16	23,194,068	28,413,637
Repairs and Maintenance	17	1,303,645	1,341,383
In kind expenses	18	-	1,255,320
Increase in Provision for Doubtful Debts	19	(1,742,514)	5,131,026
Total Expenses		254,720,863	212,712,642
SURPLUS FOR THE PERIOD		73,810,193	63,251,568


 Eng. Margaret N. Ogai, CE
 Registrar/CEO

Date: 30.9.2022


 Elijah N. Muriuki
 Finance Manager
 ICPAK No.: 14037

Date: 30/09/2022


 Ehg. Erastus K. Mwangera, FIEK, CE, CBS
 Board Chairman

Date: 30-09-2022

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XIV) STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	YEAR	2021/2022	2020/2021
ASSETS	NOTES	KSHS	KSHS
CURRENT ASSETS			
Receivables from Non-Exchange Transactions	20	115,286,547	128,539,177
Cash and Cash Equivalents	21	250,907,197	132,695,916
Total Current Assets		366,193,744	261,235,093
Non-Current Assets			
Property, Plant and Equipment	22	193,822,706	209,381,796
Intangible Assets	23	-	4,287,218
Total Non-Current Assets		193,822,706	213,669,014
TOTAL ASSETS		560,016,450	474,904,107
LIABILITIES			
Current Liabilities			
Trade Payables	24	10,383,539	350,000
Prepayments and Accruals	25	9,929,536	8,660,924
Total Current Liabilities		20,313,075	9,010,924
Net Assets			
Capital Reserves	26	140,842,015	140,842,015
Retained Earnings	27	398,861,360	325,051,168
Total Net Assets		539,703,375	465,893,183
TOTAL NET ASSETS AND LIABILITIES		560,016,450	474,904,107

The Financial Statements set out on page 01 to 22 were signed on behalf of the Board of Directors by:


 Eng. Margaret N. Ogai, CE
 Registrar/CEO

Date: 30.9.2022


 Elijah N. Muriuki
 Finance Manager
 ICPAK No.: 14037

Date: 30/09/2022


 Eng. Erastus K. Mwangera, CE, FIEK, CBS
 Board Chairman

Date: 30-09-2022

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XV) STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022

DESCRIPTION	CAPITAL RESERVE	RETAINED EARNINGS	TOTAL
	KSHS	KSHS	KSHS
Balance as at 1 st July 2020	140,842,015	261,799,600	402,641,615
Capital Reserve	0	0	0
Surplus for The Year		63,251,568	63,251,568
Balance as at 30th June 2021	140,842,015	325,051,168	465,893,183
Balance as at 1 st July 2021	140,842,015	325,051,168	465,893,183
Capital Reserve	0	0	0
Surplus for The Year		73,810,193	73,810,193
Balance as at 30th June 2022	140,842,015	398,861,361	539,703,376

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XVI) STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022


DESCRIPTION	YEAR NOTE	2021/2022	2020/2021
		KSH	KSH
Cash Flow from Operating Activities			
Surplus for the Year		73,810,193	63,251,568
Depreciation and Amortization Expense	16	23,194,068	28,413,637
Increase/ (Decrease) in Provision for Doubtful Debts	19	(1,742,514)	5,131,026
Surplus Before Working Capital Changes		95,261,747	96,796,231
Changes in Working Capital			
Changes in Receivables	20	14,995,145	(51,310,252)
Changes in Payables	24	10,033,539	(1,331,675)
Changes in Prepayments and Accruals	25	1,268,612	(705,699)
Net Cash Generated from Operating Activities		121,559,043	43,448,605
Cash Flow from Investing Activities			
Purchase of Property, Plant & Equipments	22	(3,347,760)	(22,168,676)
Net Cash Generated from Investing Activities		(3,347,760)	(22,168,676)
Cash Flow from Financing Activities			
Changes in Capital Reserve	24	-	-
Net Cash Generated from Financing Activities		-	-
Net Increase in Cash and Cash Equivalents		118,211,283	21,279,929
Cash and Cash Equivalents at Beginning of The Year	21	132,695,915	111,415,986
Cash and Cash Equivalents at End of The Year		250,907,198	132,695,915


 Eng. Margaret N. Ogai, CE
 Registrar/CEO

Date: 30.9.2022


 Elijah N. Muriuki
 Finance Manager
 ICPAK No.: 14037

Date: 30/09/2022


 Eng. Erastus K. Mwangera, FIEK, CE, CBS
 Board Chairman

Date: EKN 30-09-2022

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XVII) STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

ITEM	BUDGET	ACTUAL ON COMPARABLE BASIS	PERFORMANCE DIFFERENCE	VARIANCE	
REVENUE	KSHS	KSHS	KSHS	%	NOTES
Government Funds	241,000,000	228,900,000	(12,100,000)	-5%	
Application Fees	26,890,000	28,049,300	1,159,300	4%	
Annual Subscription Fees	61,600,000	51,165,130	(10,434,870)	-17%	(i)
CPD Income	10,000,000	16,961,935	6,961,935	70%	(ii)
Interest and other Income	1,000,000	3,454,689	2,454,689	245%	
Total income	340,490,000	328,531,054	(11,958,946)	-4%	
EXPENSES					
Use of Goods and Services	226,174,000	137,587,241	88,586,759	39%	(iii)
Employee Costs	91,000,000	80,225,029	10,774,971	12%	(iv)
Remuneration of Directors	21,526,000	14,153,394	7,372,606	34%	(v)
Depreciation and Amortization Expense	0	23,194,068	(23,194,068)		
Repairs and Maintenance	1,790,000	1,303,645	486,355	27%	(vi)
Increase/(Decrease) in Provision for Doubtful Debts	0	(1,742,514)	(1,742,514)		
Total Expense	340,490,000	254,720,863	(85,769,137)	-25%	

Notes on the budget performance:

- i) Target not met due insufficient current year collections arising from the non-payment of subscriptions fees by a number of the registered engineers and consulting firms.
- ii) The Board exceeded the CPD Income target during the period due to funds collected during the Engineering Partnerships Convention held in June 2022.
- iii) There was a low absorption of these costs during the period under review as most of the planned activities were conducted virtually while others were rescheduled for implementation in the next FY as per the Board's approved business/work plan for the current financial year due to exogenous factors such as inadequate human resource capacity.
- iv) Lack of full absorption occasioned by low staff complement since the process of recruiting new staff had not been concluded by the end of the financial year.
- v) Some of the Board's activities such as the Board Tour & Governance training were rescheduled for implementation during the next financial year as per the Board's workplan.
- vi) Some of the committed expenditures under these costs were not paid as the service providers involved did not issue/submit their invoices during the period under review.

XVIII) NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Engineers Board of Kenya (EBK) is a statutory body established under Section 3(1) of the Engineers Act 2011. The Board has the overall mandate of developing and regulating engineering practice in Kenya. The development and regulation of engineering practice is considered a key component to the achievement of infrastructure foundation under the country's Vision 2030 development blueprint. The Board is a successor to the Engineers Registration Board (ERB) established by the Engineers Registration Act, Cap 530 (1969).

The Board is mandated with the responsibility of regulating standards in the engineering profession and building capacity for individual engineers and engineering firms. The Board also registers engineers and engineering firms and regulates their conduct for improved performance of the engineering profession.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION – IPSAS 1

The Board's financial statements have been prepared in accordance with the PFM Act 2012, the State Corporations Act 2004 and comply with International Public Sector Accounting Standards (IPSAS). The accounting policies have been consistently applied to all the years presented.

The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Board. The financial statements have been prepared on the basis of historical costs, unless stated otherwise. The cash flow statement is prepared using the indirect method. The financial statements are prepared on accrual basis.

3. ADOPTION OF NEW AND REVISED STANDARDS

- i. **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022**

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>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.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • 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;

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Standard	Effective date and impact:
	<ul style="list-style-type: none"> • 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. <p><i>The entity is not involved in any Financial Instruments transactions and therefore the standard does not apply</i></p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness 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-purpose financial reports assess:</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; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. <p><i>The entity has is not involved in any Social Benefits transactions and therefore the standard does not apply</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>

Standard	Effective date and impact:
Other Improvements to IPSAS	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>

ii. **Early adoption of standards**

The entity did not early – adopt any new or amended standards in year 2021/2022.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) **Revenue recognition**

i) **Revenue from non-exchange transactions – IPSAS 23**

Fees, taxes and fines

The Board recognizes revenues from fees and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Board 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 recognized 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 Board and can be measured reliably. Annual subscription fee

are measured on accrual basis on all the registered members while application fees are measured on actual fees received.

ii) Revenue from exchange transactions – IPSAS 9

Rendering of services

The Board recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

CPD Income

Continuing Professional Development (CPD) income is recognized as actual training fees charged on participants and course accreditation & validation of service providers. The same also extends to include delegates fees and sponsorships received during conventions organised by EBK.

Interest income

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

a) Budget information – IPSAS 24

The original budget for FY 2020-2021 was approved by the EBK's Board of Directors. Subsequent revisions were made to the approved budget in accordance with specific approvals from the Parent Ministry and the National Treasury.

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

The Board's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on an accrual basis.

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

b) Taxes – IAS 12

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Board operates and generates taxable income.

Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

c) Property, plant and equipment – IPSAS 17

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Straight line depreciation method is used. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Board recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized 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 recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. The applicable depreciation rates are as follows;

Category	Estimated Useful Life (Years)	Depreciation Rate
Office Space	99	2%
Telephones, Telephone Equipment's, Apparatus and Instruments	8	12 ½%
Furniture and Fittings	8	12 ½%
Motor vehicles and Motor cycles	4	25%

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Computers, photocopiers, fax machines, calculators and IT Equipment	3	33.33%
Intangible Assets	3	33.33%

d) Provisions – IPSAS 19

Provisions are recognized when the Board has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The Board does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The Board does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Board in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements.

If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

e) Nature and purpose of reserves

The Board creates and maintains reserves in terms of specific requirements.

Capital Reserves

Refers to Net value of assets bequeathed by the former Engineers Registration Board to its successor the Engineers Board of Kenya after enactment of Engineers Act, 2011.

Retained Earnings

Refers to cumulative surpluses over the years.

f) Changes in accounting policies and estimates – IPSAS 3

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

g) Employee benefits – IPSAS 25

Retirement benefit plans

The Board provides a defined contribution plan retirement benefits for its employees under the National Social Security Fund and pension scheme.

h) Related parties – IPSAS 20

The Board 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 the Board, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Registrar/CEO and Senior Management Team.

i) Intangible Assets -IPSAS 31

Section 96: The depreciable amount of intangible asset with a finite useful life shall be allocated on a systematic basis over its useful life. Amortization shall begin when the asset is available for use. The Board will amortize its intangible assets for a period of 3 years

j) Cash and cash equivalents

Cash and cash equivalents comprise cash at hand and cash in bank, short-term deposits on call and highly liquid investments with an 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. For the purposes of these financial statements, cash and cash equivalents also include Mpesa paybill accounts, standing imprests balances and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

k) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY – IPSAS 1

The preparation of the Board's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could

result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Board based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.

However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Board. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

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:

- The condition of the asset based on the assessment of experts employed by the Board
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material. The provision for doubtful debts has been provided for at 10%.

l) Subsequent events – IPSAS 14

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

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6. Transfers from other Government Entities

Description	2021 - 2022	2020 - 2021
	KShs	KShs
Recurrent Exchequer	60,500,000	87,000,000
Development Exchequer	168,400,000	48,000,000
Total	228,900,000	135,000,000

7. Application Fees

Description	2021 - 2022	2020 - 2021
	KShs	KShs
Consulting Firms	606,000	441,000
Consulting Engineers	900,000	980,000
Professional Engineers	5,100,000	4,680,000
Graduate Engineers	6,792,000	7,045,200
Temporary Engineers	3,439,600	8,250,000
Professional Examinations	3,000,000	0
Accredited Checker	25,000	50,000
Engineers ID Fee	682,500	1,083,741
Engineers Stamp Fee	7,504,200	1,425,000
Total	28,049,300	23,954,941

8. Annual Subscription Fees

Description	2021 - 2022	2020 - 2021
	KShs	KShs
Consulting Firms	3,330,000	4,140,000
Consulting Engineers	8,100,000	9,460,000
Professional Engineers	17,798,230	22,440,000
Graduate Engineers	21,936,900	71,992,000
Total	51,165,130	108,032,000

9. In Kind Donations

Description	2021 - 2022	2020 - 2021
	KShs	KShs
World Bank Programmes	-	1,255,320
Total	-	1,255,320

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10. Interest Income

Description	2021 - 2022	2020 - 2021
	KShs	KShs
Gross Interest Earned	4,029,434	3,495,822
Less: withholding tax withheld at source	(604,415)	(524,373)
Total	3,425,019	2,971,449

11. Other Income

Description	2021 - 2022	2020 - 2021
	KShs	KShs
Replacement of Certificates & Engineers' IDs	22,000	10,000
Sale of Tender Documents	7,670	0
Total	29,670	10,000

12. CPD Income

Description	2021 - 2022	2020 - 2021
	KShs	KShs
Course Accreditation and Validation Fee	1,270,000	460,000
CPD Training Fee	1,211,530	4,280,500
Engineering Partnerships Convention (EPC)	14,480,405	-
Total	16,961,935	4,740,500

13. Use of Goods and Services

Description	2021 - 2022	2020 - 2021
	KShs	KShs
Panel Allowances and Expenses	6,284,071	6,172,623
Communication	532,938	759,065
Publishing & Printing Services	1,658,562	1,949,218
Refined Fuel Lubricants	2,366,809.29	1,288,789
General Office Supplies	3,144,634	3,006,906
Hospitality Supplies and Catering Services	2,375,156.30	1,717,268
General Insurance (Vehicle & Office)	448,981	1,202,889
Utilities	2,236,657	2,413,049
Bank Charges	396,776.00	282,010
Service Charge & Relocation	1,406,400	1,662,872
Cleaning Services	1,734,225.70	1,457,005
Corporate Social Responsibility	765,321.00	469,240
Workshops & Conferences	11,525,688	5,815,367
Advertising and Media	2,404,513	2,075,597
Legal and Consultancy Services	760,800	29,718,791

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Description	2021 - 2022	2020 - 2021
	KShs	KShs
Audit Fees	350,000	403,880
Domestic Travel & Subsistence	1,947,969.00	1,114,725
Staff Training & Development	9,872,346	1,009,254
CPD Expenses	5,406,616	2,180,391
GEIP Expenses	42,201,367	29,928,885
Compliance and Enforcement	13,512,524	2,535,100
Research & Policies Development	2,074,112	895,800
QMS & ISO Expenses	232,278	1,861,635
Security Services	1,123,750	724,336
Computers Accessories	196,103	337,786
Taxation	158,683	2,860,548
Foreign Travel & Subsistence	6,961,426	-
ICT Related Expenses	3,948,890	-
Internal Audit & Assurance	2,723,538	-
Budget preparation & Statutory Reporting	1,261,722	-
Registration & Licensing of Engineers	2,353,564	-
Staff Welfare, Recruitment & Induction	2,483,678	-
Cross-cutting Issues (PC Committees)	2,353,844	-
Records Management	383,300	-
Total	137,587,241	103,843,029

14. Employee Costs

Description	2021 - 2022	2020 - 2021
	KShs	KShs
Gross Salaries	66,564,104	52,722,478
Deployed Allowances	530,637	722,393
Contract and Casual Labour	6,523,829	3,453,605
Staff Medical Insurance	6,244,448	5,619,840
WIBA/GPA/GLA	362,010	337,109
Total	80,225,029	62,855,425

15. Remuneration of Directors

Description	2021 - 2022	2020 - 2021
	KShs	KShs
Chairman Honoraria	1,044,000	1,134,000
Board Allowances and Expenses	6,144,000	6,964,100
Committee Allowances/Board Sessions Expenses	835,245	636,083
Board Retreat & Evaluation	3,339,210	-

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Description	2021 - 2022	2020 - 2021
Board Training, Travel & Subsistence	2,347,955	716,508
Board Medical Cover	442,984	422,130
Total	14,153,394	9,872,821

16. Depreciation and Amortization Expense

Description	2021 - 2022	2020 - 2021
	KShs	KShs
Office Space	2,690,868	2,690,868
Motor Vehicles, Including, Motor Cycles	3,586,875	3,586,875
Computers & Related Equipment	1,468,079	3,229,166
Office Equipment, Furniture & Fittings	11,161,028	10,125,376
Intangible Assets	4,287,218	8,781,352
Total	23,194,068	28,413,637

17. Repairs and Maintenance

Description	2021 - 2022	2020 - 2021
	KShs	KShs
Maintenance Furniture	0	8,576
Maintenance Equipment	193,664	558,487
Maintenance Building	47,290	101,505
Maintenance Motor Vehicles	1,062,691	672,815
Total	1,303,645	1,341,383

18. In Kind Expenses

Description	2021 - 2022	2020 - 2021
	KShs	KShs
World Bank Programmes	-	1,255,320
Total	-	1,255,320

19. Increase in Provision for Doubtful Debts

Description	2021 - 2022	2020 - 2021
	KShs	KShs
Increase/ (Decrease) in Provision for Doubtful Debts	(1,742,514)	5,131,026
Total	(1,742,514)	5,131,026

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20. Receivables from Non-Exchange Transactions

Description	2021 - 2022	2020 - 2021
	KShs	KShs
Companies (EPC 2022)	2,430,000	-
Consulting Firms	2,121,000	2,031,800
Graduate Engineers	113,911,972	129,512,316
Professional Engineers	8,215,041	9,659,941
Consulting Engineers	1,148,150	1,617,250
Provision for doubtful debts	(12,539,616)	(14,282,131)
Total	115,286,547	128,539,176

21. Cash and Cash Equivalents

Description	2021 - 2022	2020 - 2021
	KShs	KShs
National Bank Current Account	48,220,048	27,742,381
KCB Bank Accounts	51,075,932	7,088,602
HFC Current Account	28,394,095	8,638,938
HFC Fixed Deposit Account	59,222,971	55,797,952
M-Pesa - Main Accounts	47,687,302	27,452,590
M-Pesa - CPD Accounts	16,306,849	5,931,623
Standing Imprest	-	43,830
Total	250,907,197	132,695,916

22. Property, Plant and Equipment

2020/2021						
ASSET VALUATION	Office Space	Motor Vehicles, Including, Motor Cycles	Computers & Related Equipment	Office Equipment, Furniture & Fittings	Capital Work in progress	Total
Valuation at Cost	134,543,377	51,357,018	18,573,535	80,079,409	1,113,600	285,666,939
Additions during the Year			3,003,745	2,852,928	16,312,002	22,168,676
At June 30th, 2021	134,543,377	51,357,018	21,577,280	82,932,337	17,425,602	307,835,615
ASSET DEPRECIATION						
Accumulated as at July 1st, 2021	4,036,302	40,596,393	15,255,718	18,933,121		78,821,534
Charge for the year	2,690,868	3,586,875	3,229,166	10,125,376	0	19,632,285
Accumulated as at June 30th, 2021	6,727,170	44,183,268	18,484,884	29,058,497	0	98,453,819
Net Book Value at June 30th, 2021	127,816,207	7,173,750	3,092,396	53,873,840	17,425,602	209,381,796

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2021/2022						
ASSET VALUATION	Office Space	Motor Vehicles, Including, Motor Cycles	Computers & Related Equipment	Office Equipment, Furniture & Fittings	Capital Work in progress	Total
Valuation at Cost at July 1 st 2021	134,543,377	51,357,018	21,577,280	82,932,337	17,425,602	307,835,615
Additions during the Year			1,814,276	688,527	844,956	3,347,759
Transfers				17,887,514	(17,887,514)	0
At June 30th, 2022	134,543,377	51,357,018	23,391,556	101,508,378	383,045	311,183,374
ASSET DEPRECIATION						
Accumulated as at July 1 st , 2021	6,727,170	44,183,268	18,484,884	29,058,497	0	98,453,819
Charge for the year	2,690,868	3,586,875	1,468,079	11,161,028	0	18,906,850
Accumulated as at June 30th, 2022	9,418,038	47,770,143	19,952,963	40,219,525	0	117,360,669
Net Book Value at June 30th, 2022	125,125,340	3,586,875	3,438,594	61,288,852	383,045	193,822,706

- The capital work-in-progress relates to the refurbishments of the new EBK examination centre and partitioning works at Barabara Plaza. The amount indicated under transfers is the full payments made to the contractor that were fully capitalised upon completion of the projected during the FY under review. Part of the additions during the year relate to initial costs incurred towards partitioning works at EBK Offices premised at Barabara plaza.

23. Intangible Assets

Description	2021 - 2022	2020 - 2021
	KShs	KShs
Cost		
At beginning of the year, 01 st July	27,282,096	27,282,096
Additions		
At end of the year	27,282,096	27,282,096
Amortization and Impairment		
At beginning of the year	22,994,878	14,213,526
Amortization during the year	4,287,218	8,781,352
At end of the year	27,282,096	22,994,878
Net Book Value at June 30th	0	4,287,218

24. Trade/Accounts Payables

Description	2021 - 2022	2020 - 2021
	KShs	KShs
Accounts Payables	10,383,539	350,000
Total	10,383,539	350,000

25. Prepayments and Accruals

Description	2021 - 2022	2020 - 2021
	KShs	KShs
Prepaid Subscriptions	9,011,113	7,642,501
Accrued Audit Fee	350,000	350,000
Staff Welfare	-	100,000
UDIP Project Evaluation	568,423	568,423
Total	9,929,536	8,660,924

26. Capital Reserves

Description	2021 - 2022	2020 - 2021
	KShs	KShs
At beginning of the year	140,842,013	140,842,013
Additional Reserve	0	0
Total	140,842,013	140,842,013

27. Retained Earnings

Description	2021 - 2022	2020 - 2021
	KShs	KShs
Opening Balance	325,051,168	261,799,600
Surplus for the Year	73,810,193	63,251,568
Total	398,861,361	325,051,168

28. FINANCIAL RISK MANAGEMENT

Risk is an integral part of operations in any institution. EBK is exposed to various risk including credit risk and liquidity risk. The risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring.

Market risk

Foreign exchange risk

The Boards currency risk is assessed as low because the Board has no foreign investments and does not operate in foreign currencies

Price risk

The Boards is lowly exposed to equity securities price risk because it does not have investments in quoted shares that are carried at fair values. The Board neither trade in debt securities.

Interest rate risk

The Boards exposure in risks associated with interest bearing assets include investments in Fixed Deposit account. However, this has since been liquated thus minimizing the impact and magnitude that the Board would have been exposed as result.

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Board. The Board does not involve itself in lending business therefore the Risk is low.

Credit risk also may arise from cash and cash equivalents, fixed deposits, interest bearing investments, deposits with banks and receivables. The risk exposure is also low because the investments in these institutions are minimal.

Liquidity risk

Liquidity risk is the risk that the Board will encounter difficulty in meeting its maturing obligations attributable to the financial liabilities. The Board manages liquidity risk through continuous monitoring of exchequer forecasts and actual cash flows received. Late disbursements of exchequer funds lead to high liquidity at the end of the financial year.

29. RELATED PARTY DISCLOSURES

Government of Kenya

The Board is established as a State Corporation under the State Corporations Act Cap 446 of the Laws of Kenya. Other related parties include;

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of directors

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Description	2021 - 2022	2020 - 2021
	Kshs	Kshs
a) Transfers from the Government		
Exchequer Release from National Govt	228,900,000	135,000,000
Donations in kind	0	1,255,320
Total	228,900,000	136,255,320
b) Key management Compensation		
Directors' emoluments	14,153,394	9,872,821
Compensation to the CEO	5,937,600	5,523,325
Compensation to key management	10,435,946	6,564,935
Total	30,526,940	21,961,081

30. SEGMENT REPORTING

The Board does not have reportable segments as all operations are managed from the registered head office.

31. ULTIMATE HOLDING ENTITY

The immediate parent institution of the Board is the Ministry of Transport and Infrastructure. The ultimate holding entity is the Government of Kenya.

32. CURRENCY

The financial statements are presented using the functional currency Kenya shillings (Kshs).

33. EVENTS AFTER REPORTING PERIOD

There are no material non-adjusting events after the reporting date.

34. TRANSFERS FROM STATE DEPARTMENT OF INFRASTRUCTURE

S/NO.	DATE RECEIVED	UTILIZATION DESCRIPTION	AMOUNT
1	22-Dec-21	Recurrent Exchequer	60,500,000
2	02-Jul-21	Development Exchequer	48,400,000
3	25-Jan-22	Development Exchequer	12,000,000
4	25-Jan-22	Development Exchequer	48,000,000
5	10-Jun-22	Development Exchequer	60,000,000
	TOTAL		228,900,000

38. OUTSTANDING AUDIT ISSUES

The status of outstanding audit issues is as shown in appendix one (attached).

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Appendix 1: Implementation Status of Auditor-General's Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
No. 1	<p><u>Unsupported Cash & Cash Equivalent</u></p> <p>The statement of Financial Position reflects cash & cash equivalents balance of Kshs. 132,695,916 which includes two Mpesa balances held in two accounts totalling to Kshs. 33,384,213 and supported by a board of survey as at 30th June 2021. However, Mpesa statements for the two accounts reflects a total balance of Kshs. 33,543,213 resulting to a variance of Kshs. 159,000. Further, Mpesa confirmation certificates were not provided for audit review.</p> <p>In the circumstances, the accuracy and completeness of cash & cash equivalents balance of Kshs. 132,695,916 could not be confirmed.</p>	<p>Upon a further review of the Board of Survey Report, it was discovered that the incorrect amounts were erroneously captured and recorded as the closing balances in both Mpesa Accounts. The correct balances ought to have been captured as follows: Kshs. 27,511,590 for the Mpesa Paybill account No. 839300 and Kshs. 6,031,623 for the Mpesa Paybill No. 260560, both giving a combined total of Kshs. 33,545,213.</p> <p>In light of the above information, the Board hereby seeks concurrence from the OAG to amend the financial statements by passing the applicable journal/ledger entries in order to make adjustments to correct the resultant variance of Kshs. 159,000.</p> <p>Prepare an addendum to the Board of Survey report capturing the correct and accurate Mpesa balances for the two paybill accounts.</p>	<p>Resolved.</p> <p>Mpesa Certificate for FY 2021/22 obtained.</p> <p>Journal entries passed to correct the anomalies.</p>	N/A
No. 2	<p><u>Outstanding Receivables from Non-Exchange Transactions</u></p>	<p>The Board is currently in the process of developing a Debt Management policy where this matter shall be fully</p>	<p>Resolved.</p> <p>The draft Debt</p>	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>The statement of financial position reflects receivables from non-exchange transactions balance of Kshs. 128,539,177 after net-off provision of Kshs. 14,282,131. The receivables increased by Kshs. 46,179,227. From Kshs. 82,359,950 as at 30/06/2020 to Kshs. 128,539,177 as at 30/06/2021. Further, the Board did not have a Debt Management Policy to guide the management of accounts receivable and it was also not possible to ascertain how the 10% provision for doubtful debt was arrived at in the absence of a debt management policy. In addition, the Board did not provide a receivables' ageing analysis to analyse the status of receivables.</p> <p>In the circumstances, the accuracy and recoverability of the receivables from non-exchange transactions balance of Kshs. 128,539,177 could not be confirmed.</p>	<p>addressed. The Board is also currently rolling out the ERP system that will be fully configured and integrated to produce the debtors aging analysis basis reports on a periodical basis among other analytical reports. The Board has also in the interim put mechanisms in place to ensure that the outstanding receivables are recovered either partially or in full. These include sending of regular payments reminders to the registered engineers via bulk SMSes & bulk emails platforms, making individual phone calls to the registered engineers, and holding CPD clinics & sensitization forums with the engineering fraternity in a bid to enhance their compliance with the Engineers Rules of 2019.</p>	<p>Management Policy has been approved by the Board and will be implemented fully.</p> <p>The receivables from non-exchange transactions relating to annual subscriptions have declined by 10% due to various debt recoverability mechanisms put in place.</p>	

Signed: 

Registrar/CEO

Date: 30.9.2022