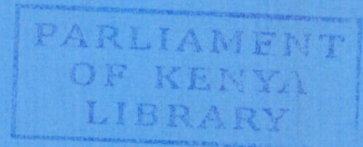


THE NATIONAL ASSEMBLY	
DATE: 06 JUL 2023	
Day: Thursday	
TABLED BY:	Hon. Samuel Njiragu, MP
CLERK AT THE TABLE:	Joyce Kamani



REPORT

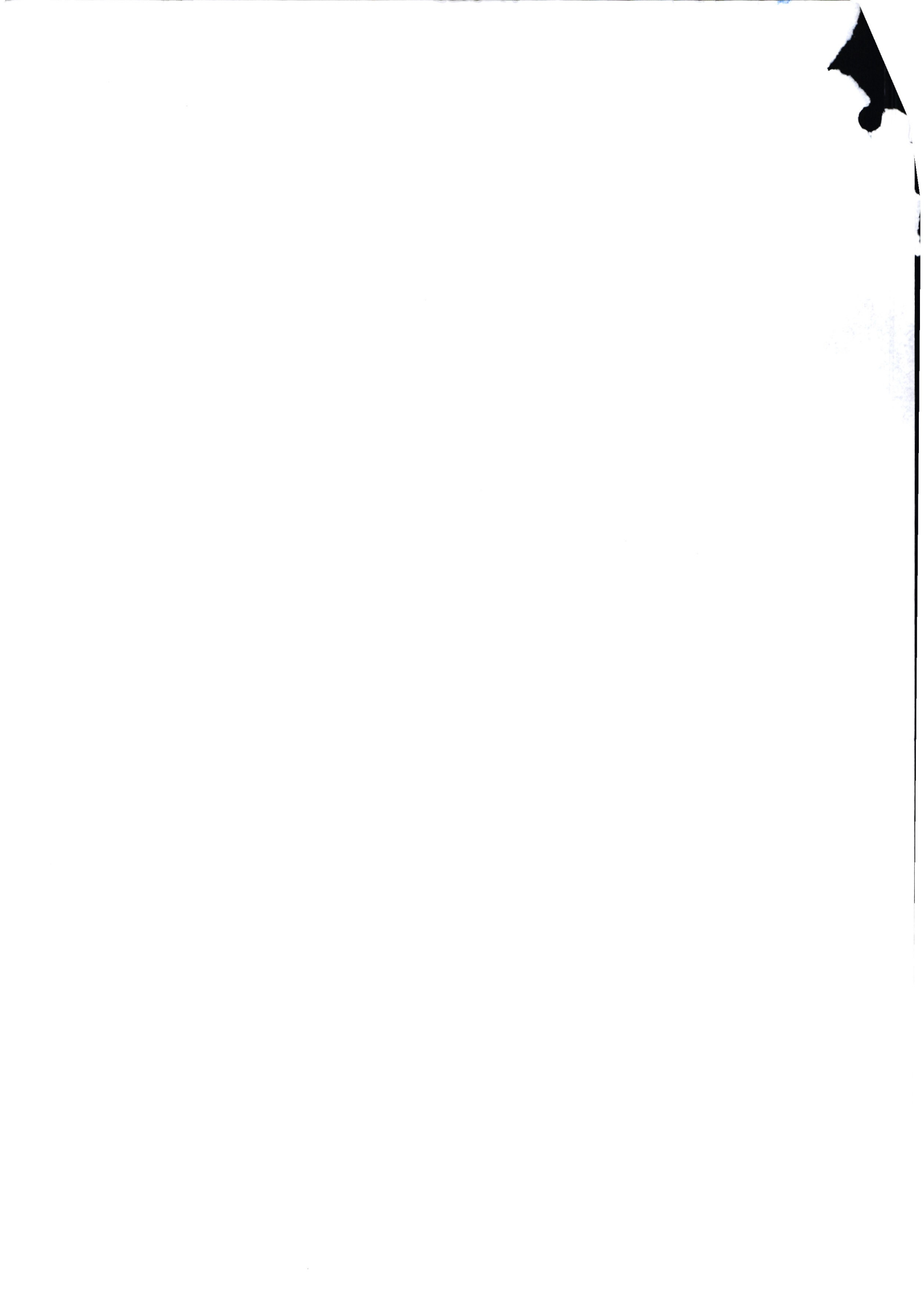
OF

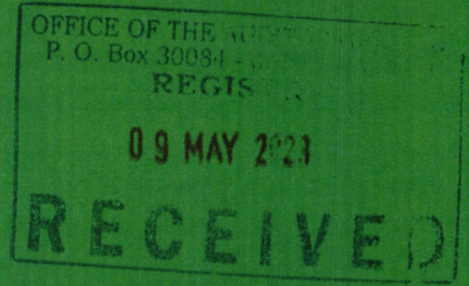
THE AUDITOR-GENERAL

ON

**KENYA NATIONAL EXAMINATIONS
COUNCIL**

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

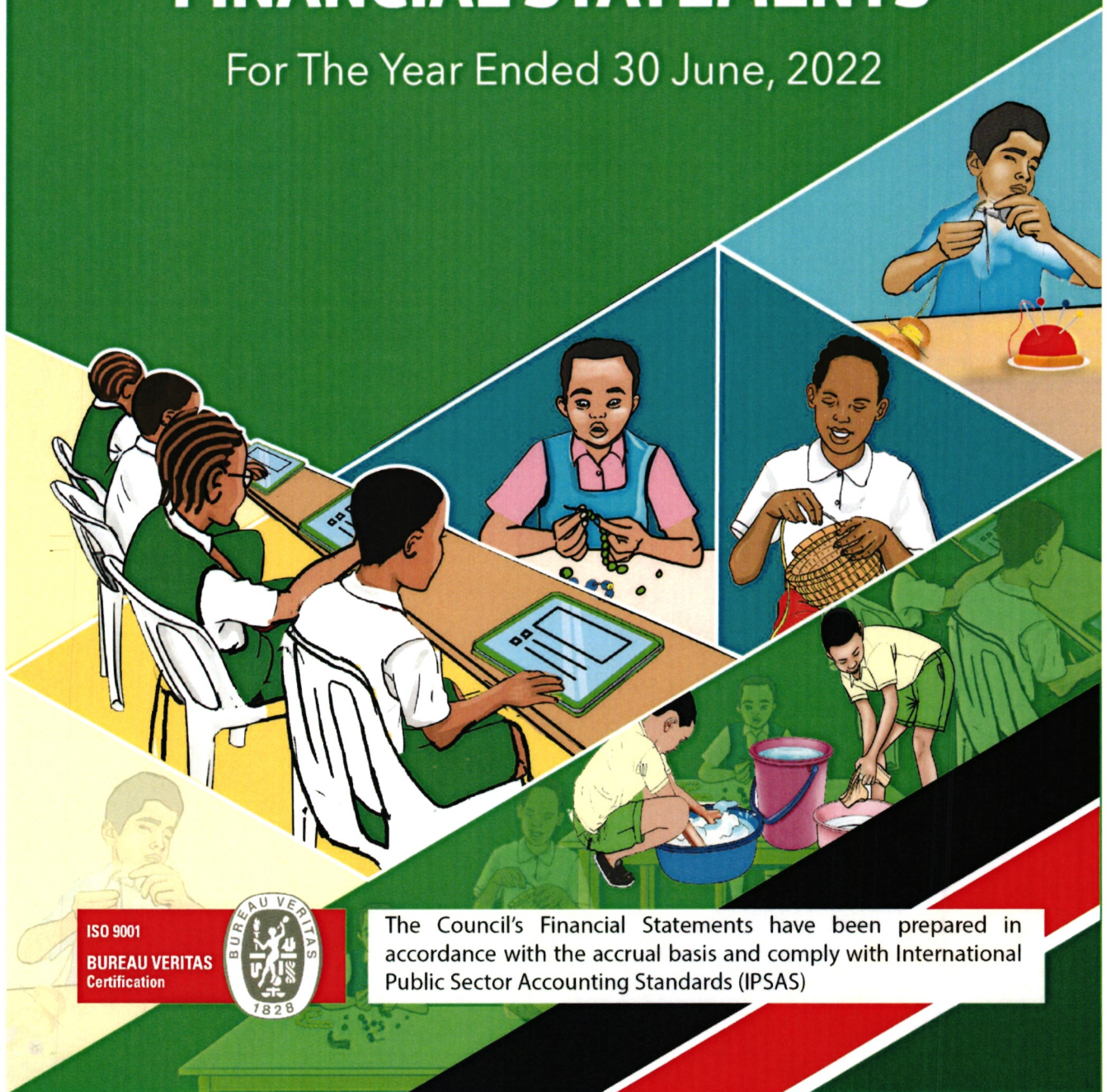




The Kenya National Examinations Council

ANNUAL REPORT AND FINANCIAL STATEMENTS

For The Year Ended 30 June, 2022



The Council's Financial Statements have been prepared in accordance with the accrual basis and comply with International Public Sector Accounting Standards (IPSAS)

TABLE OF CONTENTS

PREAMBLE.....v

1.0 KEY ENTITY INFORMATION AND MANAGEMENT.....vi

2.0 THE COUNCIL.....xiii

3.0 MANAGEMENT TEAM.....xx

4.0 CHAIRMAN’S STATEMENT.....xxiv

5.0 STATEMENT BY THE COUNCIL CHIEF EXECUTIVE OFFICER.....xxv

6.0 REVIEW OF COUNCIL’S PERFORMANCE FOR FY 2021/2022.....xxviii

7.0 CORPORATE GOVERNANCE STATEMENT.....xlviii

8.0 MANAGEMENT DISCUSSION AND ANALYSIS.....lvii

9.0 ENVIRONMENTAL AND SUSTAINABILITY REPORTING.....lxxi

10.0 REPORT OF THE COUNCIL.....lxxx

11.0 STATEMENT OF COUNCIL MEMBERS’ RESPONSIBILITIES.....lxxxi

12.0 REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS OF THE KENYA NATIONAL EXAMINATIONS COUNCIL.. lxxxii

13.0 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE, 2022.....1

14.0 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2022.....2

15.0 STATEMENT OF CHANGES IN NET ASSESTS.....3

16.0 STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE, 2022.....4

17.0 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDD 30 JUNE, 2022.....5

18.0 NOTES TO THE FINANCIAL STATEMENTS.....10

APPENDIX 1: PROGRESS ON FOLLOW UP OF EXTERNAL AUDITORS RECOMMENDATIONS.....61

APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY.....63

APPENDIX III: INTER-ENTITY TRANSFERS.....64

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES.....65



LIST OF ACRONYMS

ADA	Alcohol and Drug Abuse
AEAA	Association for Educational Assessment in Africa
CBA	Competency Based Assessment
CBC	Competency Based Curriculum
CEO	Chief Executive Officer
CS	Cabinet Secretary
CPC	Corruption Prevention Committee
CSR	Corporate Social Responsibility
DTE	Diploma in Teacher Education
ECDE	Early Childhood Development & Education
EGMA	Early Grade Mathematics Assessment
ESQAC	Education Standards and Quality Assurance Council
EPS	Examinations Processing System
FPE	Free Primary Education
FDSE	Free Day Secondary Education
GPE	Global Partnership for Education
HELB	Higher Education Loans Board
HIV	Human Immunodeficiency Virus
IAEA	International Association for Educational Assessment
ICT	Information and Communication Technology
IPSAS	International Public Sector Accounting Standards
ISMS	Information Security Management System
KCSE	Kenya Certificate of Secondary Education
KCPE	Kenya Certificate of Primary Education
KEPSHA	Kenya Primary Schools Head Teachers Association
KICD	Kenya Institute of Curriculum Development
KNEC	Kenya National Examinations Council
KESSHA	Kenya Secondary School Heads Association
MoE	Ministry of Education
MTEF	Medium Term Expenditure Framework
MTP 3	The Third Medium Term Plan
NASLMA	National Assessment System for Monitoring Learner Achievement
NAC	National Assessment Centre
NGEC	National Gender & Equality Commission
MLA	Monitoring Learner Achievement
NMH	New Mitihani House
PFM Act	Public Finance Management Act, 2012
PTE	Primary Teachers Education
PWD	Persons with Disability
DQAS	Directorate of Quality Assurance and Standards
QMS	Quality Management System
SEACMEQ	Southern and Eastern Africa Consortium for Monitoring Educational Quality
SEQIP	Secondary Education Quality Improvement Project
SNE	Special Needs Education
SRC	Salaries and Remuneration Commission
TCAE	Teacher Certificate in Adult Education
TSC	Teachers Service Commission



PREAMBLE

The Kenya National Examinations Council (KNEC) has a statutory obligation under section 81 of the Public Finance Management Act, 2012 (PFM Act, 2012) to prepare and submit an annual report and financial statements to the Office of the Auditor General (OAG) and the National Treasury.

The Annual Report captures the overall performance and financial position of the Council, based on its key mandate and performance indicators. KNEC's programmes are aligned to the Constitution of Kenya, the Kenya Vision 2030, Medium-Term Plan III 2018–2022, the National Education Sector Strategic Plan (2018-2022) and the KNEC 2021 – 2026 Strategic Plan

KNEC is a State Corporation under the Ministry of Education whose mandate is to conduct school and post school examinations and assessments and certify learners as stated in the fourth schedule of the Constitution of Kenya and the Kenya National Examinations Council Act No. 29 of 2012. These examinations and assessments are based on the curricula developed by the Kenya Institute of Curriculum Development (KICD). KNEC participates in the Course Panels, subject panels, and the Academic Committee.

For the various educational programmes, KNEC develops and administers assessments and examinations to assess the knowledge, skills and attitudes acquired by the learners. These examinations and assessment results are analysed and are useful in determining the achievement of learning outcomes, the quality of the education system and areas in the education system that require intervention.

1.0 KEY ENTITY INFORMATION AND MANAGEMENT

1.1 BACKGROUND INFORMATION

1.1.1 Incorporation

The Kenya National Examinations Council (KNEC) is a State Corporation in the Ministry of Education (MoE), established through the Kenya National Examinations Council Act Chapter 225A of 1980. This Act was repealed in 2012 and replaced with the Kenya National Examinations Council Act No.29 of 2012.

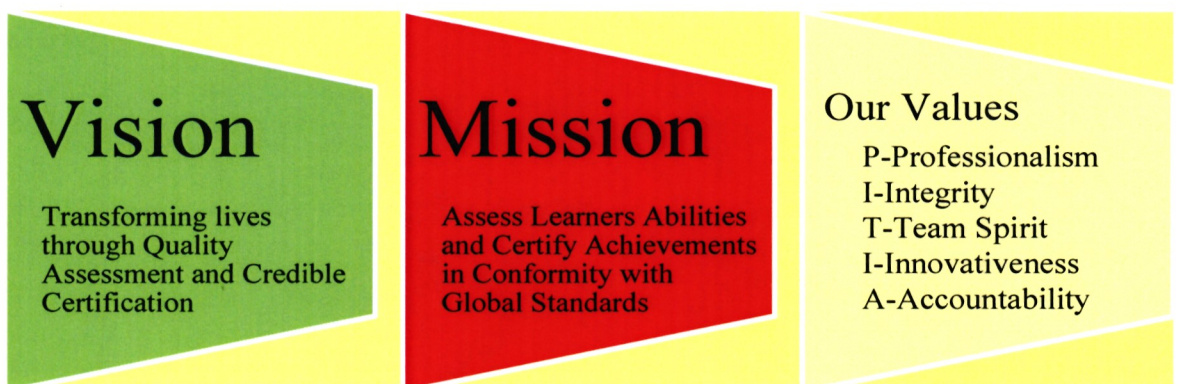
1.1.2 Mandate

KNEC is mandated to conduct school and post school examinations and assessments and certify learners on their achievements within the territory of Kenya.

1.1.3 Core functions

The mandate of the Council according to Section 10 of the KNEC Act No. 29 of 2012 is to:

- 1.1.3.1 Set and maintain examination standards.
- 1.1.3.2 Conduct public academic examinations.
- 1.1.3.3 Award certificates and diplomas to candidates.
- 1.1.3.4 Confirm authenticity of certificates or diplomas issued by the Council.
- 1.1.3.5 Undertake research on educational assessment.
- 1.1.3.6 Advise any public institution on the development and use of any system of assessment when requested to do so.
- 1.1.3.7 Promote the international recognition of the qualifications conferred by the Council.
- 1.1.3.8 Advise the Government on any policy decision that is relevant to or has implications on the functions of the Council or the administration of examinations in Kenya.



1.2 The Key organs.

KNEC's governance and management comprises the following key organs:

- 1.2.1 The Council
- 1.2.2 The Accounting Officer who is the Chief Executive Officer
- 1.2.3 The Management

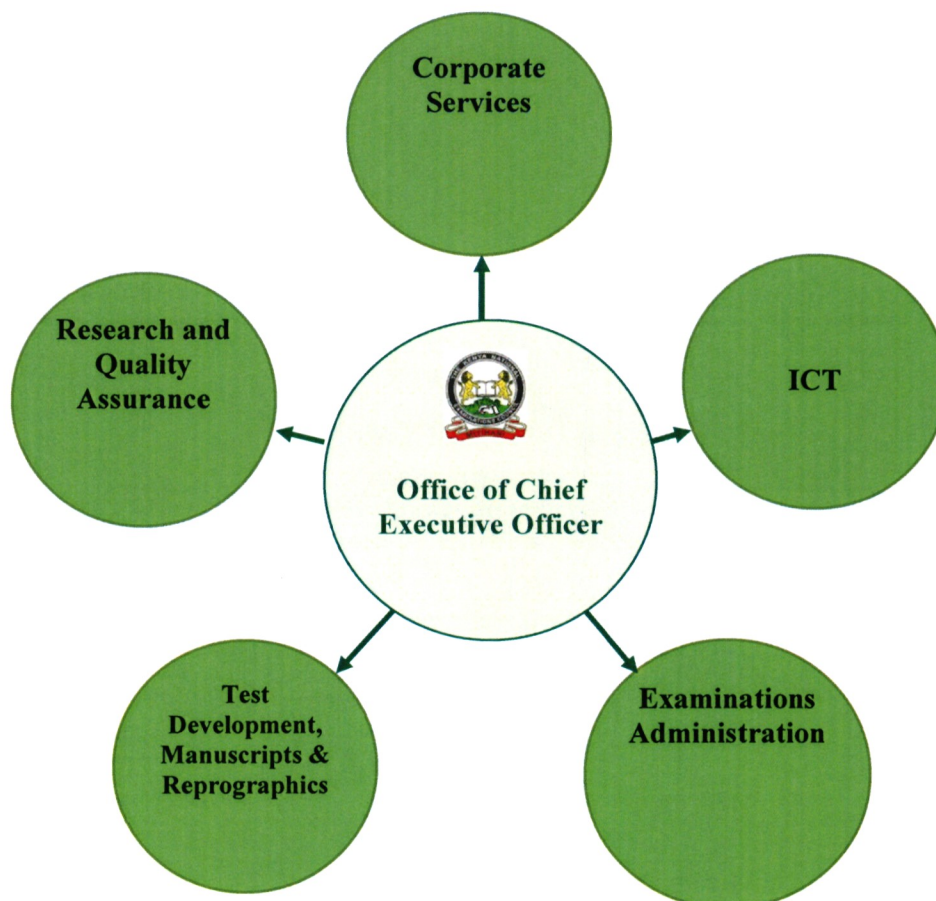
The Council consists of –

- 1.2.1.1 A Chairperson appointed by the President;
- 1.2.1.2 The Principal Secretary of the Ministry responsible for matters relating to education or a representative of the Principal Secretary;
- 1.2.1.3 The Principal Secretary of the National Treasury or his representative;
- 1.2.1.4 The officer in charge of quality assurance and standards in the Ministry responsible for matters relating to education;
- 1.2.1.5 The Director of the Kenya Institute of Curriculum Development;
- 1.2.1.6 The Secretary of the Teachers Service Commission;
- 1.2.1.7 The representatives appointed by the Cabinet Secretary:
- 1.2.1.8 One member to represent the interest of person with disabilities
- 1.2.1.9 One member to represent the post school Technical & Business training institutions in Kenya, including polytechnics;
- 1.2.1.10 One member to represent the private sector involved with management of Education as the Cabinet Secretary may determine.
- 1.2.1.11 The Chief Executive Officer, and
- 1.2.1.12 Two co-opted members whose expertise will be beneficial to the Council and promote the achievement of the Council's mandate.



1.3 DEPARTMENTAL MODEL

Examinations processes are conducted by various departments. These include Test Development, Reprographics & Manuscripts, Examinations Administration, Research and Quality Assurance while Corporate Services and ICT provide support services required to ensure that examinations are conducted efficiently and effectively.





1.4 FIDUCIARY MANAGEMENT

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

No.	Designation	Name
1.5.1	Chief Executive Officer	Dr. David K. Njengere, MBS
1.5.2	Director, ICT Department	Dr. Ibrahim Otieno
1.5.3	Director, Test Development	Mr. Patrick Ochich
1.5.4	Director, Examinations Administration	Mrs. Imelda Anyanga Barasa
1.5.5	Corporation Secretary	Mrs. Befly Bisem
1.5.6	Financial Controller	CPA. Abraham K. Oloo
1.5.7	Deputy Director Supply Chain Management	Mr. Nicholas Mangata
1.5.8	Deputy Director Research & Quality Assurance	Mr. Andrew Otieno

1.5 FIDUCIARY OVERSIGHT ARRANGEMENTS

The Council through its Committees and the Secretariat has put in place systems aimed at enhancing governance, transparency and accountability. The Council has four committees. However the Finance, Strategy & General Purposes Committee and the Audit & Risk Committee, are concerned with fiduciary oversight.

1.4.1 Finance, Strategy & General Purposes Committee (FSGPC)

The Committee is responsible for the Council's achievement of its strategic objectives in terms of financial and other resources, other than staff. This is by ensuring timely preparation of financial reports, proper keeping of financial records, proper policies and internal controls are in place and by ensuring adherence to budgets, workplans and targets. The Committee ensures that the Council's budget and procurement plan are in line with the strategic plan and the Council's mandate as outlined by law.

1.4.2 Audit & Risk Committee (ARC)

The Committee is responsible for managing the organization's risk, ensuring compliance to all applicable laws and regulations, and spearheading good governance practices by the Council members and the Secretariat. The Committee is responsible for monitoring the Council's internal control environment and provide advice on areas of improvement. The Committee oversees the operations of the Council to ensure that the set policies and procedures are adhered to.



1.4.3 Parliamentary Oversight committees

The Council presents its audited financial statements to the Public Investments Committee of the National Assembly and reports on assessment matters to the Parliamentary Committee on Education and Research.

1.4.4 Development partners

Respective Development Partners provide their operational requirements and guidelines that clearly spell out fiduciary arrangements that revolve around accountability, verification, and value for money. The Council satisfied these fiduciary requirements and looks forward to continued collaboration.

1.6 REGISTERED OFFICE



 New Mitihani House, South C- Nairobi
 Tel: +254 - 020-202143412
 **Mobile:** 0720741004/0723333566 /0771813972/ 0772069891/ 0772069882/
0771813866/0771814259/ 0771814060/ 0771814105




1.7 KNEC CONTACTS

 Tel: +254 020 3317412 / 3317413 / 3317419 / 3317427 / 3341027
3341050 / 3341071 / 3341098 / 3341113 / 2213381
 Fax: +254-020- 2226032
 Website: www.knec.ac.ke
 E-mail address: info@knec.ac.ke
 Facebook: Kenya National Examinations Council
 Twitter: [KNEC@ExamsCouncil](https://twitter.com/KNEC@ExamsCouncil)
 **Mobile:** 0720741001 / 0732333860

Other Offices






 Mitihani House, Dennis Pritt Road, Kilimani
 Tel: +254 - 020-2713874 / 020-2713894 / 020-2713845 / 020-2711536
 **Mobile:** 0703448667/0734333360

 National Housing Corporation (NHC) House, 6th Floor
Aga Khan Walk,
 P. O. Box 73598
Code 00200 City Square
NAIROBI

 Industrial Area Offices, Ministry of Public Works, Supplies Branch, Likoni Road.
 Tel: +254 -0206 650820
 **Mobile:** 0720741003 /0732333530



1.7 BANKERS

	<p>Co-operative Bank of Kenya Co-operative House, Aga Khan Walk P. O. Box 67881 -00200 Nairobi, KENYA</p>
	<p>Kenya Commercial Bank Kencom House, Moi Avenue P. O. Box 30081 -00100 Nairobi, KENYA</p>
	<p>National Bank of Kenya National Bank of Kenya House, Harambee Avenue, P. O. Box 41862 -00100 Nairobi, KENYA</p>
	<p>Equity Bank Shankardrass House, Moi Avenue P. O. Box 30003 -00100 Nairobi, KENYA</p>
	<p>Commercial Bank of Africa Commercial Bank Building, Wabera and standard streets P.O Box 30437-00100 Nairobi - Kenya</p>

1.8 INDEPENDENT AUDITORS



The Auditor-General
Anniversary Towers, University Way
P.O. Box 30084-00100, GPO
Nairobi, KENYA

1.9 PRINCIPAL LEGAL ADVISOR





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



2.0 THE COUNCIL

The Council that was in place between 1 July 2021 and 30 June 2022

COUNCIL MEMBER	PROFILE
<p>2.1</p>  <p>Dr. John O. Onsati, OGW</p>	<p><i>Council Chairman (Non-Executive) up to 30th April 2022</i></p> <p>Dr. John O. Onsati OGW (Born 1953) was appointed as a non-executive Chairman of the Kenya National Examinations Council on 3rd May 2019. The Council benefited immensely from his dedicated service until April 2022 when his tenure expired. He is an expert in Organizational Development and Transformation, Education and Training.</p> <p>Dr. John Onsati holds a Doctorate degree in Organizational Development and Transformation from Cebu Doctor's University - Philippines and a Master of Science (MSc) degree from Victoria University of Manchester, UK, and has experience in the education sector spanning several decades.</p>
<p>2.2</p>  <p>Prof. Julius O. Nyabundi, OGW</p>	<p><i>Council Chairman (Non-Executive)</i></p> <p>Prof. Julius O. Nyabundi (born 1954) was appointed as a non-executive chairperson of the Kenya national Examinations Council effective 5th July 2022.</p> <p>Prof. Nyabundi is the Vice Chancellor Maseno University (MSU), a position he has held since 2016. He is a versatile professor who has taught, researched and held leadership positions including the Principal, Murang'a University of Technology and Managing Director- Chemelil Sugar Company.</p> <p>He holds a PhD in Agricultural Ecology from University of California at Davis-USA, MSc in Agronomy from University of Nairobi and BSc. Degree in Agriculture for University of Nairobi.</p>



COUNCIL MEMBER

2.3



Dr. Julius O. Jwan, CBS

PROFILE

Principal Secretary, Ministry of Education and chairperson of the Education and Assessments Management Committee.

Dr. Julius O. Jwan MBS (Born 1965) is the Principal Secretary, State Department for Early Learning & Basic Education, Ministry of Education.

Dr. Jwan served as the Director/CEO at the Kenya Institute of Curriculum Development (KICD). Previously, he worked as the Director – Programmes and Technical Services at the National Cohesion & Integration Commission (NCIC) and prior to joining the Commission, he served as a senior lecturer at Moi University and a tutor at Kaimosi Teachers' college.

He holds a PhD in Educational Leadership and Management and a Master of Science in Educational Research Methods, both obtained from the UK. He has a Master of Philosophy in Education Management from Norway and another Masters Degree in Linguistics from Moi University, where he also graduated with a Bachelor of Education Degree.

Principal Secretary, The National Treasury

2.4



Dr. Julius M. Muia, CBS

Dr. Julius M. Muia CBS is the Principal Secretary at The National Treasury.

He served as the Principal Secretary at the State Department for Planning. Previously he was the Director General, Vision 2030 Delivery Secretariat and as the Secretary, National Economic and Social Council, Office of the President.

Dr. Muia has over 25 years' experience in leadership in the private sector in Kenya and UK in the hotel, manufacturing, and banking sector. His other engagements include an adjunct faculty at Strathmore Business School; adviser on strategy and trainer on leadership. He holds a PhD in Educational Leadership & Management and a Master of Science (M.Sc.) in Finance from the University of Nairobi, where he also graduated with a Bachelor of Commerce Degree.

His professional qualifications include Certified Public Accountant (CPA-K); Certified Public Secretary (CPS-K), Associate Kenya Institute of Bankers; Associate Chartered Institute of Arbitrators; and Certified Coach.

He is represented on the Council by Mr. Festus Kingori.



COUNCIL MEMBER

2.5



Dr. Nancy N. Macharia, CBS

PROFILE

Chief Executive, Teachers Service Commission (TSC)

Dr. Nancy N. Macharia CBS (Born 1963) is a member of the Kenya Association of Public Administration Management (KAPAM) and Institute of Directors. She has worked in the education sector for over 28 years.

She holds a Doctorate Degree, a Master of Education (Policy and Management) degree from Bristol University, UK and a Bachelor of Education degree in English/Literature from Kenyatta University.

2.6



Prof, Charles Ochieng' Ong'ondo, MBS

Chief Executive Officer, Kenya Institute of Curriculum Development (KICD) and Chairperson of the Finance, Strategy & General Purposes Committee

Prof. Charles Ochieng' Ong'ondo (Born 1964) is the Director/Chief Executive Officer (CEO) at the Kenya Institute of Curriculum Development (KICD).

Previously, he worked as the Head of the Department of Communication Studies for Six years (2011-2017) and as School Examinations and Timetables Coordinator (2009-2011) in Moi University. He also served as acting Dean of School of Information Sciences and School of Human Resource Development.

Prof. Charles Ochieng' Ong'ondo is an Associate Professor in Teacher Education. He is a Commonwealth Academic Fellow and Scholar who holds a Postdoctoral Fellowship in Research Methodology (University Warwick, UK), a PhD in English Language Teacher Education (the University of Leeds, UK); an Master of Philosophy Degree in English Language Education (Moi University, Kenya), a Bachelor Education Degree in English and Literature (Moi University) and a Diploma in Education (Siriba Teachers College - Kenya).



COUNCIL MEMBER

2.7



Dr. Mary Gaturu, HSC

PROFILE

Director, Directorate of Quality Assurance & Standards at the Ministry of Education, State Department for Basic Education.

Dr. Mary Gaturu, HSC (born 1963) is the Director in charge of Quality Assurance and Standards in the Ministry of Education.

Formerly, she was the Regional Director of Education for the Rift Valley Region, County Director of Education for Muranga and for Nyandarua Counties. Before that, she worked at the Teachers Service Commission as a Senior Graduate Teacher.

She holds a Doctorate in Philosophy, Master's in education and Bachelor of Education Degree, all from Kenyatta University.

2.8



**Mrs. Rosemary C. Saina,
OGW**

Independent Member and Chairperson of the Staff Affairs Committee

Mrs. Rosemary C. Saina, OGW (Born 1955), the immediate former Chief Principal of Kenya High School, is an educationist and manager. She also served in institutions such as Moi Girls School, Eldoret and Solian Girls High School, Baringo.

She holds an Executive Master of Education degree - Moi University, Bachelor of Education (Arts) Degree - University of Nairobi, Diploma in Educational Management - Kenya Education Management Institute (KEMI) and a Certificate in Educational Methodologies - Ofri International Training Centre, Israel. She undertook a Certificate Course on Servant Leadership Training at Sundoulos African Leaders Training (S.A.L.T.).



COUNCIL MEMBER

2.9



Prof. Eric O. Ogur, MBS

PROFILE

Independent Member

Prof. Eric O. Ogur, MBS (Born 1971) is a Chartered Engineer and Member of the Institution of Mechanical Engineers (UK). He is the Director, Centre for Engineering Innovation and Production (CEIP) at the Technical University of Kenya.

Prof. Ogur has extensive academic and practical knowledge of TVET reform strategies, pilot implementation, design, development, and implementation of different methodologies concerning Competency Based Education & Training CBET, Vocational Education and Training (VET), life-long learning and training of trainers.

He holds a PhD in Engineering, a MSc in Manufacturing Systems Engineering from University of Warwick, Coventry, England, and a Bachelor of Engineering (Honours) in Mechanical and Manufacturing Engineering from the University of Portsmouth, Portsmouth, England.

2.10



Martin O. Okiyo, OGW

Independent Member representing interests of Persons with Disabilities and Chairperson of the Audit & Risk Committee

Mr. Martin O. Okiyo OGW (Born 1982) is an Educationist by profession with strengths in Training, Leadership and Communication. Martin works with the International Council for Education of People with Visual Impairment, ICEVI as the Africa Region Coordinator of ICEVI's Global Campaign for Education. He previously worked with Handicap International Tanzania, Uganda, Somalia, and Kenya Programme. Martin is a person with visual impairment and this combined with his work experiences in disability mainstreaming has made him diversity sensitive.

He has a Bachelor of Education in Special Needs Education (and French language), National Diploma in Human Resources Management, National Diploma in Project Management, Master of Science in Development Studies and Master of Education in Educational Leadership and Administration. He is a University of Pretoria Senior Management Institute Fellow.



2.11



Col (Rtd.) Leonard Owambo

Co-opted Member

Colonel (Rtd.) Leonard Owambo (Born 1956) is a co-opted member of the Council to advise on security matters. He is a professional security and leadership expert with vast experience both locally and internationally having served as Kenya's Defense, Military, Naval and Air attaché to the United States of America (Washington DC) and Canada (Ottawa). He simultaneously served as Regional Director for Central and Southern Africa in the Washington Corps of Military Attaches.

He holds a master's degree in leadership from Faith Christian University and Schools, Maryland USA, Bachelor's Degree in Organizational Leadership (Magna cum Laude) from Bellevue University, Nebraska, Diploma in International Studies from the University of Nairobi and a Certificate in Defense Resource Management from Naval Post- Graduate School, Monterey CAO. Additionally, he is a trained and certified Close Protection agent.

2.12



Dr. Fred O Sporta

Co-opted Member

CPA, Dr. Fred O. Sporta (Born 1982) is an expert in Accounting & Financial Reporting and was co-opted as a member of the Kenya National Examinations Council from June 2019.

Dr. Sporta is a trainer in financial reporting in many institutions among them, ICPAK, KCA University, Technical University of Kenya and Kenya School of Government (KSG). He is a member of the Panel of experts (PoE) in Accounting and Financial Reporting at the Institute of Certified Public Accountants of Kenya (ICPAK). He has extensive experience in accounting, audit and risk management in the private sector.

He holds a PhD degree in Business Administration (Finance) from Jomo Kenyatta University of Agriculture & Technology, Master of Business Administration (Kenyatta University), Bachelor of Business Management (Moi University), Certified Public Accountant of Kenya (KASNEB), and he is also a full member in good standing at ICPAK.



COUNCIL MEMBER

PROFILE

2.13



Dr. David Njengere, MBS

Chief Executive Officer KNEC w.e.f 1.7.2021

Dr. David Njengere, MBS (Born 1967) is the Chief Executive Officer at the Kenya National Examinations Council. He is the accounting officer of KNEC with effect from 1st July 2021.

He holds a PhD in Education, Master of Philosophy in English and Bachelor of Education in English and Literature all from Moi University. He also holds a Post Graduate Diploma in Curriculum Design and Development from the International Bureau of Education (UNESCO) and Open University of Tanzania, and a Certificate in Design and Development of Large-Scale Assessments from Education and Testing Services, Princeton, New Jersey.

Prior to appointment, he was education advisor to the Cabinet Secretary, Ministry of Education, Prof George Magoha. He previously worked at KNEC and at the Kenya Institute of Curriculum Development (KICD).

He was instrumental in conceptualization and design of Competency Based Curriculum (CBC) and Competency Based Assessment (CBA) approaches for the ongoing education reforms in basic and teacher education.

Dr Njengere has a wide experience as an educationist and has been involved in many initiatives in education reforms at national, regional and global levels. He chaired some of the East African Community Technical Committees Sessions that culminated in the Framework for Harmonization of Education Systems and Curricula.



3.0 MANAGEMENT TEAM

NAME OF THE STAFF

RESPONSIBILITY

3.1



Dr. David Njengere, MBS

Chief Executive Officer with effect from 1st July 2021

Dr. David Njengere is the Chief Executive Officer at the Kenya National Examinations Council from 1 July 2021. He is the accounting officer of KNEC with effect from 1 July 2021.

He is responsible for the running of the Council affairs to ensure that the mission is achieved and efficiency of Council operations realized.

He is the secretary to the Council and chairperson of the Senior Management. He is responsible for spearheading partnerships of the Council.

He holds a PhD. in Education, Master of Philosophy in English and Bachelor of Education in English and Literature all from Moi University. He also holds a Post Graduate Diploma in Curriculum Design and Development from the International Bureau of Education (UNESCO) and Open University of Tanzania, and a Certificate in Design and Development of Large Scale Assessments from Education and Testing Services, Princeton, New Jersey.

3.2



Dr. Ibrahim Otieno

Director, ICT Department

Dr Ibrahim Otieno is the Director, ICT Department at the Kenya National Examinations Council. He was appointed as the Director in March 2017.

He oversees planning, sourcing and implementing of the ICT programs.

He is responsible for providing ICT support services to the Council to ensure effective, efficient and secure processing and delivery of examination results.

He holds a PhD. (Information Systems) from the University of Nairobi, a Master of Science Degree from University of Vrije Brussels (VUB), Belgium (Distinction), and a Bachelor (Hon) Degree in Science (Computer Science) from the University of Nairobi.



NAME OF THE STAFF

RESPONSIBILITY

3.4



Mr. Patrick Ochich

Director, Test Development Department

Mr. Patrick Ochich is the Director, Test Development at the Kenya National Examinations Council. He was appointed to this position in August 2015. He is serving on contract having retired in October 2019.

He is responsible for the development of assessment policy, procedures and instruments as well as maintaining internationally competitive standards.

He has a Master of Education in Measurement and Evaluation and Bachelor of Education (Hons) from the University of Nairobi. He has been trained at the Kenya School of Government for Strategic Leadership Development (SLDP) and Senior Management Course (SMC).

3.5



Mrs. Imelda Anyanga Barasa

Director, Examination Administration Department

Mrs. Imelda Anyanga Barasa, is the Director, Examinations Administration. She was appointed to this position in October 2017.

She is an educationist having previously served for twenty-seven (27) years with the TSC and managed several educational institutions. She is the immediate former Chief Principal of Maryhill Girls and managed other educational institutions such as Tambach TTC, Kipsigis Girls, Hill School Eldoret, Our Lady of Victory Kapnyeberai Girls and St. Joseph's Chepterit Girls.

Mrs. Barasa is currently undertaking a PhD. at Moi University in Business Administration (strategic management). She holds an Executive Master's Degree in Business Administration from Moi University, Bachelor of Education (Arts) Degree -Kenyatta University, Diploma in Educational Management - Kenya Education Management Institute (KEMI) and is an Associate member of Kenya Institute of Management (KIM).



NAME OF THE STAFF

RESPONSIBILITY

3.6



Mrs. Befly Jemurgor Bisem

Corporation Secretary

Mrs. Befly Jemurgor Bisem is the Corporation Secretary at the Kenya National Examinations Council. She was appointed to this position on 2nd May 2018.

She is responsible for corporate and legal matters.

She is currently undertaking MBA in Strategic Management at the Kenyatta University. She has a Bachelor of Laws Degree from the University of Nairobi, Postgraduate Diploma in law from the Kenya School of Law and is a Certified Public Secretary (CPS) registered with the Institute of Certified Secretaries (ICS).

3.7



CPA Abraham K. Oloo

Financial Controller and Head of Finance

CPA Abraham K. Oloo is the Financial Controller at the Kenya National Examinations Council. He was appointed to this position in April 2011.

He is responsible for planning, sourcing and managing financial resources to achieve corporate objectives.

He holds a master's degree from Jomo Kenyatta University of Agriculture, Science and Technology and a Bachelor of Commerce degree, acquired from the Catholic University of Eastern Africa.

He is a Certified Public Accountant and a member of ICPAK.

3.8



Mr. Nicholas O. Mang'ata

Deputy Director- Supply Chain Management

Mr. Nicholas O. Mang'ata is the Deputy Director Supply Chain Management. He re-joined KNEC in his new capacity on 19th February 2021.

He is responsible for all procurement process

He holds a Graduate Professional Diploma in Procurement & Supply by the CIPS - UK, Master of Science in Procurement & Logistics (JKUAT) and a Bachelor's degree in Business Management from Moi University.

He is a licensed member in good standing with the Kenya Institute of Supplies Management (KISM) and the Chartered Institute of Procurement & Supply (CIPS).



NAME OF THE STAFF

RESPONSIBILITY

3.9



Mr. Andrew F Otieno

Deputy Director - Research & Quality Assurance

Mr. Andrew F Otieno is the Deputy Director Research & Quality Assurance. He was appointed to this position in 2018.

He is responsible for research and quality assurance at the Council.

He holds a Master of Science in Statistics from University of Nairobi and a Bachelor of Education from Kenyatta University.

He has been trained in Project Management at ESAMI, Arusha and undertaken continuous trainings in the field of Educational Assessment, Research, Computer Application & Statistical Packages and Management at the Kenya School of Government, ESAMI-Arusha and Kampala, Uganda.



KNEC Council and senior management during a workshop on finalization of the KNEC 2022-2026 Strategic Plan



4.0 CHAIRMAN'S STATEMENT



As the Kenya National Examinations Council concludes yet another year of service to the nation, I am pleased to present the Annual report for the Financial Year 2021/2022.

The Council is responsible for the oversight and strategic direction of the Kenya National Examinations Council. I am honoured to report on behalf of the Council that this was achieved during the year under review as witnessed by the successful administration of scheduled examinations and the launch of the KNEC 2021-2026 strategic plan.

4.1 Examinations Administration

The Council successfully administered all scheduled 2021/2022 examinations. Such achievement was only possible through the collaboration with various government agencies. The Council is very grateful to the Cabinet Secretary, Ministry of Education Prof. George A.O Magoha, Cabinet Secretary, Ministry of Interior and National Co-ordination- Dr. Fred Matiang'i, and Cabinet Secretary, Ministry of ICT- Mr. Joe Mucheru for their dedicated support in the multi-sectorial approach adopted during the 2021 national examinations management.

4.2 Strategic focus

The Council launched the third strategic plan covering 2021 to 2026 during the year under review. The focus of the strategic plan is to enhance quality of assessment and ensure credible certification. This will be realised through the consolidation of the gains realised in examinations reforms and by strengthening research and innovation in all KNEC processes. Through the 2021-2026 strategic plan, the Council seeks to reengineer its processes towards resilience and responsiveness to stakeholders. Underpinning these endeavours shall be the principles of effectiveness, efficiency and economy.

4.3 Appreciation

I am grateful to have been accorded the opportunity to serve as the chair of the KNEC governing Council. I appreciate and congratulate the outgoing chairperson for offering strategic direction during a period when KNEC restored the integrity of national examinations. I pledge my readiness to serve our beloved county in this capacity and to steer the Council in the discharge of the critical mandate of offering examinations and assessments

Thank you and God bless you.

Prof. Julius O. Nyabundi, OGW
COUNCIL CHAIRMAN



5.0 STATEMENT BY THE COUNCIL CHIEF EXECUTIVE OFFICER



The Kenya national examinations Council is mandated to offer examinations and to award certificates and diplomas. The Council is therefore a central organ in delivering on the commitment of the government to the provision of quality education- Article 53 (1)- CoK (2010).

In delivering on its mandate, the Council takes cognisance of the Kenya Vision 2030 which recognises education and training as the primary means of social mobility, national cohesion and socio-economic development. The Medium- Term plan III (2018-2022) and the National Education Sector Strategic Plan (2018-2022) provided fiduciary reference during the period under review.

5.1 Excellence in Examination Output

The Council successfully administered examinations to 2,324,717 candidates across the various examinations offered under School Education, Teacher Education and the Post School.

	Examination	Candidature
5.1.1	KCPE	1,225,546
5.1.2	KCSE	756,981
5.1.3	PTE	8,916
5.1.4	TCAE	412
5.1.5	ECDE	43,991
5.1.6	DTE	1,373
5.1.7	SNE	1,169
5.1.8	TECHNICAL	148,545
5.1.9	BUSINESS	63,912
	Total	2,324,717

The progressively higher candidature indicates the success of the Free Primary Education and Free Secondary education programs, as well as the 100% transition policy from Primary to Secondary schools.

The GoK has invested heavily in Technical and Vocational training. The Council collaborates these efforts by administering assessment that is responsive to the labour market.

5.2 Stakeholder collaboration and engagement

The administration of examinations is a complex process. The gains made in restoring the integrity of examinations are attributable to both the Council as a whole and the multi-sector approach in the management of examination processes. The Council management acknowledges the contribution of the MoE, the Ministry of Interior and National



Coordination and the Ministry of ICT. Special recognition goes to the TSC whose staff constitute contracted professionals engaged in supervision, invigilation and the marking of examinations.

The Council is indebted to the 499,184 contracted professionals engaged for the field administration of examinations and the 38,266 examiners engaged for the various examinations through the FY 2021/2022.

The Council collaborated and partnered with various institutions which play a critical role in examinations and assessment reforms by providing both technical and financial assistance. These include the World Bank, UNICEF, Educate!, British Council and UNESCO.

The Council is funded by the GoK through a recurrent grant for the KCPE and KCSE examinations. Additionally, the Council obtains support towards secretariat running costs being a service delivery state corporation. We are confident that we achieved value for money in our service to the citizenry.

I look forward to greater collaboration and partnerships in enhancing service to the country.

5.3 Education reforms

The Council is central to the implementation of the CBC framework. The Council developed the Competency Based Assessment Framework (CBAF) to guide all education stakeholders in assessing and nurturing the acquisition of the desired knowledge, skills, values and attitudes. The CBAF is anchored on the Basic Education Curriculum Framework (BECF).

The Council facilitated the conduct of School based assessments and has made requisite preparations to administer the inaugural KPSEA in December 2022.

5.3 Financial Performance

KNEC is committed to the fiscal responsibility principles outlined in the constitution and the Public Finance Management Act, 2012.

The Council realised a deficit of **Kes. 492,906,440** which was an improvement by **Kes. 191,934,291** over the previous years' performance of a deficit of **Kes. 684,840,731**. The Council successfully lobbied for increased capitation with the MoE and the National Treasury leading to a supplementary allocation of Kes. 1 billion for the administration of KCSE. We are therefore confident to remain a going concern with this gesture of budgetary support from the GoK, underpinned by concerted efforts to manage the resources prudently.

I am pleased to report great progress in addressing a long outstanding basis for qualification of our annual report; the Council's New Mitihani House construction. The Council settled the outstanding bill and commissioned the building on 22nd July 2022. Council staff have since relocated to NMH and designated the premises as the Council Headquarters.



5.4 Future Outlook

The council launched the third Strategic Plan during the year under review. KNEC seeks to re-engineer itself and reform the assessment system to make it resilient and responsive to its stakeholders. The pillars of the 2021-2026 strategic plan are capacity building, integration of research in examination processes and restructuring & automation. Underpinning the plan is prudent governance and accountability.

5.5 Appreciation

I would like to express my gratitude to the GoK for the support accorded to the Council in the FY 2021/2022, the Council for its wise counsel and guidance and to the staff of the Council who worked tirelessly to ensure smooth operations of the Council. The Council appreciates the outgoing Council Chairperson Dr. John O. Onsati for his dedicated service in implementing examination reforms and wish him well in his future endeavours.

Thanks and God bless you.

Dr. David Njengere, MBS
CHIEF EXECUTIVE OFFICER



6.0 REVIEW OF COUNCIL'S PERFORMANCE FOR FY 2021/2022

6.1 PERFORMANCE AGAINST THE STRATEGIC OBJECTIVES

The Kenya National Examinations Council has developed its 2021-2026 Strategic Plan to align to the changes taking place in Government policies and the operating business environment. These changes include the Competency Based Curriculum (CBC), Medium Term Plan 3 (MTP3) and the National Education Sector Strategic Plan (NESSP) 2018-2022.

The Council has Six Key Result Areas within its Strategic Plan (2021 -2026). These strategic Key Result areas are as follows:

	Key Result Area	Strategic Objectives
6.1.1	Quality Educational Assessment and Credible Certification	Quality in assessment and certification
6.1.2	Applied Research & Innovative Partnerships in Educational Assessment	Integrate applied research and innovative partnerships in educational assessment
6.1.3	Digital Infrastructure and services	Implement digital infrastructure and innovative business solutions in line with ICT industry requirements and standards
6.1.4	Infrastructure for Security and integrity for Council's Services	Sustain ad secure infrastructure in support of examination processes
6.1.5	Resource Capacity for Delivery of Council's Services	Retain an ethical and competent workforce to support delivery of the Council's mandate and ensure prudent financial management
6.1.6	Governance, Culture and Leadership	Enhance prudent governance that promotes accountability and is responsive to the environment.

elops its annual work plans based on the above 6 pillars. Assessment of the Council's performance against its annual work plan is done on an annual basis and the following is a summary of achievements of the Strategic Plan in the FY 2021/2022:



Strategic Objective	Strategy	Planned Activities	Activities Conducted in FY 2021/22
Quality in assessment and certification	Improve Best Assessment Practices	Collaborate with stakeholders (KICD, KISE, MOE, TSC AND TVETA) on assessment	KNEC continues to collaborate with relevant institutions during curriculum development, inspection of examination centers and administration of assessments and examinations
		Benchmarking with regional and international examination boards on best practices in assessment	Benchmarking on best practices and use of E-Assessment conducted between 29 th may to 9 th June 2022 in Netherlands.
	Implement Competency Based Assessment (CBA)	Capacity build stakeholders on CBA	Conducted training on Competency Based Assessment (CBA) for 6,469 teachers and MoE officers between 19th and 23rd July 2021. Those trained included 4,004 regular participants. This included 145 Curriculum Support Officers (CSOs) from 20 counties In addition, 2,465 Special Needs Education participants including 145 CSOs in charge of Special Needs Education (CSO-SNE) drawn from 47 counties were trained.
		Pilot Grade 6 as per the CBA Framework	Conducted the pilot study for Grade 6 in 215 schools from 27 th to 30 th September 2021. Data scoring, analysis and report writing was conducted in quarter 3 and the report has been used to inform the tools and processes that will be used in KPSEA.
Improve Assessment and Certification Processes	Develop Computer Based Testing (CBT) and pilot with KNEC qualifying tests and Teacher Education assessments	Develop policy on assessment and certification	An E-Assessment and marking system for Teacher education examinations was developed between May and June 2022. Pilot E-Assessment tests and tools were also developed during the period
		Review guidelines on assessment administration	The guidelines for administration of Competency Based Assessment (CBA) at primary school level and Teacher Education level were developed, approved and disseminated by 16 th May 2022.



Strategic Objective	Strategy	Planned Activities	Activities Conducted in FY 2021/22
Integrate applied Research and innovative partnerships in educational assessment	Establish Policy on Research and Innovation for Sustainable Assessment Systems and Processes	Restructure the Research Quality Assurance (R&QA) function	The research and quality assurance division was restructured, with a research unit being established to be dedicated in conducting research.
		Conduct research in various KNEC processes	Conducted research studies on 2 areas namely: <ol style="list-style-type: none"> 1. Needs analysis for establishment of an educational research and innovation research centre 2. Reliability and validity of 2021 KCSE marking process
	Monitor Learner Achievement/Progress at Various Levels Enhance Strategic Data and Knowledge Management Systems to Support Research and Innovation	Conduct monitoring of learners' achievements at various levels in the education system at Basic Education level	Conducted data entry, analysis and report writing of Reading and Mathematics Learning Assessment Grade 5 Study. This was concluded by 24 th December 2021
		Conduct international large-scale assessments (PISA, SEACMEQ, UNESCO institute for Statistics (UIS) and Australian Council for Educational Research	Conducted the Southern and Eastern Africa Consortium for Monitoring Educational Quality (SEACMEQ)
Implement digital infrastructure and innovative business solutions in line with the ICT industry requirements and standards	Improve and Maintain a Secure, Reliable and Accessible ICT Infrastructure	Digitize Council records and information in results data and general records	Examinations records held in physical form were all scanned between 25 th may to 30 th June 2022 and stored in digital format.
		Establish and operationalize a resource center	Needs analysis for establishment of an educational research and innovation research centre was conducted
		Conduct staff awareness trainings on cyber security	310 KNEC staff trained online on cyber security in December 2022



Strategic Objective	Strategy	Planned Activities	Activities Conducted in FY 2021/22
To improve and maintain a secure infrastructure in support of examinations processes	Digitize Council's Management Information Systems Improve and Maintain a Secure and Integrated Security Management System	Progressively upgrade the Competency Based Assessment (CBA) portal	Competency Based Assessment (CBA) portal upgraded to accommodate Grade 6 School Based Assessments (SBAs) and Kenya Primary School Education Assessment (KPSEA) in June 2022
		Review ICT policy and guidelines Construct and equip New Mitihani House	Draft reviewed ICT policy submitted to CEO's office Completed 4 th and 6 th Floors in Tower C and were occupied by staff.
		Enhance physical security systems.	Installed 46 security cameras at different locations at New Mitihani House South C premises
		Improve the printing capacity through modernization a secure printing equipment and automation of printing process	Procurement process for printing, cutting and weighing machine was conducted and contracts awarded. Delays in delivery were cause by lack of parts dur to COVID-19 pandemic
Retain an ethical and competent workforce to support delivery of council's mandate and ensure prudent financial management	Enhance Human Capital for increased Efficiency, Effectiveness and Accountability	Review and implement the organization structure and human resource policies	A review of the HRM instruments was conducted and the drafts submitted to MoE and SCAC for approval. These include the Human Resource Manual, KNEC schemes of service and the KNEC HRM structure.
Enhance prudent Governance that promotes accountability and is responsive to the environment	Governance and compliance with legal and regulatory requirements	Develop and review KNEC operational policies	Conducted review of the corruption prevention policy and disability mainstreaming policy Developed the whistle blower policy
		Maintain ISO certification and conduct surveillance quality audits	Conducted internal quality audits between October and November 2021 Conducted recertification gap audit in January 2022
	Service Delivery	Conduct customer satisfaction survey	Conduced survey on satisfaction of Query Management Information System (QMIS) in October 2021 Conducted customer satisfaction survey between March and May 2022



6.2 REALIZATION OF THE COMPETENCY BASED CURRICULUM/ASSESSMENT

The Council achieved the following results in the FY 2021/2022 period for its 4 strategic pillars.

Following the introduction of the Competency Based Curriculum (CBC) in 2017, KNEC interpreted the Basic Education Curriculum Framework (BECF), the KICD Curriculum designs and developed the Competency Based Assessment Framework (CBAF).

Competency Based Assessments (CBA) **focuses on achieving a** balance of formative and summative assessment, assessment of higher order thinking skills more than lower order skills, Self and peer assessments by the learners, Multiple as opposed to one-off assessments, Authentic assessments, Performance assessments, Qualitative rather than quantitative feedback and acquisition of values.

The government through the Council has invested heavily in examination infrastructure to support assessment with a keen focus on relevance, competencies, and best practices in meeting the country expectations. This has been realized through upgrade of computing, network, storage capacities, information security, training of staff and development of portals to support Competency Based Assessments. That is the <https://cba.knec.ac.ke> and <https://cbate.knec.ac.ke>. The two portals used during the administration of early year and teacher assessments for school based and summative assessments respectively. The CBA portal has provision of parents to confirm their pupil's registration and performance status.

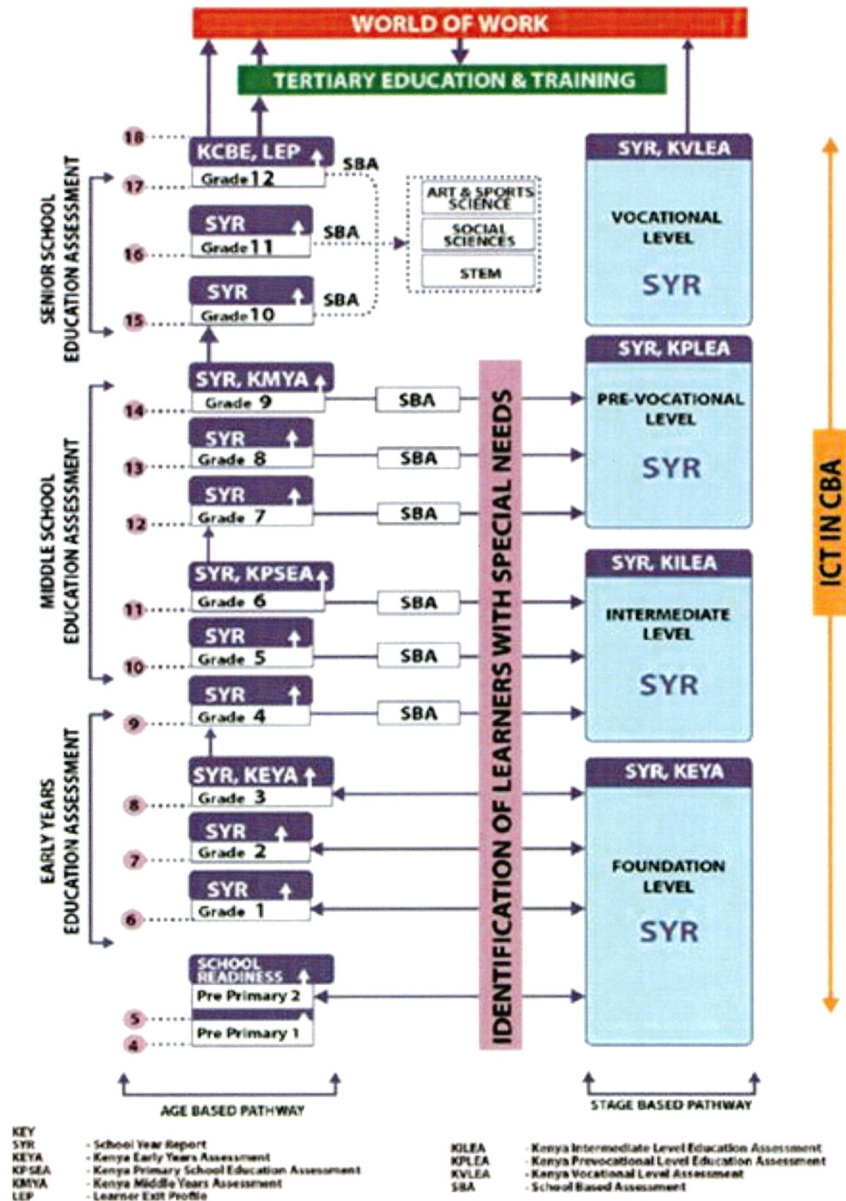
6.2.1 ACHIEVEMENTS ON COMPETENCY BASED ASSESSMENTS

- 6.2.1.1 **Receipt, Conceptualization and Interpretation of Curriculum Designs.**
- 6.2.1.2 Development of a Competency Based Assessment Framework for Basic Education in early years of education and SNE pathway (foundation stage) approved and on KNEC website.
- 6.2.1.3 Developed a Competency Based Assessment Framework for Teacher Education.
- 6.2.1.4 Developed Training manuals and sample assessment tasks for training teachers and other stakeholders. Approved and on KNEC website.
- 6.2.1.5 Trained Subject specialists in Test development on CBA.
- 6.2.1.6 Trained teachers in Grades 1-6 on CBA.
- 6.2.1.7 Trained Tutors in all TTCs including diploma colleges.
- 6.2.1.8 Trained teachers in refugee camps in Kakuma and Garissa.
- 6.2.1.9 Sensitized Education stakeholders CDEs and MOE quality assurance officers.
- 6.2.1.10 Trained Curriculum support officers (CSOs) on CBA and conduct of assessments
- 6.2.1.11 Conducted pilot study for Grade 3 in 2018.
- 6.2.1.12 Administered Monitoring learning progress for Grade 3 in 2019, 2020 and 2021. Report for 2019 is on the KNEC website.
- 6.2.1.13 Administered school Based Assessments in Grades 4 & 5 in all schools
- 6.2.1.14 Conducted pilot of summative assessment Grade 6(KPSEA) and Intermediate level for learners following the SNE pathway (KILEA).
- 6.2.1.15 Developed regulations for Competency Based Teacher Education



- 6.2.1.16 Conducted school Based Assessments for upgrade trainees in Diploma in Early childhood and Diploma in Primary Teacher Education
- 6.2.1.17 Sensitized all KNEC staff on CBA.
- 6.2.1.18 Developed and disseminated Grade 6 Sample papers to all school in preparation for the summative assessment in December 2022.
- 6.2.1.19 Developed and disseminated Guidelines for the conduct of Assessments at the Primary school,
- 6.2.1.20 Monitoring of School Based Assessments for Grades 3, 4 and 5 and Teacher Education.

THE CBA FRAMEWORK





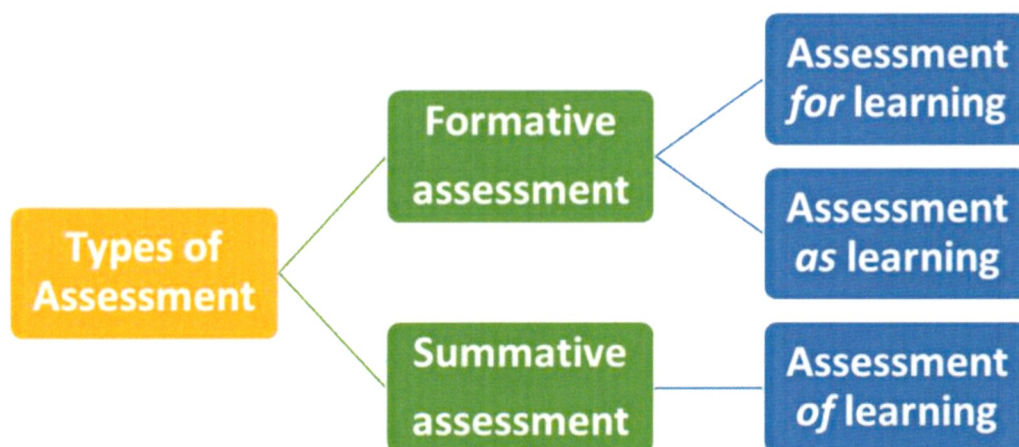
TYPES AND LEVELS OF ASSESSMENTS

School-based assessment: This assessment starts from Grade 4 to Grade 12. KNEC develops and uploads the tools for this assessment on the Council's website. The teachers download the tools from the website and administers them to the learners.

The weighting is 60% for formative

Summative assessment: The National Assessment shall be carried out at end of Grades 3 (KEYA), to inform policy to education stakeholders specific interventions for quality education of learners. The National Assessment shall be carried out at end of Grades 6 (KPSEA), Grades 9 (KMYA) Grade 12 (KCBE) for transition and to inform policy to education stakeholders on level specific interventions for quality education of learners.

The weighting is 40% for summative assessment.



6.2.2 Monitoring Of Learner Progress (Mlp)

6.2.2.1 Registration for assessments

KNEC identifies each learner in the database with Unique Assessment Number. This number is used to identify the learner throughout their basic education cycle for KNEC assessments. Schools are advised to print the **CBA Registration Slip** and issue to learners for safe custody by their parent(s)/guardian(s). The slip shall contain the Names of the learner, Assessment number, birth certificate entry number and gender

- 6.2.2.1.1 Registration of learners in both the Age-Based and Stage-Based Curriculum Pathways will be done online at Grade 3.
- 6.2.2.1.2 Learners with foreign qualification or transferring from other education systems who wish to join Kenyan CBC system shall apply for verification/equation of their qualification/certification with KNEC.
- 6.2.2.1.3 Private candidates who would wish to sit for KPSEA shall be required to register at Grade four (4) upon submission of a birth certificate. The registration shall be done by the Subcounty Director of Education (SCDE). The learners must be assigned a school by the SCDE where they will sit for their SBA and have the assessment marked and scored. These learners must undertake SBA at Grade 4, 5 and 6 before sitting for the summative assessment at the end of Grade 6.



- 6.2.2.1.4 Learners with Special Needs and disabilities can enroll in either Age- Based or Stage-Based Pathways depending on the nature and severity of their disability.
- 6.2.2.2 **Feedback On Learning Progress**
- 6.2.2.2.1 **School End Year Report:** At the end of the year, learners shall be issued with a school end year report containing the learner's performance levels for each strand/topic tested per learning area. The school end year report forms a guide on how schools should report on learner's performance.
- 6.2.2.2.2 **School Specific Report:** Upon administration of assessments, schools shall be able to access their performance report against the national performance. The report shall contain the performance of the school in each strand/topic per learning area in comparison with the national performance.

6.2.3 Organizational Efficiency and Effectiveness

Challenges in implementation of Competency Based Assessment.

- 6.2.3.1 Low uptake of paradigm shift that emphasises more formative than summative assessment calling for *sensitisation among parents, teachers and other stakeholders.*
- 6.2.3.2 Digital literacy: - schools are not utilizing learners digital devices for learning & assessment. *KNEC would like to embrace E-assessments as much as is possible to enhance utilisation of the same. Capacity building of schools in uptake of digital devices.*
- 6.2.3.3 Internet connectivity: - Some areas have poor network & internet connectivity hampering the downloading of tools and upload of scores. *MOE-ELBE has partnered with UNICEF to offer internet connectivity to primary schools through GIGA project.*
- 6.2.3.4 Braille materials are expensive, and schools end up dictating the questions raising issues of equity. *Government to offer financial aid to schools with SNE learners.*
- 6.2.3.5 Objectivity in scoring & reporting- interpretation of assessment rubrics/scoring guides and reporting in performance levels. *Capacity building of schools on the purpose of school-based assessments, effective ways of scoring and reporting at the school and National levels.*



6.2.4 Competency Based Assessment in Teacher Education

The curriculum changes in the Kenyan education system from Knowledge based approach to competency-based approach has led to the review of the teacher education curricula. Primary Teacher Education course was reviewed and replaced with the Diploma in Primary Teacher Education (DPTE) and the Early Childhood Development and Education replaced to the Diploma in Early Childhood Teacher Education (DECTE).

KNEC has developed a draft Assessment Framework and regulations for Competency based school-based Assessments for upgrade trainees in Diploma in Early childhood and Diploma in Primary Teacher Education. One of the major changes envisaged to be adopted in the CBTA is College Based Assessment (CBA). This will be used both for formative and summative assessment.

The teacher training in the DPTE and the DECTE requires major reforms in the adoption of formative assessment and designing it to support the learning process. Teacher Trainees will require training on the use of portfolios, projects, presentations and related formative assessment approaches. This will help the teacher trainees gather skills in continuously assessing where their learners are in relation to achievement of competency standards. Teacher trainees will not only be trained on competency assessment procedures and protocols but also on how to translate their learning expectations into assessment exercises and scoring procedures that accurately reflect student progress. The teacher trainees will also need to develop capacity on how to translate regular assessment results into descriptive feedback (as opposed to judgmental feedback) for learners, to provide them with specific insights on how to improve their learning outcomes.

A pilot assessment for DPTE and DECTE programmes were conducted in December 2021. The MLP tasks are set by the Kenya National Examinations Council (KNEC). The tasks were then uploaded on the CBA portal. The Centre Managers download, print and hand over the tasks to the class teachers as per the schedule prepared by KNEC. The Class Teachers then administered the tasks and upload the performance scores of each learner on the CBA portal.

6.2.5 Stakeholder engagement in competency Based Assessment

The success of curriculum reforms will require a multi-sectoral participatory approach of all stakeholders in the education sector. KNEC endeavors to ensure that all its stakeholders and partners involved in the management and administration of Competency Based Assessment are well guided and informed.

KNEC has developed guidelines to provide the Headteachers, Supervisors, Invigilators and Field Officers on all activities related to Formative (School Based) and Summative assessments for Grade 3, 4, 5 and 6 as well as The Foundation and Intermediate Levels in the Stage- Based Curriculum Pathway.



The guidelines will assist the Field Officers and other stakeholders to effectively manage the Competency Based Assessments in the primary level.



The Kenya National Examinations Council undertakes to build teachers' and other professionals' capacity in the development of quality authentic assessment items to facilitate effective Competency Based Assessment practices that credibly defines learner achievements.

The Ministry of Education together with TSC, KICD, KISE, CEMASTEAM and KNEC has been conducting trainings that are aimed at equipping various stakeholders with requisite skills and knowledge for the implementation of CBC and CBA.

6.2.6 E-Assessment

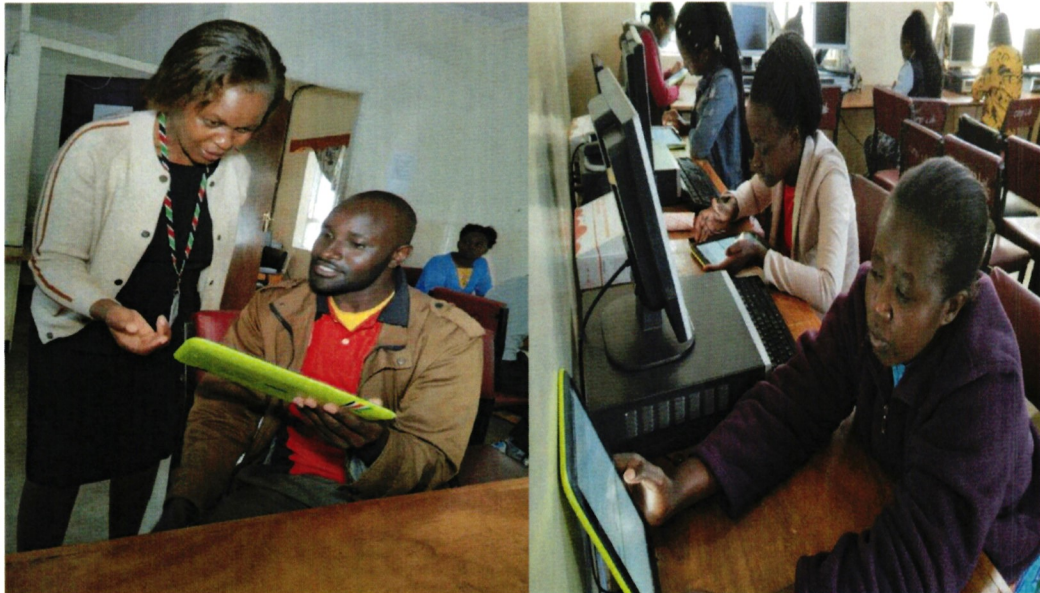
KNEC endeavors to integrate Information and Communication Technology (ICT) in all its processes, as part of its digital transformation strategy. Due to limitation of technology capacity in schools, the administration of SBA's is still administered through pen and paper, where schools are required to download assessment tools and print/photocopy for each of their learners. After administration, teachers are required to mark and score script for every learner and upload the scores online. This process is costly due to associated printing and photocopying, its time consuming and tedious.

KNEC looks forward to an E-assessment system, where assessment tools can be accessed by learners, marked by teachers and scores relayed online. In readiness for the E-Assessment, KNEC has developed an E-Assessment portal which is at the pilot stage. It is envisaged that schools already connected to internet through MOE/UNICEF GIGA project can be supported and encouraged to conduct school-based assessment online. The E-assessment will accelerate ICT integration in learning and use of Digital Learning Devices distributed by government to schools.



Learning interacting with Digital Learning Devices during a lesson facilitated through ICT

KNEC has also made milestones in digitization of assessments in Teacher Education. A pilot study for E-Assessment has been successfully administered for the upgrade of Diploma in Primary Teacher Education (UDPTE) in sampled teacher colleges in the country.



Ms. Anne Ngatia, the CBA coordinator at KNEC assisting a teacher trainee log in to a tablet before the start of an e-assessment pilot on the Diploma in Primary Teacher Education Upgrade at Nakuru Teachers Training College on July 8, 2022.

A section of trainee teachers undertaking an e-assessment on the DPTE upgrade in a pilot administered by KNEC at Nakuru Teachers Training College July 8, 2022. The pilot is taking place in 10 sampled colleges.



6.2.7 Organizational Capacity Building

6.2.7.1 Capacity building of KNEC Staff

Capacity building of KNEC staff on CBA has been conducted for the test development officers in both Basic and Tertiary education. The objective of the training was to equip subject specialists with adequate CBA content/knowledge with the aim of ensuring that they have capacity to execute their mandate during the national exercise of training education stakeholders and specifically grade 1-3 and 4-6 teachers. In readiness to the administration of Grade 6 summative assessment in December 2022, all KNEC staff have been sensitized to adapt to the demands beyond their regular maintenance and orientation, develop their competences and broaden their professional outlook; strengthen staff competence and realize greater productivity. This will contribute to improved effectiveness and sustainability of the project in the end.



Staff attending a capacity building workshop on CBA at Lake Naivasha Resort on 28th December 2021



CBA consultants and KNEC senior officers at a Science and Humanities workshop held at Lake Naivasha Resort-21-23, June 2022.

6.2.7.2 Bench marking and best practices

One of the major changes encountered in CBA is adoption School Based Assessment (SBA formative and summative assessment. KNEC identified Hong Kong as one of the countries which has a robust SBA system. In March 2018, nine KNEC officers participated in a teleconference with Hong Kong Examinations and Assessment Authority (HKEAA). What emerged is that KNEC has a lot to benefit from the model of formative and summative assessment adopted by HKEAA. Hong Kong also performs very well in PISA and considering that the curriculum reforms are currently focused on primary school education, Kenya has a lot to learn from them.

KNEC also identified Australia as one of the countries that integrates assessment and learning effectively. Indeed, Australia has one body responsible for both curriculum and assessment (ACARA).

In July 2019 the Ministry of Education of the Republic of Kenya, represented by the Kenya National Examinations Council (KNEC), contracted CITO BV (An International Firm Based in Netherlands) as a Consultancy firm to guide in implementation of competency-based assessment and development of tools. KNEC identified Netherlands for benchmarking activity due to their expansive service provision of educational assessment, computer-based testing, psychometric testing, Competency based testing and student tracking since 1968 at Early childhood, primary, secondary, vocational, higher education levels and professional development. The Netherlands has one of the top education systems in the world which is called Dutch Education system. The Netherlands has a social culture between parents, children and teachers. The main objective of the



study tour was to orient the KNEC delegation on the Netherlands experiences in assessment, particularly on formative assessment principles and practice of assessment.



KNEC Team on exposure visit at CITO.B.V offices and ROC Mondrian, The Hague School for vocational education within age-based pathways in June 2022



6.2.7.3 Capacity building of KNEC stakeholders

Kenya National Examinations Council undertakes to build teachers' and other professionals' capacity in the development of quality authentic assessment items to facilitate effective Competency Based Assessment practices that credibly defines learner achievements. Trainings are conducted through item writing workshops.

During the item writing workshops, KNEC trains teachers on competency Based Assessment and develops authentic test items that are used for grade 3 MLP and school-based assessment at grade 4, 5, and 6. Samples of assessment tasks are developed to compliment the training manual and used for training teachers. The developed items serve as a guide for teachers when conducting formative assessment.



Mr. Charles Karanja – KNEC Officer training Teachers at Kericho Teachers Training College in July/August 2021.



6.3 OTHER MILESTONES AND EVENTS

6.3.1 Conferences, Workshops, Open Day, International trade Fares & Exhibition Forums.



R-L. His Excellency Uhuru Kenyatta, Prof. George Magoha CS Education, Amb. Simon Nabukwesi PS State department for University Education and research, SEN. Mutahi at the KNEC booth during the conference for health professionals held in Mombasa, Feb 2022



Prof. George Magoha receive the 2021 KCPE results from Dr. John Ondigo Onsati, KNEC Chairperson



On the front row KNEC Council members pay attention during the launch of the 2021 examination period and the issuance of security padlocks to the field officers



Dr. David Njengere with learners at their school garden



KNEC CEO Dr. David Njengere assists Education CS. Prof. George Magoha to plant tree during the launch of KNEC Strategic plan 2021-2026



JaneAnn Kiviu of UNICEF receiving a copy of the strategic plan from the Prof. George Magoha-cabinet secretary Ministry of Education



6.4 COLLABORATION WITH PARTNERS IN REALIZATION OF CBA

Following the introduction of the Competency Based Curriculum (CBC) in 2017, KNEC through Ministry of Education has been in partnership with various agencies to strengthen the institutional capacity to efficiently implement national, regional and international large-scale assessments.

The Government of Kenya through the Ministry of Education and the World Bank designed a six- year Secondary Education Quality Improvement Project (SEQIP) aimed at improving retention in the upper primary education and increased transition to Secondary Education for the vulnerable children living in the Marginalized areas. The Project has facilitated KNEC to introduce and institutionalize Competency Based Assessment (CBA) by building capacity of KNEC, teachers and institutional managers on CBA, establishment of modern infrastructure and monitoring systems for learning and education quality.

The World Bank through the GPE Pride Project has facilitated KNEC in collaboration with MOE, Teachers Service commission (TSC) and Kenya Institute of curriculum Development (KICD) has managed to develop KEYA-MLP framework and training manual for KEYA-MLP and tools to be used for teacher training for teachers handling regular learners and learners with SNE for early grades. The project also facilitated KNEC to train 4,000 teachers implementing the Age Based (Regular) curriculum using the approved KEYA-MLP Framework and Training Manual and 2,450 teachers in schools for learners with special needs and disability in the Stage Based (SNE) pathway using adapted KEYA-MLP Framework and Training Manual.

In July 2019 the Ministry of Education of the Republic of Kenya, represented by the Kenya National Examinations Council (KNEC), contracted CITO BV (An International Firm Based in Netherlands) as a Consultancy firm to guide in implementation of competency-based assessment and development of tools.

KNEC has been implementing the Monitoring Impacts on Learning Outcomes (MILO) in partnership with the UNESCO Institute for Statistics (UIS) and the Australian Council for Educational Research (ACER). The overriding aim of the MILO is to evaluate the impact of COVID-19 on learning outcomes and measure the learning loss.



PARTNER	IDENTIFIED ACTIVITIES
World Bank SEQIP Project 2018-2023	<ol style="list-style-type: none"> 1. Piloting of KEYA at Grade 3 and KPSEA at Grade 5 2. Funded the requirement gathering on item writing portal and item bank 3. Funded the International Consultants – Cito B.V 4. Installation of KNEC servers and Security systems 5. Development of Online Training Module 6. Funded Monitoring of Learners achievement at Form 2. (Midline Study) 7. Capacity building of Teachers and KNEC Technical Officers
World Bank-GPE PRIDE Project 2020-2021	<ol style="list-style-type: none"> 1. Development of Assessment Framework for Early Years Education (Age Based Pathway & Foundation stage) 2. Developed Training Manuals for CBA for Early Education 3. Funded the training of 4000 Teachers in regular school and 2450 SNE teachers on CBA 4. Capacity building of all KNEC staff in CBA 5. Development of Assessment framework and guidelines for Teacher Education in CBA 6. Development of tools and Administration of SBA-Teacher Education
UNESCO 2018-2019	<ol style="list-style-type: none"> 1. Facilitated the very first training on CBA on Authentic tasks by Aurora 2. Online meetings with Hong Kong Exam Board at UN offices 3. Facilitated training on CBA by an expert from Concordia University, Canada in KNEC 4. Reviewed the Grade 3 KEYA assessment tools for Integrated Assessment (ILA)
Cito B.V Netherlands	<ol style="list-style-type: none"> 1. International consultants on CBA and item writing portal and item Bank 2. Conducted CBA trainings to KNEC staff and stakeholders 3. Initiated the development of an online training module on CBA
British Council 2019-To date	<ol style="list-style-type: none"> 1. Breaking ground on Assessment of the core competencies 2. Trained all TD SE staff and all HOS in TD PSE on Core skills Builder Framework 3. Facilitated workshops on development of a guide for the teaching and Assessment of core competencies
UNICEF 2021-To date	<ol style="list-style-type: none"> 1. Funded the printing and launching of the KNEC strategic plan in December 2021 2. Funded development of CBA Framework for Teacher Education 3. Funded acquisition of scanners for the Archiving section towards digitization of records and filming of windows 4. To fund Pilot Grade 6 SBA by leveraging on connectivity in the UNICEF Giga project 5. To fund development of assessment tools for community service learning (CSL) and out of school Children.
Educate!	Partnership on Assessment of Community Service Learning, and Alternative Assessments



6.5 NATIONAL ASSESSMENT PROGRAMME

The National Assessment Centre (NAC) was institutionalised by the Ministry of Education (MoE) in 2006 through the Sessional Paper No.1 of 2005. NAC is mandated to undertake National Assessments to monitor learner achievement at Basic Education level as learners' progress to different tiers, and coordinate and undertake Regional and international studies using the National Assessment System for Monitoring Learner Achievement (NASMLA) Framework which was developed in 2007. NAC has also been implementing the Southern and Eastern Africa Consortium for Monitoring Educational Quality (SEACMEQ, formerly, SACMEQ) project. The SEACMEQ is a consortium involving 16 countries in the Southern and Eastern Africa region.

The aim of carrying out National and Regional Learning Assessments is to monitor how well countries are progressing in the provision of quality, relevant and equitable education.

The assessments seek to establish learner acquisition of basic skills and competencies spelt out in the national curriculum, as well as to collect empirical data on the school and home characteristics that influence learning outcomes. National and Regional Learning Assessments also give policy suggestions towards improvement of the overall quality of education.

NAC has over the years conducted national learning assessments at early years (Grade 2 and 3), Upper primary (Class 6 and 7) and lower secondary (Form 2). In addition, Kenya has, since 1995, participated in the Southern and Eastern Africa Consortium for Monitoring Educational Quality (SACMEQ, now SEACMEQ); a Research initiative comprising 16 Ministries of Education from 16 countries in which Kenya is a member state. The Chief Executive Officer, KNEC is the National Research Coordinator, representing Kenya in this initiative, while the Coordinator, National Assessment Centre, is the Deputy National Research Coordinator 1. The following national learning assessments have been conducted and findings disseminated externally) (through National and County Education Quality Dialogues) internally (uploaded onto the KNEC website) in the past 5 years are:

- a) National Assessment System for Monitoring Learner Achievement (NASMLA) Class 3 studies (2016&2018)
- b) Early Grade Mathematics Assessment (EGMA) Class 2 assessment: Baseline (2016), Midline (2018) Endline (2019)
- c) NASMLA Class 7 Study (2019)
- d) MLA Form 2 Baseline Study (2018)
- e) MLA Form 2 midline Study (2021/2022)



7.0 CORPORATE GOVERNANCE STATEMENT

7.1 Introduction

The Council is constituted under Section 4 of the KNEC Act No. 29 of 2012. The current Council consists of 12 members including a non-executive Chairman and the Chief Executive Officer. The non-executive members are independent of the Management. The Chief Executive is an *ex officio* member and Secretary to the Council.

7.2 Council Diversity

The members have excellent academic qualifications and extensive administrative experience in private and /or public sector that is applicable in the management of the Council. They possess a broad range of skills and competencies, including education, curriculum design, finance, management and security. The biographies of the Council members are disclosed on pages xii - xviii of this report.

The Council was also balanced in terms of ethnic and regional balance. However, on gender parity, only three members of the Council are female (27 $\frac{1}{3}$ %) thus falling short of the constitutional gender threshold of 33 $\frac{1}{3}$ %.

7.3 The Council Term of Service

The Chairperson serves for a term of three years while the members of the Council serve for a term of four years and are eligible for re-appointment for one further term.

7.4 The Roles and Responsibilities of Members

The roles and responsibilities of members are outlined in section 10 of the KNEC Act 2012.

These roles and responsibilities are reiterated in the Council's five-year strategic plan (2021-2026), in the Council's annual work plans and in the Board Charter. New members, once appointed, are inducted and given these documents in order to familiarize themselves with the roles and responsibilities as outlined in the law.

7.3 The Council Charter

The Council has in place a Council Charter which was reviewed in 2018. The Council Charter governs;

- Conduct and management of meetings,
- Facilitation of Council members,
- Succession planning,



- Process of Appointment and removal of Council members,
- Roles & functions of the Council,
- Induction & training,
- Conflict of Interest,
- Council remuneration and
- Ethics & conduct.

7.4 The Council Evaluation

During the FY 2021-2022, the State Corporation Advisory Committee (SCAC) facilitated a Council self-evaluation on 13th July 2022 for the financial year ending 30 June 2022.

7.5 Compliance with laws and other legal requirements

The Council as a responsible corporate citizen is alive to the tenets of the Constitution of Kenya and accountable to the Government of Kenya, through the Ministry of Education in ensuring that it complies with all applicable laws and statutes and maintain the highest standards of corporate governance.

7.6 The Council Remuneration

The remuneration of the Council is governed by prevailing rates as per Government policy and Government Circulars. Details of the Council and its committee allowances are included in these financial statements.

7.7 Conflict of Interest and Declaration of interest

The Council members have a statutory duty to avoid situations in which they have or may have interests that conflict with those of the Council. All transactions with all parties, members or their related parties are carried out at arm's length. Council members are obligated to disclose to the Council any real or potential conflict of interest, which may come to their attention whether direct or indirect. During every Council meeting, an agenda item exists which required members to make a declaration of any conflict of interest they may have in the business to be discussed.

At the beginning of the calendar year, Council members and employees signed a declaration of interest form in examinations to be conducted declaring that they will disclose any interest that conflicts or possibly may conflict with the interests of the Council. There were no conflicts of interest identified during the financial year.



7.8 Induction and Training

The Council develops induction and training programs designed to acquaint new members of the Council with the operations of the Council and related governance matters. The programs are also aimed at equipping them with the requisite knowledge required to make crucial decisions and deepening the understanding of the changes in risks, laws, business and political environment in which the Council operates.

7.9 Whistle Blowing Policy

The Council has put in place Corruption Prevention and Code of Conduct & Ethics Policies that binds both the members and the employees. The Council has implemented internal mechanisms that encourage and protect whistle blowing on corruption and unethical conduct through the complaint/corruption reporting boxes placed at strategic locations.

7.10 Supply of Information

Council Members have full access to the advice and services of management. They are consistently updated on the activities of the Council and are provided with all the information needed to carry out their duties and responsibilities fully and effectively. In addition, members are entitled where necessary to seek independent professional advice concerning the affairs of the Council.

7.11 Council Committees

Subject to strategic, policy and formal matters reserved for its decision, pursuant to Section 13 of the KNEC Act 2012 and in accordance with the code of governance for State Corporations (Mwongozo), the Council has in place committees which operate within defined terms of reference. During the period under review, the Council constituted the following sub-committees: the Finance, Strategy & General Purposes Committee, Audit & Risk Committee, Staff Affairs Committee and Examinations & Assessments Management Committee.

7.11.1 Examinations and Assessments Management Committee (EAMC)

The Committee consists of six (6) members. During the FY 2021/2022, the committee was chaired by Dr. Julius O. Jwan. The committee is responsible for reviewing and recommending the following:

- 7.11.1.1 Regulations governing all examinations;
- 7.11.1.2 Reports on Examination irregularities.
- 7.11.1.3 Reports on Examinations results release.
- 7.11.1.4 Circulars touching on examination matters.



7.11.1.5 Any other examinations report and matters that the management and the Council may deem necessary for consideration by the Committee.

7.11.2 Finance, Strategy & General Purposes Committee (FSGPC)

The Committee consists of five (5) members. During the FY 2021/2022, the committee was chaired by Prof. Charles O. Ong'ondo. The committee's responsibilities include: -

- 7.11.2.1 To consider financial and operational matters;
- 7.11.2.2 To prescribe levels of fees and other charges levied by the Council;
- 7.11.2.3 To approve rules and procedures for the control of expenditure and administration of financial matters;
- 7.11.2.4 To consider and advise on development plans and programmes of KNEC as proposed by the Management;
- 7.11.2.5 To consider, advise and approve the strategic plans of the Council;
- 7.11.2.6 Any other exercise given by the Council.

7.11.3 Audit & Risk Committee (ARC)

The Committee consists of five (5) members. The Committee was chaired by Mr. Martin O. Okiyo in the financial year 2021/2022. The committee is responsible for the following:-

- 7.11.3.1 Overseeing audit function and internal controls.
- 7.11.3.2 Evaluating adequacy of management procedures with regard to issues relating to risk management, control and governance.
- 7.11.3.3 Reviewing and approving the internal audit annual work plans.
- 7.11.3.4 Reviewing the internal and external audit findings and recommendations and proposing corrective and preventive action where necessary.
- 7.11.3.5 Reviewing the systems established to ensure sound public financial management and internal controls, as well as compliance with policies, laws, regulations, procedures, plans and ethics.
- 7.11.3.6 Initiating special audit/investigations on any allegations, concerns and complaints regarding corruption, lack of accountability and transparency in consultation with the Accounting Officer/Chief Executive.



7.11.4 Staff Affair Committee (SAC)

The Committee consists of five (5) members. The Committee was chaired by Ms. Rosemary Saina in the financial year 2021/2022. The committee is responsible for:-

- 7.11.4.1 Reviewing and making recommendations to the Council on Staff Terms and Conditions of service as and when necessary or when directed to do so by the Council from time to time.
- 7.11.4.2 Formulating and reviewing the code of conduct for KNEC employees from time to time.
- 7.11.4.3 With the Council's approval, conducting shortlisting and interviews for KNEC vacant positions, on behalf of the Full Council for EC12 and below, except where such is delegated to Management, in which case to recommend to the Council for appointment.
- 7.11.4.4 Considering and recommending all promotions and appointments of senior staff and hearing disciplinary cases of KNEC.
- 7.11.4.5 Reviewing all ex-gratia requests and make recommendations to the Council.
- 7.11.4.6 Any other exercise given by the Council.

7.12 The Council Composition and Committees

The membership to the various Council committees as well as attendance was as presented in the table below.



THE KENYA NATIONAL EXAMINATIONS COUNCIL
ANNUAL REPORT AND FINANCIAL STATEMENTS For The Year Ended 30 June, 2022

COUNCIL & COMMITTEE MEETING ATTENDANCE FOR THE YEAR 2021/2022

NO	COUNCIL MEMBER	CLASSIFICATION	DESIGNATION	FINANCE, STRATEGY & GENERAL PURPOSES COMMITTEE	EXAMINATIONS & ASSESSMENTS MANAGEMENT COMMITTEE	AUDIT & RISK MANAGEMENT COMMITTEE	STAFF AFFAIR COMMITTEE	COUNCIL	TOTAL
7.12.1	Dr. John Onsati, OGW	Independent	Council Chairman	-	1/9	-	-	20/22	21/48
7.12.2	Dr. Julius Jwan, CBS	Principal Secretary, Ministry of Education served in the first and second quarters	Member & Chairperson, Examination & Assessment Management Committee	10/10	8/9	-	-	20/22	38/48
7.12.3	Prof Charles Ongondo, MBS	CEO, Director, Kenya Institute of Curriculum Development served from the 2 nd Quarter	Member & Chairperson, Finance, Strategy & General Purposes Committee	10/10	9/9	-	-	22/22	41/48
7.12.4	Dr. Nancy Macharia, CBS	CEO, Teachers Service Commission	Member	-	3/9	-	-	4/22	7/48

THE KENYA NATIONAL EXAMINATIONS COUNCIL
ANNUAL REPORT AND FINANCIAL STATEMENTS For The Year Ended 30 June, 2022

7.12.5	Mrs. Rosemary Saina, OGW	Independent Member	Member		1/9	5/5	2/2	18/22	26/48
7.12.6	Mr. Festus Kingori	Representing the Principal Secretary, National Treasury and Planning	Member& Chairperson, Audit & Risk Committee	10/10	-	3/5	-	19/22	32/48
7.12.7	Mr. Martin Okiyo, OGW	Independent Member	Member	-	-	5/5	2/2	21/22	28/48
7.12.8	Dr. Mary Gaturu HSC	Director, Quality Assurance & Standards, Ministry of Education	Member	-	9/9	-	2/2	21/22	32/48
7.12.9	Prof. Erick Okoth Ogur	Independent Member	Member	-	8/9	5/5	2/2	21/22	36/48
7.12.10	Col. Leonard Owambo	Co-opted Member	Member	6	1/9	-	2/2	21/22	30/48
7.12.12	Dr. Fred O. Sporta	Co-opted Member	Member	-	-	5/5	2/2	22/22	29/48



THE KENYA NATIONAL EXAMINATIONS COUNCIL
ANNUAL REPORT AND FINANCIAL STATEMENTS For The Year Ended 30 June, 2022

		Director, Teachers Service Commission	Alternative Member to the TSC CEO. Attends in place of TSC CEO in some meetings	10/10	3/9	-	-	17/22	30/48
7.12.12	Mr. William Maina								
7.12.13	Mr. Arthur G. Karagu	Inspectorate of State Corporations,	Invited and attends as per State Corporations Act, Cap 446 -	-	-	-	-	11/22	11/48

NB.

Most of the Council members attended all the meetings during the year.

Mr. William Maina represented Dr Nancy Macharia of TSC in some of the meetings.



7.13 Risk Management and Internal Controls

The Council continued to provide oversight on risk management and corporate governance of the Council's activities through the Audit & Risk Committee. The Committee and Council ensured that the council had a robust process for identifying, prioritizing, managing, and monitoring its key risks and that process is improved continuously as the examination environment changed and new examination subjects were introduced by KICD. In addition, the Council approved various internal control procedures and obtained assurances on existing risk management strategies and procedures.

7.14 Internal Audit and Assurance

Internal audit is a function mandated to provide assurance on the internal control environment and risk management assurance processes of the Council, deepening good governance practices and supporting it in achieving best controls through continual improvement.

The effectiveness of the internal audit is enhanced through governance support from the Council's Audit & Risk Committee to which the function reports. Its role is to provide confirmation that the Council's policies and procedure as approved by the Council are complied with. Internal assurance was carried out by the Internal Audit department that reports to the Council's Audit & Risk Committee.

7.15 External Audit

The Council's external assurance is provided by the Office of the Auditor General (OAG). OAG carries out a systems and financial audit on the Council's expenditure cycles.



8.0 MANAGEMENT DISCUSSION AND ANALYSIS

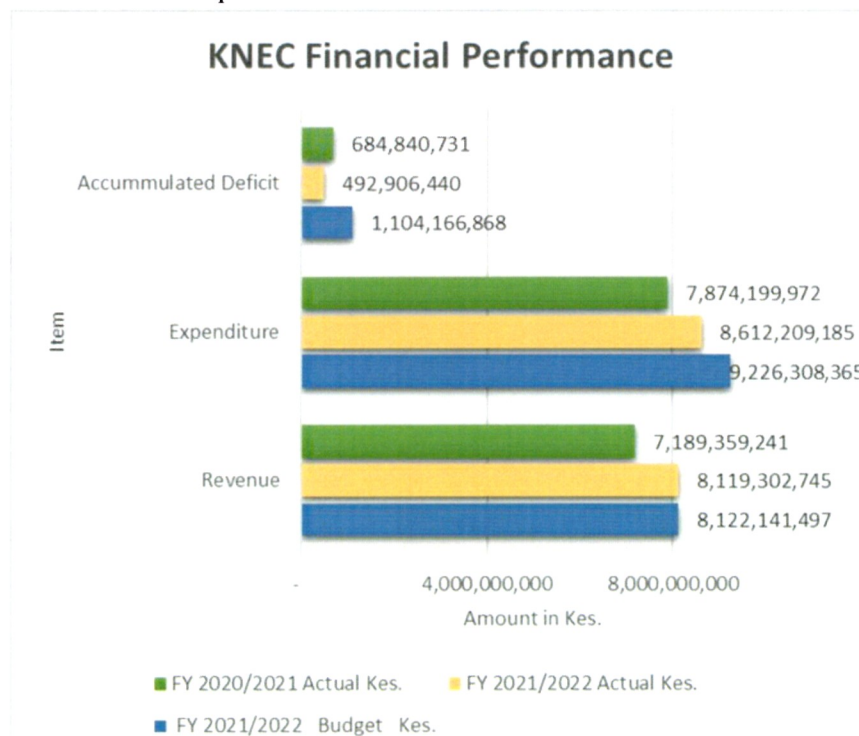
SECTION A

The performance of the Council in general is reviewed below:

8.1 FISCAL PERFORMANCE

The Council aimed at raising 100% of the budgeted revenue and containing expenditure within the approved ceiling. Government allocation was received in full and absorbed in funding Council operations. The actual deficit was within the approved budget deficit.

KNEC Financial performance FY 2021-2022



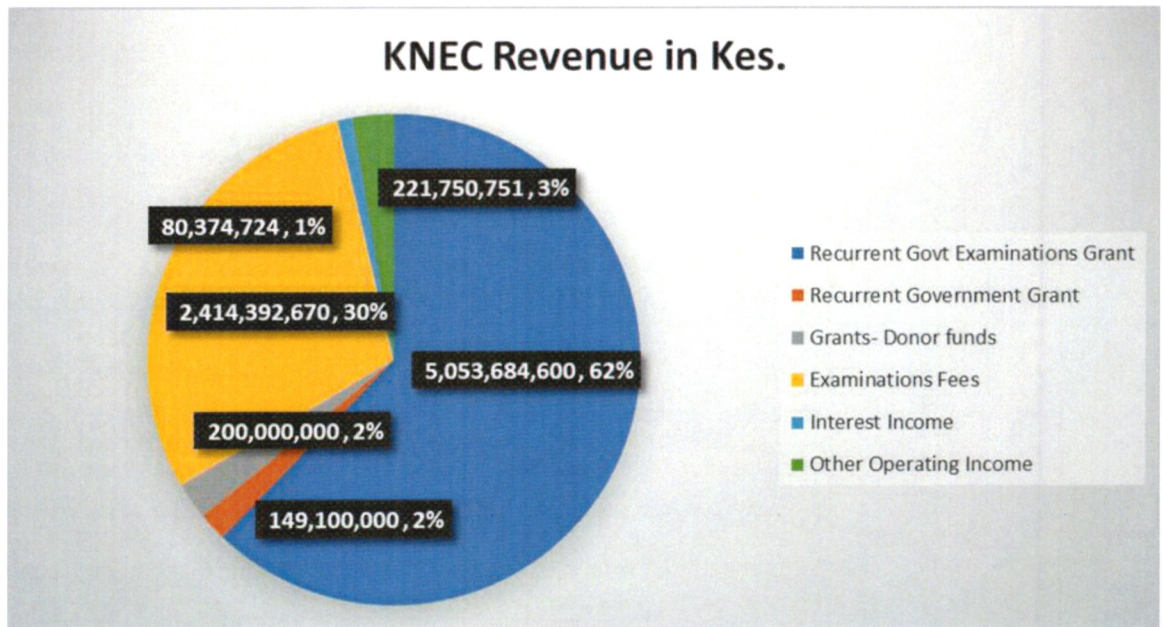
8.2 Revenue Performance

The Council is supported by the National Government through the Ministry of Education. The administration of the KCPE and KCSE examinations is funded by GoK through a recurrent grant. Additionally, the Council receives support towards secretariat costs. During the year, the Council recognized recurrent examinations grants income of **Kes. 5,053,684,600** and **Kes. 149,100,000** recurrent grant towards secretariat management costs. **Kes. 200,000,000** recurrent grant was received from the World Bank.



The council realized AIA amounting to **Kes. 2,716,518,145** during the year under review.

Management Discussion and Analysis continued



All funds have been accounted for and are disclosed in the annual financial statements.

8.3 Expenditure Performance

The Council's total actual recurrent expenditure for financial year 2021/2022 amounted to **Kes.8,612,209,185** which was 85% of the budget.




Management Discussion and Analysis continued

8.4 Basic Education Level Statistics

8.4.1 Kenya Certificate of Primary Education

In the year 2021, a total of 1,225,546 candidates sat for the KCPE examination in twenty 28,313 examination centres compared to 1,193,275 candidates in 28,467 centres in 2020. This is a candidature increase of 34,839 representing 3.93%. The candidates were examined in seven (07) subjects, tested in nine (09) papers. The examination papers for the KCPE examination were administered in three (03) days from Monday 7th to Wednesday 9th March, 2022.

For effective administration of the KCPE examination, KNEC engaged the services of **198,958** professionals drawn from the Ministry of Interior & Coordination of National Government, Ministry of Education, Teachers Service Commission and other government agencies. A total of **6,897** examination centres with less than 30 registered candidates were hosted by nearby examination centres. This enhanced efficiency and cost effectiveness in administration of the examination. KNEC engaged the services of 5,642 examiners for the marking of English Composition and Kiswahili Insha answer scripts at 18 marking centres. For the objective questions, KNEC undertook machine scoring of the candidate’s OMR answer sheets.

		2021/2022	2020/2021
	Candidates	1,225,546	1,193,275
	Exam Centres	28,471	27,807
	Subjects	5	5
	Papers	7	7
	Scripts	8,578,822	8,352,925
	Performance		
	Qualify for Secondary Level	100%	100%

8.4.2 Kenya Certificate of Secondary Education

The 2021 KCSE National examination was administered from **28th February** and ended on **1st April 2022**. **830,853** candidates were registered in **10,416** examination centres compared to **752,981** candidates in **10,437** centres in 2020. This is a

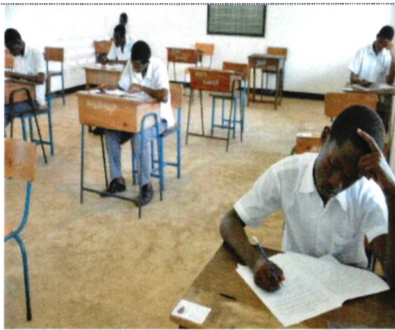


Management Discussion and Analysis continued

candidature increase of 77,872 representing **10.34%**. KCSE examinations was served by **483** distribution centres.

The successful field administration of the KCSE examinations was enabled by the services of 97,687 contracted professionals drawn from various government agencies notably the TSC, the Ministry of Education and Ministry of Interior & Coordination of National Government.

The marking of the KCSE examinations was conducted from 34 marking centres and employed the services of 29,305 examiners.

		2021/2022	2020/2021
	Candidates	830,853	752,848
	Exam Centres		10,438
	Subjects	30	30
	Papers	73	73
	Scripts		14,778,638
	Performance		
	Qualify for University	18%	20%
	Qualify for TVET Diploma courses	20%	26%
	Qualify for TVET Certificate courses	44%	32%
Qualify for TVET Artisan courses	18%	22%	

8.5 Tertiary Level Statistics

8.5.1 Business Examinations

KNEC offers the business examinations twice a year; in July and November/December.

The Council engaged 5,001 and 5,683 contracted professionals for the field administration of the July and November series respectively


Scripts marking was conducted by 383 examiners for the July series and 530 examiners for the November series.

8.5.1.1 Business Single and Group

Examination for the Business Single & Group Certificate is conducted at three levels: - Elementary (Stage I), Intermediate (Stage II), Advanced Level (Stage III). Candidates are expected to pass at the lower level before they register for a higher level.



Management Discussion and Analysis continued


		2020/2021	2020/2021
	Candidates	6,628	5,112
	Papers	106	91
	Scripts	33,299	23,006
Performance			
Awarded Certificate		54%	47%

8.5.1.2 Business Technical Education Programme

The BTEP examination is offered two times in a year (July and November). Courses are offered at the levels of Artisan, Craft, Diploma and Higher Diploma. Candidates must have met the minimum examination entry requirement for the individual courses as follows:

- i) Artisan – KCPE
- ii) Craft course- KCSE with a mean grade of D plain or relevant Artisan certificate
- iii) Diploma Course- KCSE with a mean grade of C minus or relevant craft certificate
- iv) Higher Diploma Courses- Diploma in the relevant course.

A candidate is required to pass a lower level before proceeding to a higher level.

		2021/2022	2020/2021
	Candidates	57,084	50,921
	Papers	1,222	1,128
	Scripts	294,389	255,199
Performance			
Awarded Certificate		57%	51%

8.5.2 Technical Examinations

The Technical examination is offered two times in a year (July and November). Courses are offered at the levels of Artisan, NVCET, certificate, Diploma and Higher Diploma.

KNEC offers the business examinations twice a year; in July and November/December.




Management Discussion and Analysis continued

The successful conduct of the Technical examinations was realised through the engagement of contracted follows for both the field administration and the marking of the examinations. KNEC engaged Council engaged 7,283 and 7,740 contracted professionals for the field administration of the July and November series respectively

Scripts marking was conducted by 591 examiners for the July series and 879 examiners for the November series.

Eligibility for the various courses is determined as follows:

- i) Artisan Courses – KCPE
- ii) National Vocational Certificate in Education and Training (level 1)- KCPE
- iii) Certificate courses- KCSE mean grade D plain or equivalent
- iv) Diploma courses- KCSE mean grade C –(minus) or equivalent
- v) Higher Diploma Course- A pass in relevant diploma level


		2021/2022	2020/2021
	Candidates	148,545	115,841
	Papers	2,284	1,889
	Scripts	583,520	444,032
	Performance		
	Awarded Certificate	59%	53%

8.5.3 ECDE Examinations

The Courses is offered at the levels of Certificate and Diploma. The prerequisite for ECDE Certificate registration is KCSE mean grade D+ while Diploma level requires either ECDE Certificate or a KCSE mean grade C Plain.

The Council administered the examinations by engaging 8,099 contracted professionals for field administration and 684 examiners for marking of the scripts.

8.5.3.1 ECDE Examinations-Certificate

		2021/2022	2020/2021
	Candidates	31,283	24,964
	Papers	7	7
	Scripts	218,379	135,785
	Performance		
	Awarded Certificate	64%	45%



Management Discussion and Analysis continued

8.5.3.2 ECDE Diploma



	2021/2022	2020/2021
Candidates	12,708	11,461
Papers	7	7
Scripts	80,227	49,547
Performance		
Awarded Certificate	60%	60%

8.5.3.3 ECDE -Proficiency



	2021/2022	2020/2021
Candidates	Phased-out	15,191
Papers		2
Scripts		39,344
Performance		
Awarded Certificate		86%

8.5.4 DTE Examinations

The Diploma in Teacher Education (DTE) examination is administered to teacher trainees at Diploma level at the end of a **three-year** course. The DTE examination is offered in March. Candidates who score a minimum KCSE grade of C plus are eligible.

The Council administered the examinations by engaging 427 contracted professionals for field administration and 99 examiners for marking of the scripts.

	2021/2022	2020/2021
Candidates	1,373	Postponed
Papers	22	
Scripts	30,184	
Performance		
Awarded Certificate	69%	


8.5.5 SNE Examinations

The Diploma in Special Needs Education examinations are administered in part I and Part II. SNE Part II examination is administered to teacher trainees at Diploma level after two (2) terms of study subject to successful undertaking of the part I examinations. The candidates' results for Parts I and II are combined and successful candidates awarded a Diploma in SNE. The SNE examination is offered in April. The prerequisite for SNE registration is a pass in PTE as a minimum.



Management Discussion and Analysis continued

The Council administered the examinations by engaging 242 contracted professionals for field administration and 66 examiners for marking of the scripts.

		2021/2022	2020/2021
	Candidates	1,169	2,465
	Papers	48	16
	Scripts	44,616	7,892
	Performance		
	Awarded Certificate	62%	82%

8.5.6 PTE Examinations

The Certificate in Primary Teacher Education (PTE) examination is administered to teacher trainees at Certificate level after two (2) terms of study. For a candidate to be enrolled for the Primary Teacher Education (PTE) examination, he/she must have scored a mean grade of at least C (plain) at KCSE level. The PTE examination is offered in July.

The Council administered the examinations by engaging 1,867 contracted professionals for field administration and 77 examiners for marking of the scripts.

	2021/2022	2020/2021
Candidates	8,916	29,387
Papers	14	14
Scripts	55,851	183,406
Performance		
Awarded Certificate	75%	69%

8.5.7 TCAE Examinations

The Teacher Certificate in Adult Education (TCAE) examination is administered to teacher trainees at Certificate level after two (2) terms of study. For a candidate to be enrolled for the Teacher Certificate in Adult Education (TCAE) examination, he/she must have scored a minimum grade of D (plus) at KCSE level. The TCAE examination is offered in July.

The Council administered the examinations by engaging 62 contracted professionals for field administration and 10 examiners for marking of the scripts.



Management Discussion and Analysis continued

	2021/2022	2020/2021
Candidates	412	218
Papers	4	4
Scripts	1,624	799
Performance		
Awarded Certificate	79%	15%

8.5.8 Competency Based Assessments

During the period under review, the council administered 2021 School Based Assessments for school exams national assessment at Grade 3 and school-based assessments for Grades 3, 4 and 5. A pilot study for summative assessment at Grade 6 (KPSEA) and Intermediate level for learners following SNE pathway has also been administered. KNEC has instituted all relevant measures to ensure credibility of SBAs which include capacity building of teachers to enhance administration and marking of SBA. Use of various assessment methods to demonstrate learner competencies, monitoring of administration while on progress and analysis of scores submitted by schools. The assessment scores submitted by schools are objective and reveals a normal distribution curve.

Learners			Assessment Centres				
Grade/Level	M (Boys)	F (Girls)	Total	Grade/Level	Public	Private	Total
Grade 3	427,229	412,928	840,157	Grade 3	15,613	9,318	24,931
Grade 4	689,025	643,143	1,332,168	Grade 4	23,323	13,029	36,352
Grade 5	717,762	659,247	1,377,009	Grade 5	23,353	13,024	36,377
Grade 6	660,678	612,152	1,272,830	Grade 6	23,139	13,409	36,548
Foundation	8,958	7,206	16,164	Foundation	1,734	654	2,388
Intermediate	10,921	9,082	20,003	Intermediate	1,915	865	2,780

Table 1: CBA registration data as at 30th June 2022



Learners performing tasks during CBC lessons



Management Discussion and Analysis continued

SECTION B

The Council has complied with the following statutory requirements,

8.6 MATERIAL LOSSES THROUGH CRIMINAL CONDUCT, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

The Public Finance Management Act requires that the Council include in the Annual Report particulars of any material losses through criminal conduct, irregular expenditure, fruitless and wasteful expenditure that occurred during the financial year. There were no confirmed material instances of losses through criminal conduct discovered during the year under review.

8.7 PENSION COMPLIANCE

The Council has no statutory arrears and has been prompt in remitting all pension deductions to an independent administrator appointed competitively by the Trustees.

8.8 SUPPLY CHAIN MANAGEMENT

The procurement function in the Council is guided by article 227 of the Constitution of Kenya 2010, the Public Procurement & Asset Disposal Act, 2015 & The Public Procurement and Asset Disposal Regulations 2020 and subsequent legal notices. Pursuant to Legal Notice No.114, the Council achieved **24.93%** in the allocation of contracts out of the total procurement plan budget of Kes. **845.800** million to the designated categories of preference groups.

The Council awarded tenders worth **Kes. 210.827** million to Youth, Women and persons with disability noting that Persons with Disabilities were awarded Kes. **5.276** million worth of tenders. Statutory reporting to PPRA was done.

S/No	Period	% Target	Target value of contract awards	2% Target value of contract to PWD group	% Realized	Value of contracts awarded	Contracts awarded to PWD group	
		%	Kes	Kes	%	Kes	Kes	%
1.	QTR 1	5	42,290,049	845,801	1.45	12,261,448	Nil	-
2.	QTR 2	10	84,580,099	1,691,602	3.97	33,543,395	5,276,014	2.08
3.	QTR 3	10	84,580,099	1,691,602	15.53	131,395,157	Nil	-
4.	QTR 4	5	42,290,049	845,801	3.98	33,627,080	Nil	-
TOTAL		30	253,740,295.80	253,740,296	5,074,806	210,827,080	210,827,080	2.08

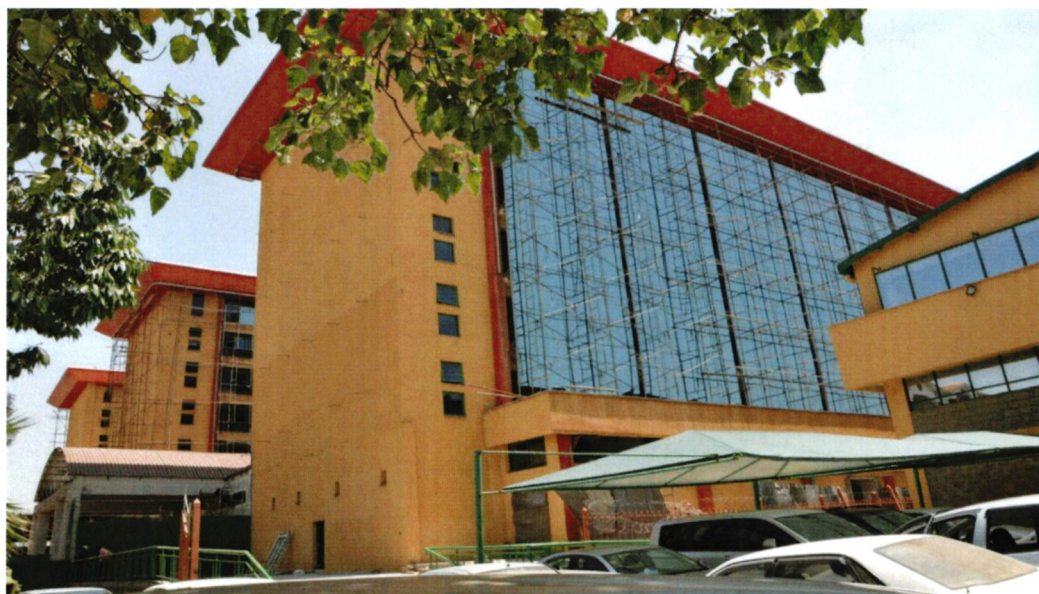


Management Discussion and Analysis continued
SECTION C

The Key project the Council is implementing

8.9 THE NEW MITIHANI HOUSE (NMH) (Ongoing Project)

New Mitihani House is located along Mombasa Road, South C.



The New Mitihani House (Ongoing Project)

The Council set on a fast-tracking course targeting to relocate staff by July 2022. During the year under review, the Council made major milestones including the discharge of litigation against the Council, the settlement of outstanding bills and the completion of the NMH Tower C. These events culminated in the relocation of the KNEC headquarters and staff as targeted and the commissioning of the building on the 22nd July 2022.



Education CS, Professor George A.O.Magoha commissioning KNEC head Offices in South C, with Council Chairman Prof. Nyabundi , Education CAS Ms.Sarah Ruto and KNEC CEO Dr.David Njengere.



Management Discussion and Analysis continued

SECTION D

This section provides an opportunity to review and examine current risks against ongoing priorities. The Council will continue to assess its Enterprise Risk Management by engaging professional services and update its risks mitigation accordingly.

8.10 OPERATIONAL RISKS

Operational risk is "the risk of a change in value caused by the fact that actual losses, incurred for inadequate or failed internal processes, people and systems, or from external events (including legal risk), differ from the expected losses". Operational risks affect client satisfaction, reputation and stake-holders value, all while increasing business volatility. The Council is continually reviewing its examination processes to minimize the operational risk. The risks are high and high costs have been incurred to safeguard credible examinations.

8.11 CAPITAL RISKS

The Council capital is limited by Government Guarantee. It is subject to the KNEC Act and the PFMA Act and any directives issued pursuant to the Acts. These Acts affect how the Council manages its reserves. Among other prudential measures, the Council is committed to cost containment and the sourcing of funds to ensure that the Council continues to effectively deliver on its mandate into the foreseeable future.

The Council targets to maintain a level of reserves that helps to minimize the impact of financial risks on the organization. As of June 30 2022, Council suffered a deficit of **Kes.492,906,440** down from the previous year deficit of **Kes.684,840,731**.

The Council requires a capital injection of **Kes.2,485,641,498** to offset the accumulated recurrent deficits incurred during the implementation of the examination reforms. The Council overall operating budget target for the FY 2021/2022 was **Kes.9,226,308,365**.

The Council is prohibited from issuing its own capital or its own debt to meet any capital requirements and is not subject to externally imposed capital requirements. Its capital management is granted annually through the approval of its Operating and Capital Budget



Management Discussion and Analysis continued

SECTION E

Material Arrears in statutory/ financial obligations

8.12 CAPITAL EXPENDITURE- NMH CONSTRUCTION

The budgetary allocation for the New Mitihani House construction for the FY 2021-2022 was Kes.500,000,000. The grant was applied to the settlement of outstanding bill amounting to Kes. 455 million. The balance of Kes. 45 million was expended (Kes. 21,393,078) / committed (Kes. 23,606,922) for works and supplies towards making the building ready for occupation.

8.13 STATUTORY DEDUCTIONS

The Council in the 2021-2022 Financial year made all the monthly and quarterly statutory remittances on time.

SECTION F

8.14 THE COUNCIL'S FINANCIAL PROBITY AND SERIOUS GOVERNANCE ISSUES

There are no governance issues and no undisclosed conflict of interest at the Council or top management of the KNEC.

The Council proposes that the government funds KCPE and KCSE examinations at cost as the current examinations' administration reforms will not be sustainable without adequate funding.

Additionally, the Council has funding deficits in AIA and being a service organisation, should be funded for its Personnel emoluments from the exchequer.



9.0 ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The Council is currently aligning its strategic plan to the MTP III of Vision 2030 which defines its CSR statement.

9.1 SUSTAINABILITY STRATEGY AND PROFILE.

The Sustainability Report for FY 2021/2022 is organized to reflect the financial, economic, social and environment achievements that the Council has delivered on and to show where our sustainability efforts are now focused on terms of priority. The report will be a platform for embracing sustainable management practices as a way of life at KNEC.

9.1.1 Budgets.

The National Treasury prepared and implemented the Medium-Term Expenditure Framework (MTEF) by involving stakeholders in the entire budgetary cycle as provided for in the PFM Act, 2012. The Council submits its programme-based budgets reports to the National Treasury through MoE as per the budgetary timelines.

The current allocations made over the MTEF period are not sufficient to allow the Council to undertake all its core activities. Engagements with the MoE & the National Treasury will be sustained to ensure adequate funding for planned activities.

The World Bank programmes through the MOE have been directly committed in conducting various research activities.

9.1.2 Financial Reports.

The Council ensured that financial discipline was exercised throughout the period under review. As a State Corporation, the Council reports its financial performance to the National Treasury through MoE by submitting quarterly reports in the following month after the stated Quarter. The annual audited financial statements are submitted to Parliament through the Public Investment Committee.

9.1.3 Performance Contract Management.

The Council adheres to the performance contract management as per the government policy through the Ministry of Education (MoE). It reports its performance to the Performance Contracting Department by submitting quarterly reports.



Sustainability Strategy and Profile Continued

This was conducted online and disseminated through the Report on Evaluation of Performance of Ministries, State Corporations and Tertiary Institutions for FY 2020/2021.

9.1.4 Quality Management System.

KNEC obtained ISO 9001:2015 certification in October 2018 and has been able to maintain this certification. Internal audits were conducted in October and November 2021 and review meetings were conducted to ensure improved processes and better service delivery. The recertification process for the next three years also started in January 2022 and a gap audit was successfully conducted by Bureau Veritas.



9.2 ENVIRONMENTAL PERFORMANCE

The Council remains keen on compliance with the Occupational Safety and Health Act 2007. This is achieved through continuous sensitization on safety in addition to initiatives to optimize workplace ergonomics and productivity.

9.2.1 Environmental Polices.

To ensure environmental sustainability, KNEC disposed 525 tons of wastepaper for recycling in the year 2021 through Kamongo Wastepaper Limited for recycling and ensured that all KNEC owned premises use light detectors to conserve energy. KNEC also planted 100 trees on its premises in New Mitihani House, South C.

9.2.2 Occupational Safety and Health.

Polices were developed for Prevention and management of accidents and occupational diseases. The Council complies with the Workman Compensation Act and ensure the staff members are adequately insured from industrial accidents.

- i. Statutory OSH audits were conducted in 2021/2022 and included carbon emissions from KNEC premises in response to climate changes.
- ii. Lighting systems controlled by motion sensor units to save on electricity.
- iii. Motion sensing water taps are in place and wastewater was analyzed and found to be within the standards set by NEMA.
- iv. Noise levels of printing equipment were measured to within acceptable decibels. 45 -90.

9.2.3 Safety and Security Measures.

Measures undertaken in KNEC owned premises include:

- i. All KNEC sites were fitted with fire suppression systems.
- ii. The organization deployed endpoint systems to monitor events across its entire network to prevent cyber – attacks.
- iii. Toilets for PWD are available in NMH
- iv. KNEC continued to backup and secure information assets, with the logs kept at ICT.
- v. Information classification was done and secured as identified.
- vi. Fire/smoke detectors in all KNEC premises were tested to ensure that they are working.



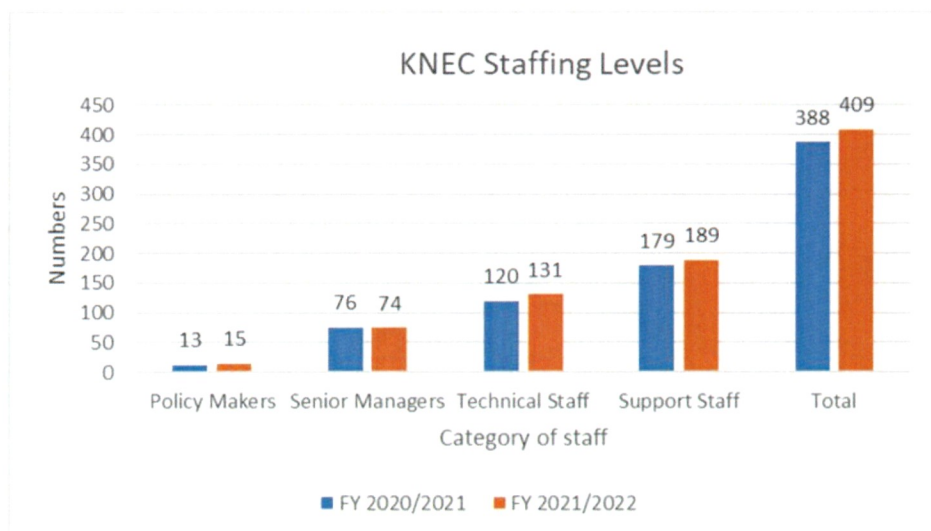
9.3 EMPLOYEE WELFARE

The Council continues to attract and recruit competent staff through competitive means to enable us to realize our objectives. The new employees are remunerated with compensation and benefits as guided by the Salary Remuneration Commission (SRC).

The Council partnered with MoH to offer COVID – 19 vaccinations to all staff and the community around New Mitihani South C. The 1st dose was administered on 23rd August 2021 and the 2nd dose on 11th November 2021.

9.3.1 Recruitment of Staff members.

The Council complies with the Government Circulars on equal opportunities when conducting recruitment and promotions for various positions in line with the Presidential initiatives on national values.



During the period under review the staff workforce increased from 388 to 409. Thirty (30) employees were recruited while 9 staff exited during FY 2021-2022. The attrition rate for the year was at 3%.



Sustainability Strategy and Profile Continued

As of 30 June 2022, 58% of staff were male and 42% were female thus meeting the constitutional gender parity threshold requirement on appointment, promotion, and employment.

The disaggregated data that has been collected as of June 2022 puts the Persons with Disabilities (PWD) at 3.18% of KNEC population. (13/409*100).

The Council received certificate of compliance by National Gender and Equality Commission (NGEC) following submission of all its quarterly reports.

Through its HRM Policies, human right issues are addressed through grievance handling mechanisms and provisions for disciplinary action.

9.3.2 Human Development.

Annual Staff Performance Appraisal was carried out and one of the performance incentives identified was training. The following number of staff were trained on various skills:

9.3.2.1 In December 2021, KNEC carried CBA Sensitization for 361 staff.

9.3.2.2 On 10th June 2022, KNEC carried out a Fire Management Training & Fire Drill for 164 staff.

9.3.2.3 One hundred and fourteen (114) staff were trained on various Human Development and Short Courses.

9.3.3 Employee Wellness Programmes.

These are national programmes used to sensitize staff on their well-being. There were presentations on road safety mainstreaming, occupational safety and health, HIV/Aids, gender, disability mainstreaming, drug and alcohol abuse, national values and principles, and corruption prevention during the KNEC Open Day

9.3.3.1 HIV/AIDS

In June 2022, 124 staff and family members were virtually trained on HIV/AIDS and communicable diseases prevention by a NACC facilitator. HIV counselling and testing was also offered.

Quarterly reports were submitted to the National AIDS Control Council (NACC).



Sustainability Strategy and Profile Continued



A NACC facilitator taking examiners through HIV & AIDS Sensitization

Members of the HIV & AID committee during a capacity building workshop

9.3.3.2 Corruption Eradication

New members of the CPC were appointed while the CIAO reconstituted in quarter 1, the new CIAO members were inducted on 18th November 2021. The corruption prevention policy and whistle blowing policy was approved by the Council. On 28th October 2021, EA staff members were then sensitized on the Corruption Prevention Policy. Integrity officers were from 7th to 11th February 2022. The CPC partnered with EACC and sensitizing stakeholders on corruption prevention and reporting on 22nd February 2022. The CPC also participated in the preparation of the education sector Kenya Integrity Leadership Plan spearheaded by EACC. Progress reports on CRAMP for Quarters 1, 2, 3 & 4 for F/Y 2021-2022 were forwarded to EACC.

9.3.3.3 Road Safety Mainstreaming

The KNEC Road Safety Committee conducted staff sensitization on road safety on 15th and 29th December 2021. The committee also sensitized staff, security officers and transporters in Bolore before dispatch of March 2022 National Examinations. In quarter 4 Road Safety Mainstreaming the committee members were trained on technical Road Safety matters in Machakos by facilitators from NTSA.

9.3.3.4 National Cohesion and Values

Quarterly reports are submitted to the Directorate of National Cohesion and Values.



Sustainability Strategy and Profile Continued

9.3.3.5 Disability Mainstreaming

KNEC registered with NCPWD (National Council for Persons with Disabilities) career portal by 27th September 2021. All KNEC staff were sensitized on disability mainstreaming on 15th and 29th December 2021. The DMC (Disability Mainstreaming committee) was trained on ICT accessibility between 19th and 21st December 2021, KNEC also trained 2 front office staff in sign language. The USEWAY WIDGET was added to the KNEC website to make it accessible to PWD. Sign Language interpretation was incorporated in all KNEC functions. The physical environment in the NMH South C offices was adjusted to provide smooth accessibility by PWD. Quarters 1, 2, 3 & 4 for F/Y 2021-2022 were submitted.

9.3.3.6 Talent cultivation.

KNEC encouraged its staff to use their talents in developing building initiatives. KNEC Officers participated in the Competency-Based curriculum development Training and Sensitization in conjunction with Kenya Institute of Curriculum Development (KICD), the Ministry of Education, and other Education Sector Stakeholders. This is in line with the president's commitment no. 5. The KNEC Awards reports were used to initiate curriculum reviews. Staff members are encouraged to develop research papers that are presented during international conferences such as AAEA and IAEA.

KNEC offered twenty (22) internships/attaches to youth during the year.



9.4 MARKET PLACE PRACTICES

9.4.1 Examinations Practices & Regulations.

Parliament in 2017 amended the KNEC Act and established the National Examinations Appeals Tribunal: - an Ad Hoc Tribunal to oversee examination matters relating to the withholding or cancellation of examination results. The same is yet to be gazetted by the Ministry of Education.

Examination timetables are available on the website to enable candidates to plan their studies.

Awareness creation was done during the period under review on the service charter as a way of fulfilling the institution's commitment on delivering excellent services to customers. This was done by uploading the service charter on the website, intranet, issuing each staff a copy of the charter both in English and Kiswahili and displaying roll-up banners strategically for both internal and external customers to access the information. To ensure that it upholds inclusiveness, the service charter was customized to the following needs: Braille, Large Print and Kenyan Sign Language (KSL). The service charter was uploaded on the website in KSL.

9.4.2 Customer Complaints.

The Council is committed to resolution of complaints which is a performance contract target. During the financial year 2021/2022, KNEC submitted quarterly reports to CAJ as per the guidelines issued for continuous improvement in service delivery the commission revises and issues new guidelines when it deems necessary.

The reports were submitted as per the 10th edition guidelines. CAJ score organizations according to the performance on resolution of complaints and access to information.

The score for KNEC for the FY 2021/2022 was a 75 percent was an improvement to the previous score.

The Query Management Information System (QMIS) has improved service to customers; for they do not have to come all the way to KNEC premises to lodge a complaints/query. This is simply done on-line. For help outside the Council, the complaints are forwarded to Office of the Ombudsman complain@ombudsman.go.ke.



9.4.3 Special Needs Candidates.

KNEC endeavors to provide high quality assessments with elevated levels of reliability for candidates with special needs such as physically disability, visual impairment, aural impairment, specific learning, and other disabilities. Special arrangements have been made for such candidatures to be equitability assessed without having an unfair advantage over other candidates.

Special Needs Access Arrangement

Type of Special Need/Disability	Access arrangement	KCSE	KCPE	DTE	PTE	SNE	Business	Technical
		2021	2021	2021	2021	2021	2021	2021
Visual Impairment (Total Blindness)	Braille papers and extra-time	120	149	2	1	17	17	9
Visual Impairment (Low vision)	Enlarged print papers	524	607	1		7	14	32
Physical Disabilities	Modified papers/extra time	889	1,293	1	17	2	91	69
Hearing Impairment (Profound loss of hearing)	Modified papers/extra time				12	7		
Hearing Impairment (Deaf)	Modified papers/extra time	612	798		21		15	127
Total		2,145	2,847	4	51	33	137	237



10.0 REPORT OF THE COUNCIL

The Council submits its report together with the audited financial statements for the year ended June 30, 2022, which show the state of the Council's affairs.

10.1 Principal Activities

The principal activities of the Kenya National Examinations Council (KNEC) are to administer examinations and issue certificates to successful candidates, equate certificates issued by other examining bodies and to conduct research on educational assessment.

10.2 Result

The results of the Kenya National Examinations Council for the year ended June 30, 2022, are set out on page 1 to 67.

10.3 Members

The members of the Council who served during the year and to the date of this report are set out on page xiii in accordance with Regulation 24 of the KNEC Act 2012.

10.4 Dividends/Surplus remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The Council did not make any surplus during the year (FY 2021/2022) and hence no remittance was made to the Consolidated Fund.

10.5 Auditors

The Auditor-General is responsible for the statutory audit of the Kenya National Examinations Council in accordance with the Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

10.6 By Order of the Council


Dr. David Njengere, MBS
CHIEF EXECUTIVE OFFICER

Date: 20th September 2022



11.0 STATEMENT OF COUNCIL MEMBER'S RESPONSIBILITIES

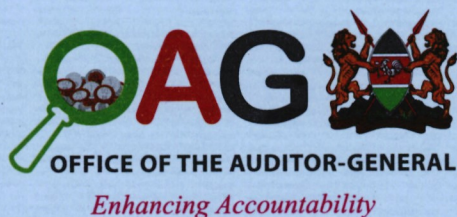
- 11.1 Section 81 of the Public Finance Management Act of 2012, Section 14 of the State Corporation Act and Section 24 of KNEC Act requires the Council members to prepare financial statements in respect of the Council, which give a true and fair view of the situation of the Council at the end of the financial year and the operating results of the Council for that year. The Council members are also required to ensure that the Council keeps proper accounting records which disclose with reasonable accuracy the financial position of the Council. The Council members are also responsible for safeguarding the assets of the Council.
- 11.2 The Council members are responsible for the preparation and presentation of the Council's financial statements, which give a true and fair view of the situation of the Council for and as at the end of the financial year ended on 30 June 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Council; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.
- 11.3 The Council members accept responsibility for the Council's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, the State Corporations Act and KNEC Act. The Council members are of the opinion that the Council's financial statements give a true and fair view of the state of Council transactions during the financial year ended 30 June 2021, and of the Council's financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the Council, which have been relied upon in the preparation of the Council's financial statements as well as the adequacy of the systems of internal financial control.
- 11.4 Nothing has come to the attention of the Council members to indicate that the Council will not remain a going concern for at least the next twelve months from the date of this statement.
- 11.5 Approval of the financial statements.
The Council's financial statements were approved by the Council on 20 September 2022 and signed on its behalf by:

Prof. Julius O. Nyabundi, OGW
COUNCIL CHAIRMAN

Dr. David Njengere, MBS
CHIEF EXECUTIVE OFFICER

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KENYA NATIONAL EXAMINATIONS COUNCIL 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 the 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 Kenya National Examinations Council set out on pages 1 to 62, which comprise of 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

Report of the Auditor-General on Kenya National Examinations Council for the year ended 30 June, 2022

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kenya National Examinations Council 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 Kenya National Examination Council Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Undisclosed Material Uncertainty Related to Going Concern

The statement of financial performance reflects deficit for the year of Kshs.492,906,440 (2021 deficit of Kshs.684,840,731). Further, the current liabilities of Kshs.4,210,412,551 exceed the current assets of Kshs.2,360,352,525 resulting in negative working capital of Kshs.1,850,060,026. The Council is therefore unable to meet its financial obligations as and when they fell due.

In the circumstances, the Council is technically insolvent and its ability to meet its current financial obligations as they fall due could not be confirmed.

2.0 Prepayments and Receivables from Exchange Transactions Balance

The statement of financial position reflects prepayments and receivables from exchange transactions balance of Kshs.231,496,922 as disclosed in Note 16 to the financial statements. The balance includes an amount of Kshs.82,163,310 in respect of imprests that have remained outstanding and dating back to 2018. The Management has not provided any evidence to show steps taken to recover the amounts. Further, the balance includes an amount of Kshs.706,000 in respect to deposits to private hospitals. However, no documentation has been provided for audit in support of these deposits.

In the circumstances, the validity and fair statement of prepayments and receivables from exchange transactions balance of Kshs.231,496,922 could not be confirmed.

3.0 Inaccuracy of Housing of Staff and Office Accommodation Expenditure

The statement of financial performance reflects housing of staff and office accommodation expenses of Kshs.102,568,692 as disclosed in Note 10 to the financial statements. Included in the amount is Kshs.92,192,309 in respect of rent and rates for office accommodation which further includes service charge arrears of Kshs.713,098 and Kshs.5,558,484 for the periods 2014-2015 and 2018-2019 payable to National Bank of Kenya and National Housing Corporations respectively. However, the arrears totalling Kshs.6,271,582 were not provisioned for in the periods they related to.

In the circumstances, the accuracy of housing of staff and office accommodation expenses of Kshs.102,568,692 could not be confirmed.

4.0 Unsupported Expenditure on Fuel

The statement of financial performance reflects administration expenses of Kshs.362,240,760 as disclosed in Note 8 to the financial statements. Included in the amount is Kshs.33,148,213 in respect of transport operating expenses out of which Kshs.14,450,000 relates to fuel expenses. Fuel expenses comprise of prepayments for petroleum products supported by pro-forma invoices from the National Oil Corporation Limited (NOC). However, records of fuel drawn, balances and levels of stocks requiring replenishment were not provided for audit. Further, consumption statements indicating consumption and fuel balance before the subsequent payments were not provided for audit. In addition, regular reconciliations of stocks to ascertain whether the fuel paid for was drawn and utilized by the Council was not carried out.

In the circumstances, the regularity of fuel expenses amounting to Kshs.14,450,000 could not be confirmed.

5.0 Supply of Biometric and CCTV

The statement of financial position reflects property in work in progress balance of Kshs.3,572,027,042 as disclosed in Note 19 to the financial statements. The balance include additions of Kshs.476,393,078 which further include an amount of Kshs.8,232,782 paid to a firm for supply of Biometric and CCTV. Review of the records provided for audit revealed that the order number PO015657 was issued on 30 June, 2022 and the contractor issued the invoice number 2696 on 19 July, 2022. The inspection and acceptance certificate are dated 01 August, 2022. The transaction was therefore inappropriately classified to the 2021/2022 financial year. Further, Management has not provided justification for the classification of the transaction under property in work in progress instead of plant and equipment work in progress being complete items supplied ready for use. In addition, the contract agreement and works completion certificate have also not been provided for audit.

In the circumstances, the accuracy, presentation and regularity of the expenditure of Kshs.8,232,782 on Biometric and CCTV could not be confirmed.

6.0 Property, Plant and Equipment Balance

The statement of financial position reflects property, plant and equipment balance of Kshs.974,942,966 as disclosed in Note 18 to the financial statements. The following anomalies were noted:

6.1 Procurement of Software for Digital Security Printing

Included in the balance is Kshs.90,843,237 in respect to office equipment out of which Kshs.1,732,228 was paid for supply and installation costs of a software for digital security printing. Review of documents provided for audit revealed that the purchase was for a software program and should have been classified as an intangible asset. Further, the approved requisition, tender advertisement, tender opening and evaluation reports were not provided for audit.

6.2 Procurement of Security Information and Event Monitoring System

Included also in the balance is Kshs.75,703,482 in respect to computer equipment out of which Kshs.36,333,523 are additions during the year. Included in the additions is

Kshs.12,499,939 being final payment (40%) in respect of a contract for supply, installation, training, commissioning and maintenance of security information and event monitoring system and next generation firewall. The contract agreement was signed on 29 August, 2020 at contract sum of Kshs.30,711,056 which was varied due to revision of the VAT rates from 14% to 16% resulting to the revised contract price to Kshs.31,249,846. Review of records provided revealed that the system installed had both hard and soft components but classified as computer equipment in the financial statements. Further, the software has been misclassified as property, plant and equipment instead of intangible assets.

6.3 Unsupported Expenditure on Procurement on Motor Vehicle

Note 18 to the financial statements reflects addition to motor vehicle balance Kshs.16,000,000 in relation to land cruiser Prado procured during the period under review. However, the approved requisition and professional opinion for the procurement were not provided for audit.

In the circumstances, accuracy, completeness and validity of the property, plant and equipment balance of Kshs.974,942,966 as at 30 June 2022 could not be confirmed.

7.0 Unsupported Administration Expenses

The statement of financial performance reflects administration expenses of Kshs.362,240,760 as disclosed in Note 8 to the financial statements. Included in the amount is expenditure totalling Kshs.2,812,391 whose supporting documents by way of payment vouchers and relevant source documents were not provided for audit .

Further, the expenditure include an amount of Kshs.33,148,213 in respect of travel and accommodation, out of which expenditure totalling Kshs.33,201,795 relates to facilitation of meals and transport to officers who were working extra hours during year. However, there was no indication that the Salaries and Remuneration Commission (SRC) approved these allowances in accordance with Article 230 of the Constitution of Kenya, 2010.

In the circumstances, the regularity of administration expenses of Kshs.362,240,760 could not be confirmed.

8.0 Lack of Ownership Documents and Valuation on Investment Property

The statement of financial position reflects investment property balance of Kshs.182,886,947 as disclosed in Note 20 to the financial statements. Review of schedule and ownership documents provided revealed that one of the investment's properties located under LR 209/6900 did not have title. Further, valuation report to support the reported net book value or asset register detailing the Council's investment properties was not provided for audit.

In the circumstances, the ownership, accuracy and valuation of the investment properties balance of Kshs.182,886,947 as at 30 June, 2022 could not be confirmed.

9.0 Donor Projects Funds Balance

The statement of financial position reflects donor projects funds balance of Kshs.161,645,192 as disclosed in Note 27 to the financial statements. The balance

includes an amount of Kshs.11,794,152 comprising of Kshs.3,339,543 in respect of Rockefeller, Kshs.329,248 for Essay Writing Competition, Kshs.8,084,361 for KESSP-NASMLA and Kshs.41,000 for UKEFR Study- AKF. Review of the supporting documents revealed that the funds have remained dormant since the 2007/2008 financial year. Management has not explained nor indicated the plans to utilize the long outstanding balances. Further, Note 27 to the financial statements discloses nil balance in respect to GPE- Covid-19 LCBE Project while account analysis provided indicates a balance of Kshs.12,803,530 that is unsupported by way of work tickets, back-to-office reports, imprest surrenders and warrants. In addition, donor funds include a balance of Kshs.944,828 in respect to GPE- World Bank PRIEDE Project while review of account analysis revealed an amount of Kshs.73,523,224 which was not supported with work tickets, back-to-office reports, imprest surrenders and warrants.

In the circumstances, the accuracy and disclosure of donor projects' funds balance of Kshs.161,645,192 could not be confirmed.

10.0 The statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts reflects total expenditure budget of Kshs.9,845,308,365 while the budget presented for audit reflected a balance of Kshs.9,878,088,361 resulting in unreconciled variance of Kshs.32,779,996. Further, the budget approval from the Cabinet Secretary for the Ministry of Education and The National Treasury were not provided for audit. In addition, review of the approved itemized budget against the financial statements revealed over expenditure on the line items of traveling and accommodation of Kshs.12,201,795; advertising and publishing Kshs.1,551,234 and Mpesa and bank charges of Kshs.1,157,347.

In the circumstances, the accuracy and validity of balances reflected in the statement of comparison of budget and actual amounts could not be confirmed.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya National Examination Council Management in accordance with ISSAI 130 on the 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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources Section of my report, I confirm that, nothing

else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Accrued Interest on Unpaid Balance

The statement of financial position reflects property in work in progress balance of Kshs.3,572,027,042 as disclosed in Note 19 to the financial statements. Included in the balance is additions of Kshs.476,393,078 which further include Kshs.455,000,000 paid for work valuation certificate number 29 for the construction of the Mitihani House Phase VI. The project was contracted at a sum of Kshs.1,499,989,252 in 2013 with commencement date of 30 April, 2013 and revised completion date to 30 June, 2016. The project stalled in June, 2016 due to funding challenges, occasioning the termination of the contract in July, 2018. As at the time of the project termination, the final account was valued at Kshs.1,290,417,677 with unpaid balance of Kshs.441,790,782 (Kshs.368,978,232 and accrued interest of Kshs.72,812,550). The Council and the Contractor agreed on a final settlement amount of Kshs.455,000,000 to be paid by 14 September, 2021. The non-payment of the original amount of Kshs.368,978,232 led to the Council committing to pay Kshs.86,021,768, an amount which was not included in the budget.

In the circumstances, value for money amount of Kshs.455,000,000 could not be confirmed.

2.0 Council and Committee Expenses

The statement of financial performance reflects the Council and its Committee expenses of Kshs.26,957,723 as disclosed in Note 7 to the financial statements. Included in the expenditure are sitting and exam allowances of Kshs.11,480,000 and Kshs.11,062,000 respectively. Review of documentation provided for audit in support of the expenditure revealed the following unsatisfactory issues: -

- i. The Council paid for meetings which were in excess of the stipulated maximum number of six (6) per financial year without approval from the parent Ministry Cabinet Secretary contrary to Section 3 of Circular No OP/CAB9/IA of 11 March, 2020 by the Executive Office of the President. Details are as analyzed in the table below;

Meeting	Ordinary	Special	Total	Extra Meetings
Full Board	18	4	22	16
Finance Committee	10	0	10	4
Examination Management Committee	8	0	8	2

- ii. Review of records provided revealed that the Council had eleven full Board and Special Council meetings were not backed up by minutes of the Board.
- iii. The Council Members received allowances amounting to Kshs.11,062,000 for monitoring and field inspections expenses contrary to the provisions of Circular No. OP/CAB9/IA of March, 2020 by the Executive Office of the President which delegates field/inspection visits as a function of the executive team. Further, Council Members were paid allowances for carrying out confidential exercises on its behalf.

Documentation to confirm the nature of the confidential assignments undertaken was not provided for audit.

- iv. The Council's full Board has thirteen (13) Members including independent members and Directors from the Kenya Institute of Curriculum Development (KICD) and Teachers Service Commission (TSC). During the year under review, there were four (4) sub Committees of the Board in place. However, the Committees had more than five (5) Members each exceeding the one third (1/3) of the full Board Members threshold contrary to Circular No. OP/CAB9/IA of March, 2020 by the Executive Office of the President which caps the number of members to any Committees should be no more than one third (1/3) of the full Board.
- v. The Council Chairperson was paid Kshs.220,000 to attend various Committee meetings contrary to the OP Circular OP/CAB9/IA of March, 2020 which states that the Board Chairpersons shall not sit in Committees as members or be in attendance.

In the circumstances, Management was in breach of the law.

3.0 Use of Invalid Contract for Procurement of the HPE Proactive Care

The statement of financial performance reflects examination expenses of Kshs.6,885,956,812 as disclosed in Note 9 to the financial statements. The expenditure includes computer charges of Kshs.53,491,893 out of which Kshs.6,646,482 was paid to a firm for HPE proactive care for KNEC servers. It was however noted that the payment related to a service not covered in the referenced.

In the circumstances, the regularity of expenditure of Kshs.6,646,482 could not be confirmed.

4.0 Irregular Procurement and Installation of CCTV Systems

The statement of financial position reflects property, plant and equipment balance of Kshs.974,942,966 as disclosed in Note 18 to the financial statements. The balance includes additions to computer equipment during the year of Kshs.36,333,523. The additions further include the cost of supply, installation of CCTV system and internet connectivity in six (6) marking centers of Kshs.9,993,640. Review of the documents provided in support of the payment revealed that the LPO was dated 31 August, 2021, with the delivery notes signed by the school heads where the supply and connectivity was carried out and dated April, 2021. It is not clear how the delivery of the computer equipment preceded the purchase order. Further, the basis for identification of the service provider and the price charged is not clear. In addition, the Inspection and Acceptance Committee issued the certificate on 02 October, 2021 which was more than six (6) months after the works had been delivered. The letters appointing the Committee Members and test and work completion certificates were not provided for audit.

In the circumstances, Management was in breach of the law.

5.0 Irregular Procurement of Containers

The statement of financial position reflects property, plant and equipment balance of Kshs.974,942,966 as disclosed in Note 18 to the financial statements. The balance includes cost of ten (10) additional containers acquired during the year at Kshs.14,544,196. Review of the documentation in support of the procurement revealed

that Management ordered for the containers on 20 June, 2022. However, the supplier invoiced for them on 05 April, 2022 an indication that the order was issued after the delivery of the containers. Further, the Management did not provide delivery note for audit while, a demand letter from the supplier and dated 01 July, 2022 indicated that the supply was made in January, 2022. In addition, the inspection and acceptance reports to confirm that the containers were duly delivered as intended were not provided for audit.

In the circumstances, Management was in breach of the law.

6.0 Procurement of Laptops and MacBook Computers

The statement of financial position reflects property, plant and equipment balance of Kshs.974,942,966 as disclosed in Note 18 to the financial statements. The balance include additions to computer equipment during the year of Kshs.36,333,523. The additions include the cost of five (5) MacBook computers and fifty-five (55) laptops at Kshs.1,429,500 and Kshs.6,875,000 respectively. Review of documents provided revealed that the Council issued tenders for supply of laptops. However, the tender requirements in the bid document indicated that the supply was for laptops and MacBook computers. During the preliminary evaluation the bid was treated as a single bid, but at the financial evaluation stage the evaluators split the evaluated bids into two categories of the laptops and the MacBook computers resulting into the tender being awarded to two (2) suppliers. No evidence has been provided for audit review to confirm that the criteria adopted for financial evaluations was communicated to the bidders. Further, the letters to the unsuccessful bidders lacked detailed reason(s) for the unsuccessful bids. In addition, the asset registers did not indicate the location and the users assigned the MacBook and Laptop computers making it impossible to trace the assets.

In the circumstances, the validity of the procurement of five (5) MacBook computers and fifty-five (55) laptops at Kshs.1,429,500 and Kshs.6,875,000 could not be confirmed.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1.0 Lack of a Fixed Assets Register

The statement of financial position reflects property, plant and equipment balance of Kshs.974,942,966. However, during the period under review, the Council did not maintain a fixed assets register.

In the circumstances, the control, safeguard and custody of the assets could not be confirmed.

2.0 Failure to Dispose Obsolete Inventories

The statement of financial position reflects inventories balance of Kshs.203,035,601 as disclosed in Note 17 to the financial statements. Included are stocks valued at Kshs.9,620,616 which are indicated as obsolete in the stock take report of 30 June, 2022. Although Management explained that the obsolescence was as a result of change in printing services from internal printing to external printing, it has not demonstrated the efforts made to dispose off the obsolete inventory.

In the circumstances, the controls over the obsolete inventory are weak resulting in poor usage of space.

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 controls, 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 the Council

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 controls 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 controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Council's ability 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 Council 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 Council is responsible for overseeing the Council'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 governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal 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 controls 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 controls may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council'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 Council's to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Council's to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

08 June, 2023



13.0 STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE, 2022

	NOTES	2021-2022 Kes.	2020-2021 Kes.
Revenue from Non-Exchange Transactions			
Recurrent Government Grant	2	5,402,784,600	4,756,987,800
		5,402,784,600	4,756,987,800
Revenue from Exchange Transactions			
Examinations Fees	3	2,414,392,670	2,206,387,707
Interest Income	4	80,374,724	103,731,225
Other Operating Income	5	221,750,751	122,252,509
		2,716,518,145	2,432,371,441
Total Revenue		8,119,302,745	7,189,359,241
Expenses			
Personnel Expenses	6	1,014,654,321	967,609,525
Council and its Committees Expenses	7	26,957,723	29,202,579
Administration Expenses	8	362,240,760	357,245,286
Examinations Expenses	9	6,885,956,812	6,119,153,320
Housing of Staff & Office Accommodation	10	102,568,692	106,732,809
Decrease in Provision of Employee benefit Obligation	11	(1,036,903)	6,491,660
Depreciation & Amortization	12	194,279,813	260,912,596
Total Expenses		8,585,621,218	7,847,347,775
Other Gains/Losses			
Loss/Gain on Foreign Exchange Transactions	13	(749,802)	4,514,281
Deficit Before Taxation		(467,068,275)	(653,474,253)
Taxation	14	25,838,165	31,366,478
Deficit for the Year		(492,906,440)	(684,840,731)

The notes set out on pages 10 to 65 form an integral part of these Financial Statements

Dr David Njengere, MBS
Chief Executive Officer

Date.....

CPA Abraham K. Oloo
Head of Finance
ICPAK No: 2743

Date

Prof. Julius O. Nyabundi, OGW
Chairman of the Council

Date.....

**14.0 STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022****ASSETS**

	NOTE	2021-2022 Kes.	2020-2021 Kes.
CURRENT ASSETS			
Cash and Cash Equivalents	15	1,925,820,002	1,336,211,294
Prepayment Receivables from exchange transactions	16	231,496,922	207,962,649
Inventories	17	203,035,601	193,848,825
		2,360,352,525	1,738,022,768
NON - CURRENT ASSETS			
Property, Plant & Equipment	18	974,942,966	1,082,199,125
Property in Work In Progress	19	3,572,027,042	3,095,633,964
Investment Property	20	182,886,947	196,577,994
Investments (Consolidated Bank)	21	64,300,000	64,300,000
Intangible Assets	22	9,213,318	13,819,977
		4,803,370,273	4,452,531,060
TOTAL ASSETS		7,163,722,798	6,190,553,828
LIABILITIES			
CURRENT LIABILITIES			
Trade and other Payables from exchange transactions	23	1,267,906,747	1,195,450,843
Deferred income	24	2,878,384,703	1,811,850,291
Employee benefit Obligation	25	23,192,492	26,371,235
Taxation Provision	26	40,928,609	41,839,112
		4,210,412,551	3,075,511,481
NON CURRENT LIABILITIES			
Donor Project Funds	27	161,645,192	378,879,569
Capital Works Retention	28	5,854,410	4,399,990
		167,499,602	383,279,559
		4,377,912,153	3,458,791,040
RESERVES			
Capital Reserve	29	4,561,811,784	4,034,563,545
Revaluation Reserve	30	709,640,359	709,640,359
Accumulated Surplus	31	(2,485,641,498)	(2,012,441,115)
		2,785,810,645	2,731,762,789
TOTAL LIABILITIES		7,163,722,798	6,190,553,829

The Financial statements set out on pages 1 to 65 were signed on behalf of the Council by:

Dr David Njengere, MBS
Chief Executive Officer

Date.....

CPA Abraham K. Oloo
Head of Finance
ICPAK No: 2743

Date

Prof. Julius O. Nyabundi, OGW
Chairman of the Council

Date.....

15.0 STATEMENT OF CHANGES IN NET ASSETS

As at 30 June 2022

	Capital Reserve (Kes)	Revaluation Reserve (Kes)	Accumulated Surplus (Kes)	Total (Kes)
Balance as at 1 July 2020	3,966,136,910	709,640,359	(1,335,397,941)	3,340,379,328
Prior Year Adjustments (Note 37)	-	-	7,797,557	7,797,557
Restated Balance as at 1 July 2020	3,966,136,910	709,640,359	(1,327,600,384)	3,348,176,885
Capital Grants -Specialized Printing Equipment	50,000,000	-	-	50,000,000
NMH Capital Grants –MOPW	-	-	-	-
Capital Grants – SEQIP	18,426,635	-	-	18,426,635
Deficit for the Year	-	-	(684,840,731)	(684,840,731)
Balance as at 30 June 2021	4,034,563,545	709,640,359	(2,012,441,115)	2,731,762,789
Balance as at 1 July 2021	4,034,563,545	709,640,359	(2,012,441,115)	2,731,762,789
Prior Year Adjustments (Note 35)	-	-	19,706,057	19,706,057
Restated Balance as at 1 July 2021	4,034,563,545	709,640,359	(1,992,735,058)	2,751,468,846
Capital Grants -MOE -NMH	500,000,000	-	-	500,000,000
Capital Grants –SEQIP	27,248,239	-	-	27,248,239
Deficit for the Year	-	-	(492,906,440)	(492,906,440)
Balance as at 30 June 2022	4,561,811,784	709,640,359	(2,485,641,498)	2,785,810,645

**16.0 STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE, 2022**

		2021-2022	2020-2021
		Kes.	Kes.
Cash flows from operating activities			
Deficit for the Year	31	(492,906,440)	(684,840,731)
Adjustments for :			
Interest Income	4	(80,374,724)	(103,731,225)
		(573,281,164)	(788,571,956)
Operating profit before working capital changes			
Add back			
Depreciation & Amortization	12	194,279,813	260,912,596
Interest Income	4	77,764,846	119,527,520
		(301,236,505)	(408,131,840)
Changes in working capital			
Decrease in Inventories	17	(9,186,776)	42,782,508
Decrease in Receivables from exchange transactions	16	(20,924,395)	86,022,906
Increase in Trade and other payables	23	72,455,904	970,927,401
Prior year adjustments- Write-off of accrued LPOs		19,706,057	7,797,557
Decrease in Deferred Income	24	1,066,534,412	(1,061,358,225)
Decrease in Employee benefit Obligation	25	(3,178,743)	4,955,683
Decrease in Tax provisions	26	(910,503)	6,298,660
Decrease in Donor Project Funds	27	(217,234,377)	(9,741,911)
		907,261,579	47,684,579
Net cash flows from operating activities		606,025,074	(360,447,261)
Cash flows from financing activities			
Increase in Capital Reserve	29	500,000,000	50,000,000
Net cash flows from financing activities		500,000,000	50,000,000
Cash flows from investing activities			
Purchase of property, plant and equipment	18	(41,477,709)	(4,431,084)
Construction on New Mitihani Building	19	(476,393,078)	-
Retention – Metal Containers	28	1,454,420	-
Net cash flows from investing activities		(516,416,367)	(4,431,084)
Net increase in Bank		589,608,707	(314,878,345)
Cash and Cash Equivalents at Beginning of Year	15	1,336,211,295	1,651,089,640
Cash and Cash Equivalents at End of Year	15	1,925,820,002	1,336,211,295

17.0 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE, 2022

TITLE DETAILS	Original	Adjustments	Final Budget	Actual on	Performance	Variance
	Budget	Kes	Kes	comparable basis	Differences	%
	Kes			Kes	Kes	
RECURRENT REVENUE						
Recurrent Grants from MOE	4,172,968,712	1,220,414,616	5,393,383,328	5,402,784,600	9,401,272	1%
Receipt of Examination Fees	2,200,488,254	229,603,802	2,430,092,056	2,417,473,460	(12,618,596)	-1%
Interest Income from Financial Institutions	111,500,000	(13,700,001)	97,799,999	80,374,725	(17,425,274)	-18%
Other Operating Income	175,011,746	25,854,368	200,866,114	223,294,541	22,428,427	11%
TOTAL RECURRENT REVENUE	6,659,968,712	1,462,172,785	8,122,141,497	8,123,927,326	1,785,829	0%
DEVELOPMENT REVENUE						
Capital Grants from MOE	160,000,000	443,000,000	603,000,000	500,000,000	(103,000,000)	-17%
GRAND REVENUE - RECURRENT & DEVELOPMENT	6,819,968,712	1,905,172,785	8,725,141,497	8,623,927,326	(101,214,171)	-1%
RECURRENT EXPENDITURE						
Personnel Expenses	1,043,599,198	76,336,103	1,119,935,301	1,014,654,321	105,280,980	9%
Council Expenses	30,000,000	-	30,000,000	26,957,723	3,042,277	10%
Administration Expenses	524,845,268	91,731,909	616,577,177	550,440,272	66,136,905	11%
Examinations Expenses	4,932,389,344	2,073,203,324	7,005,592,668	6,712,637,882	292,954,786	4%
Housing of Staff & Office Accommodation	94,134,903	8,310,001	102,444,904	92,312,691	10,132,213	10%
Increase in Provision of Employee Obligation	-	-	-	(1,036,903)	1,036,903	-100%
Depreciation & Amortization	321,758,315	-	321,758,315	194,279,813	127,478,502	40%



THE KENYA NATIONAL EXAMINATIONS COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS For The Year Ended 30 June, 2022

17.0 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE, 2022

TITLE DETAILS

	Original Budget		Adjustments		Final Budget		Actual on comparable basis		Performance Differences		Variance	
	Kes	Kes	Kes	Kes	Kes	Kes	Kes	Kes	Kes	%	%	
Taxation	35,000,000	-	(5,000,000)	30,000,000	25,838,165	4,161,835	14%	(i)				
Loss/(Gain) on Foreign Exchange	-	-	-	-	749,802	(749,802)	-100%	(j)				
TOTAL RECURRENT EXPENDITURE	6,981,727,028	2,244,581,337	9,226,308,365	8,616,833,766	609,474,599	7%						
DEVELOPMENT EXPENDITURE												
Construction of New Mithani House	50,000,000		450,000,000	500,000,000	476,393,078	23,606,922	5%					
Purchase of Motor Vehicles	-		16,000,000	16,000,000	16,000,000	-	0%					
Purchase of Specialized Printing Equipment	-		50,000,000	50,000,000	1,848,228	48,151,772	96%	(k)				
Purchase of Computers, Office Printers and Other IT Equipment	-		53,000,000	53,000,000	27,526,981	25,473,019	48%	(l)				
Purchase of software	110,000,000		-110,000,000									
TOTAL DEVELOPMENT EXPENDITURE	160,000,000	459,000,000	619,000,000	521,768,287	97,231,713	16%						
GRAND EXPENDITURE - RECURRENT & DEV	7,141,727,028	2,703,581,337	9,845,308,365	9,138,602,053	706,706,312	7%						
NET DEFICIT	(321,758,316)	(798,408,552)	1,120,166,868)	(514,674,727)	605,492,141	-54%						



BUDGET NOTES

CHANGES FROM ORIGINAL BUDGET TO FINAL BUDGET

The original budget was balanced by understating the national examinations expenses so as to match the GoK printed estimates and to realise a balanced budget. The adjustments arose mainly from restating the examinations expenses subsequent to the supplementary budget support of Kes. 1. Billion

NOTES ON SIGNIFICANT VARIANCES (10% AND ABOVE) BETWEEN ACTUAL AND FINAL BUDGET.

Revenue

- a) *Interest Income*: Drop is attributable to variation in timing of exchequer releases. In prior FYs, recurrent grant was received bi-annually compared to the year under review whereby disbursement was done quarterly.
- b) *Other Operating Income*: The increase is attributable to higher royalties on the KLB Mathematics Tables Booklets for back to school activities post Covid which had not been anticipated due to the change of the school calendar and higher demand for confirmation of certificates services from GoK security forces; the recruitments were done earlier than normal due to the elections year.
- c) *Capital Grants from MOE*: Capital grant with respect to acquisition of a digital printing machines and ICT infrastructure in relation to CBA was not received during the FY under review.

Expenditure

- d) *Council and its Committees Expenses*: Drop attributable to fewer meetings than anticipated.
- e) *Administration Expenses*: Mainly attributable to the following: -
 - i) Consultancy not undertaken under HRM and Finance - Kes. 15m.
 - ii) Savings under ICT equipment maintenance and purchase of accessories amounting to Kes. 20m.
 - iii) savings under contracted guards amounting to Kes. 10m
 - iv) Savings under performance contracting programs amounting to Kes. 10m.
- f) *Housing of Staff & Office Accommodation*: The allocation towards maintenance of residential and non-residential buildings was unutilised because the Councils efforts were focused on completion and relocation to NMH.
- g) *Decrease in Provision of Employee benefit Obligation*: Gain arising from reduction in leave days from 5,002 to 4,773 hence the reduction in the provision for employee benefit obligation.
- h) *Depreciation & Amortization*: The drop is mainly attributable to the reduction in the depreciation charge. The depreciation expense was lower because of reduced NBVs/nil against the backdrop of minimal acquisitions during the year.



- i) *Taxation:* Variance attributable to less average amounts held in cash and cash equivalents hence reduced taxable income. The Council's taxable income is mainly derived from interest on Fixed deposits.
- j) *Loss on Foreign Exchange:* Loss on foreign exchange attributable to the reduction in GBP rate from 149.2 as at 30.06.2022 to 143.7 as at 30.06.2022, on the GBP investment of 150,000
- k) *Purchase of Specialized Printing Equipment:* The Council was allocated Kes. 103,000,000 as per the GoK printed estimates. However, the amounts were not received as at 30.06.2022. The Council has raised capital commitments in anticipation of disbursement in the FY 2022/2023. The additions to the Councils IT equipment was funded by a world bank grant through the SEQIP project.
- l) *Purchase of Computers, Office Printers and Other IT Equipment:* The Council was allocated Kes. 103,000,000 as per the GoK printed estimates. However, the amounts were not received as at 30.06.2022. The Council has raised capital commitments in anticipation of disbursement in the FY 2022/2023. The additions to the Councils IT equipment was funded by a world bank grant through the SEQIP project.



BUDGET NOTES

RECONCILIATION BETWEEN BUDGET AND STATEMENT OF FINANCIAL PERFORMANCE

As required by IPSAS 24, reconciliation is provided between the actual amounts on a comparable basis as presented in budget statement and the actual amounts in the financial accounts identifying separately any basis, timing and entity differences. Basic differences include the acquisition of assets, depreciations of assets, full recognition of provision. Entity differences show the uses of surplus funds while presentation differences represent the treatment of gains on assets as investing activities. The budget has been prepared on accrual basis and reconciled to the total revenues, total expenses and net investing and financing cash flows in the financial statements.

	Operating	Investing	Financing	Total
	Kes.	Kes.	Kes.	Kes.
Surplus for the Year as per Statement of Financial Performance	(492,906,440)	-	-	(492,906,440)
Adjusted for:				
Basic Difference	(21,768,287)	-	-	(21,768,287)
Presentation Difference	-	-	-	-
Entity Difference	-	-	-	-
Deficit for the Year as per Statement of Budget Performance			-	(514,674,727)



18.0 NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

18.1 GENERAL INFORMATION

Council is established by and derives its authority and accountability from KNEC Act of 2012. The entity is owned by the Government of Kenya and is domiciled in Kenya. The Council is a State Corporation/ a Semi- Autonomous Government Agent under the Ministry of Education.

The principal activities of the Kenya National Examinations Council (KNEC) are to administer examinations and issue certificates to successful candidates, equate certificates issued by other examining bodies, and to conduct research on educational assessment.

18.2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Council's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 1.4.

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

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



Notes to the Financial Statements continued

18.3 ADOPTION OF NEW AND REVISED STANDARDS

i) Relevant new standards and amendments to published standards bearing on the year ended 30 June 2022

Standard	Impact
Other Improvements to IPSAS	Applicable: 1 January 2021 a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.
Other Improvements to IPSAS	b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved. c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.



Notes to the Financial Statements continued

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <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;• 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.
IPSAS 42: Social Benefits	Applicable: 1st January 2023 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: <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.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: <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.



Notes to the Financial Statements continued

Standard	Impact
Other Improvements to IPSAS	<p>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> <p>d) 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>

The members of the Council have evaluated the impact of the new standards not yet effective for the year and had noted the IPSAS 42 has no impact on the Council's financial statements.

ii) Early adoption of standards

The Council did not adopt early any new or amended standards in 2021/2022.



Notes to the Financial Statements continued

18.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

i) Revenue from Non-Exchange Transactions –IPSAS 23

Transfers from Government

Revenues from non-exchange transactions with government entities are measured at fair value and recognized on obtaining control of the asset if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income.

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. Development/capital grants are recognized in the statement of financial position.

ii) Revenue from Exchange Transactions –IPSAS 9

Examination Fees

The Council recognizes examination fees revenue when the examination is offered and the Council is freed from any further obligations with the candidates. To the extent that revenues from a certain examination have been received but the examination has not been administered, income is recognized in the financial year pro-rata to the expenditure incurred.

Non- Examination Revenue

Rendering of services

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

Sale of goods

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



Notes to the Financial Statements continued

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

Interest Income

The interest income is accrued using the effective yield method. The effective yield discounts estimated further 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.

b) Expenditure Recognition

Under accrual accounting, expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets/equity. Expenses are recognized when the transaction or event causing the expense occurs, and the recognition of the expense is therefore not linked to when cash or its equivalent is received or paid.

c) Budget Information –IPSAS 24

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

Budget Information –IPSAS 24

Accordingly, the Council recorded additional appropriations of **Kes. 798,408,552** on the 2021-2022 budget following the governing body's approval.

The Council'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 a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. 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.



Notes to the Financial Statements continued

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.

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

d) Taxes – IAS 12

The Council does not operate for gain as per its mandate. The Deferred Taxation accounting is not applicable on the Council's operating income which is not taxable. However its investment income & rental income are subject to income tax as per ruling of the Tax Appeals Tribunal No. TAT/57 of 2018.

The Current income tax liabilities for the period under review are measured at the amount expected to be paid to the taxation authorities. 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.

e) Investment property –IPSAS 16

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing property and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 40-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.



Notes to the Financial Statements continued

f) Property, Plant and Equipment –IPSAS 17

All Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity 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.

Depreciation is charged so as to write off the full cost of fixed assets, other than land and properties under construction, over their estimated useful lives using straight line method. The Council charges full depreciation on all its non-current assets in the year of purchase and no depreciation in the year of disposal.

The following useful lives are applied to the different classes of non-current assets:

Class	Estimated Useful Life in years
Leasehold Buildings	40
Motor Vehicles	4
Computer Equipment	4
Office Equipment	10
Furniture	8
Fittings and Partitions	10

g) Intangible Assets –IPSAS 31

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and impairment losses.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and the expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

h) Research and development costs

The Council expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:



- The technical feasibility of completing the asset so that the asset will be available for use or sale.
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.



Notes to the Financial Statements continued

i) Financial Instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment.

i) Financial instruments (Continued)

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Council has the positive intention and ability to hold it to maturity. The Council holds its investments in Consolidated Bank at cost.

Impairment of financial assets

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



Notes to the Financial Statements continued

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

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Council determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

j) Inventories –IPSAS 12

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Council.



Notes to the Financial Statements continued

k) Provisions, Contingent Liabilities and Contingent Assets – IPSAS 19

Provisions are recognized when the Council 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.

Where the Council expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent Liabilities

The Council 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 no longer remote.

Contingent Assets

The Council does not recognize contingent assets, 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 Council in the notes of the financial statements. Contingent assets are assessed continually 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.

l) Nature and Purpose of Reserves

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

Capital Reserve:-

The reserve consists of development funding and Contributions by the National Treasury for acquisition of assets or development projects and is recognized as a financing reserve when received. No repayment of the financing is expected by the Council.



Notes to the Financial Statements continued

Revaluation Reserve:-

The purpose of the reserve is to comply with the statutory requirements on provision for the renewal of depreciating assets.

Accumulated Surplus:-

The purpose of the reserve is to safeguard the Council's ability to continue as a going concern and to match the profile of its assets and liabilities taking account of the risks inherent in the business operation.

m) Changes in Accounting Policies and Estimates –IPSAS 3

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

n) Employee Benefits: -IPSAS 25

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave are recognized in the period in which the service is rendered and are not discounted. The expected cost of compensated absences is recognized as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

Retirement Benefit Plans

The Council provides retirement benefits for its permanent and pensionable employees under Defined Contribution (DC) scheme. Defined Contribution plans for all staff members are post-employment benefit plans under which the Council pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The Council also contributes to the statutory National Social Security fund (NSSF) which is defined contribution scheme registered under the NSSF Act currently at Kes.200 per employee per month.

The contributions to defined contribution retirement benefits are charged against income in the year in which they become payable. The contributions to the retirement benefits are included in staff costs.



Notes to the Financial Statements continued

o) Project Funds

The Ministry of Education, (MoE) received funds from the Global Partnership for Education (GPE) to support development of the primary school sub-sector in Kenya under the Kenya Primary Education Development (PRIEDE) project. The PRIEDE project which is a 3 year project expected to run from June 2018 to March 2019. During the FY 2021-2022 KNEC received funds for implementing activities under component I, II, and III of the PRIEDE project.

The Kenya National Examinations Council (KNEC) is implementing various activities under Component 3.2 of the Secondary Education Quality Improvement Programme (SEQIP project). The project is supporting KNEC in the implementation of the Competency Based Assessment (CBA) through introduction of continuous formative assessment over the entire education cycle using a variety of learning assessment tools, establishment of a national student assessment at the end of grade 3 and grade 6.

p) Related Parties Disclosures– IPSAS 20

The Council regards a related party as a person or an entity with the ability to exert or to exercise significant influence over the Council, or vice versa. Persons or entities that are regarded as related parties comprise the Ministry of Education (Moe), Council members and the Council's Senior Management.

q) Leases–IPSAS 13

Council as a lessee

Leases in which the lessor does not transfer substantially all risks and rewards of ownership of an asset are classified by Council as operating leases. Lease payments under operating leases for office space are recognized as operating expenses on a straight-line basis over the lease term and included in surplus or deficit.

Council as a lesser

Leases in which lessor does not transfer substantially all risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term. Lease income from operating leases is recognized as income on a straight-line basis over the lease term.



Notes to the Financial Statements continued

r) Capital Commitments

The Capital commitments are disclosed in respect of contracted amounts for which delivery by the contractor is outstanding at the accounting date, and for amounts which the Council's approval has been obtained and contracted for.

s) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at 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 short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

t) Foreign Currency transactions –IPSAS 4

Transactions in foreign currencies are initially accounted for at the exchange rate on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by apply the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

u) Comparatives Figures

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

v) Subsequent events -IPSAS 14

There were no events subsequent to the financial year and with significant impact on the financial statements for the year ended 30 June 2020.

w) Segment Reporting -IPSAS 18

All the operations of the Council are managed from the registered office. The core business of the KNEC continues as stipulated in the KNEC Act, 2012. The Council highlights on contracted professionals used by the Council to run national examinations.



Notes to the Financial Statements continued

18.5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Council'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 Council based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Council. 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:

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in notes for provision for doubtful debts, leave provision, useful lives and depreciation methods and asset impairment.

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 KENYA NATIONAL EXAMINATIONS COUNCIL****ANNUAL REPORT AND FINANCIAL STATEMENTS** For The Year Ended 30 June, 2022

NOTE 2	2021-2022	2020-2021
Recurrent Government Grant	Kes.	Kes.
KCPE Recurrent Grants –MoE	965,987,200	937,977,600
KCSE Recurrent Grants –MoE	4,087,697,400	3,669,910,200
<i>Exams Fees for Public & Private Institutions</i>	5,053,684,600	4,607,887,800
Recurrent Grants –MoE	149,100,000	149,100,000
Grants - GPE PRIEDE PROJECT	200,000,000	-
	5,402,784,600	4,756,987,800

NOTE 2 b**INTER-ENTITY TRANSFERS****Parliamentary Allocation approved**

	2021-2022	2020-2021
	Kes.	Kes.
MoE KCPE Deferred Income transferred	291,149,027	-
MoE KCPE Recurrent Exams Grants Transfer	674,838,173	937,977,600
MoE Recurrent KCSE Exams Grants Transfer	3,322,114,547	1,384,246,176
MoE KCSE Deferred Income transferred	765,582,853	2,285,664,024
<i>Exams Fees for Public & Private Institutions</i>	5,053,684,600	4,607,887,800
MoE Recurrent Grants Transfer	149,100,000	149,100,000
Grants - GPE PRIEDE PROJECT	200,000,000	-
MoE Recurrent Grants	5,402,784,600	4,756,987,800



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 2 c) Transfer from Ministries, Departments & Agencies

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income	Amount deferred underdeferred income	Amount recognized in capital fund	Amount recognized in receivables	Amount recognized in Project funds	2021-2022 Total grant income during theyear
	Kes	Kes	Kes.	Kes.	Kes	Kes
Ministry/State Department of Basic Education	4,346,052,720	1,026,915,990	500,000,000	-	293,063,896	6,166,032,606

NOTE 3

EXAMINATION FEES

	2021-2022	2020-2021
	Kes.	Kes.
KCPE	14,449,600	16,642,400
KCSE	393,632,250	437,755,400
PTE	18,443,700	86,215,350
Adult Education	1,162,500	590,700
ECDE	308,709,760	319,508,330
Diploma Teachers Education	16,676,000	-
Special Needs Education	10,642,700	19,746,750
Technical	1,095,611,490	859,740,340
Business	504,818,960	443,464,780
Commissions received on Foreign Exams	48,197,500	23,102,802
Examination Fees – Qualify Tests, Amendments, Penalties	5,129,000	1,732,630
Examinations Refunds	(3,080,790)	(2,111,775)
	2,414,392,670	2,206,387,707



NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 4	2021-2022	2020-2021
INTEREST INCOME	Kes.	Kes.
Interest - Fixed Deposits	70,757,299	99,083,880
Interest - Current Accounts	9,617,425	4,647,345
	80,374,724	103,731,225

NOTE 5	2021-2022	2020-2021
OTHER OPERATING INCOME	Kes.	Kes.
Rent Recoveries from Staff	9,860,000	10,020,000
Commercial Rental Income	2,586,207	2,608,893
Sale of Waste Paper	5,383,172	5,015,681
S M S Income	54,099,405	49,759,212
Sale of Publication	53,334,257	19,408,494
Sundry Revenue	50,000	3,500
Confirmation of Certificate Services	41,210,000	23,605,000
Letters of Certificate Services	5,103,000	3,397,500
Equation of Foreign Certificates	1,305,000	516,000
Sale of Data (Consultancy services)	-	-
Contracted Professionals Training Fees - KCPE	6,457,500	-
Contracted Professionals Training Fees - KCSE	36,939,000	-
Inspection of Examination centres - KCPE	3,994,000	7,853,000
Inspection of Examination centres - KCSE	728,000	1,188,000
Inspection of Examination centres - Technical	1,204,000	605,000
Inspection of Examination centres - Business	1,041,000	600,000
Less Refunds	(1,543,790)	(2,327,771)
	221,750,751	122,252,509



NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 6

	2021-2022	2020-2021
PERSONNEL EXPENSES	Kes.	Kes.
Personal Emoluments	769,927,466	734,737,730
Wages (NYS)	22,205,768	21,822,316
Leave and Passage Expenses	13,170,254	12,568,697
Employer Contribution to Pension Schemes	112,108,816	108,041,919
<i>Compensation to Employees</i>	917,412,304	877,170,662
Medical Expenses –Staff Medical Policy	97,242,017	90,438,863
	1,014,654,321	967,609,525

NOTE 7

	2021-2022	2020-2021
COUNCIL AND ITS COMMITTEE EXPENSES	Kes.	Kes.
Sitting allowance	11,480,000	14,120,000
Training costs	158,400	234,600
Subsistence Allowance	2,895,000	2,899,500
Exam Monitoring Allowance	11,062,000	10,324,600
Travelling	492,323	579,879
Honoraria	870,000	1,044,000
	26,957,723	29,202,579



NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 8	2021-2022	2020-2021
OFFICE ADMINISTRATION EXPENSES	Kes.	Kes.
Transport Operation Expenses	33,148,213	47,111,141
Travel & Accommodation	33,201,795	19,959,860
Telephone, Courier /Airtime Expenses	22,978,780	22,916,116
Official Entertainment	290,000	430,000
Electricity, Water & Conservancy	21,612,429	15,903,516
Purchase of Stationery & Accountable Documents	42,209,608	77,354,069
Mpesa & Bank Charges	19,657,347	13,922,885
Audit Expenses	2,900,000	2,900,000
Maintenance of Plant & Equipment	13,533,399	27,952,394
Newspapers, Magazines and Periodicals	269,240	80,870
Events and Catering Management	48,313,440	33,442,766
Contracted Guards	38,071,161	42,348,877
Supplies of Sanitary Services	10,433,050	12,930,516
Staff Training	8,847,704	2,609,073
International Conference	740,970	100,170
Advertising & Publicity	15,228,434	8,335,667
Library Expenses	97,350	1,177,100
Quality Assurance and Strategic Management	6,032,882	-
Bookshop Operating Expenses (Change in value of Bookshop stock)	(3,745,401)	5,451,726
Legal Expenses	23,959,083	940,570
General Consultancy	78,625	1,922,900
National Programs i.e., HIV/AIDS, ADA, Gender & Anti-Corruption	4,160,673	5,992,754
Staff Welfare Development	20,221,978	13,462,316
	362,240,760	357,245,286



NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 9	2021-2022	2020-2021
EXAMINATION EXPENSES	Kes.	Kes.
Computer Charges	53,491,893	40,214,486
Reprographics Printing Unit	82,950,084	90,912,215
KCPE	1,168,964,848	1,090,224,205
KCSE	4,647,111,195	4,197,857,521
PTE	22,919,456	62,360,117
ADULT/TCAE	825,541	1,365,882
ECDE	75,050,356	67,378,396
DTE	23,502,674	25,417,213
SNE	13,439,777	13,410,646
TECHNICAL	412,620,901	329,287,903
BUSINESS	235,246,998	188,498,335
FOREIGN EXAMS Expenses	17,599,795	10,998,304
CBA	101,789,569	-
Test Developers -report writing - CBC	3,179,596	1,228,097
DPTE	224,487,155	-
DECTE	4,815,413	-
	6,885,956,812	6,119,153,320

NOTE 10	2021-2022	2020-2021
STAFF HOUSING AND OFFICE ACCOMODATION	Kes.	Kes.
Maintenance to Regional Containers	1,113,739	2,718,316
Repair to Council Offices	9,262,644	10,973,637
Rent & Rates to Office Accommodation	92,192,309	93,040,856
	102,568,692	106,732,809



NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 11	2021-2022	2020-2021
INCREASE IN PROVISION OF EMPLOYEE OBLIGATION	Kes.	Kes.
Increase in provision of leave pay	(1,036,903)	6,491,660
	(1,036,903)	6,491,660

NOTE 12	2021-2022	2020-2021
DEPRECIATION & AMORTIZATION EXPENSES	Kes.	Kes.
Depreciation of Residential Houses	13,691,047	12,651,179
Depreciation of New Mitihani House (Dennis Pritt)	7,946,892	7,479,428
Depreciation of New Mitihani House (Printing Unit)	8,515,852	8,249,732
Depreciation of Computer Equipment	60,828,129	98,808,635
Depreciation of Office Equipment	40,233,480	51,922,298
Depreciation of Metal Containers	35,948,928	34,423,800
Depreciation Expenses -Motor Vehicles	8,864,914	16,250,828
Depreciation of Furniture	1,183	7,488,632
Depreciation of Office Fittings and Partitions	13,642,729	14,507,844
Amortization of Software Development	4,606,659	9,130,220
	194,279,813	260,912,596



NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 13 OTHER GAINS/LOSSES	2021-2022 Kes.	2020-2021 Kes.
Gain/(Loss) on foreign exchange	(749,802)	4,514,281
	(749,802)	4,514,281

NOTE 14 TAXATION EXPENSES	2021-2022 Kes.	2020-2021 Kes.
Current corporate income tax	25,838,165	31,366,478
Tax arrears	-	-
	25,838,165	31,366,478
Temporary difference	-	-
	25,838,165	31,366,478

NOTE 15 CASH AND CASH EQUIVALENTS	Note	2021-2022 Kes.	2020-2021 Kes.
Cash in Bank	39	424,264,912	613,289,421
Short term Deposits	40	1,501,555,090	722,921,873
		1,925,820,002	1,336,211,294

NOTE 16

PREPAYMENT & RECEIVABLES FROM EXCHANGE TRANSACTIONS	Note	2021-2022 Kes.	2020-2021 Kes.
Prepayments		21,413,660	-
Prepayments -ESAMI		-	2,285,412
Debtors -Examinations	41	25,234,100	25,461,180
Unsurrendered Imprest	45	82,163,310	72,049,805
Staff Receivables	43	481,952	489,066
Sundry Debtors	44	80,718,360	86,378,524
Interest Receivable/Accrued Interest		9,640,980	7,031,102
Deposit to Institutions	45	11,844,560	14,267,560
		231,496,922	207,962,649



NOTE 17	2021-2022	2020-2021
INVENTORIES	Kes.	Kes.
Printing Materials -Inventories	82,099,422	76,877,562
General Stationery	81,162,393	80,971,764
Book Shop - Inventories	39,773,786	35,999,499
	203,035,601	193,848,825

NOTES TO THE FINANCIAL STATEMENTS (Continued)
NOTE 18: PROPERTY, PLANT & EQUIPMENT as June 30 2022

	Land Kes	Leasehold Building Kes	Motor Vehicle Kes	Office Equipment Kes	Examination Materials Container Kes	Computer Equipment Kes	Furniture Kes	Partition & Fittings Kes	Gross Total Kes
COSTOR VALUATION									
Balance as at 1 July 2020	329,550,000	391,141,698	151,764,783	896,394,736	344,238,017	1,104,667,464	132,586,967	255,816,797	3,606,170,462
Additions for the year	-	-	-	1,088,259	882,825	2,460,000	-	-	4,431,084
Balance as at 1 July 2021	329,550,000	391,141,698	151,764,783	897,482,995	345,120,842	1,107,137,464	132,586,967	255,816,797	3,610,601,546
Additions for the year	-	-	16,000,000	1,848,228	14,544,196	36,333,523	-	-	68,725,948
Balance as at 30 June 2022	329,550,000	391,141,698	167,764,783	899,331,223	359,665,038	1,143,470,987	132,586,967	255,816,797	3,679,327,494
ACCUMALATED DEPRECIATION									
Balance as at 1 July 2020		123,216,036	132,429,140	716,332,206	113,250,790	908,130,742	125,088,872	170,823,438	2,289,271,224
Depreciation charge for the year		15,729,160	16,250,828	51,922,298	34,423,800	98,808,635	7,488,632	14,507,844	239,131,197
Balance as at 1 July 2021		138,945,196	148,679,968	768,254,504	147,674,590	1,006,939,377	132,577,504	185,331,282	2,528,402,421
Depreciation charge for the year		16,462,744	8,864,914	40,233,480	35,948,928	60,828,129	1,183	13,642,729	175,982,106
Balance as at 30 June 2022		155,407,940	157,544,882	808,487,986	183,623,516	1,067,767,506	132,578,687	198,974,011	2,704,384,527
NET BOOK VALUE									
As at 30 June 2022	329,550,000	235,733,758	10,219,901	90,843,237	176,041,522	75,703,482	8,280	56,842,786	974,942,966
As at 30 June 2021	329,550,000	252,196,502	3,084,815	129,228,489	197,446,254	100,198,087	9,463	70,485,515	1,082,199,125
Rate of Depreciation		2.5%	25.0%	10.0%	10.0%	25.0%	12.5%	10.0%	



NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 19

PROPERTY IN WORK IN PROGRESS

This represents construction work being undertaken at the plot L.R. No 188/4/451/11/79 next to the Kenya Bureau of Standards Headquarters, off Mombasa Road. The GOK commissioned the building in 1986.

	2021-2022	2020-2021
	Kes.	Kes.
Balance as at 1July	3,095,633,964	3,095,633,964
Prior item additions	-	-
Additions during the year	476,393,078	-
Balance as at 30June	3,572,027,042	3,095,633,964

NOTE 20

INVESTMENT PROPERTY

COST

	2021-2022	2020-2021
	Kes.	Kes.
Balance as at 1July	381,408,000	381,408,000
Additions	-	-

Balance as at 30June	381,408,000	381,408,000
-----------------------------	--------------------	--------------------

ACCUMULATED DEPRECIATION

Balance as at 1July	(184,830,006)	(172,178,827)
Depreciation charge for the year	(13,691,047)	(12,651,179)

Balance as at 30June	(198,521,053)	(184,830,006)
-----------------------------	----------------------	----------------------

NET BOOK VALUES

Balance as at 30June	182,886,947	196,577,994
-----------------------------	--------------------	--------------------

NOTE 21

INVESTMENTS

These are investments held in Consolidated Bank of Kenya. These equity capital comprise of:

695,000 Ordinary Shares @ Kes. 20.00	13,900,000	13,900,000
2,520,000 4% Non-cumulative Preference Shares @ Kes. 20.00	50,400,000	50,400,000
Balance as at 30June	64,300,000	64,300,000



NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 22

INTANGIBLE ASSETS -SOFTWARES

Intangible assets are made of patented computer software's owned by KNEC such as Examination Processing System (EPS), Enterprise Resource Planning and Item Banking.

COST

Balance as at 1July

2021-2022
Kes.

2020-2021
Kes.

183,894,913

165,468,278

Additions for the year

Additions from SEQIP Project

18,426,635

Balance as at 30June

183,894,913

183,894,913

ACCUMULATED AMORTIZATION

Balance as at 1July

(170,074,936)

(160,944,716)

Amortization charge for the year

(4,606,659)

(9,130,220)

Balance as at 30June

(174,681,595)

(170,074,936)

NET BOOK VALUES

Balance as at 30June

9,213,318

13,819,977

NOTE 23

TRADE AND OTHER PAYABLES

Note

2021-2022
Kes.

2020-2021
Kes.

Examination Expenses Payable

46

636,865,159

797,448,490

Trade Creditors

254,205,741

146,340,335

Accrued Expenses (Budget Commitments)

312,062,069

196,115,698

Staff Deductions Payables

47

5,389,495

9,418,587

Statutory Deductions Payables/ Benefits

48

52,076,067

38,904,325

KNEC Contribution to WCPS / Staff Contribution to WCPS

109,616

54,808

Audit Fees (Accrual)

5,800,000

5,800,000

Rent Deposit Refundable

1,398,600

1,368,600

1,267,906,747

1,195,450,843



NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 24	2021-2022	2020-2021
DEFERRED INCOME	Kes.	Kes.
Deferred - Income - KCPE	360,604,071	291,149,027
Deferred - Income - KCSE	1,272,792,312	765,582,853
Deferred - Income - PTE	4,823,100	10,189,204
Deferred - Income - TCEA	953,550	936,699
Deferred - Income - ECDE	44,409,160	207,680,097
Deferred - Income - DTE	10,126,650	16,065,640
Deferred - Income - SNE	9,271,150	10,474,810
Deferred - Income - Technical	663,799,220	329,559,720
Deferred - Income - Business	311,332,560	172,489,042
Deferred Income - Confirmation of Certificates	5,328,723	4,800,747
Deferred Income - Letter of Certificates Services	1,470,930	861,216
Deferred Income - Equation	1,341,877	2,061,236
Deferred Income – Contracted Professionals Training	10,500	
Deferred Income - U-DPTE	186,327,600	-
Deferred Income - U-DECTE	5,793,300	-
	2,878,384,703	1,811,850,291

NOTE 25	2021-2022	2020-2021
EMPLOYEE BENEFIT OBLIGATION	Kes.	Kes.
Balance as at 1st July	26,371,235	21,415,552
Staff Leave Days Provision	(1,036,903)	6,491,660
Employee benefit obligation pay-out	(737,750)	
Additional Gratuity Provision raised	(1,404,090)	(1,535,977)
Balance as at 30 June	23,192,492	26,371,235



NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 26		2021-2022	2020-2021
TAXATION PROVISION	Note	Kes.	Kes.
Balance as at 1July		41,839,112	35,540,452
Income tax charge for the year		25,838,165	31,366,478
Under/(over) provision in prior year/s		-	-
Income tax paid during the year		(26,748,668)	(25,067,818)
Net change		(910,503)	6,298,660
Balance as at 30June		40,928,609	41,839,112

NOTE 27		2021-2022	2020-2021
DONOR PROJECT FUNDS		Kes.	Kes.
Rockefeller		3,339,543	3,339,543
EAC (Essay Writing Competition)		329,248	329,248
KESSP - NASMLA		8,084,361	8,084,361
UKEFR Study - AKF		41,000	41,000
UNESCO- Education Response to Covid 19		7,780,740	6,333,370
GPE-World Bank PRIEDE Project		944,828	32,830,692
GPE-Covid 19 LCBE Project		-	13,981,320
SEQIP-Secondary Education Quality Improvement Project		140,197,324	313,940,035
UNICEF		928,148	-
Balance as at 30 June		161,645,192	378,879,569

Donor funds amounting to **Kes. 11,794,152** have remained outstanding since FY 2007/2008. Management undertakes to resolve the same in the FY 2022/2023.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 27: THE DONOR PROJECT FUNDS MOVEMENT IS AS FOLLOWS:

DONOR PROJECT FUNDS	2021-2022 Kes.	2020-2021 Kes.
Other Projects b/f	11,794,152	11,794,152
GPE-World Bank PRIEDE Project b/f	32,830,692	18,376,276
SEQIP-Project b/f	313,940,035	358,451,052
GPE -COVID 19 LCBE Project	13,981,320	-
UNESCO -Education Response to Covid 19	6,333,370	-
Balance as at 1 July	378,879,569	388,621,480
Movements during the year		
Current year receipts		
UNESCO- Education Response to Covid 19	8,206,920	19,078,940
GPE-World Bank PRIEDE Project	277,929,776	111,794,500
GPE-Covid 19 LCBE Project	-	100,000,000
SEQIP-Secondary Education Quality Improvement Project	-	-
UNICEF - Project	6,927,200	-
	293,063,896	230,873,440
Conditions met- project expenses utilized		
UNESCO- Education Response to Covid 19	(6,759,550)	(12,745,570)
GPE-World Bank PRIEDE Project	(309,815,640)	(97,340,084)
GPE-Covid 19 LCBE Project	(13,981,320)	(86,018,680)
SEQIP-Secondary Education Quality Improvement Project	(173,742,711)	(44,511,017)
UNICEF - Project	(5,999,052)	-
	(510,298,273)	(240,615,351)
Total Movements during the year	(217,234,377)	(9,741,911)
Other Projects c/f	11,794,152	11,794,152
UNESCO- Education Response to Covid 19	7,780,740	6,333,370
GPE-World Bank PRIEDE Project c/f	944,828	32,830,692
GPE-Covid 19 LCBE Project	-	13,981,320
SEQIP-Project c/f	140,197,324	313,940,035
UNICEF - Project	928,148	-
Conditions yet to be met- liabilities	161,645,192	378,879,569



NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 28	2021-2022	2020-2021
CAPITAL WORKS RETENTIONS	Kes.	Kes.
Balance as at 1July	4,399,990	4,399,990
Additions		
Retention of New Mitihani House	-	-
Retention - Purchase of Metal Containers	1,454,420	-
Balance as at 30June	5,854,410	4,399,990

NOTE 29	2021-2022	2020-2021
CAPITAL RESERVE	Kes.	Kes.
Balance as at 1July	4,034,563,545	3,966,136,910
Capital grants for the year	-	50,000,000
MOPW Capital grants on NMH for the year	500,000,000	-
SEQIP Capital grants for the year	27,248,239	18,426,635
Balance as at 30June	4,561,811,784	4,034,563,545

NOTE 30	2021-2022	2020-2021
REVALUATION RESERVE	Kes.	Kes.
Balance as at 1July '[2qwa	709,640,359	709,640,359
Revaluations for the year	-	-
Balance as at 30June	709,640,359	709,640,359

NOTE 31	2021-2022	2020-2021
REVENUE RESERVE -ACCUMULATED SURPLUS	Kes.	Kes.
Balance as at 1July	(2,012,441,115)	(1,335,397,941)
Prior Items Adjustments	17,687,739	7,797,557
Deficit for the Year	(492,906,440)	(684,840,731)
Balance as at 30June	(2485,641,498)	(2,012,441,115)



NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 32

INTER-ENTITY TRANSFERS

	2021-2022	2020-2021
	Kes.	Kes.
MoE Recurrent Grants Transfer	149,100,000	149,100,000
MoE KCSE Exams Grants Transfer	3,322,114,547	1,384,246,176
MOE KCPE Examination Grants	674,838,173	-
Grants - GPE PRIEDE PROJECT	200,000,000	-
Amount recognized to Statement of Comprehensive Income	4,346,052,720	1,533,346,176
MoE KCPE Exams Grants Transfer	267,292,507	942,130,682
MoE KCSE Exams Grants Transfer	759,623,483	1,697,491,853
Amount recognized to Deferred Income	1,026,915,990	2,639,622,535
GPE-World Bank PRIEDE Project	277,929,776	111,794,500
GPE-Covid 19 LCBE Project	-	100,000,000
UNESCO - Project	8,206,920	-
UNICEF - Project	6,927,200	-
Amount recognised in Donor fund	293,063,896	211,794,500
MoE Capital Grants	500,000,000	50,000,000
Amount recognised in capital fund	500,000,000	50,000,000
Total grant income during the year	6,166,032,606	4,434,763,211



NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 33

RELATED PARTIES

Nature of related party relationships

Entities and other parties related to the entity include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the *entity*, holding 100% of the *entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Ministry of Education
- iii) Council Members
- iv) Key Management

	2021-2022	2020-2021
	Kes.	Kes.
Related party transactions		
a) Grants from the Government		
Grants from National Govt –MOE	6,166,032,606	4,434,763,211
Grants from National Govt -MOPW	-	-
b) Expenses incurred on behalf of related party		
Payments for goods and services for MOE	-	-
c) Key management compensation		
Council Members	26,957,723	29,202,579
Management	40,609,621	35,332,996



NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 34

COMMITMENTS

CAPITAL COMMITMENTS

Capital expenditure authorized and contracted for

Local Purchase Orders authorized

	2021-2022	2020-2021
	Kes.	Kes.
	168,961,588	57,858,797
	168,961,588	57,858,797

OPERATING LEASE COMMITMENTS

KNEC as lessee

Future minimum lease payments under non-cancellable operating leases for rented office space

Due within one year

Due within two to five years

Later than five years

Total operating lease expense commitments

	2021-2022	2020-2021
	Kes.	Kes.
	86,685,336	96,751,448
	16,693,470	162,538,740
	-	-
	103,378,806	259,290,188

The Council members are of the view that future net revenues and funding will be sufficient to cover these commitments.

NOTE 35

PRIOR ITEMS ADJUSTMENTS

Prior Items Adjustments amounting to Kes.17,687,739 are explained as follows

Cancellation of Local Purchase Order (LPO) during the year 2021/2022 amounting to **Kes. 22,129,057** which were not expected to be serviced but whose commitment had been factored in prior year Financial Statements in accordance with Accrual Basis of Accounting. Additionally, an amount of Kes. 2,423,000 carried as deposits was passed as a prior year adjustment since it was expended in the FY 2019/2020.

	2021-2022	2020-2021
	Kes.	Kes.
	19,706,057	7,797,557



NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 36
CONTINGENT ASSETS

	2021-2022	2020-2021
	Kes.	Kes.
Foundation Institute of Africa.	16,016,000	16,016,000
COM -21 Ltd.	4,546,829	4,546,829
Ken bright Insurance Broker	7,000,000	7,000,000
	27,562,829	27,562,829

NOTE 37
CONTINGENT LIABILITIES

	2021-2022	2020-2021
	Kes.	Kes.
Court cases against the KNEC		
Ongata Works Ltd (Court case No. 85 of 2017)*	-	413,672,286
Former Staff Cases Awards**	12,559,321	1,533,540
CIC Insurance	16,482,914	16,482,914
	29,042,235	431,688,740



NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 38

FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

The Council's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Council's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Council does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history

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

(i) Credit risk

The Council has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Council's management based on prior experience and their assessment of the current economic environment..



NOTES TO THE FINANCIAL STATEMENTS (Continued)

FINANCIAL RISK MANAGEMENT

The carrying amount of financial assets recorded in the financial statements representing the Council's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

(i) Credit risk (Continued)

	Total	Fully performing	Past due	Impaired
	Kes.	Kes.	Kes.	Kes.
As at 30 June 2022				
Receivables from non-exchange transactions	228,887,043	180,757,251	27,875,487	20,254,305
Cash And Cash Equivalents	1,925,820,002	1,925,820,002		
Total	2,154,707,045	2,106,577,253	27,875,487	20,254,305

	Total	Fully performing	Past due	Impaired
	Kes.	Kes.	Kes.	Kes.
As at 30 June 2021				
Receivables from non-exchange transactions	207,962,649	161,108,412	26,599,932	20,254,305
Cash And Cash Equivalents	1,336,211,294	1,336,211,294	-	-
Total	1,544,173,943	1,497,319,706	26,599,932	20,254,305

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Council has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Council has significant concentration of credit risk on amounts due from Cash and Cash equivalents.



THE KENYA NATIONAL EXAMINATIONS COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS *For The Year Ended 30 June, 2022*

The Council sets the Council's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.



FINANCIAL RISK MANAGEMENT (Continued)

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Council members who have built an appropriate liquidity risk management framework for the management of the Council's short, medium and long-term funding and liquidity management requirements. The Council manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Council under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month Kes.	Between 1-3 months Kes.	Over 5 months Kes.	Total Kes.
As at 30 June 2022				
Trade and other payables from exchange transactions	225,931,724	1,015,719,324	26,255,699	1,267,906,747
Deferred income	2,878,384,703	-	-	2,878,384,703
Taxation Provision		-	40,928,609	40,928,609
Employee benefit obligation		-	26,192,492	23,192,492
Total	3,104,316,427	1,015,719,324	93,376,800	4,210,412,551
As at 30 June 2021				
Trade and other payables from exchange transactions	279,343,842	891,532,861	24,574,140	1,195,450,843
Deferred income	1,811,850,290	-	-	1,811,850,290
Taxation Provision	10,713,073	-	31,126,039	41,839,112
Employee benefit obligation	22,993,261	-	3,377,974	26,371,235
Total	2,124,900,466	891,532,861	59,078,153	3,075,511,480



FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Council's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Council's Planning Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the Council's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The Council has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

As at the end of the reporting period, the Council had nil foreign currency denominated payables.

b) Interest rate risk

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

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to negotiate for favourable interest rates with its commercial bankers.



Fair value of financial assets and liabilities

a) Financial instruments measured at fair value

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Council's market assumptions. These two types of inputs have created the following fair value hierarchy:

* Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

*Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

* Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Council considers relevant and observable market prices in its valuations where possible.



FINANCIAL RISK MANAGEMENT (Continued)

Fair value of financial assets and liabilities (Continued)

The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	Kes.	Kes.	Kes.	Kes.
As at 30 June 2022				
Financial Assets				
Quoted equity investments	-	-	64,300,000	64,300,000
Non-financial Assets				
Investment property	-	-	381,408,000	381,408,000
Land and buildings	-	-	3,610,601,546	3,610,601,546
Total	-	-	4,056,309,546	4,056,309,546
As at 30 June 2021				
Financial Assets				
Quoted equity investments	-	-	64,300,000	64,300,000
Non-financial Assets				
Investment property	-	-	381,408,000	381,408,000
Land and buildings	-	-	3,606,170,462	3,606,170,462
Total	-	-	4,051,878,462	4,051,878,462

There were no transfers between levels 1, 2 and 3 during the year.

Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.



FINANCIAL RISK MANAGEMENT (Continued)

Fair value of financial assets and liabilities (Continued)

Financial instruments measured at fair value (Continued)

Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

v) Capital Risk Management

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

	2021-2022	2020-2021
		Kes.
Revaluation	709,640,359	709,640,359
Accumulated Deficit	(2,485,641,498)	(2,012,441,115)
Capital reserve	4,561,811,784	<u>4,034,563,545</u>
Total Funds	2,785,810,645	2,731,762,789
Non-Current Liabilities	167,499,602	383,861,373
Less: cash and bank balances	1,925,820,002	1,336,211,294
Net debt/(excess cash and cash equivalents)	1,758,320,400	952,931,735
Gearing	1,663%	713%



NOTE 39

DETAILED ANALYSIS OF THE CASH IN BANK

Cash in Bank	Branch	Account	2021-2022 Kes.	2020-2021 Kes.
Co-operative Bank - SEQIP Project	Coop House	01136030120310	150,076,157	317,495,700
Co-operative Bank - Current Account	Coop House	01136030120300	30,755,353	56,250,339
Co-operative Bank - Project Account	Coop House	01136030120302	45,963,263	44,253,416
Co-operative Bank - GPE-World Bank-Priede Project	Coop House	01136030120309	944,828	41,712,180
Co-operative Bank - GPE- Covid 19 LCBE Project	Coop House	01136030120311	-	13,937,135
Co-operative Bank - Forex Account	Coop House	03120030120300	3,488,338	93,053
Co-operative Bank - KCPE Collection Account	Coop House	01136030120303	8,842	10,000
Co-operative Bank - KCSE Collection Account	Coop House	01136030120304	783,700	10,000
Co-operative Bank - Business Collection Account	Coop House	01136030120305	9,514	9,136
Co-operative Bank - Technical Collection Account	Coop House	01136030120306	9,010	8,296
Co-operative Bank			232,039,005	473,779,255
Commercial Bank of Africa - Current Account	Mama Ngina Street	7079410014	2,586,584	2,539,962



NOTE 39

DETAILED ANALYSIS OF THE CASH IN BANK

Cash in Bank	Branch	Account	2021-2022 Kes.	2020-2021 Kes.
National Bank of Kenya -Current Account	Harambee	0100105387000	72,009,020	16,517,190
National Bank of Kenya - General Tran Collection Account	Harambee	0100160314300	10,000	20,000
National Bank of Kenya -KCPE Collection Account	Harambee	0100160313800	10,000	10,000
National Bank of Kenya -KCSE Collection Account	Harambee	0100160313800	10,000	10,000
National Bank of Kenya -Business Collection Account	Harambee	0100160314000	10,000	10,000
National Bank of Kenya -Technical Collection Account	Harambee	0100160314100	10,000	10,000
National Bank of Kenya - Other Exams Collection Account	Harambee	01001060314200	10,000	10,000
National Bank of Kenya			72,069,020	16,587,190
Equity Bank -Current Account	Lavington Supreme Centre	0470294988324	17,290,544	17,764,700
Equity Bank - KCPE Collection Account	Lavington Supreme Centre	0470294988424	10,000	9,991
Equity Bank -KCSE Collection Account	Lavington Supreme Centre	0470294988446	10,000	9,969



NOTE 39

DETAILED ANALYSIS OF THE CASH IN BANK

Cash in Bank	Branch	Account	2021-2022 Kes.	2020-2021 Kes.
Equity Bank -Technical Exam Collection Account	Lavington Supreme Centre	0470294988458	10,000	9,035
Equity Bank -Business Exam Collection Account	Lavington Supreme Centre	0470294988466	10,000	8,118
Equity Bank			17,330,544	17,801,813
Kenya Commercial Bank - Current Account	Moi Avenue	01107140870	50,437,604	31,294,330
Kenya Commercial Bank - Technical Collection Account	Moi Avenue	01116686791	9,880	7,607,660
Kenya Commercial Bank - KCPE Collection Account	Moi Avenue	01116686414	9,880	9,880
Kenya Commercial Bank - KCSE Collection Account	Moi Avenue	01116686457	9,880	9,880
Kenya Commercial Bank - Business Collection Account	Moi Avenue	01116686554	9,880	9,880
Kenya Commercial Bank - Other Exams Collection Account	Moi Avenue	01116686880	9,880	9,880
Kenya Commercial Bank - General Transactions Collection Account	Moi Avenue	01116686937	737,655	9,880
Kenya Commercial Bank			51,224,659	38,951,390
Safaricom - Mpesa Utility (float) Account	Mama Ngina Street	74810049-17	45,161,210	63,629,811
Bank Transfer Clearing A/c			3,853,890	-
Cash in Bank			424,264,912	613,289,421



NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 40

DETAILED ANALYSIS OF THE SHORT TERM DEPOSITS

	2021-2022	2020-2021
	Kes.	Kes.
Fixed Deposits - KCB	180,000,000	225,000,000
Fixed Deposit - Commercial Bank of Africa	500,000,000	200,000,000
Fixed Deposit - Co-operative Bank	321,555,090	172,921,873
Fixed Deposit -Equity Bank	300,000,000	125,000,000
Fixed Deposit -National Bank	200,000,000	-
	1,501,555,090	722,921,873

NOTE 41

Detailed RECEIVABLES FROM EXCHANGE TRANSACTIONS

Debtors -Examinations

	2021-2022	2020-2021
	Kes.	Kes.
Debtors -Teachers Examinations - ECDE	29,794,910	26,928,580
Debtors - School Examinations - KCSE	10,373,550	14,217,960
Debtors -Post School Examinations - Business	2,850,890	2,235,350
Debtors - School Examinations - KCPE	932,800	953,300
Debtors -Post School Examinations - Technical	853,300	767,390
Debtors -Teachers Examinations - SNE	317,950	184,900
Debtors -Teachers Examinations - DTE	-	63,000
Total Debtors -Examinations	45,123,400	45,350,480
Provision for Bad Debts – (ECDE Foundation Institute)	(19,889,300)	(19,889,300)
	25,234,100	25,461,180



NOTES TO THE FINANCIAL STATEMENTS (Continued)
Detailed RECEIVABLES FROM EXCHANGE TRANSACTIONS

NOTE 42	2021-2022 Kes.	2020-2021 Kes.
Unsurrendered Imprest		
Unsurrendered Imprest	82,163,310	72,049,805
Provision for Bad Debts - Temporary Imprest	-	-
	82,163,310	72,049,805

NOTE 43	2021-2022 Kes.	2020-2021 Kes.
Staff Receivables		
Staff Debtors	336,574	453,688
Salary Advance	239,000	129,000
Total Staff Receivables	575,574	582,688
Provision for Bad Debts - Staff Debtors	(93,622)	(93,622)
	481,952	489,066

NOTE 44	2021-2022 Kes.	2020-2021 Kes.
Sundry Debtors		
Debtor –SMS	39,691,636	67,591,623
Miscellaneous Debtors	40,010,748	17,588,540
Retirement Benefits	795,000	795,000
Sundry Debtors- Examiners	338,899	521,284
Debtors -Kenya Polytechnic	153,460	153,460
Total Sundry Debtors	80,989,743	86,649,907
Provision for Bad Debts - Kenya Polytechnic	(153,460)	(153,460)
Provision for Bad Debts - Fina Stationers	(103,273)	(103,273)
Provision for Bad Debts - Mufam Collectors	(14,650)	(14,650)
	80,718,360	86,378,524



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Detailed RECEIVABLES FROM EXCHANGE TRANSACTIONS (Continued)

NOTE 45	2021-2022	2020-2021
Deposit to Institutions	Kes.	Kes.
Deposit to Institutions (Office Rent Deposits)	9,338,560	9,338,560
Deposit to Petrol Stations	1,800,000.00	4,223,000
Deposit to Hospitals	706,000	706,000
	11,844,560	14,267,560

Detailed TRADE AND OTHER PAYABLES

NOTE 46	2021-2022	2020-2021
Examination Expenses Payable	Kes.	Kes.
Marking Payables	594,420,059	781,092,715
Field Administration Payables	42,445,100	16,355,775
	636,865,159	797,448,490

The marking payables outstanding as at 30.06.2022, were subsequently settled in July 2022 following receipt of supplementary budget support.

NOTE 47	2021-2022	2020-2021
Staff Deductions Payables/ Benefits	Kes.	Kes.
Insurance benefits	5,370,445	9,351,037
Benevolent Funds	19,050	67,550
	5,389,495	9,418,587

NB: During the year under review the Council lost one member of staff and the Insurance Company remitted their final dues of Kes.5,370,445 for onward distribution to his dependants. The payment to the dependants will be made after due diligence by the Staff Pension fund and Human Resources Division.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Detailed TRADE AND OTHER PAYABLES

NOTE 48	2021-2022	2020-2021
Statutory Deductions Payables	Kes.	Kes.
PAYE- Salaries	290,405	880,547
PAYE- Council members allowances	342,000	998,100
Income Tax (Withholding Tax) - Creditors	1,496,069	3,920,000
Withholding tax - Contracted Professionals	5,422,172	5,093,027
Commissioner of Tax -VAT Withholding	5,251,859	2,710,352
VAT Output Tax	39,273,562	25,302,299
	52,076,067	38,904,325



APPENDIX I: PROGRESS ON FOLLOW UP OF EXTERNAL AUDITOR'S RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No of the External Audit Report	Issues/ Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved /Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	The Council is technical insolvent and its ability to meet short-term obligations as and when they fall due could not be confirmed. The Management has not explained any mitigation measures to improve the performance.	The Council has undertaken various transformative strategies in the last five (6) years to securing the integrity of the National examinations. During the year under review, the Council successfully lobbied for increased capitation with the MoE and the National Treasury leading to a supplementary allocation of Kes. 1 billion for the administration of KCSE. We are therefore confident to remain a going concern with this gesture of budgetary support from the GoK, underpinned by concerted efforts to manage the resources prudently.	Dr David Njengere CEO KNEC	Not Resolved	
2.0	Delay in the completion of Mitihani House in South C. The Works has been outgoing for the last 30 years. The management has not provided a road map on how it intends to complete the project which could lead to cost escalation and stakeholders may not get value for their resources if the project is not completed and put to its intended purpose. Any delays in payments the management risks legal suits and interest penalties.	The construction has faced numerous challenges resulting from: ➤ Project management: The New Mitihani House construction project management is under the Ministry of Land, Housing & Urban development) and not the Council. ➤ Project Funding: The Council has been receiving amounts far below requirement which has led to delays in paying outstanding bills. The budgetary allocation for the New Mitihani House construction for the FY 2021-2022 was Kes.500,000,000. The grant was applied to the settlement of outstanding bill amounting to Kes. 455 million. The balance of Kes. 45 million was expended (Kes. 21,393,078) / committed (Kes. 23,606,922) for works and supplies towards making the building ready for occupation. Council staff have since relocated and NMH- South C designated Council headquarters.	Dr David Njengere CEO KNEC	Not Resolved	
3.0	The management has not recovered monies	The Management concur with the auditor's observation. The Council	Dr David Njengere	Not Resolved	



THE KENYA NATIONAL EXAMINATIONS COUNCIL
ANNUAL REPORT AND FINANCIAL STATEMENTS For The Year Ended 30 June, 2022

Reference No of the External Audit Report	Issues/ Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved /Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	from Foundation Institute of Africa although they have released examination certificates to the institute. This recoverability is in doubt.	has forwarded matter to the Attorney General and the Director of Criminal Investigations to act on behalf of the Council.	CEO KNEC		

Guidance Notes:

- i. Use the same reference Numbers as contained in the external Audit Report;
- ii. Obtain the “The Issue/Observation” and “management comments”, required above, from final external audit report.
- iii. Before approving the report, discuss the time frame with the appointed Focal Point persons within your Authority responsible for implementation of each issue;
- iv. Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

Prof. Julius O. Nyabundi, OGW
CHAIRMAN

Dr David Njengere, MBS
CHIEF EXECUTIVE OFFICER



APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

Projects implemented by the State Corporation/ SAGA Funded by development partners

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
The New Mitihani House Project	1066103500	The GoK	1986-2020	No	No	Yes
Specialized Printing Equipment	1066104701	The GoK	2021-2025	No	No	Yes

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion %to date	Budget	Actual	Sources of funds
1	The New Mitihani House Project	4,666,147,501	3,572,027,042	77%	500,000,000	476,393,078	The GoK
2	Specialized Printing Equipment	853,550,000	50,000,000	6%	50,000,000	-	The GoK

Projects Brief

New Mitihani House

The Council in July 2018 terminated the NMH Phase VI contract with M/S Ongata works to forestall escalation of costs due to price fluctuations, interest on delayed payments among other contractual claims. The level of completion at the point of stalling was estimated at 59% as computed by the Project Manager, (Ministry of Public Works).

The budgetary allocation for the New Mitihani House construction for the FY 2021-2022 was Kes.500,000,000. The grant was applied to the settlement of outstanding bill amounting to Kes. 455 million. The balance of Kes. 45 million was expended (Kes. 21,393,078) / committed (Kes. 23,606,922) for works and supplies towards making the building ready for occupation. Council staff have since relocated and NMH- South C designated Council headquarters.



APPENDIX III: INTER-ENTITY TRANSFERS

Kenya National Examinations Council			
Break down of Transfers from the State Department of Education			
FY 2021/22			
a.	Recurrent Grants		
		<u>Bank Statement Date</u>	<u>Amount (Kes)</u>
			<u>Indicate the FY to which the amounts relate</u>
		05/08/2021	37,275,000
		13/08/2021	1,005,967,177
		27/10/2021	37,275,000
		19/01/2022	1,005,967,178
		04/02/2022	37,275,000
		01/04/2022	1,005,967,178
		10/05/2022	1,005,967,177
		17/06/2022	1,000,000,000
		17/06/2022	37,275,000
		Total	5,172,968,710
b.	Development Grants		
		<u>Bank Statement Date</u>	<u>Amount (Kes)</u>
			<u>Indicate the FY to which the amounts relate</u>
		01/10/2021	250,000,000
		13/11/2021	250,000,000
		Total	500,000,000
c.	Donor / Project receipts		
		<u>Bank Statement Date</u>	<u>Amount (Kes)</u>
			<u>Indicate the FY to which the amounts relate</u>
	Project-PRIEDE	10/09/2021	30,000,000
	Project-PRIEDE	10/09/2021	42,524,500
	Project-PRIEDE	08/11/2021	29,792,500
	Project-UNICEF	22/11/2021	6,927,200
	Project-PRIEDE	14/12/2021	5,907,455
	Project-PRIEDE	14/12/2021	106,523,500
	Project-PRIEDE	17/12/2021	93,181,821
	Project-PRIEDE	21/03/2022	170,000,000
	Project-UNESCO	01/10/2021	8,206,920
		Total	493,063,896

The above amounts have been communicated to and reconciled with the parent Ministry

Financial Controller
KNEC

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	QTR	Nature: Recurrent/Development/Other	Total Amount - KES	Where Recorded/recognized						Total Transfers
					Statement of Financial Performance			Statement of Financial Position			
					KCPE GRANTS	KCSE GRANTS	RECURRENT GRANTS	Capital Fund	Deferred Income KCPE	Deferred Income KCSE	
MOE	05/08/2021	1	Recurrent	37,275,000			37,275,000				37,275,000
MOE	13/08/2021	1	Recurrent	1,005,967,177	674,838,173	63,836,495			267,292,507		1,005,967,175
MOE	01/10/2021	2	Development	250,000,000				250,000,000		-	250,000,000
MOE	27/10/2021	2	Recurrent	37,275,000			37,275,000				37,275,000
MOE	13/11/2021	2	Development	250,000,000				250,000,000		-	250,000,000
MOE	19/01/2022	3	Recurrent	1,005,967,178		1,005,967,178			-		1,005,967,178
MOE	04/02/2022	3	Recurrent	37,275,000			37,275,000				37,275,000
MOE	01/04/2022	4	Recurrent	1,005,967,178		1,005,967,178					1,005,967,178
MOE	10/05/2022	4	Recurrent	1,005,967,177		1,005,967,177					1,005,967,177
MOE	17/06/2022	4	Recurrent	1,000,000,000		240,376,519				759,623,483	1,000,000,002
MOE	17/06/2022	4	Recurrent	37,275,000			37,275,000				37,275,000
				5,672,968,710	674,838,173	3,322,114,547	149,100,000	500,000,000	267,292,507	759,623,483	5,672,968,710
MOE	10/09/2021	1	Project-PRIEDE	30,000,000			30,000,000				30,000,000
MOE	10/09/2021	1	Project-PRIEDE	42,524,500							42,524,500
MOE	08/11/2021	2	Project-PRIEDE	29,792,500							29,792,500
UNICEF	22/11/2021	2	Project-UNICEF	6,927,200							6,927,200
MOE	14/12/2021	2	Project-PRIEDE	5,907,455							5,907,455
MOE	14/12/2021	2	Project-PRIEDE	106,523,500							106,523,500
MOE	17/12/2021	2	Project-PRIEDE	93,181,821							93,181,821
MOE	21/03/2022	3	Project-PRIEDE	170,000,000			170,000,000				170,000,000
UNESCO	01/10/2021		Project-UNESCO	8,206,920							8,206,920
Total				493,063,896	-	-	200,000,000	-	-	-	493,063,896

