

REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY  
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CLERK-AT-THE-TABLE:	MERCY OCMO

THE AUDITOR-GENERAL

ON

KENYA ENGINEERING TECHNOLOGY  
REGISTRATION BOARD

FOR THE YEAR ENDED  
30 JUNE, 2025



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KENYA ENGINEERING TECHNOLOGY REGISTRATION BOARD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2025

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



Table of Contents.....		Page
1.	Acronyms and Definition of Key Terms .....	iv
2.	KETR B Information and Management .....	v
3.	The Board of Directors/Council.....	x
4.	Key Management Team .....	xvi
5.	Chairman’s Statement .....	xviii
6.	Report of the Chief Executive Officer.....	xix
7.	Statement of Performance against Predetermined Objectives for FY 2024/2025 .....	xxii
8.	Corporate Governance Statement .....	xxiv
9.	Management Discussion and Analysis.....	xxvi
10.	Environmental and Sustainability Reporting.....	xxxi
11.	Report of the Directors.....	xxxiii
12.	Statement of Directors Responsibilities.....	xxxiv
13.	Report of the Independent Auditor for the Financial Statements of Kenya Engineering Technology Registration Board.....	xxxvi
14.	Statement of Financial Performance for the year ended 30 June 2025.....	1
15.	Statement of Financial Position as at 30 June 2025 .....	2
16.	Statement of Changes in Net Assets for the year ended 30 June 2025 .....	3
17.	Statement of Cash Flows for the year ended 30 June 2025 .....	4
18.	Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025 5	
19.	Notes to the Financial Statements.....	7
20.	Appendices .....	32

## I. Acronyms and Definition of Key Terms

### A: Acronyms

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KETRB	Kenya Engineering Technology Registration Board
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
VC	Vice Chancellor

### B: Glossary of Terms

**Fiduciary Management-** Members of Management directly entrusted with the responsibility of financial resources of the organisation

## 2. KETRB Information and Management

### (a) Background information

KETRB's undertakings are guided by the Engineering Technology Act, 2016. Currently, KETRB is domiciled State Department of Roads, Ministry of Roads and Transport. KETRB's undertakings were guided by the Engineering Technology Cap 530A.

### (b) Principal Activities

#### Vision Statement

A leading regulatory body for advancement of the engineering technology profession.

#### Mission Statement

To regulate and promote development of engineering technology profession, uphold professional standards, foster excellence for achievement of national development goals.

#### Strategic Objectives

- (i) To enhance the institutional capacity through policy, legislative and institutional strengthening;
- (ii) To increase registration and licensing of engineering technologists and technicians;
- (iii) To enforce compliance to registration, licensing and standards of practice; and
- (iv) To promote continuous professional development of engineering Technologists and technicians.

#### Functions of the Board

Section 5 of the Engineering Technology Cap 530A outlines the functions of the Board.

- (a) Issue licenses to qualified persons;
- (b) Take disciplinary measures;
- (c) Enter and inspect sites where construction, installation, erection, alteration, renovation, maintenance, processing or manufacturing works are in progress for the purpose of verifying that-
  - i) engineering professional services and works are undertaken by persons registered under this Act;

- ii) standards and professional ethics and relevant health and safety aspects are observed, in line with Occupational Safety and Health Act, 2007;
- (d) Assess, approve or reject engineering technology qualifications of foreign persons intending to offer engineering technology professional services or works in Kenya;
- (e) Enter and inspect business premises for verification purposes or for monitoring works, services and goods rendered by professional engineering technologists;
- (f) Recommend for the suspension of any engineering technology professional services, works, projects, installation process or any other engineering technology works, which are done without meeting the standards;
- (g) Participate, as a stakeholder in formulating engineering technology programme in public and private universities and other tertiary level educational institutions offering education in engineering technology for the purposes of registration of engineering technologists;
- (h) Set standards for engineering technologists in management, marketing, professional ethics, environmental issues, safety, legal matters or any other relevant field;
- (i) Conduct professional examinations for the purposes of registration where applicable;
- (j) Plan, arrange, co-ordinate and oversee professional training and facilitate internship of engineering technologists;
- (k) Collaborate with engineering technology training institutions and organisations, professional associations and other relevant bodies in matters relating to training and professional development of engineering technologists;
- (l) Determine the fees to be charged by engineering technologists and firms for professional services rendered from time to time;
- (m) Hear and determine such disputes relating to the professional conduct or ethics of engineering technologists;
- (n) Issue, maintain and enforce the code of ethics for engineering technologists and technicians and regulate the conduct and ethics of the engineering technology profession in general;
- (o) Determine disciplines of engineering technology under this Act; and

(p) Do anything incidental or conducive to the performance of any of the preceding functions.

**(c) Key Management**

KETRB'S day-to-day management is under the following key organs:

- The Board of Directors
- The Registrar/Chief Executive officer
- Heads of Section

**(d) Fiduciary Management**

The key management personnel who held office during the financial period ended June 30,2025 and who had direct fiduciary responsibility were:

No	Designation/Section	Name
1.	Registrar/CEO	Kigo Florence
2.	Research &Standard	Patrick K Ronoh
3.	Registration and Licensing	Geofrey Alusa
4.	Supply Chain Management	Lucy Gituma
5.	Human Resource and Administration	Betty Kipyegon
6.	Information Communication Technology	Francisca Murkomen
7.	Finance and Accounts	Haron Koros
8	Partnership and Development	Isaac Mwaura

**(e) Fiduciary Oversight Arrangements**

The Board has three (3) Board Committees:

- Technical Committee;
- Finance and General-Purpose Committee; and
- Audit Committee

**i. Technical Committee**

The Technical Committee reviews plans and guidelines for the effective implementation of the provisions of the Engineering Technology Cap 530A.

**ii. Finance and General-Purpose Committee**

The Finance and General-Purpose Committee has direct oversight on the financial activities of the Board. The Committee reviews the long term and annual plans, budget, financial reports, human capital reports, procurement plans, performance contracting and Information Communication Technology reports and workplace policies.

**iii. Audit Committee**

The Audit Committee evaluates adequacy of management procedures with regard to issues relating to risk management, control and governance, reviews and assesses the adequacy and compliance of the Board's policies and procedures for identifying, assessing and managing risks.

**(f) KETR B Headquarters**

11<sup>th</sup> Floor National Bank Building  
Harambee Avenue  
Nairobi, KENYA

**(g) KETR B Contacts**

P.O. Box 5901-00200  
Nairobi, Kenya.  
Telephone: (254) 0740137877  
E-mail: [info@ketrb.go.ke](mailto:info@ketrb.go.ke)  
Website: [www.ketrb.go.ke](http://www.ketrb.go.ke)

**(h) KETR B Bankers**

Kenya Commercial Bank  
Haile Selassie Branch  
P.O. Box 58992- 00200  
NAIROBI, KENYA

**(i) Independent Auditor**

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084- 00100

**NAIROBI, KENYA**

**(j) Principal Legal Adviser**

The Attorney General

State Law Office


Harambee Avenue

P.O. Box 40112-00200

**NAIROBI, KENYA**

### 3. The Board of Directors/Council

#### Mr. Nicholas Temoet, Chairperson

 <p>Mr. Nicholas Temoet the chairperson of the Board. He holds a B.Sc. Electrical Engineering from the University of Nairobi. Born on 31/03/1965, he has over 16 years' demonstrable experience in Power Utility business (Transmission and Distribution functions) - The Implementation of Rural Electrification projects in Western Kenya constructing over 300 projects, 11 and 33kV grid extension schemes. He was the lead consultant in the USAID project in Afghanistan. Design and implementation of the Gaalkayo city 11kV distribution power</p>	<p>network in Puntland Somalia with over 100 kilometres of 11kV line, 1X 7.5MVA 415/11kV S/S, 200 kilometres of low voltage and 50 secondary substations. Successfully developed the proposal for the smart metering power and water solutions to the 6 million customers of Kurdistan in Northern Iraq (The JV by Skycom, Ubitronix and MHI bid was for about US \$ 250 million though deferred due to escalation of the war). Installation and commissioning of the DISAMATIC 9010 foundry plant at the Kenya Railways Workshop with a multi-disciplinary team. Mr. Temoet is in consultancy services in projects of great magnitude and national economic development.</p>
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Prof. George Thumbi (Independent Director-Chair Technical Committee) from 23<sup>rd</sup> June 2023




Prof. Thumbi holds a Doctor in Engineering (D.Eng.) in Sanitary and Environmental Engineering (Kyoto University, Japan), MSc. Sanitary Engineerin , Research, Pre-Master Course (Osaka Sangyo University, Japan), Higher diploma in structural engineering and a Diploma in Water Engineering. Born on 12/01/1953, Prof. Thumbi is an independent member of the Board representing Institution of Engineering Technologists & Technicians of Kenya. From 1974 to 1979 Prof. Thumbi served as Inspector of Water Supply Construction at Ministry of Water Development and an Instructor at Ministry of Water development Training School from 1981 to 1983. Prof joined JKUAT under TSC in January 1984 to August 1990. He transferred to JKUAT from TSC in August

1991 to March 2010 as an Assistant Lecturer and was promoted to Lecturer in August 1994 then to Senior Lecturer in September 1996. He then transferred to Kenya Polytechnic University College (the present Technical University of Kenya) in March 2010 as an Associate Professor in the department of Civil and Environmental Engineering. He was promoted to become a full Professor of Civil Engineering Technology in December 2014. He has supervised many students at master's and PhD level. He has also published many research journals. Prof. Thumbi was appointed Board Member for Gatamaiyu Home for mentally challenged children in 2010. He was a Council member of the Technical and Vocational Education and Training Curriculum Development Assessment and Certification Council (TVET CDACC) in accordance to Article 44 (1) of the Technical and Vocational Education and Training (TVET) Act No.29 of 2013 until 2020.

Dr. Fred Oanda (Independent Director -Chair Finance General-Purpose Committee) from 23<sup>rd</sup> June 2023


	<p>Dr. Oanda holds a M.Sc in Management and Information Systems (University of Manchester), BSc.</p>	<p>the accreditation and outreach services and oversaw policies and Strategies for accreditation and Outreach; coordinating inspections, accreditation and approval of trainers, assessors, verifiers, training centres, Institutions and Programmes at TVET Authority.</p>
<p>Agricultural Engineering (Egerton University) and Diploma in Technical Education from KSTVET (formerly KTTC). Born on 10/12/1964, Dr. Oanda serves as an alternate member of the Board representing Technical and Vocational Education Training Authority. He headed</p>	<p>Prior to his appointment at the TVET Authority, Dr. Oanda served as Senior Assistant Director of Technical Education at Ministry of Education and Assistant Director of Industries at Ministry of Industrialization.</p>	

Mr. Charles Majani (Independent Director-Chair Audit Committee) from 23<sup>rd</sup> June 2023


	<p>Mr. Charles Majani holds a MSc. Electronics and a BTech. Electrical Engineering degree from</p>	<p>KSTVET (formerly KTTC) and Diploma in Telecommunication Engineering from Kenya Institute of Mass Communication. Born on 01/12/1958, Mr. Majani serves as an alternate member of the Board representing Technical Universities. He is the immediate former Director of TVET Institute at the Technical University of Mombasa. Mr. Majani serves a Lecturer. He previously served as the Dean, Faculty of Engineering and Technology and</p>
<p>Cape Peninsula University of Technology, South Africa); Higher Diploma in Electrical Engineering (Mombasa Polytechnic, the</p>		

current Technical University of Mombasa), Diploma in Technical Teacher Training,	Director Performance Contracting & Quality Management Systems at the Technical University of Mombasa.
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**Mrs. Linda Ayuku (Independent Director) from 23<sup>rd</sup> June 2023**

 <p>Ms. Linda Ayuku is Principal of Ugenya Technical and Vocational College (TVC). Ms. Ayuku holds a B.Ed. Technology Education degree from Moi University; Higher National Diploma in Electrical Engineering (Electronics option)</p>	<p>and Diploma in Technical Education from KSTVET (formerly KTTC). She attained Diploma in Electrical Engineering from NYS Engineering Institute, Nairobi.</p> <p>Born on 09/04/1972, Ms. Ayuku serves as an independent member of the Board representing Technical Training Institutions. She has an experience of over 28 years in the TVET sector having served in various capacities in TVET institutions.</p>
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Mr. Peter Kariuki (Independent Director) from 23<sup>rd</sup> June 2023


	<p>Peter Kariuki is a professionally registered Engineering Technologist</p>	<p>Senior Engineer - Equipment Maintenance at the Geothermal Development Company (GDC), he has a proven track record of enhancing equipment reliability, implementing predictive maintenance strategies, and managing multi-million-dollar budgets. His executive experience is further demonstrated by his previous tenure as the Chairman of the GDC Retirement Benefit Scheme from 2021 to 2023, where he provided governance and strategic oversight for three years. Mr. Kariuki holds a BSc in Industrial Technology from Egerton University and a Diploma in Mechanical Engineering from Jomo Kenyatta University of Agriculture and Technology.</p>
<p>and a seasoned maintenance expert with over 15 years of leadership in the geothermal energy sector. Born on 21/03/1980, Mr Kariuki is serving in the Board as an alternate member representing Public Corporation offering Engineering Technology services. Currently pursuing an MSc in Strategic Management from Jomo Kenyatta University of Agriculture and Technology, he combines deep technical expertise with a strategic approach to asset management. In his role as Ag.</p>		

Mr. Samuel Muthondu (Alternate Director. Representing PS National Treasury) from 22 December 2023






	<p>Born on 15/06/1982, Mr. Samuel Muthondu is currently serving at The</p>	<p>Analysis, Financial Reporting &amp; Management, Budgeting &amp; Forecasting, Monitoring and Evaluation, Quality Management Systems, Project Coordination, risk management and performance management. He holds a Master of Science (Finance) from Jomo</p>
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<p>National Treasury- Finance Department. He is a co-opted member of the Board, representing the Principal Secretary, The National Treasury. Mr. Muthondu is an Experienced Economist and Financial Expert with over 14 years' experience working in the Government Administration Industry. Skilled in, Policy</p>	<p>Kenyatta University of Agriculture and Technology, Bachelor of Science Degree in Applied Statistics (Econometrics) From Maseno University and is currently pursuing a Doctor of Philosophy (PhD) in Finance at Jomo Kenyatta University of Agriculture and Technology.</p>
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**Kigo Florence – Ag. Registrar /Chief Executive officer**

 <p>Deputy Director Human Resource</p>	<p>Kigo Florence is serving as the Ag. Registrar/ Chief Executive Officer of the Board. Born on 11/07/1981, Kigo Florence is a</p>	<p>Management and Development in the State Department for Roads. She holds a master's degree of Business Administration from Kenya Methodist University and Bachelor of Education (Arts) From Maseno University. She has over sixteen (16) years in Public Sector and a certified Human Resource Profession (CHRP)</p>
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#### 4. Key Management Team

SN	Management	Head of Department /Section
1.	 <p><b>Kigo Florence</b></p> <ul style="list-style-type: none"> <li>• Masters of Business Administration</li> <li>• Bachelor of Education (Arts)</li> <li>• Certified Human Resource Profession (CHRP)</li> </ul>	Registrar/ Chief Executive Officer/ Secretary to Board
2.	 <p><b>Patrick K Ronoh</b></p> <ul style="list-style-type: none"> <li>• MSc. Occupational Safety and Health</li> <li>• BEd. Technology Education</li> </ul>	Research and Standard
3.	 <p><b>Isaac Mwaura</b></p> <ul style="list-style-type: none"> <li>• Bachelor of Technology (Mechanical Engineering)</li> </ul>	Partnership and Professional Development
4.	 <p><b>Geoffrey Alusa</b></p> <ul style="list-style-type: none"> <li>• Bachelor of Technology (Mechanical Engineering)</li> </ul>	Registration and Licensing
5.	 <p><b>Lucy Gituma</b></p> <ul style="list-style-type: none"> <li>• Bachelor of Business management (Supply Chain Management)</li> </ul>	Supply Chain Management

6.		<p>Betty J Kipyegon</p> <ul style="list-style-type: none"> <li>• Higher Diploma in Human Resource Management</li> <li>• Diploma in Human Resource Management</li> </ul>	Human Resource and Administration
7.		<p>Francisca Murkomen</p> <ul style="list-style-type: none"> <li>• Bachelor of Information Communication Technology</li> </ul>	Information Communication Technology
8.	 (ICPAK)	<p>Haron Koros</p> <ul style="list-style-type: none"> <li>• Masters in Development finance – (ongoing)</li> <li>• Bachelor of Science (Accountancy)</li> <li>• Certified Public Accountant of Kenya</li> </ul>	Finance and Accounts

## 5. Chairman's Statement

I am pleased to present the Chairperson's Statement for the financial year ended 30th June 2025, as part of the Annual Report and Financial Statements, prepared in line with the guidelines issued by the Public Sector Accounting Standards Board.

This report outlines the key achievements, challenges, and lessons learned by Kenya Engineering Technology Registration Board (KETRB) in delivering its statutory mandate of regulating the practice of engineering technologists and technicians.

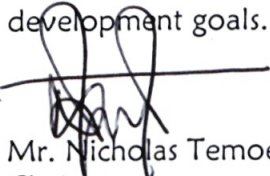
During the year under review, the Board adopted a results-based management approach, aligned with the Engineering Technology Act, Cap 530A. Notably, we initiated the development of engineering technology regulations to operationalize the Act.

The issuance of licenses to registered engineering technologists and technicians remained a key activity. To expand service delivery and increase public access, the Board partnered with the Huduma Kenya Secretariat to offer KETRB services at select Huduma Centres nationwide.

Despite operating under lean staffing and tight financial constraints, we are proud of the progress made during the reporting period. These accomplishments underscore our resilience and commitment to professional excellence.

I extend my sincere appreciation to the Government of Kenya, the State Department for Roads, the National Treasury, and our development partner, the World Bank for their continued support. I also thank the Board of Directors, Management and staff for their unwavering dedication.

Looking ahead, we remain focused on strengthening the regulation and growth of the engineering technology profession, upholding standards, and contributing to national development goals.



Mr. Nicholas Temoet  
Chairperson  
Board of Directors

## 6. Report of the Chief Executive Officer

I take this opportunity to acknowledge and express my deep appreciation for the invaluable contributions made by the Board of Directors, our dedicated staff, and a broad range of stakeholders. These include the State Department for Roads, the National Treasury, Public Service Commission, Salaries and Remuneration Commission, and our development partner, the World Bank. Their unwavering support has been central to KETRB's ability to carry out our mandate.

KETRB continues to play a critical role in supporting Kenya's Vision 2030 and the Bottom-Up Economic Transformation Agenda (BETA). By regulating and upholding standards in engineering technology, we directly contribute to the professionalization and institutionalization of technical capacity in the country, an essential enabler for sustainable economic development.

### Key Activities Undertaken in FY 2024/2025

#### i) Partnership with Huduma Kenya Secretariat

To improve service delivery and public access to KETRB services, we partnered with the Huduma Kenya Secretariat. Through the integration of our services across Huduma Centres, the Huduma Contact Centre, Huduma Mashinani, and online/mobile platforms, citizens are now able to access KETRB services more efficiently and conveniently across the country.

#### ii) Development of Engineering Technology Regulations

In an effort to fully operationalize the Engineering Technology Act, Cap 530A, the Board initiated the development of corresponding regulations. An Inter-Agency Technical Committee was constituted, drawing representatives from KETRB, the State Department for Roads, the National Treasury, Ministry of Public Service and Human Capital Development, the State Department for Technical Vocational Education and Training (TVET), and the State Law Office.

Looking ahead, the Board intends to finalize the development of these regulations through public participation and gazette processes in the FY 2025/2026.

#### iii) Public Awareness and Sensitization

Increased awareness of the Act and its provisions was a key focus. The Board carried out sensitization campaigns targeting a range of stakeholders, including:

- TVET institutions such as Rift Valley National Polytechnic, Mukiria Technical Training Institute, Mwala Technical and Vocational College, and Total TVC;
- Regional administrators, including the County Commissioners of Meru, Nyeri, and Kisumu;
- Sectoral agencies, notably the National Construction Authority (NCA), Kenya Electricity Transmission Company (KETRCO) and the Kenya Water Institute (KEWI).

These initiatives enhanced stakeholder understanding of the regulatory framework and the importance of compliance.

iv) KETRB Human Resource Instruments

Significant strides were made in institutional development. The Board's key human resource instruments including the organizational structure, staff establishment, career guidelines, and the Human Resource Policy and Procedures Manual were approved by the Public Service Commission.

Additionally, the Board submitted a Job Description Analysis Report to the Salaries and Remuneration Commission (SRC), which resulted in the issuance of a Job Evaluation Grading Structure. The Board now awaits the corresponding salary structure.

v) Strategic Plan 2023–2027

The World Bank under the Eastern Africa Regional Transport, Trade and Facilitation Development Project (EARTTFDP), supported the development of KETRB's Strategic Plan 2023-2027. This plan is anchored on four key result areas: Governance, Registration and Licensing, Compliance and Professional Development

These pillars are designed to ensure the Board achieves its mission and vision effectively over the next five years.

vi) Financial Sustainability Plan

The Board received additional support from the World Bank under the EARTTFDP, for development of the Board's Financial Sustainability Plan in 2024. This plan provides a roadmap to ensure KETRB's long-term operational and financial viability through various revenue enhancing and efficiency measures.

Key focus areas include:

- Increasing the number of registered technologists and technicians;
- Positioning Continuing Professional Development (CPD) as a core revenue stream;
- Institutionalizing examinations for candidate technologists and technicians;
- Advocating for dedicated government funding for compliance and registration initiatives;
- Improving operational efficiency;
- Reviewing and adjusting application and annual subscription fees;
- Strengthening the legal and regulatory framework to support sustainable operations.

vii) Development of Career Guidelines for Engineering Technologists

In collaboration with the Public Service Commission (PSC), State Department for Roads, and the Ministry of Public Service and Human Capital Development, KETRIB finalized career guidelines for engineering technologists. Once officially established by the PSC, this framework will create a structured career pathway for engineering technologists in the public service, thus enhancing professionalism and career progression.

In closing, I am deeply humbled and grateful for the collective efforts and support of the Board of Directors, Management, staff, and our partners. Together, we remain committed to advancing the engineering technology profession in Kenya, ensuring regulatory compliance, and contributing meaningfully to the country's socio-economic transformation.



Kigo Florence

Ag. Registrar/ Chief Executive Officer

## 7. Statement of Performance against Predetermined Objectives for FY 2024/2025

KETRB has seven (7) strategic issues within the Performance Contract strategic for the FY 2024/2025. These strategic issues are as follows:

Strategic Pillar 1: Registration

Strategic Pillar 2: Licensing

Strategic Pillar 3: Gazettement

Strategic Pillar 4: Curriculum Certification

Strategic Pillar 5: Professional Development

Strategic Pillar 6: Awareness Creation

Strategic Pillar 7: Engineering Technology Regulations

The annual work plans for KETRB is derived from the performance contract targets that are aligned to the seven (7) pillars. Performance evaluation is undertaken on a quarterly basis and annually by the Public Service Performance Management Unit (PSPMU).

The achievement of FY 2024/2025 performance targets is indicated below:

Strategic Issues	Objective	Key Performance Indicators	Activities	Achievements
Registration	To increase registration and licensing of Engineering technologists and technicians	Number of Engineering Technologists and Technicians registered	Register Engineering Technologists and Technicians	859
Licensing	To enhance licensing of Engineering technologists and technicians	Number of Engineering Technologists and Technicians licensed	Renewal of License for Engineering Technologists and Technicians	270
Gazettement	To comply with the provisions of the Act	Number of Registered and licensed engineering technologists	Gazettement of Registered and licensed engineering technologists	328

KENYA ENGINEERING TECHNOLOGY REGISTRATION BOARD  
Annual Report and Financial Statements for the year ended June 30, 2025

		and technicians gazetted	and technicians	
Curriculum Certification	To improve recognition of Engineering Technology programmes	Number of Engineering Technology programs certified	Review of Engineering Technology programmes	0
Professional Development	To promote continuous professional Development	Number of CPD Programs undertaken	Implement Capacity Building programs	2
Awareness Creation	To enhance Stakeholder Engagement	Percentage awareness creation	Conduct Visits to the Industry and training Institutions	92.50
Engineering Technology Regulations	Engineering Technology Regulations validated	Percentage completion of the draft regulation	Formulate Engineering Technology Regulations	0

## 8. Corporate Governance Statement

Kenya Engineering Technology Registration Board is a State Corporation established by the Engineering Technology Act Cap 530A, the act makes provision for regulation, practice and standards for engineering technologists and technicians.

The Board of Directors is constituted of the full Board of Eight members inclusive of the registrar and its committees which include: -Technical Committee, Finance & General-Purpose Committee and Audit Committee. The purpose of these committees is to ensure that issues presented before the Board are interrogated by the relevant committee which makes appropriate recommendations to the Board for consideration and informed decision-making. During the year under review, all Board meetings were held in line with the approved almanac. All meetings attended were on due notice and agenda having been previously issued within the statutory timelines and there was a quorum in all meetings. The number of meetings held was within the permissible statutory number as embodied in the law. The Board kept a register on attendance and conflict of interest to manage any such conflict of interest as and when it arises, to clarify, which areas such a conflict of interest will be unacceptable and which areas such a conflict is managed. Most importantly, the register is to record conflict of interest declarations. The Board has developed a succession management plan which include a criterion for nomination of board members.

Board remuneration was done in accordance with the relevant treasury circulars on Board remuneration and allowances. Board remuneration amounted to Kshs.3,140,800 during the financial year and all remunerations and allowances were paid in accordance with the law and in line with SCAC guidelines issued from time to time.

Functions of the Board's Committee include: -

### (i) Technical Committee

The Technical Committee has the oversight responsibility which include:

- Monitoring technical operations of the Board.
- Evaluation applications for registration as per the Engineering Technology Act, 2016
- Evaluation policies and procedures for registration and licensing, regulation and accreditation standards for the Engineering Technology programmes for both universities and other tertiary educational institutions

- Reviewing compliance audits and standards of practice for the engineering technology professionals.
- Reviewing reports of programme accreditation for engineering technology curricula
- Inspection sites and business premises to ascertain that engineering technology services and works are undertaken by persons registered.
- Identifying compliance issues in sites where construction, installation, erection, alteration, renovation, maintenance, processing or manufacturing works are in progress and ensure they are resolved.

**(ii) Finance & General-Purpose Committee**

The Finance & General-Purpose Committee is the overseer of the financial processes, efficient allocation and utilisation of resources. It is responsible for oversight of Human Resource, Procurement and Information Communication and Technology issues of the Board.

**(iii) Audit Committee**

In order to promote good corporate governance and in terms of the requirements of the Public Finance Management Act 2012 and Public Audit Act, 2015. The committee is charged with the role of monitoring the effectiveness of the processes in force with particular focus on: -

- Scope and effectiveness of the internal controls
- Compliance with all applicable regulatory requirements and Accounting Standards.
- Review and approve the audit plan.
- Evaluate the effectiveness of risk management programs.
- Review all key internal audit reports.

Engage the external auditor and receive their reports and management's corrective response to the findings.

## 9. Management Discussion and Analysis

### 9.1 Introduction

This section provides the management's report on the operational and financial performance of the Board during the period. This includes the Board's compliance with statutory requirements, major risks facing the organisation, material arrears in statutory and other financial obligations, review of the economy, review of the sector and future developments as well as other information considered relevant to the users of the financial statements.

### 9.2 Management Report on Operational and Financial Performance.

The Board is currently implementing the Strategic Plan 2023-2027. The strategic plan articulates KETRB's vision, mission and core values. The objectives, strategies and output/outcome that KETRB aims to achieve are anchored on four Key Result Areas (KRAs) which are linked to the Strategic Goals and Issues. The strategic model for the Board for the period 2023-2027 is shown in the table below.

#### KETRB Strategic Model

Strategic issue	Goal	KRA
Inadequate Institutional Capacity	To enhance the Institutional Capacity	Governance
Unregistered and unlicensed Engineering Technologists and Technicians	To raise the numbers of registered and licensed Engineering Technologists and Technicians	Registration and Licensing
Unregulated Engineering Technology practice	To regulate Engineering Technology Practice	Compliance
Inadequate Professional Development for Engineering Technologists and Technicians	To enhance Professional Development for Engineering Technologists and Technicians	Professional Development

The Board has continued to make impressive strides in the realization of its mandate as it entrenches regulation of engineering technologists and technicians through digitalization of services, enhanced registration & licensing, continuous professional development and strengthening institutional capacity as well as resource mobilization.

Further, the Board continued mainstreaming productivity by developing the Productivity Mainstreaming Strategy to guide implementation of the identified metrics, collection of productivity data and computing the productivity index which was targeted to improve to 1.5 by end of FY 2024/2025 from 0.988 in the FY 2023/2024. The objective was to continuously mainstream quality management practices and offer exceptional customer experience in our endeavour to regulate and promote development of engineering technology profession, uphold professional standards, foster excellence for achievement of national development goals.

KETRB is keen to maintain its frontline position in the regulation of engineering technology through development of engineering technology regulations in order to operationalize the Engineering Technology Act Cap 530A.

### **9.3 Monitoring and Evaluation**

The Board of Directors provides oversight and strategic leadership in the fulfilment of the Board's mandate and through management has put in place a robust Monitoring and Evaluation (M&E) system to track and assess the realization of the goals and initiatives in the Strategic Plan 2023 – 2027, in its aspiration “A leading regulatory body for advancement of the engineering technology profession.”

KETRB undertakes M&E to, inter alia, evaluate progress in implementation of the KRAs as well as receive feedback from stakeholders on its provision of quality assurance services, identify challenges in implementation and identify remedies for continuous improvement. To enhance M&E, management has developed a Monitoring and Evaluation Framework aligned to track implementation of Strategic Plan 2023-27.

#### 9.4 Compliance with Statutory Requirements

The Board is required to adhere to a set of laws, regulations, and guidelines that govern all organizations operating in the country. This was observed and maintained during the year under review.

This has enabled the Board's operations to continue uninterrupted by eliminating disruptions which may be occasioned by legal actions, fines, penalties, in depth audits, and the inability to access critical services from third party providers. In addition, statutory compliance boosts the image of the Board in the eyes of the public and gives confidence to its development partners and other stakeholders in forging long lasting partnerships and collaborations.

Specifically, the Board prepared and submitted the annual budget, monthly reports, quarterly reports and financial statements to the State Department of Roads and the National Treasury. In addition, VAT/Income Tax withholding, PAYE, NSSF, SHIF, Affordable Housing Levy and NITA levy were submitted to the relevant government agencies.

Further, Quarterly performance reports were submitted to the regulating agencies including Commission on Administrative Justice, National Productivity and Competitiveness Centre, State Department for Forestry, State Department for Industry, The National Treasury and Directorate of National Cohesion & Values.

#### 9.5 Risk Management

The Board's Risk Management Framework, as outlined in the 2023-2027 strategic plan, integrates risk management into governance and performance management at both strategic and operational levels. It aims to proactively address anticipated risks to achieve set objectives. Key structures include:

**Audit and Risk Committee of the Board** - Oversees risk management and governance.

**Risk Management Committee** - Comprises risk champions from all functional areas including regional offices to ensure comprehensive risk coverage.

**Internal Audit Division:** Supports risk assessment and monitoring.

Every project and activity, regardless of the scale, undergoes continuous risk assessment, with risks classified based on key result areas. This comprehensive approach ensures all departments

align with the Board's objectives through proactive risk management. A summary of the key risks their corresponding mitigation measures is tabulated below.

### Risks

S/No.	Key Strategic Risks	Risk Mitigation Measure(s)
1.	Regulatory and compliance risks	<ul style="list-style-type: none"> <li>• Regularly review and update the Board's regulations to ensure they align with national and international standards, as well as emerging technological advancements</li> <li>• Collaboration with relevant stakeholders</li> <li>• Undertake routine audits</li> <li>• Documentation of Standards and Procedures</li> <li>• Continuous Staff Training and sensitization</li> <li>• Develop and implement legal compliance tools to track and monitor compliance requirements and deadlines</li> </ul>
2.	Public Perception and Trust	<ul style="list-style-type: none"> <li>• Ensure publication and dissemination of KETRb annual and financial reports</li> <li>• Ensure importance information on engineering technologist registration is easily available</li> <li>• Develop and implement a Communication Strategy</li> <li>• Develop and implement a Stakeholder Strategy (including media relations)</li> <li>• Develop and implement a Complaints and Dispute Resolutions strategy</li> <li>• Undertake regular audits</li> <li>• Development and promotion of continuous professional development for registered professionals</li> </ul>
3.	Registration inefficiencies	<ul style="list-style-type: none"> <li>• Develop and implement standards for engineering technologists in relevant fields/area of social-economic relevance</li> <li>• Develop and implement robust verification and authentication systems</li> <li>• Streamline and digitize the operational and certification process</li> <li>• Develop and implement a Complaints and Dispute Resolutions guidelines</li> </ul>

		<ul style="list-style-type: none"> <li>• Develop and implement resource mobilisation strategy</li> <li>• Develop and implement standard operation polices /standards</li> </ul>
4.	Legal and litigation risks	<ul style="list-style-type: none"> <li>• Regularly update and review the legislation, regulations, and policies</li> <li>• Conduct periodic legal audits and legal risk assessment</li> <li>• Develop and implement a Complaints and Dispute Resolutions guidelines</li> <li>• Develop and implement a system to document and track litigation and/or legal claims</li> </ul>
5.	Capacity risks	<ul style="list-style-type: none"> <li>• Undertake staff needs assessment and comprehensive resource planning develop a strategy to implement the findings</li> <li>• Prompt training and professional development of staff</li> <li>• Establish mentorship or knowledge-sharing initiatives</li> <li>• develop and implement a contingency plan</li> </ul>
6.	Financial resource risks	<ul style="list-style-type: none"> <li>• Implement efficient cost management and financial controls</li> <li>• Develop and implement resource mobilization strategy</li> </ul>
7.	Non-compliance with standards	<ul style="list-style-type: none"> <li>• Conduct regular site inspections and audits</li> <li>• Establish and enforce disciplinary measures for non-compliance</li> <li>• Development and implementation guidelines</li> <li>• Conduct regular internal audits of the licensing and certification</li> <li>• Develop, publish and regularly review guidelines for approval and certification of engineering technology professionals</li> </ul>
8.	Unprofessionalism in the engineering technology industry	<ul style="list-style-type: none"> <li>• Develop and implement a resource mobilization strategy</li> <li>• Capacity development based on licensing requirement</li> <li>• Ensure relevance and quality of training and professional development of engineering technologists collaboratively with relevant training institutions, professional associations, and other relevant stakeholders</li> <li>• Identify and implement mandatory professional development requirements</li> <li>• Monitor industry trends and skills gaps</li> </ul>

## 10. Environmental and Sustainability Reporting

### i) Sustainability strategy and profile

The Board delivers its mandate as an enabler of Kenya's Vision 2030 MTP IV, Bottom-Up Economic Transformation Agenda (BETA), and the United Nations (UN) Sustainable Development Goal No. 9 on building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation.

### ii) Environmental performance

To ensure environmental protection, the Board incorporates in its services a component of tree planting. During the financial year, the Board planted over 18,000 trees across four counties: - Homabay, Trans-nzoia, Mombasa and Uasin Gishu, in line with the presidential directive of 21<sup>st</sup> December, 2022.

### iii) Employee welfare

KETRB has approved HR instruments that guide the hiring process, amongst them are the Human Resource (HR) policy and procedures manual, career guidelines, staff establishment and staffing & organisational structure. The policies were developed and approved in August, 2024.

The agency has also put into place mechanisms for stakeholder engagement during policy development. The Board offers training opportunities to its employees in order to improve their work performance and personal development, ensuring continuous upgrading of core competencies, knowledge, skills, and attitude.

The Board links individual performance with the Board's performance and set individual work plans at the beginning of the financial year.

The Board recognizes and commits itself to the achievement of the highest standards of health and safety in the workplace and the elimination or minimization of health and safety hazards and risks that may affect its employees. We implement policies and programs in compliance with the provisions of the Occupational Safety and Health Act, 2007, and other Labour Laws by maintaining healthy and safe working conditions.

iv) **Market place practices: -**

a) **Responsible competition practice.**

The Board ensures customer satisfaction as a key factor during service delivery. It ensures fair competition in the procurement processes in line with Public Procurement and Assets Disposal Act, 2015. The Board ensures all the processes are within the spheres of Law in the execution of its mandate.

b) **Responsible Supply chain and supplier relations**

The Board ensures any procurement is within the Annual Procurement Plan and the approved annual budget to ensure all supplies, services and works are paid as and when they fall due to avoid cases of pending bills. Reservations are made for marginalised and special groups to ensure inclusivity.

c) **Responsible marketing and advertising**

The Board ensures all the advertisements for works, services and goods are done through the Government Advertising Agency and in the Board's, website as provided for in the law.

d) **Product stewardship**

The Board ensures protection of particulars of registered engineering technology professionals in accordance with the provisions of Data Protection Act 2019. This is emphasized during sensitization, stakeholder engagements, public participation forums and continuous professional development programs.

e) **Corporate Social Responsibility / Community Engagements**

In line with the Presidential directive of 21st December, 2022 and as part of Corporate Social Responsibility (CSR), the Board participated in various Tree Planting and Restoration Campaigns through mobilization of stakeholders and community for tree planting activities.

## 11. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of KETR B's affairs.

### i) Principal activities

The principal activities of KETR B are set out on page xxii

### ii) Results

The results of KETR B for the year ended June 30, 2025, are set out on page 1 to 5

### iii) Directors

The Directors of the Board who served during the year are shown on page x to xiv

### iv) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) 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. KETR B did not make remittance of the surplus funds during the FY 2024/2025.

### v) Auditors

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

By Order of the Board



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Kigo Florence

C.E.O/REGISTRAR

## 12. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012, Section 14 of the State Corporations Act Cap 446 and Section 37 of the Engineering Technology Act Cap 530A require the Directors to prepare financial statements in respect of KETRB, which give a true and fair view of the state of affairs of KETRB at the end of the financial year and the operating results of KETRB for that year. The Directors are also required to ensure that KETRB keeps proper accounting records which disclose with reasonable accuracy the financial position of KETRB. The Directors are also responsible for safeguarding the assets of KETRB.

The Directors are responsible for the preparation and presentation of KETRB's financial statements, which give a true and fair view of the state of affairs of KETRB for and as at the end of the financial year 2024/2025 ended on June 30, 2025. 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 KETRB; (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 KETRB; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

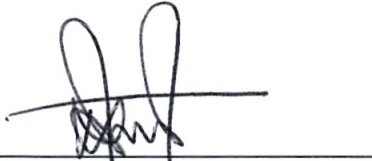
The Directors accept responsibility for KETRB's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012, Section 14 of the State Corporations Act Cap 446 and Section 37 of the Engineering Technology Act Cap 530A. The Directors are of the opinion that KETRB's financial statements give a true and fair view of the state of KETRB's transactions during the financial year ended June 30, 2025, and of KETRB's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for KETRB which have been relied upon in the preparation of KETRB's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Directors have assessed KETRB's ability to continue as a going concern. Nothing has come to the attention of the Directors to indicate that KETRB will not remain a going concern for at least the next twelve months from the date of this statement.

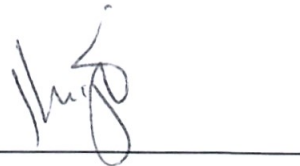
Nothing has come to the attention of the Directors to indicate that the KETRB will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The KETRB's financial statements were approved by the Board on 26<sup>th</sup> August, 2025 and signed on its behalf by:



Nicholas K. Temoet  
Chairperson of the Board



Kigo Florence  
Registrar /CEO

# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON KENYA ENGINEERING TECHNOLOGY REGISTRATION BOARD FOR THE YEAR ENDED 30 JUNE, 2025**

### **PREAMBLE**

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

- A. Report on 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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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 Engineering Technology Registration Board set out on pages 1 to 35, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts, for the year then ended and

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenya Engineering Technology Registration Board at 30 June, 2025 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 Engineering Technology Act, 2016 and the Public Finance Management Act, 2012

### **Basis for Qualified Opinion**

#### **Unsupported Depreciation and Impairment of Assets**

The statement of financial position reflects property, plant and equipment balance of Kshs.38,132,856. The depreciation rates for various assets were not disclosed while reversal of depreciation amounting to Kshs.6,947,903 was applied across in all assets. However, the breakdown of the depreciation reversal was not supported.

Further, the amortization policy/rate on the intangible assets was not disclosed and therefore the impairment loss of Kshs.18,766,000 was not disclosed through all the assets in that class identified could not be confirmed.

In the circumstances, the accuracy and completeness of the assets could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects total receipts in final budget and actual on comparable basis of Kshs.104,466,700 and Kshs.97,287,451 resulting to revenue under-collection of Kshs.7,179,249 or 7% of the budget. However, the Board spent Kshs.46,881,498 against actual receipts of Kshs.79,533,750 resulting to under-utilization of Kshs.32,652,252 or 41% of the actual receipts. Further, the statement reflected final budget on depreciation amount of Kshs.698,623 which is not a budget item but a provision on depreciation charged on assets. The under-utilization affected negatively the planned activities of the Board.

My opinion is not modified in respect of this matter.

## **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effects of the matter described in the Basis for Qualified Opinion Section, I have determined that there are no other key audit matters to communicate in my report.

## **Other Matter**

### **Unresolved Prior Year Matters**

In the prior year audit report, two issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources. These include non-compliance with circular on Board of Directors' expenses and non-compliance with Board Committees composition guidelines. Review of the status during audit of the Board in 2024/2025 revealed that the matters remained unresolved.

## **Other Information**

The Management is responsible for the Other Information set out on page v to xxxv which comprise of Key Kenya Engineering Technology Registration Board information and Management, The Board of Directors, Key Management Team, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Board's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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. Weakness in Functionality and Implementation of the Board's ERP System**

The State Department for Roads on behalf of Board entered into a contract with a firm for the supply, installation, commissioning, and support of an Enterprise Resource Planning (ERP) System at a total contract sum of Kshs. 44,266,000. The contract comprised of four (4) modules namely; Registration and Licensing, Inventory Management, Procurement Management, and Finance and Accounting, as well as provisions for technical support, licenses, and user training. However, it was observed that the Registration and licensing; and Finance and Accounting modules were partially operational while the Inventory and Procurement modules were completely non- operational.

Further, the ERP System had limited licenses with a maximum of twenty user licenses, which is inadequate considering the institution's mandate and operational needs and despite the substantial contract sum. Although an amount of Kshs.7,600,000 was set aside and paid for technical support, the contract did not clearly define the scope, deliverables, or service level agreement for these services. It was noted that only an amount of Kshs.450,000 was allocated for user training, and only one training session had been conducted since implementation of the system.

In addition, the ERP system was supposed to be integrated with key government systems including KRA, eCitizen, Integrated Population Registration Service (IPRS) and the Business Registration Service (BRS). However, only eCitizen is partially integrated for payments only and the system does not provide a single sign-on, nor end to end services as required.

In the circumstances, the value for money on the ERP system could not be confirmed.

### **2. Non-Compliance with Regional and Ethnicity Composition**

Review of the Human Resources records revealed that the Public Service Commission deployed seventeen (17) officers to the Board. However, it was noted that seven (7) out of the 17 officers (approximately 41%) were drawn from a single community, contrary to Section 7(1) of the National Cohesion and Integration Act, 2008 which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff. This contravenes the constitutional and statutory requirement for fair and equitable representation of Kenya's diverse communities.

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

### **3. Non-Compliance with Statutory Board Committees Guidelines**

The statement of financial performance and Note 11 to the financial statements reflects Board expenses amount of Kshs.3,140,800. Included in this amount is a balance of Kshs.1,852,200 in respect of Board's capacity building and retreats. However, review of records revealed that there were no formal training programs which were conducted for the Board during the year contrary to Section 15 of Mwongozo on Board Induction and Continuous Skill Development, which that State Corporation Boards undertake a competence needs assessment and prepare an Annual Development Plan to address identified skills gaps.

Further, review of the Board's Committee meetings records revealed that the Board members held nine (9) full Board meetings, five (5) Technical Committee meetings, seven (7) Finance and General-Purpose Committee meetings. However, no evidence was provided to prove that approval was sought or obtained for the additional meetings above the capped maximum of six (6) which is contrary to Circular no OP.CAB.9/1A which states that for avoidance of doubt, the Board meetings shall be restricted to a minimum of 4 and capped at a maximum of 6 each financial year. Approval of extra Board meetings above the maximum number was not provided or the reasons why the same cannot be adjudicated in regular meetings.

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

#### **4. Irregular Accumulation of Tax Arrears, Penalties and Interests**

Review of correspondence between the Board and the Kenya Revenue Authority (KRA) revealed that KRA had issued a demand notice to the Board for tax arrears, penalties and interest amounting to Kshs.2,514,773. This resulted from the Board's failure to deduct and remit tax on Board members sitting allowances and Chairman honoraria. This was contrary to Section 37 of the Income tax act Cap 470 on Deductions of tax from emoluments states that an employer paying emoluments to an employee shall deduct therefrom, and account for tax thereon, to such extent and in such manner as may be prescribed.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

#### **Conclusion**

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

#### **Basis for Conclusion**

##### **1. Non-Development and Implementation of a Human Resource Plan**

Review of correspondences revealed that the Public Service Commission (PSC) approved the Human Resource Instruments for the Kenya Engineering Technology Registration Board. The approved instruments included the Organizational Structure, Grading Structure, and Staff Establishment, which was to be implemented in phases as guided in the letter. However, at the time of audit in November, 2025, the Board had not developed a Human Resource Plan as required by the PSC guidelines. The

entity also had not undertaken any formal staff recruitment since its establishment but instead operations were being carried out by seconded staff, interns and casual workers from other Government Agencies.

In the circumstances, the effectiveness of the Board's internal controls on Management could not be confirmed.

## **2. Delay in Establishment of Engineering Technology Regulations and Policy Framework**

Review of the Board's records revealed that Management has not developed Regulations and Policy frameworks/guidelines to operationalize the Engineering Technology Act, 2016. This has led to delay in executing the functions of the Board.

In the Circumstances, the Board lacked guidelines to effectively undertake the functions of the Board.

## **3. Failure to Achieve Performance Targets**

Review of the non-financial information in the statement of performance against predetermined objectives revealed underperformance in planned activities and objectives. The Board developed a strategic plan (2023-2027) with strategic focus on governance, registration and licensing, compliance and professional development. The strategic plan was developed and adopted in April, 2025. However, it was not possible to confirm how policies for financial year 2022/2023 and financial year 2024/2025 were implemented.

In the circumstances, the effectiveness of the Board Performance could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 the Management and The Board of Directors**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards Accrual Basis and for maintaining effective internal 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 governance.

In preparing the financial statements, Management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

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

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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**18 December, 2025**

14. Statement of Financial Performance for the year ended 30 June 2025

Description	Notes	FY 2024-2025	F/Y 2023-2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6	77,800,000	71,753,701
Revenue from exchange transactions			
Licenses, Fees and permits	7	11,363,700	14,035,350
<b>Total Revenue</b>		<b>89,163,700</b>	<b>85,789,051</b>
<b>Expenses</b>			
Use of goods and services	8	43,299,985	55,170,275
Employee costs	9	1,203,342	762,000
Repairs and Maintenance	10	1,077,131	836,260
Board Expenses	11	3,140,800	6,055,527
Depreciation and Amortization Expense	12	-	8,100,913
<b>Total Expenses</b>		<b>48,721,257</b>	<b>70,924,975</b>
Revaluation loss on intangible assets	13	(18,766,000)	-
Revaluation gain on PPE		13,226,125	-
<b>Surplus</b>		<b>34,902,568</b>	<b>14,864,076</b>

The notes set out on pages 23 to 26 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:



Kigo Florence  
 Registrar/CEO

Date: 11<sup>th</sup> Dec, 2025



Haron Koros  
 Head of finance

ICPAK No: 28043

Date: 11<sup>th</sup> Dec, 2025



Nicholas K Temoet  
 Chairperson of the Board

Date: 11<sup>th</sup> Dec, 2025


15. Statement of Financial Position as at 30 June 2025

Description	Notes	F/Y 2024-2025	F/Y 2023-2024
		Kshs	Kshs
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	14	77,381,301	26,975,347
Receivables – Non-Exchange Transaction	15	9,450,000	17,753,701
Receivables – Exchange Transaction	16	253,050	73,100
<b>Total Current Assets</b>		<b>87,084,351</b>	<b>44,802,148</b>
<b>Non-Current Assets</b>			
Property Plant and Equipment	17	38,132,856	24,903,380
Intangible Assets	18	25,500,000	44,266,000
<b>Total Non- Current Assets</b>		<b>63,632,856</b>	<b>69,169,380</b>
<b>TOTAL ASSETS</b>		<b>150,717,207</b>	<b>113,971,528</b>
<b>LIABILITIES</b>			
Trade and Other Payables	19	1,843,110	
<b>TOTAL LIABILITIES</b>		<b>1,843,110</b>	
<b>NET ASSETS</b>		<b>148,874,097</b>	<b>113,971,528</b>
Capital Funds		51,128,779	52,141,078
Revaluation Reserves		13,226,125	-
Accumulated Surplus		84,519,193	61,830,450
<b>Total Net Assets and Liabilities</b>		<b>148,874,097</b>	<b>113,971,528</b>

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

  
 \_\_\_\_\_  
 Registrar/C.E.O  
 Kigo Florence

Date 11<sup>th</sup> Dec, 2025

  
 \_\_\_\_\_  
 Head of Finance  
 Haron Koros  
 ICPAK No: 28043  
 Date: 11<sup>th</sup> Dec, 2025

  
 \_\_\_\_\_  
 Chairperson of the Board  
 Nicholas K Temoet

Date: 11<sup>th</sup> Dec, 2025

16. Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Accumulated Surplus	Capital	Revaluation reserve	
		Development Grants/Fund		Total
	Kshs.	Kshs.		Kshs.
As at 1st July 2022				
Surplus/(deficit) for the period	27,855,245	-		27,855,245
Fair Value of Donated Assets	-	10,373,450		10,373,450
As at 30 June 2023	27,855,245	10,373,450		38,228,695
Transfer of depreciation/amortization from capital fund to retained earnings	1,357,429	(1,357,429)		
As at 30 June 2023	29,212,674	9,016,021		38,228,695
As at 1st July 2023	29,212,674	9,016,021		38,228,695
Surplus/(deficit) for the period	14,864,076			14,864,076
Fair Value of Donated Assets	-	60,878,758		60,878,758
As at 30 June 2024	44,076,750	69,894,779		113,971,529
Transfer of depreciation/amortization from capital fund to retained earnings				
As at 30 June 2024	44,076,750	69,894,779		113,971,529
As at 1st July 2024	44,076,750	69,894,779		113,971,529
Surplus/(deficit) for the period	34,902,568			34,902,568
Transfer of rev. gain of PPE from retain earnings to revaluation reserves	(13,226,125)		13,226,125	
Transfer of rev. loss of intangible assets from retain earnings to capital fund	18,766,000	(18,766,000)		
As at 30 <sup>th</sup> June, 2025	84,519,193	51,128,779	13,226,125	148,874,095
As at 1st July, 2025	84,519,193	51,128,779	13,226,125	148,874,095

**17. Statement of Cash Flows for the year ended 30 June 2025**

		FY 2024- 2025	FY 2023- 2024
	Notes	Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other government entities	6	68,350,000	54,000,000
Licenses, Fees and permits	7	11,183,750	13,962,250
Transfers from state department for Roads		17,753,701	
<b>Total Receipts</b>		<b>97,287,451</b>	<b>67,962,250</b>
<b>Payments</b>			
Use of goods and services	8	41,254,426	54,666,714
Employee costs	9	1,203,342	762,000
Repairs and maintenance	10	1,279,579	1,339,821
Board expenses	11	3,140,800	6,055,527
<b>Total Payments</b>		<b>46,878,147</b>	<b>62,824,062</b>
<b>Net cash flows from operating activities</b>		<b>50,409,304</b>	<b>5,138,188</b>
<b>Cash flows from investing activities</b>			
Purchase of Property Plant and Equipment&		(3,350)	(1,980,521)
<b>Net cash flows from investing activities</b>		<b>(3,350)</b>	<b>(1,980,521)</b>
<b>Cash flows from financing activities</b>			<b>3,157,667</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>50,405,954</b>	<b>23,817,680</b>
<b>Cash and cash equivalents at 1 July 2024</b>		<b>26,975,347</b>	<b>23,817,680</b>
<b>Cash and cash equivalents at 30 June 2025</b>		<b>77,381,301</b>	<b>26,975,347</b>

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	A	b	c=(a+b)	d	e=(c-d)	f=d/c*100
<b>Receipts</b>						
Transfers from Other Governments entities	77,800,000	-	77,800,000	68,350,000	9,450,000	88%
License, fees and permits	4,550,000	-	4,550,000	11,183,750	(6,633,750)	246%
Carryover		22,116,700	22,116,700	17,753,701	4,362,999	80%
<b>Total Receipts</b>	<b>82,350,000</b>	<b>22,116,700</b>	<b>104,466,700</b>	<b>97,287,451</b>	<b>7,179,249</b>	<b>93%</b>
<b>Payments</b>						
Use of Goods and Services	46,896,636	19,866,165	66,762,801	41,460,225	25,302,576	62%
Employee costs	16,999,980	579,700	17,579,680	1,203,342	16,376,338	7%
Repairs and Maintenance	15,637,261	600,000	16,237,261	1,077,131	15,160,130	7%
Board Expenses	2,117,500	1,070,835	3,188,335	3,140,800	47,535	99%
Depreciation	698,623	-	698,623			
<b>Total Payments</b>	<b>82,350,000</b>	<b>22,116,700</b>	<b>104,466,700</b>	<b>46,881,498</b>	<b>56,886,579</b>	<b>45%</b>
<b>Surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,405,953</b>	<b>(49,707,330)</b>	

Notes

- **Licenses, Fees and permits:** The over-absorption was occasioned by high turn out by members due to the sensitization efforts of the Board
- **Use of Goods and Services:** The under absorption was occasioned by late disbursement of funds for the EDRMS hence the procurement process could not commence. There was a budget allocation of Kshs.25,000,000
- **Repairs and Maintenance:** The under absorption is a result of late disbursement of funds for office alteration that was to be done at NBK Building 11<sup>th</sup> floor.

Budget Reconciliation

No.	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	50,405,953
1	Reason for differences	
	Opening Cash and Cash Equivalent	26,975,347
	Closing Cash and Cash Equivalent as per the statement of Cash flows	77,381,301

**19. Notes to the Financial Statements**

**1. General Information**

KETRB is established by and derives its authority and accountability from Engineering Technology Cap 530A. The KETRB is wholly owned by the Government of Kenya and is domiciled in Kenya. The Board's principal activity is to provide regulation, practice and standards of engineering technologists and technicians and for the connected purpose.

**2. Statement of Compliance and Basis of Preparation**

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

financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the KETRB. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Engineering Technology Cap 530A.), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.



Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

New and amended standards and interpretations in issue effective in the year ended 30 June 2025.

There were no new and amended standards issued in the financial year.

*i.* New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025

Standard	Effective date and impact:
IPSAS 43: Leases	<b>Applicable 1<sup>st</sup> January 2025</b> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<b>Applicable 1<sup>st</sup> January 2025</b> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<b>Applicable 1<sup>st</sup> January 2025</b> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the

**KENYA ENGINEERING TECHNOLOGY REGISTRATION BOARD**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

	<p>criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46: Measurement</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ol> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47: Revenue</p>	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48: Transfer Expenses</p>	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This</p>

KENYA ENGINEERING TECHNOLOGY REGISTRATION BOARD  
Annual Report and Financial Statements for the year ended June 30, 2025.

	is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49: Retirement Benefit Plans	<b>Applicable 1<sup>st</sup> January 2026</b> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<b>Applicable 1<sup>st</sup> January 2027</b> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul>

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

**Taxes, Levies and fines**

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

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the KETRB and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

**Rendering of services**

The KETRB 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 labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

**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 Board.

**Interest income**

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

**Dividends**

Dividends or similar distributions must be recognized when the shareholder's or the Board's right to receive payments is established.

**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.

**b) Budget information**

The original budget for the Current FY was approved by the Board of Directors on 26<sup>th</sup> January 2024. 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. Accordingly, the Entity recorded additional appropriations of 13<sup>th</sup> March 2025 budget following the governing body's approval.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**Budget information (continued)**

The KETRb'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. 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 cash flows has been presented under section xxx of these financial statements.

**c) Taxes**

**Current income tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where KETRb operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

d) Property, plant and equipment

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

e) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to KETRB. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Board also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Board will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Board. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**f) Intangible assets**

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 accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

**g) Research and development costs**

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

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.
- v) 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.

**h) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate). A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**a) Financial assets**

**Classification of financial assets**

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

**Subsequent measurement**

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

**Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through net assets/ equity**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Trade and other receivables**

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

**Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

**Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

**b) Financial liabilities**

**Classification**

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

**i) Inventories**

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:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

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

**KENYA ENGINEERING TECHNOLOGY REGISTRATION BOARD**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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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 Entity.

**j) Provisions**

Provisions are recognized when the Entity 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 Entity 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.

**k) Social Benefits**

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

**l) Contingent liabilities**

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

**Summary of Significant Accounting Policies (Continued)**

**m) Contingent assets**

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

**n) Nature and purpose of reserves**

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

**o) Changes in accounting policies and estimates**

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

**p) Employee benefits**

**Retirement benefit plans**

KETRB provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a 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 contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**Summary of Significant Accounting Policies (Continued)**

**q) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

**r. Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**s. Related parties**

The KETRB regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the KETRB, or vice versa. Members of key management are regarded as related parties and comprise the Board of Directors, the CEO and Heads of Departments/Sections.

**r) Service concession arrangements**

The KETRB analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Board recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at

what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Board also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**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 the Central Bank of Kenya and at various commercial banks at the end of the financial year.

**t) Comparative figures**

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

**u) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the KETRB'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. State all judgements, estimates and assumptions made:

**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 Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. 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.

Notes to the Financial Statements (Continued)

6. Transfers from Other Government entities

Name of The Entity Sending the Grant	Amount recognized to Statement of Financial performance. * KShs	Amount deferred under deferred income. KShs	Amount recognised in capital fund.	Total transfer FY 2024-2025	FY 2023-2024
			KShs	KShs	KShs
State Depart. for Roads	37,800,000	-	40,000,000	77,800,000	54,000,000
Receipts from SDR	-	-	-	-	17,753,701
<b>Total</b>	<b>37,800,000</b>	<b>-</b>	<b>40,000,000</b>	<b>77,800,000</b>	<b>71,753,701</b>

7. Licenses, Fees and permits

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Application fees, subscription and licensing fees	11,616,750	14,035,350
Less Receivables	(253,050)	(73,100)
<b>Total</b>	<b>11,363,700</b>	<b>13,962,250</b>

The registration and licences include amount of application fees and Annual subscription. Application fees Kshs 3,037,400 and annual subscription and licensing fees Kshs 8,326,300

KENYA ENGINEERING TECHNOLOGY REGISTRATION BOARD  
Annual Report and Financial Statements for the year ended June 30, 2025.

8. Use of Goods and services

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Subscriptions	-	101,652
Printing and Advertising	34,120	941,319
Fuel and oil	2,000,000	3,012,181
Hospitality	309,650	150,000
Rent	8,655,498	8,836,416
Communication, supplies and Services	46,552	145,250
Travel, subsistence & other allowances	815,000	22,173,346
Bank Charges	137,952	58,354
General office supplies	428,686	708,000
ETC Conference	-	16,654,681
Internet services	319,359	682,080
Software subscription	-	235,000
Accessories for Computers and printers	321,594	849,550
Uniform and Clothing	100,000	-
Cleaning Detergent	-	76,500
Motor vehicle Insurance	524,012	545,946
Office alteration	1,435,814	-
Seminar and retreat	2,517,834	
Asset Tagging	526,260	
Postage and courier	1,720	
Asset Valuation	1,186,680	
Registration and licensing	6,079,397	
Partnership and Professional Development	6,051,547	
Standard Development	3,220,500	
Compliance and enforcement	1,958,600	
Strategic Planning	3,875,700	
Audit Fees	500,000	
Taxes	2,253,510	
<b>Total</b>	<b>43,299,985</b>	<b>55,170,275</b>

9. Employee Costs

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Casual wages	273,909	202,000
Acting Allowance	619,433	560,000
Airtime allowance	310,000	
<b>Total</b>	<b>1,203,342</b>	<b>762,000</b>

10. Repairs and Maintenance

Description	FY 2024-2025	FY2023-02024
	Kshs	Kshs
Motor Vehicle	551,381	766,175
Furniture and Fittings	-	27,700
Building	525,750	42,385
<b>Total Repairs and Maintenance</b>	<b>1,077,131</b>	<b>836,260</b>

11. Board Expenses

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Chairman/Directors' Honoraria	480,000	816,000
Sitting Allowances	808,600	5,239,527
Capacity Building & Retreats	1,852,200	-
<b>Total</b>	<b>3,140,800</b>	<b>6,055,527</b>

12. Depreciation and Amortization Expense

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Property, plant and equipment	-	5,278,614.5
Furniture and fittings	-	655,718
Computer and ICT Equipment	-	2,138,995.20
Office equipment	-	27,585
<b>Total depreciation and amortization</b>	<b>-</b>	<b>8,100,913</b>

KENYA ENGINEERING TECHNOLOGY REGISTRATION BOARD  
Annual Report and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

13. Revaluation

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Revaluation loss on intangible assets	(18,766,000)	-
Revaluation gain on PPE	13,226,125	-
Net loss on Revaluation	(5,539,875)	-

Valuation

The assets were revalued by Icon Valuers Limited, professional valuers during the month of June, 2025. These amounts were adopted by the Board on 4<sup>th</sup> August 2025 with concurrence from the National Treasury.

14. (a) Cash and Cash Equivalents

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Current Account	77,381,301	26,975,347
Total Cash and Cash Equivalents	77,381,301	26,975,347

14.(b) Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	FY	Insert
		Kshs	Comparative FY
a) Current Account			
Kenya Commercial Bank	1204751641	77,615,686	26,975,347
Total		77,615,686	26,975,347

15. Receivables – Non-Exchange Transaction

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Receivables	9,450,000	17,753,701
Total	87,084,351	26,975,347

16. Receivables – Exchange Transaction

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Receivables	253,050	73,100
Total	253,050	73,100

17. Property, Plant and Equipment

Cost	Motor vehicles	Furniture and fittings	Computers	Other Assets Office Equipment	Total
Depreciation Rate	Kshs	Kshs	Kshs	Kshs	Kshs
As At 1 July 2023	4,501,700	3,406,218	6,423,409	79,687	14,411,014
Additions	16,612,758	1,839,526	-	140,995	18,593,279
Disposals					
Transfers/Adjustments					
Revaluation Adjustments					
As at 30 <sup>th</sup> June 2024	21,114,458	5,245,744	6,423,409	220,682	33,004,293
Additions	-	3,350	-	-	-
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
Revaluation adjustments	375,542	5,873,066	-	29,614	6,281,572
As at 30 <sup>th</sup> June 2025	21,490,000	11,122,160	6,423,409	250,296	39,285,865
Depreciation And Impairment					
At 1 July 2023	-	-	-	-	-
Depreciation	5,278,615	655,718	2,138,995	27,585	8,100,913
Impairment	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-
As At 30 <sup>th</sup> June 2024	5,278,615	655,718	2,138,995	27,585	8,100,913
Depreciation	-	-	-	-	-
Reversal of Depreciation/Re valuation	5,278,615	655,718	985,986.20	27,585	6,947,903.70

KENYA ENGINEERING TECHNOLOGY REGISTRATION BOARD  
Annual Report and Financial Statements for the year ended June 30, 2025.

Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-
As at 30 <sup>th</sup> June 2025	-	-	1,153,009	-	1,153,009
Net Book Values					
As at 30 <sup>th</sup> June 2024	15,835,844	4,590,026	4,284,414	193,097	24,903,380
As at 30 <sup>th</sup> June 2025	21,490,000	11,122,160	5,270,400	250,296	38,132,856

Note:

- We have applied elimination method for the accumulated depreciation under IPSAS 17.50
- We do not depreciate on the year of revaluation. We have only reversed the depreciation

18. Intangible Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Cost		
At beginning of the year	44,266,000	44,266,000
Additions	-	-
At end of the year	44,266,000	44,266,000
Additions-internal development	-	-
At end of the year	44,266,000	44,266,000
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	(18,766,000)	-
At end of the year	(18,766,000)	-
NBV	25,500,000	44,266,000

Note:

- We do not amortize on the year of revaluation.
- It is the management policy to revalue intangible assets after every 5 years

KENYA ENGINEERING TECHNOLOGY REGISTRATION BOARD  
Annual Report and Financial Statements for the year ended June 30, 2025.

19. Trade and Other Payables

Description	F/Y 2024-2025	F/Y 2023-2024
PAYE	1,343,110	-
Audit Fees	500,000	-
<b>Total</b>	<b>1,843,110</b>	<b>-</b>

20. Cashflow from operating activities

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Surplus for the year before tax</b>	<b>34,902,568</b>	<b>14,864,076</b>
<b>Adjusted for:</b>		
Depreciation	-	8,100,913
Impairment	18,766,000	-
Gains and losses on disposal of assets	- 13,226,125	-
<b>Working capital adjustments</b>		
Change in receivables	8,123,751	- 17,826,801
Increase in payables	1,843,110	-
Increase in payments received in advance	-	-
<b>Net cash flow from operating activities</b>	<b>50,409,304</b>	<b>5,138,188</b>

**Notes to the Financial Statements (Continued)**

**21. Related Party Disclosures**

**Nature of related party relationships**

Entities and other parties related to KETRB 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 KETRB'S holding 100% of the KETRB'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 Parent Ministry, State Department for Roads.
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of directors.

**22.Events after the Reporting Period**

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

**23.Ultimate And Holding Entity**

The Entity is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of Roads and Transport, State Department for Roads. Its ultimate parent is the Government of Kenya.

**24.Currency**

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

KENYA ENGINEERING TECHNOLOGY REGISTRATION BOARD  
Annual Report and Financial Statements for the year ended June 30, 2025.

20. Appendices

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p><b>Non. Compliance with circular on Board of Directors Expenses.</b></p> <p>Section D of the Circular No. OP/CAB.9/1A on management of State Corporations provides that the Board of Directors expenses for the financial year should be capped at 5% of the budget. The statement of comparison of budget and actual amounts reflects a total budget expenditure of Kshs.60,000,000 which</p>	<p>The auditor's observation is noted. The Board aligned the Board of Directors Expenses in the FY 2024/2025 Budget to comply with the 5% cap in line with Circular No. OP/CAB.9/1A on management of State Corporations.</p>	Resolved	-

KENYA ENGINEERING TECHNOLOGY REGISTRATION BOARD  
 Annual Report and Financial Statements for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>results in a maximum expenditure of Kshs. 3,000,000. However, the statement of financial performance reflects actual Board of Directors' expenses of Kshs.6,055,527 resulting in unauthorized overspending of Kshs.3,055,527. This was contrary to the Section D of the Circular No. OP/CAB.9/1A.</p>			
2	<p><b>Non. Compliance with Board Committee Composition Guidelines</b></p> <p>Review of the composition on the number of Members in the Committees of the Board of Directors specifically the Audit Committee, Finance</p>	<p>The auditor's observation is noted. The Board has since reconstituted the Board Committees.</p>	Resolved	

KENYA ENGINEERING TECHNOLOGY REGISTRATION BOARD  
 Annual Report and Financial Statements for the year ended June 30, 2025.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>and General-Purpose Committee, and Technical Committee revealed that these Committees had Members more than one-third of the total Board Members. This was contrary to Circular No. OP/CAB.9/1A on Management of State Corporation Section B4 on the establishment of Board Committees which states that the number of any committee should not be more than one-third of the full Board to obviate the risk of the Committee conducting its business within the framework of full board structure. The Technical and Finance and General-Purpose</p>			

**KENYA ENGINEERING TECHNOLOGY REGISTRATION BOARD**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Committees had excess members of one (1) each while the Audit Committee had an excess of two (2) Members.			



\_\_\_\_\_  
 Kigo Florence  
 Ag. Registrar/CEO (KETRB)

Date:

KENYA ENGINEERING TECHNOLOGY REGISTRATION BOARD  
 Annual Report and Financial Statements for the year ended June 30, 2025.

Performance and Cashflow transfers Reconciliation table

Item	Explanation	Amount (KSh)
Transfers from other Government Entities – Annex II & III	Total cash disbursements received during the year (cash basis)	86,103,701
Less: Prior year receivable received in the current year	Amount of KSh 17,753,701 recognised as receivable last year and settled in full this year	(17,753,701)
Add: Current year transfer recognised but still receivable	Amount of KSh 9,450,000 earned in the current year but not yet received at year-end	9,450,000
Transfers from other Government Entities – SoFP/SFP	Income relating to the current year on an accrual basis (Statement of Financial Performance)	77,800,000



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