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(Deputy Majority Whip)

CLERK AT THE TABLE: Joyce Lemelele

REPORT

OF

THE AUDITOR-GENERAL

ON

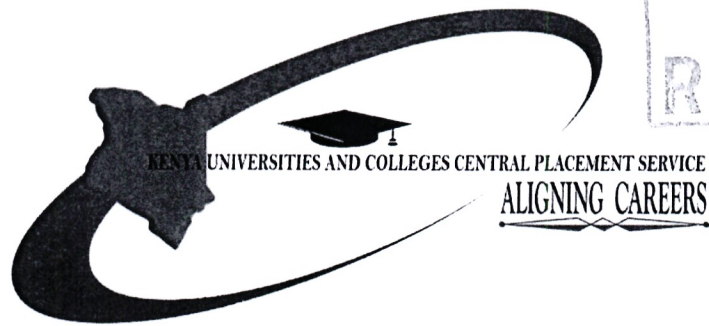
**KENYA UNIVERSITIES AND COLLEGES
CENTRAL PLACEMENT SERVICE**

**FOR THE YEAR
ENDED 30 JUNE, 2021**

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
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KENYA UNIVERSITIES AND COLLEGES CENTRAL PLACEMENT SERVICE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2021

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

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background Information

The Kenya Universities and Colleges Central Placement Service (“Placement Service”) was established under the Universities Act No. 42 of 2012 on December 13, 2012. The Placement Service is domiciled in Kenya and the secretariat is located at the ACK Garden House on 1st Ngong Avenue, in Community, Nairobi. The Placement Service does not have branches but offers its services through eleven Huduma Centres. The Cabinet Secretary in charge of Education provides the general policy direction.

(b) Principal Activities

The mandate of the Placement Service is outlined in Section 56 (1) of the Act as being to co-ordinate the placement of the government sponsored students to universities and colleges; disseminate information on available programmes, their costs, and the areas of study prioritised by the Government; collect and retain data relating to university and college placement; advise the Government on matters relating to university and college student placement; develop career guidance programmes for the benefit of students; and perform any other function assigned to it under the Universities Act.

(c) Key Management

The Placement Service’s day-to-day management is under the following key organs:

- (i) The Placement Board
- (ii) The Chief Executive Officer
- (iii) The Management Team

(d) Fiduciary Management

The key management personnel who held office during the financial year ended June 30, 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Dr. Agnes Mercy Wahome, PhD
2.	Director, Strategy, Planning, Quality Assurance and Compliance	Dr. Christopher Yegon, PhD
3.	Director, Placement Coordination and Career Development	Dr. John Oluoch, PhD
4.	Manager, Finance	CPA. Michael Kimani
5.	Manager, Legal Services and Corporation Secretary	Edna Adala
6.	Ag. Manager, ICT & Senior ICT Officer	Dennis Rama
7.	Manager, Human Resource & Administration	Maxwell O. Zange
8.	Manager, Internal Audit	CPA. Faith Musya
9.	Manager, Supply Chain Management	Daina Kibogo
10.	Manager, Corporate Communication	Paul Juma
11.	Manager, Placement and Career Services	Nancy Soila

(e) Fiduciary Oversight Arrangements

The Placement Service has put in place measures and structures to enforce fiduciary and oversight arrangements and ensure compliance. The Placement Board, which is the overall governance organ, comprises four key committees namely the Placement Committee; the Finance and Strategy Committee, the Audit Committee and the Human Resource Committee. Ad hoc committees are formed on need basis.

These committees provide policy direction and oversight to the Placement Service Management while advising the Board on various policy matters relating to its mandate. The main objective of the Finance and Strategy Committee is to assist the Board in discharging its duties in relation to safeguarding of assets, the operation of adequate systems, control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements and accounting standards.

Further, the Placement Service submits its quarterly and annual financial statements and accounts to Parliament for scrutiny and oversight, while the Office of the Auditor-General

audits its accounts annually. In addition, the Placement Service has developed Financial Regulations and Procedures.

(f) Headquarters

ACK Garden House
Ground & 3rd Floors (Block C & D)
Ngong 1st Avenue, Community
P.O. Box 105166, 00101
Nairobi, Kenya

(g) Contacts

Tel.: (+254) 723 954 927 / (+254) 734 879
662 / 020 5137400
E-mail: info@kuccps.ac.ke
Twitter: KUCCPS_Official
Facebook: The.Placement.Service
Website: www.kuccps.ac.ke

(h) Bankers

1. KCB Bank Kenya Ltd

University Way Branch
P.O. Box 7206, 00300
Nairobi, Kenya

2. Cooperative Bank

Upper Hill Branch
P.O. Box 19555, 00202
Nairobi, Kenya

3. HFC

Head Office, Rehani House,
Koinange Street/Kenyatta Avenue
P.O. Box 30088, 00100
Nairobi, Kenya

4. Central Bank of Kenya

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

(i) Independent Auditors

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

II. THE PLACEMENT BOARD

1. Mr. Joe Owaka Ager
Chairman



Mr. Ager is a distinguished management, marketing, finance, strategy and organisational change expert. He was appointed Chairman of the Placement Board on July 13, 2018 for a term of three years. He previously served as the General Manager at the Kenya Electricity Transmission Company (KETRACO), from 2010 to 2015, helping to establish the company as a respected member of the power pool of utility companies in East Africa. Prior to that, he served as Head of Customer Service and Marketing at the Kenya Power and Lighting Company, where he oversaw the transformation of the company from a bureaucratic entity to a customer-focused organisation. This was between 2008 and 2010. Mr Ager also served in various other organisations, including at the British Airways, where he launched his management career as a General Manager for East and Central Africa (1984-1989), and later as Head of Strategy and Business Development, British Airways (UK), from 2001 to 2004. He holds a Master of Business Administration degree from The Open University, Milton Keynes, England; and a Diploma in Aviation and Flight Operations Management from Crane bank Aviation Management College, London.

2. Prof. Mwenda Ntarangwi
(CEO, CUE), Member



Prof. Ntarangwi was appointed Chief Executive Officer at Commission for University Education with effect from September 5, 2017 thus became a member of the Placement Board. Prior to the appointment, Prof. Ntarangwi was a professor of anthropology at Calvin College, US. He studied Kiswahili at Kenyatta University and earned a Master's degree in Swahili Cultural Studies in 1990. Later, he earned Master's and PhD degrees in cultural anthropology from the University of Illinois, Champaign-Urbana in 1995 and 1998, respectively. He chairs the Placement Committee of the Board.

3. CPA Charles Ringera
(CEO, HELB), Member



CPA Charles Ringera is the Chief Executive Officer of the Higher Education Loans Board (HELB). He is a seasoned banker with over 20 years' experience across all facets of central and commercial banking. He worked at the Central Bank of Kenya (CBK) in various capacities before moving to the Co-operative Bank in 2004, initially as Senior Credit Risk Analyst and later as a Senior Manager, Enterprise-wide Risk Management, where he laid the foundation for risk management for the bank. CPA Ringera then moved to KCB Group in 2006 to head the Group Operational Risk and Compliance function, supporting Kenya, Tanzania, South Sudan, Uganda and Rwanda. In March 2013, he was appointed Chief Executive Officer/Secretary at the Higher Education Loans Board (HELB) to transform the Board to achieve its core mandate of higher education student financing. He holds an MBA in strategic management; is an alumnus of Oxford Brookes University – UK; holds an Advanced Diploma in Risk Management in Banking/Finance by KPMG Sweden; and is a member of numerous professional accounting associations.

4. Dr. Kipkirui Langat
(Director-General, TVETA)
Member



Dr. Langat is the Director-General of the Technical and Vocational Education and Training Authority (TVETA). He has a wealth of experience from public and private sectors with close to 20 years in the technical and vocational education and training sector, having joined Rift Valley Training Institute as assistant lecturer (Department of Automotive Engineering) in 1996. He moved to the Eldoret Polytechnic in 2002 as a lecturer in the department of mechanical engineering, before being appointed Deputy Dean of Students a year later. In 2004, he joined Egerton University as a lecturer in the department of industrial and energy engineering. Dr. Langat has worked with United Nations Environment Programme (UNEP) in developing policies and guidelines for transport emissions in East Africa Region. He holds Bachelor of Education in Technology Education; Master of Philosophy in Technology Education (Automotive Technology) and Master of Business Administration (Strategic Management) both from Moi University; and Doctor of Philosophy in Engineering Systems and Management from Egerton University. He is a Fellow of the Institution of Engineering Technologists and Technicians (IET) of Kenya and has widely published in the areas of transport emissions and TVET.

5. Prof. Francis Aduol
(Vice-Chancellor, TUK,
Representing Public
Universities), **Member**



Prof. Aduol is the Vice-Chancellor of Technical University of Kenya. He was appointed to the Board on March 13, 2017 for a period of three years. He graduated with Bachelor of Science in Engineering (Surveying and Photogrammetry) and MSc degree in Surveying from the University of Nairobi. He holds a PhD (Doctor of Engineering) from the University of Stuttgart, Germany, and an M.A. degree in Economic Policy Management from the University of Nairobi. He has served in national taskforces that reviewed laws governing university education and technical training.

6. Prof. Geoffrey Muluvi
(Vice-Chancellor, South Eastern Kenya University, Representing Public Universities),
Member



Prof. Geoffrey Muluvi is the Vice-Chancellor at South Eastern Kenya University. He was appointed to the Board on January 13, 2020 for a period of three years. He represents Public Universities in the Board. Prior to his appointment to head SEKU, Prof. Muluvi served as Deputy Vice-Chancellor (Administration) at Kenyatta University, a position he had assumed in January 2008. Previously, he was the Dean of School of Pure and Applied Sciences, Chairman of Department and Associate Professor, Department of Biochemistry and Biotechnology at Kenyatta University. He holds a Doctor of Philosophy degree (Molecular Biology) from the University of Dundee, UK and a Bachelor of Science (Moi University). He chairs the Finance and Strategy Committee of the Board.

7. Prof. Mumo Kisau
(Vice-Chancellor, Scott Christian University, Representing Private Universities), **Member**



Prof. Mumo Kisau is the Vice-Chancellor of Scott Christian University. He was appointed to the Board on March 13, 2017 for a period of three years. Prof. Kisau has gained wide experience in leadership and management, having served in various positions including as a senior adviser at World Vision East Africa. He has also served as an Assistant Professor/Deputy Principal at Africa Leadership University. He holds a Doctorate of Philosophy in Divinity (Aberdeen University) and Master of Divinity from Africa International University.

8. Prof. Margaret Muthwii
(Vice-Chancellor, Pan Africa Christian University, Representing Private Universities) **Member**



Prof. Margaret Muthwii is the Vice-Chancellor of Pan Africa Christian University. She was appointed to the Board on March 13, 2017 for a period of three years. Prior to that, she worked with the United Bible Societies (UBS) as a scholar, translation consultant and the Africa Area Translation Coordinator. She earned her PhD in 1994 at the University of East Anglia (UK), having received her first degree from the University of Nairobi. She began her teaching career at the Alliance Girls High School (1981-85) before proceeding to Kenyatta University, where she worked in various capacities from 1988 to 2001. She chairs the Human Resource and Administration Committee of the Board.

9. Mrs. Glory K. Mutungi
(Chair KATTI), **Member**



Mrs. Glory Mutungi is the National Chairperson at the Kenya Association of Technical Training Institutes (KATTI) and the Principal at Nairobi Technical Training Institute. A PhD (Leadership and Education Management) candidate at Kenya Methodist University, she holds a Master of Education (Counselling Psychology) degree from Kenyatta University and a Bachelor of Education (Arts) degree from Egerton University. She has built a career in teaching, research and administration, especially in Technical and Vocational Education and Training (TVET) institutions. She has also contributed to the development of the TVET sector through numerous national and international conferences and workshops. She chairs the Audit Committee of the Board.

10. Mr. Patrick M. King'oina
(Representing KATTI),
Member



Mr. Patrick King'oina is the Principal at the Coast Institute of Technology. He was appointed to the Board on January 13, 2020 to represent KATTI for a period of three years. Mr. King'oina is an experienced and accomplished educationist and administrator, who has served as a head of department, deputy registrar, registrar and lecturer in Kenya's TVET institutions for over three decades. He holds an MBA from Moi University and is a member of the Kenya Renewable Energy Association. Mr. King'oina chairs the Ad hoc Committee on Covid 19 of the Board.

11. Mr. Lukes Shiroya

(Alternate to PS, University Education), **Member**



Mr. Shiroya is a career teacher, administrator and public servant. He joined the Placement Board on June 4, 2020 as a Member Alternate to the Principal Secretary, Ministry of Education. Mr. Shiroya's service in the Education Sector began in 1990 when he was employed as an assistant teacher at St. Joseph's Nyabondo Boys High School in Kisumu County. He rose through the ranks teaching in various schools across Kenya. From 2002 to 2007, he served as the Principal at St. James Etumbu Secondary School, in Kakamega North. Thereafter, he served as an Assistant Director of Quality Assurance and Standards in various stations until the year 2020 when he was appointed Deputy Director of Education in the State Department for University Education and Research, Ministry of Education. Mr. Shiroya holds a Bachelor's degree in Education (Moi University, 1990) and a Master's degree in Education Management and Administration from Kenyatta University (2016). He is pursuing a Doctorate Degree (PhD) in Peace and Conflict Management at Masinde Muliro University of Science and Technology.

12. Mr. Anthony Muriu

(Alternate to PS, National Treasury), **Member**



Mr. Anthony Muriu is a Chief Economist and Head of the Central Planning and Project Monitoring Unit of the National Treasury. He is a career civil servant with over 20 years' experience, having risen through the ranks to the current position. He holds a Bachelor of Arts degree in Economics from the University of Nairobi and Master's Degree in International Development Studies from the Graduate Institute of Policy Studies in Tokyo, Japan. Over the years, Mr. Muriu has worked in many Ministries and served in numerous committees and taskforces of the Government of Kenya.

13. Dr. Agnes Mercy Wahome, PhD
Chief Executive Officer



Dr. Agnes Mercy Wahome was appointed Acting Chief Executive Officer of the Placement Service on November 13, 2020 for a period of six months and confirmed as a substantive CEO in February 2021. Prior to the appointment, she had been the Manager, Research and Knowledge Management. She holds a PhD in Health Communication from Jomo Kenyatta University of Agriculture and Technology, a Master of Arts in Medical Sociology, a Bachelor of Arts in Sociology and Communication (University of Nairobi), Diploma in Community Oral Health (KMTC) and Diploma in Leadership in Strategic Health Communication (Johns Hopkins Center for Communication Program, USA). (2021).

14. Ms. Edna Adala
Manager, Legal &
Corporation Secretary
(Until April 15, 2021)



Ms. Edna Adala was the Corporation Secretary and Legal Manager until she exited the corporation on April 15, 2021. She joined the Placement Service in October 2016 to help in setting up the legal and corporation's secretarial unit, and to oversee good corporate governance practices. Prior to joining the Placement Service, Ms. Adala served in various capacities in public and private sectors, where she gained experience in legal and corporate governance matters. She is an Advocate of the High Court of Kenya, a Certified Public Secretary and a Certified Pension Scheme Trustee. In addition, she is a member of the Law Society of Kenya, the Institute of Certified Public Secretaries of Kenya and the Professional Trainers Association of Kenya. Ms. Adala holds a Bachelor of Laws and Master of Business Administration degrees from the University of Nairobi. She also holds a Diploma in Law from the Kenya School of Law.

III. MANAGEMENT TEAM

The following members of staff served in the Placement Service Management team during the Financial Year ended:

1. Dr. Agnes Mercy Wahome, PhD, Chief Executive Officer



PhD in Health Communication (JKUAT), M.A. Medical Sociology & B.A. Sociology and Communication (UON), Dip. Community Oral Health (KMTC), Dip. Leadership in Strategic Health Communication (Johns Hopkins Center for Communication Program, USA)

The CEO is responsible for the day-to-day operations at the Placement Service.

2. Dr. Christopher Yegon, PhD, MKIM, Director, Strategy, Planning, Quality Assurance & Compliance

PhD in Business Administration (JKUAT), MBA (UoN), Bachelor of Business Management (Moi), Diploma in Education



The Director, Strategy, Planning, Quality Assurance & Compliance is responsible for coordinating and overseeing the strategy and planning, research and knowledge management, quality assurance, and risk and compliance functions in the organisation.

3. Dr. John Oluoch, PhD, MPRSK, MIHRM, Director, Placement Coordination & Career Development

PhD and Master's Degree in Communication Studies, Postgraduate Diploma in Strategic and Human Resource Management, Postgraduate Diploma in Public Relations, Bachelor's degree in Education



The Director, Placement Coordination & Career Development is responsible for coordinating and overseeing placement coordination and career development functions.

4. CPA Michael Kimani, Manager, Finance

MBA (UoN), B Com. (KU), CPA-K, Member ICPAK



The Finance Manager is responsible for budgeting, budgetary control, financial management and reporting at the Placement Service.

5. Edna Adala, Corporation Secretary and Legal Manager (Until April 15, 2021)

MBA, LLB (UoN), Dip. Law (KSL), Member LSK, ICPSK, PTA



The Corporation Secretary and Legal Manager is responsible for management and administration of the Legal Department, statutory compliance and regulatory requirements.

6. Maxwell Okoth, Manager, Human Resource and Administration

MBA, B. Com. (UoN), Dip. HRM (KIM), Member IHRM



The Human Resource and Administration Manager is responsible for human capital management and administrative support services at the Placement Service.

7. CPA Faith Musya, Manager, Internal Audit

MBA, B. Ed. (UoN), CPA-K, Member IIA, ICPAK



The Internal Audit Manager is responsible for financial and systems audit, assurance and risk advisory services at the Placement Service.

8. Daina Kibogo, Manager, Supply Chain Management

M. Sc. Procurement & Logistics (JKUAT), B.A. (Egerton), Dip. Supply Chain Management (ICM-UK), Member ICM, KISM



The Supply Chain Manager is responsible for procurement and supply chain operations at the Placement Service.

9. Paul Juma, Manager, Corporate Communication and Customer Experience

MA Communication Studies, B. Ed. (UoN), Member PRSK



The Corporate Communication Manager is responsible for the administration and management of publicity, corporate communication and customer experience at the Placement Service.

10. Nancy Soila, Manager, Placement and Career Services

MBA (KU), B. Ed (Moi), Member KIM



The Placement and Career Services Manager is responsible for career guidance and placement programmes and activities at the Placement Service.

11. Dennis Rama, Senior ICT Officer & Ag. ICT Manager

B. Sc. (Computer Science) (Until November 11, 2020)



The acting ICT Manager is responsible for Management of ICT infrastructure, systems and software at the Placement Service.

IV. CHAIRMAN'S STATEMENT



It gives me pleasure to present this Annual Report and Financial Statements of the Kenya Universities and Colleges Central Placement Service for the Financial Year 2020/2021. This report is significant as it covers a period engulfed by an unprecedented pandemic that affected businesses and governments across the globe. On behalf of the Placement Board, I am happy to note that despite the challenges of the global pandemic, the corporation was able to execute its mandate.

Adapting to a New Normal

While the Covid-19 pandemic altered the operating environment and created a “new normal”, the corporation quickly adapted thanks to its ICT infrastructure developed over the past years and sound stewardship of the Board and support from the Government. As a result, the Board remained steadily focused on its mandate, which culminated into the completion of the 2021/2022 cycle of the placement of students to universities and colleges.

Transition Management

In the second and third quarters, the Board successfully steered management transition at the Corporation following the retirement of the Chief executive Officer. In addition to recruiting for three directors, the Board also successfully recruited a new Chief Executive Officer, ensuring a smooth transition.

Strategic Planning and Oversight

The Board continued to offer direction to management towards the realisation of the Corporation's Strategy, Vision, Mission and Values.

Future Prospects

The Board is alive to the rapidly changing operating environment. As such, the Board continues to review its preparedness for a prolonged pandemic and the post pandemic world. This calls for a change or modification of strategy. The Board has initiated the process of developing a new strategic plan for the Corporation to guide the entity into the future. In addition, the Board will continue to adopt sustainable ICTs to facilitate business operations in the wake of the Covid-19 pandemic and for sustainable effective and efficiency service delivery to the citizen.

A handwritten signature in dark ink, appearing to read "Joe Owaka Ager". The signature is fluid and cursive, extending across the width of the text area.

MR. JOE OWAKA AGER,
CHAIRMAN, PLACEMENT BOARD.

V. REPORT OF THE CHIEF EXECUTIVE OFFICER



It is my honour to present – for the first time – the Annual Report and Financial Statements for the Financial Year 2020/2021. This has been a remarkable year that the Kenya Universities and Colleges Central Placement Service managed a smooth Management transition while steadily overseeing the execution of its mandate in a Covid-19-distrupted operating environment. A notable achievement is the completion of the 2021/2022 Placement Cycle within schedule despite the challenges of the global pandemic.

2021/2022 Placement of Students

In the 2021/2022 cycle, **128,073** students (2020 KCSE cohort) were placed to pursue degree programmes in Public and Private Universities. In addition, all the students who applied for TVET including those from previous years up to the year 2000 were placed, a total of **137,072**. This is remarkable because it boosted the Government's efforts to scale up transition of students from basic to higher education.

Automation and Covid-19 Mitigation

Further, the Placement Service took advantage of its automated processes to mitigate the Covid-19 situation. As a result, the placement processes were done online through an automated system. In addition, management team utilised virtual platforms to transact business. This ensured minimal business disruption.

In addition, Management continued with its Business Continuity strategies, which ensured that the operations were not interrupted. These included provision of sanitary items in the office premises, mass testing of employees for the coronavirus, adoption of work-from-home and rotational arrangements, and automation of customer service. The Management constantly updated the Board on the operations during the pandemic.

Human Resource Development

The Corporation continued with the implementation of its approved Career Progression Plan (2018) and recruited three directors to join the senior management team.

Financial Performance

This was a difficult year given the Covid-19 pandemic and attendant disruptions in operations but the year also saw Placement Service place the highest number ever into Universities and Colleges. The total expenditure increased to Kshs 307 million (Kshs 295 million 2019/2020) in recurrent expenditure

and Kshs 2 million in capital expenditure. During the year under review, the Placement Service realised a surplus of Kshs 285 million.

This performance strengthened the Placement Service Fund from Kshs 1,255 Million to Kshs 1,507 million, enabling the Board to increase the Capital development reserve to Kshs 800 million for acquisition of office space and Kshs 331 million towards Staff Mortgage and Car Loan Reserve Fund.

On behalf of the Management, I would like to thank the Placement Board, the Ministry of Education and all stakeholders for their continued support and cooperation.



DR. AGNES MERCY WAHOME, PhD.

CHIEF EXECUTIVE OFFICER

**VI. STATEMENT OF KENYA UNIVERSITIES AND COLLEGES CENTRAL
PLACEMENT SERVICE PERFORMANCE AGAINST PREDETERMINED
OBJECTIVES FOR FY 2020/2021**

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

The Kenya Universities and Colleges Central Placement Service has four strategic pillars and six objectives within its Strategic Plan for the FY 2017- 2022. These strategic pillars are as follows:

Pillar 1: Customer Experience

Pillar 2: Business Process Re-engineering

Pillar 3: Financial Sustainability

Pillar 4: Institutional Capacity

The Placement Service develops its annual work plans based on the above four pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Corporation achieved its performance targets set for the FY 2020/2021 period for its strategic pillars, as indicated in table 1:

Table 1: Review of Planned Objectives for FY 2020/2021 and Achieved Performance.

Objective(s)	Indicator(s)	Initiatives	Achievements
GOAL 1: ENHANCE & DIVERSIFY PLACEMENT SERVICES			
Increase the number of students placed	Number of additional category of students being placed by Placement Service	Degree, Diploma, Craft Certificate and Artisan course placement	During the year, 265,145 students were placed as compared to 211,555 in previous year resulting to an increase of 53,590 students. Of these, 128,073 were placed to join universities (122,831 placed in 2020) while 137,072 were placed to colleges (88,724 in 2020).
Increase number of actors under placement	Number of additional category of players placed by Placement Service	-Additional public training institutions -Marketing for universities and colleges - SSP placement to universities and colleges	The Placement Service linked the twenty four (24) newly registered institutions to its website and published courses offered on the portal. The Placement Service facilitated a training workshop for the marketing team at Tharaka University College at the university.

Objective(s)	Indicator(s)	Initiatives	Achievements
			A road map to placement of self-sponsored students to private colleges was developed following meetings Kenya Private Sector Alliance (KEPSA) during the year. Other players included Equity Foundation, ACCA, KEMI and KEFEP.
Increase Product Range at the Placement Service	Number of new products introduced	-Publish career handbook -Provide data for research -Set up advisory centres in Huduma centres	The book was digitized during the period and copies were distributed in major bookshops. 15,409 copies of the book were sold.
			The digital book is available on the Kenya Literature Bureau (KLB) mobile application platform and the KLB online bookshop has been linked to the Placement Service website.
			Data was shared to students and other stakeholders as requested during the period.
			<ul style="list-style-type: none"> • 11 Huduma officers continued to offer placement and career advisory services on during the year and engaged in the Huduma Mashinani programmes. • First revision centre support was provided in 14 Huduma centres during the year. • The Placement Service initiated the recruitment of officers to provide support in 5 additional Huduma centres (Thika, Isiolo, Narok, Laikipia and Trans Nzoia).
GOAL 2: TO ENHANCE INNOVATION AND USE OF TECHNOLOGY			
To improve service delivery through automation	Number of innovations	Implementation of Career Expert System	Management and staff were sensitized on the career expert system during year.
To improve collection, analysis, retention and dissemination of information	Online Knowledge Management System	-Undertake periodic research in relevant fields -Implement the Decision Support System (3D) -Update the Mobile App	Research was conducted on; <ul style="list-style-type: none"> • Students' transfers after placement • Trends in Science, Technology, Engineering and Mathematics (STEM) • Course attractiveness • Alcohol and drug abuse (ADA) at the Placement Service

Objective(s)	Indicator(s)	Initiatives	Achievements
			<p>The Decision Support System was developed and in use</p> <p>The mobile app is available in google store and was improved during the year. Students used the app during the 2021/2022 placement cycle</p>
GOAL 3: FINANCIAL SUSTAINABILITY			
To expand revenue streams	Increased revenue streams	-Placement Consultancy -Engagement of partners	During the year, the Placement Service got into strategic partnerships/MoUs with Equity Group Foundation and Kenya Literature Bureau on sale of Career Guidance book.
	Established Funding Collaborations	Cost Containment	<ul style="list-style-type: none"> ▪ Budget control was ensured during the period and goods and services were procured in line with the 2020/2021 FY procurement plan. ▪ Placement Service negotiated the lease agreement from Kshs 95 to Kshs 70 per sq. ft. and removed the escalation clause
To ensure Prudent Management of funds	Unqualified Financial Statements	Compliance with PFM	The Management has complied with the PFM Act and its regulations in all its operations.
		Ratio of Cost to revenues	The Placement Service continue to operate within the budget and available resources to avoid building of pending bills in its accounts.

GOAL 4: STRENGTHEN CAREER ADVISORY SERVICES			
Align careers	The percentage of students satisfied with courses they are placed	<p>Conduct online sensitization on available opportunities in colleges especially for technical courses addressing the STEM, TVET and “Big Four” Initiatives</p> <p>Conduct three (3) online career teachers’ workshops</p>	<ul style="list-style-type: none"> ▪ The Placement Service conducted four online career guidance forums for secondary school students, 2020 KCSE candidates and sensitized them on available technical courses to address STEM, TVET and “Big Four” Initiatives. 890 students benefited from 500 secondary schools. In addition, Placement Service conducted a virtual STEM mentorship for Girls reaching students from 39 secondary schools drawn from 20 counties. ▪ 3 online career teachers’ sensitization fora were conducted. 610 career teachers drawn from 46 counties were sensitized.
Diversify mode of delivery for career advisory	Increase in the number of modes of delivery	Undertake career advisory on social media, radio and website	Career advisory through the social media, mainstream media and website was done.
GOAL 5: ENHANCE COMMUNICATION AND CUSTOMER EXPERIENCE			
Enhance communication and customer experience	Communication strategy in place and being implemented	Implement recommendations of Customer satisfaction survey and brand survey	Customer satisfaction survey and brand surveys were conducted during the period.
	Undertake periodic brand promotion campaigns	Undertake periodic brand promotion campaigns	Placement Service brand was promoted through media engagements during the period on TV Radio, Board and staff branding.
	Customer Satisfaction improved	Implement a service charter	<p>i. The service charter was displayed at the Placement Service offices and compliance with the commitments and standards of the charter continue to be ensured.</p> <p>ii. Staff sensitization on the Service Charter and customer care was done during the period.</p> <p>A sign language interpreter was engaged during the online career fora held during the period</p>
	Corporate Social investment	Undertake CSI Activities	During the year, staff participated in a tree planting activity as a CSI

			activity. The event was held at Statehouse Girls in collaboration with Higher Education Loans Board (HELB).
GOAL: 6: TO STRENGTHEN INSTITUTIONAL CAPACITY AND ENHANCE CORPORATE GOVERNANCE			
Human Capital Development	Increased HR capacity	Implement a competence development plan	KUCCPS competence plan is in place and implementation has been ongoing during the period. Specifically, the following activities were undertaken; <ul style="list-style-type: none"> i. Training Impact survey ii. Training Needs Analysis iii. Training interventions (internal and external) Staff appraisal for the 2019/2020 FY was done
To review organizational Structure	Organizational Structure	Finalization of career progression plan	New staff were engaged during the year.
To ensure quality management	Quality Management System	ISO 9001:2015 Certification Process	<ul style="list-style-type: none"> • During the year, gap analysis and training of staff and auditors on QMS were done. • The Quality Scope , Policy Statement, Objectives and Standard Operating Procedures were developed
To ensure policy compliance in placement		-Board Training Monitor implementation of Mwongozo	<ul style="list-style-type: none"> • The Board was trained on conflict resolution, change management during the year. • Four Board members were inducted. • A Board retreat was held during the year to review the work plan. The Board conducted meetings as per the 2020/2021 FY Almanac and implementation of Mwongozo was monitored during the year.
To develop and implement a risk management plan	implementation of the risk management plan	-ISO 27001:2013 Process	Information assets were secured during the year (Endpoint Network and Data Centre Security solution deployed).
		-Implement a business continuity plan	Business Continuity Planning BCP analysis tool was developed during the year and measures to ensure business continuity during the pandemic period were implemented.

<p>Increase the number of partnerships, collaborations</p>	<p>Percentage of activities under taken with partners</p>	<p>Stakeholder mapping and analysis Implement a stakeholder policy</p>	<p>Stakeholders were during the Placement Criteria Review. The collaborations with strategic stakeholders during the year were;</p> <ul style="list-style-type: none"> • Kenya Water Towers Agency-on environmental conservation and career guidance • The Kenya Education Management Institute (KEMI) to train all career guidance teachers in secondary schools. • Higher Education Loans Board (HELB) -A tree planting exercise was held at Statehouse Girls • Universities and Colleges during their meeting and while releasing the placement results
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In its 2020/2021 Performance contract, the Placement Service took into account the objectives and targets outlined in the strategic plan.

VII. CORPORATE GOVERNANCE STATEMENT

(a) Introduction

Corporate Governance refers to mechanisms, relations and processes by which a corporation is controlled and directed. It involves balancing the interests of the stakeholders of a corporation. Good corporate governance practices are essential to the delivery of long-term and sustainable stakeholder and shareholder value.

To strengthen accountability and to build confidence among stakeholders, the Placement Service is committed to sound principles of corporate governance and sustainability and believes that good corporate governance is critical, not only at the corporate level but also at the national level.

(b) Board Size, Composition and Appointment

The Board is the highest governing organ of the Corporation. The Board exercises leadership, enterprise integrity and judgment in directing the Corporation so as to achieve continuing prosperity for the Corporation and its stakeholders.

The constitution of the Placement Board is stipulated by the Universities Act, No. 42 of 2012. It comprises the following 13 members appointed by the Cabinet Secretary, Education;

1. The Chairperson;
2. The Secretary of the Commission for University Education;
3. The Chief Executive of the Higher Education Loans Board;
4. The Chief Executive of the TVET Funding Board;
5. The Chief Executive of TVETA;
6. Two Vice-Chancellors representing Public Universities;
7. Two Vice-Chancellors representing Private Universities;
8. Two representatives of Kenya Association of Technical Institutions;
9. The Principal Secretary in the Ministry responsible for Higher Education; and
10. The Principal Secretary in the Ministry responsible for Finance.

The Chief Executive Officer of the Placement service is a non-executive Member of the Board.

(c) Role and Responsibilities of the Board

The Board provides leadership and strategic direction to the Placement Service. Its role is to guide the Corporation towards sustainable long-term success through the exercise of objective and informed judgment in determining the strategy of the corporation, having the best team in place to execute that strategy, monitoring performance and maintaining an effective framework of controls to mitigate risks facing the Corporation.

Board Meetings

The Board meets regularly as required in order to efficiently monitor the implementation of the Corporation's planned strategy and approve issues of strategic nature. Specific reviews are also undertaken on operational issues and future planning.

During the year under review, the Board held 18 meetings. Attendance to the respective meetings is summarised below:

	Name	Board Position	Attendance	Honoraria & Airtime	Sitting allowance
1.	Mr. Joe Owaka Ager	Chairperson	18/18	1,044,000	360,000
2.	Prof. Mwenda Ntarangwi	Member, CUE	13/18	-	260,000
3.	CPA Charles Ringera	Member, HELB	18/18		360,000
4.	Dr. Kipkirui Langat	Member, TVETA	15/18		300,000
5.	Prof. Geoffrey Muluvi	Member, Public Universities	18/18		360,000
6.	Prof. Francis W.O Aduol	Member, Public Universities	6/18		120,000
7.	Prof. Mumo Kisau	Member, Private Universities	16/18		320,000
8.	Prof. Margaret Muthwii	Member, Private Universities	15/18		300,000
9.	Mrs. Glory Kambanja Mutungi	Member, K.A.T.T.I	17/18		340,000
10.	Mr. Patrick King'oina	Member, K.A.T.T.I	17/18		340,000
11.	Mr. Lukes Shiroya	Alternate Member, PS, Ministry of Education	12/12		240,000
12.	Mr. Antony Muriu	Alternate Member, PS, National Treasury	14/18		280,000

Board Committees

The Board has four constituted Committees and one *ad hoc* Committee to advise the Board on matters related to Covid 19.

The Committees facilitate efficient decision making in the discharge of its duties and responsibilities. The Committees and the respective terms of reference are outlined below.

Placement Committee

The principal objective of the Committee is to make strategic directions that assist the Board effectively discharge the mandate of the Corporation with regard to:

1. Placement of Government-sponsored students to Universities and Colleges;
2. Dissemination of information on available programmes, their costs, and the areas of study prioritised by the Government;
3. Collection and retention of data regarding University and College Placement;
4. Career guidance programmes for the benefit of students;
5. Development of policies that promote equity and access to University and College education;

Development of policies relating to the affirmative action criteria for the marginalised, the minorities and persons with disabilities. The Committee was reconstituted in April 2021.

It held four (4) meetings during the year, which were attended as follows:

	Name	Attendance	Allowances (Kshs)
1.	Prof. Francis W.O. Aduol	3/4	60,000
2.	Prof. Mwenda Ntarangwi	4/4	80,000
3.	Lukes Shiroya	4/4	80,000
4.	Dr. Kipkirui Langat	3/4	60,000
5.	Mr. Charles Ringera	1/1	20,000
6.	Prof. Margaret Muthwii	1/1	20,000
7.	Prof. Geoffrey Muluvi	1/1	20,000

Audit Committee

The Audit Committee consists of four non-executive Board members and reports to the Board after every Committee meeting. The Chairperson is an independent non-executive director.

To fulfil its oversight responsibility, the Committee receives reports from Management, the internal auditors and external auditors, as appropriate. Its functions include:

1. Reviewing reports on internal audits conducted and ensuring appropriate action is taken to address any weakness identified;
2. Reviewing the Annual Financial Statements and recommending their approval to the Board;
3. Independently auditing the effectiveness of the Risk Management System;

4. Considering findings from the external and internal auditors on material weaknesses in accounting and financial control systems;
5. Approving the annual audit plan ensuring its consistency with the Corporation's performance plan.

The Committee was reconstituted in April 2021. It held six meetings during the year, which were attended as follows:

	Name	Committee Attendance	Allowances (Kshs)
1.	Prof. Margaret Muthwii	5/6	100,000
2.	Dr. Kipkirui Langat	4/6	80,000
3.	Mr. Charles Ringera	6/6	120,000
4.	Mr. Antony Muriu	5/6	100,000
5.	Mrs. Glory Mutungi	1/1	20,000
6.	Prof. Mumo Kisau	1/1	20,000

Finance and Strategy Committee

The Committee provides leadership in the prudence of financial management, advises the Board on strategic direction in matters relating to Finance, General Administration, Risk Management and Governance. The Committee makes recommendations to the Board aimed at ensuring that risk management and the Corporation's strategy are well integrated. The Committee was reconstituted in April 2021.

It held six meetings during the year, which were attended as follows:

	Name	Committee Attendance	Allowances (Kshs)
1.	Prof. Mumo Kisau	6/6	120,000
2.	Mrs. Glory Kambanja Mutungi	6/6	120,000
3.	Mr. Patrick King'oina	6/6	120,000
4.	Prof. Geoffrey Muluvi	6/6	120,000
5.	Mr. James Wang'ombe	2/2	40,000

Mr Lukes Shiroya and Dr. Kipkirui Lang'at joined the committee in April 2021.

Human Resource Committee

The Committee advises the Board on strategic direction in matters relating to Human Resource Management. The Committee was reconstituted in April 2021.

It held ten meetings during the year, which were attended as follows:

	Name	Committee Attendance	Allowances (Kshs)
1.	Mrs. Glory Kambanja Mutungi	8/10	160,000
2.	Prof. Geoffrey Muluvi	9/10	180,000
3.	Prof. Mwenda Ntarangwi	8/10	160,000
4.	Mr. Charles Ringera	9/10	180,000
5.	Prof. Margaret Muthwii	1/1	20,000
6.	Mr. James Wang'ombe	2/2	40,000
7.	Mr. Lukes Shiroya	1/1	20,000
8.	Mr. Peter Rutere	1/1	20,000
9.	Mr. Anthony Muriu	1/1	20,000

Prof Margaret Muthwii, Dr. Kipkirui Lang'at, Mr. Lukes Shiroya and Mr. Antony Muriu joined the Committee in April 2021 after reconstitution.

Ad Hoc Committee – COVID -19

The Committee was constituted to mitigate the effects of the COVID-19 pandemic on the Corporation's operations and oversee the implementation of the Corporation's Business Continuity Policy and Government Directives on Business Continuity during this period. The Committee was reconstituted in April 2021.

It held four meetings during the year, which were attended as follows:

	Name	Committee Attendance	Allowances (Kshs)
1.	Prof. Mumo Kisau	4/4	80,000
2.	Prof. Margaret Muthwii	4/4	80,000
3.	Prof. Francis W.O. Aduol	2/4	40,000
4.	Prof. Geoffrey Muluvi	4/4	80,000

(d) Board Remuneration

During every Board meeting, present Board members are entitled to a sitting allowance of Kshs 20,000 per sitting, lunch allowance of Kshs 2,000 (in lieu of lunch being provided), accommodation allowance of Kshs 18,200 and mileage reimbursement where applicable within government set limits for State Corporations. The Chairman receives a monthly honorarium of Kshs 80,000 and Kshs 7,000 airtime allowance.

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

a) Placement of Students to Universities and Colleges for the 2020/2021 Cycle

i) Placement of Students to Universities and Colleges



Chief Executive Officer of the Placement Service Dr. Agnes Mercy Wahome handing over the report of the 2021/2022 Placement Cycle to Education Cabinet Secretary Prof. George Magoha at the Kenya Institute of Curriculum Development in Nairobi on August 17, 2021.

The 2020 KCSE examination cohort was the priority group for placement to universities and colleges, while the placement to TVET courses was open to all applicants who sat the KCSE examination in 2020 and those who did so in the previous years but had not benefited from Government sponsorship.

The applicants were placed to public and private universities for Bachelor's degree programmes while public TVET institutions received students for diploma, craft certificate and artisan courses. Following the successful completion of the placement process, during the year, 128,073 were placed to join universities while 137,072 were placed to TVET colleges. The main placement was concluded in August 2021.

ii) **Registration of Institutions**

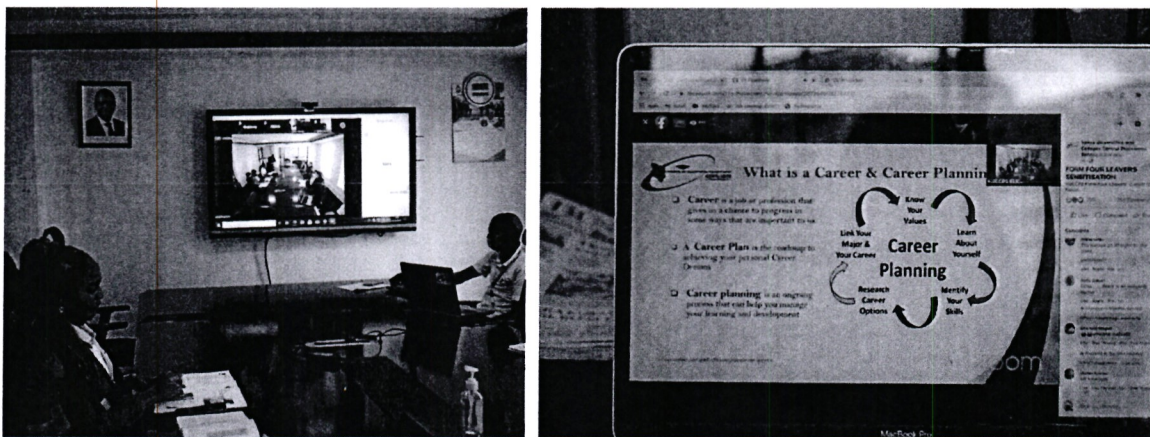
The Placement Service registered thirty-one new institutions, one University and thirty colleges in the FY 2020/21. The registration of the above institutions brought the total number of universities and colleges to 71 and 223 respectively.

iii) **Review of Placement Criteria**

The Placement Service invited universities, public TVET colleges and regulatory bodies to provide updated recommendations for consideration in the review of the placement criteria. The Placement Criteria Review Committee held a working retreat to discuss the recommendations, and developed a draft Degree and TVET cluster document for stakeholder engagement.

iv) **Career Guidance and Mentorship**

The Placement Service conducted physical and virtual forums for career guidance and mentorship activities, which attracted over 500 secondary school students who participated and another 1,000 who followed the presentations via Facebook Live. The participants included students and Form Four leavers from Mandera, Kilifi, Wajir, Kitui, Garissa, Isiolo and Marsabit counties. The department also organised and conducted a virtual STEM mentorship for girls reaching students from 39 secondary schools in 20 counties.



A virtual career forum organised by the Placement Service during the period.

IEC materials on career guidance were developed and disseminated for sharing to students and teachers through online platforms and online career guidance forums. The department developed content on STEM and TVET programmes for dissemination through the KUCCPS website and online platforms. Career Books were also distributed that guides on careers and

career paths in addition, Equity Group Foundation- Wings to Fly Alumni class of 2017 benefited from online career guidance.

v) Career Teacher Capacity Building

The Placement Service ensured continuity of its career teacher capacity-building programme by continually sensitising teachers. Three online career teachers' sensitization forums were conducted where 268 career teachers drawn from 46 counties benefited.

vi) Collaborations

In partnership with the Equity Group Foundation (EFG) Education and Leadership Development pillar, The Placement Service offered career guidance to the alumni who qualified for the Wings to Fly scholarship in 2017. In Addition, The Placement Service partnered with Kenya Education Management Institute (KEMI) on Career Teachers training.

b) Information and Communication Technology

During the year under review, cyber security was given priority with the completion of the implementation of an Integrated Network, Data Centre and Endpoint Security System. The solution was aimed at safeguarding the organisation's ICT assets from the growing spectrum of cyber threats. Additionally, the Placement Service commenced the establishment of a Data Centre to improve on the ICT infrastructure and scalability of ICT Services.

The Placement Service finalised the development of ICT Strategic Plan. The plan aims at aligning technology and innovations with the corporate ICT strategic goals and objectives that gives a roadmap towards equitable, fair and efficient Placement Service.

c) Strengthening Institutional Capacity

The Placement Service completed the development of key policies to guide its operations. These included:

- i. ICT Strategic Plan
- ii. Communication Strategy;
- iii. Information Security Policy;
- iv. Quality Management System (QMS)

This paved the way for the commencement of the ISO certification process.

d) Human Resource Capacity Development

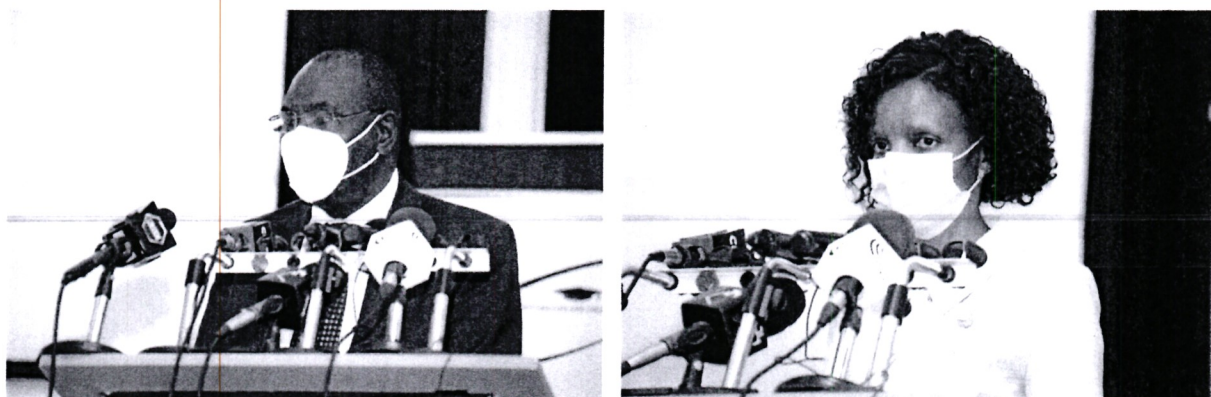
Recruitments were done in compliance with the approved staff establishment and relevant GoK circulars. To enhance HR capacity for improved service delivery the following positions were recruited; Directors (three Positions), Placement Coordination/Career Development Officer (one Position), Senior Asst. Placement Coordination/Career Development Officer (five Position – to be deployed in Isiolo, Laikipia and Narok Huduma Centres. During the financial year, seven (7) staffs exited the Placement Service. Currently, the gender representation in the Corporation stands at Male 55% and Female 45%.

All staff were trained on the requirements of the Public Procurement and Asset Disposal Act and its regulations. Further to these, every employee attended at least one other training or development workshop, aimed at improving their skills relevant to the Corporation's operations.

The Corporation developed for implementation, Succession Planning and Talent Management Policies with a view of improving job satisfaction and performance. We initiated the development of Records Management Policy that will enhance the Corporation's ability to maintain accurate, reliable records; providing controlled, ready access to them and only retaining those worthy of preservation as part of the vital set-up necessary to meet the challenges faced on records management and past policy decisions.

e) Publicity and Public Outreach

The Placement Service carried out publicity and advertising campaigns in support of various placement activities in relation to the 2021/2022 placement cycle, recruitment of staff and procurement processes. The publicity campaign was mainly through editorial coverage in national newspapers, broadcast channels, advertisements in MyGov, and the Placement Service website and official social media pages.



f) Governance, Leadership and Compliance

No non-compliance was reported. All statutory requirements were complied with.

g) Material Arrears in Statutory/Financial Obligations

There were no material arrears or financial obligations pending for settlement by the Placement Service other than normal trade payables that are paid as they become due. The Placement Service continued to be financially sound with no pending bills pile up.

h) Enterprise Risk Management

The Board integrated risk management into the business planning processes of the Placement Service as part of strategic, operational and line management responsibilities. This ensured effective management of risks that threaten to adversely impact the discharge of its core mandate and relationships with its stakeholders.

As part of the implementation of the enterprise risk management plan, the Board ensured strengthening of risk management function with a number of activities, which include; a review of the risk registers, staff capacity building, business continuity and risk assessment conducted within the year 2020/2021.

The Management in accordance with related government directives and circulars on government business continuity during the Covid-19 period, continued to monitoring the state of the pandemic and put in place measures that aimed at minimizing its spread and impact to KUCCPS operations.

i) Internal Audit

During the period under review, internal audit ensured that the Placement Service complied with the PFM Act and other regulatory frameworks that govern the Placement Service's operations. This assurance was done to the Board through the Audit committee.

Recommendations to strengthen internal controls were adopted by management. Policies and procedures have been developed and operationalised by management and this has improved service delivery in the placement service. No major non-compliance has been reported by the department in the course of the year under review.

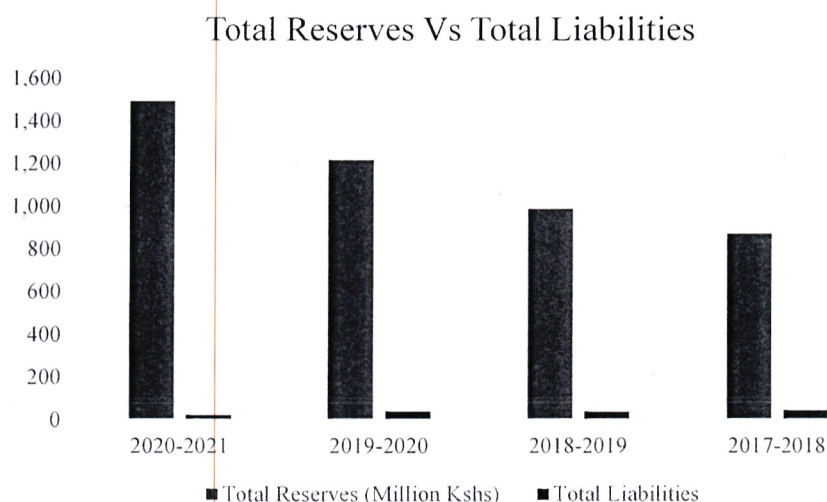
j) Summary of Financial Performance

During the year, the Placement Service realised gross revenue of Kshs 591,311,110 (Kshs 491,177,660 in 2019/2020) and recurrent expenditure of Kshs 306,614,983 (Kshs 294,847,654 in 2019/2020). There were activities, which were planned but could not be implemented on time due to covid-19 pandemic while others were ongoing at the end of the year. One such activity is the portioning of the office and the development of the data centre.

The overall performance was better than projected despite the pandemic. The surplus for the year was Kshs. 284,696,127 compared to Kshs 196,330,006 in the previous year. The Placement Service fund improved to Kshs. 1,507,098,573 from Kshs 1,255,952,643 in the previous year. The Board approved to increase the Capital Development Reserve by Kshs 200 million to Kshs.800 million from Kshs 600 million towards the acquisition of the Placement Service own premises during the year. The Board further approved increase of the seed money for the Staff Mortgage and Car Loan Scheme by Kshs 150 million to Kshs 300 million from Kshs 150 million. The building of this fund towards acquisition of the office has been ongoing for the last six years. The National Treasury approved the budget for the implementation of the project during the year.

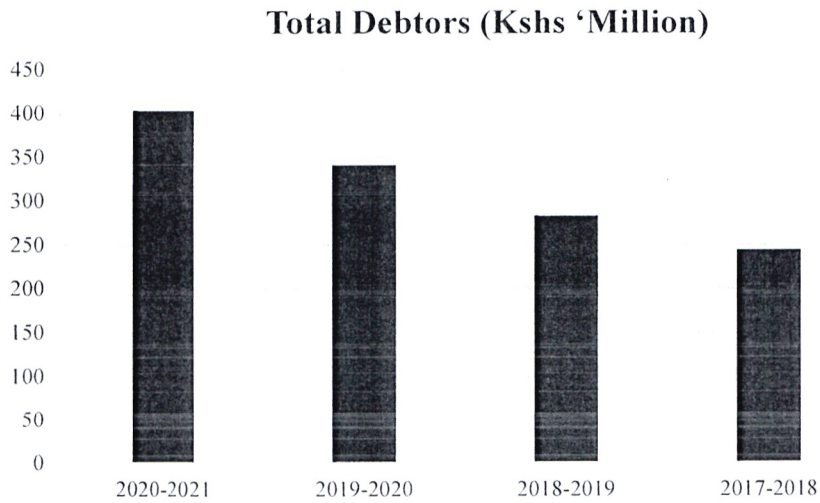
The Placement Service has a strong balance sheet of Kshs 1,507 million with a total liability of Kshs 40 million in the financial year under review as shown in chart 1.

Chart 1; Total Reserves Vs Total Liabilities (Kshs ‘Million)



The Management notes the growing debtors as reflected in chart 2 and the necessary efforts put in place to recover it and improve on the cash flows.

Chart 2; Debtors (Kshs 'Million)



IX. ENVIRONMENTAL SUSTAINABILITY REPORTING

The Placement Service exists to transform lives. This is well articulated in its commitment to the empowerment and development of communities in a manner that leaves positive and sustainable impact on lives. Our guiding principles as outlined in the Placement Service's Corporate Social Investment Policy are sustainability, employee participation, cost effectiveness and mutuality. Below is a brief highlight of our achievements.

i. Sustainability strategy and profile

Under the UN sustainable Development Goals (SDGs), SDG number 4 introduces fundamental view of higher education learning that governments must undertake to ensure inclusive and equitable quality learning opportunities for all. KUCCPS has been in the forefront to harness technology to the advantage of students, universities and colleges in service delivery for efficiency and convenience. The Placement Service updated its website, developed an online portal for use by universities and colleges and developed a mobile app for use by students for application and revision of career choices.

Payment through M-Pesa has not only made our students applications easier but convenient and they are able to follow their application process remotely without the need to visit our offices. Through automation of our process, University and college registrars are able to upload data in the Placement Service portal and perform inter-institution transfers with ease. In the long run, we endeavour to have all our services accessible through this online platform, which is both effective and efficient and therefore sustainable for all the stakeholders.

In the absence of private-sector funding and competitive grants, public universities, colleges and research institutes in Kenya predominantly depend on dwindling public subsidies as well as unpredictable international donor support. This narrow funding base suggests that research and innovation systems in Kenya face severe financial deficits and lack the capacity to formulate and drive their own domestic funding agendas. National policymakers and university leadership need to be encouraged to work in closer partnership and to prioritise the strategic importance of research and innovation in national economic growth and competitiveness by investing more significantly in strengthening research capacity, infrastructure, and research opportunities in universities and colleges to enhance sustainability. This will endear our institutions to students across the borders.

ii. Environmental performance

The Corporation has established an Environmental Sustainability Committee to champion matters to do with safeguarding the environment. The Committee developed a draft policy. In addition, being a service corporation, the Placement Service has automated its core functions resulting in considerable reduction in paper-based transactions and therefore, contributing towards sustenance of the environment. Further, a Management Committee established to oversee disposal of obsolete assets has identified environmentally friendly methods of disposing of electronic assets that will be used in the 2021/2022 financial year.



iii. Employee welfare

The Corporation developed for implementation, Succession Planning and Talent Management Policies with a view of improving job satisfaction and performance. We initiated the development of Records Management Policy that will enhance the Corporation's ability to maintain accurate, reliable records; providing controlled, ready access to them and only retaining those worthy of preservation as part of the vital set-up necessary to meet the challenges faced on records management and past policy decisions.

To ensure employees performed work that accomplished the business needs of the Placement Service, all employees' key performance indicators were aligned with the strategic goals of their departments and their performance reviewed at the end of the year. Employees received feedback during a formal performance review exercise on how effective their performance was relative to the expectations. The

Management applied performance ratings in a fair and consistent manner and the rewards were consistent with the employees' performance and qualifications.

With regard to Occupational Health and Safety (OSHA), the corporation initiated the acquisition and refurbishment of an additional space of 4,800 sq. ft. This was intended to accommodate the additional staff, comply OSHA/improve on staff spacing at the work place and to establish a standard data centre. All staff were sensitised on incidents and accidents reporting procedures to improve safety at the workplace. Identified fire marshals were also trained on fire-fighting drills

iv. Market place practices

The Placement Service's market place practices are fair, competitive and transparent. Among others, the Placement Service adheres to the following practices.

a) Responsible competition practice

The Corporation's preferred choice of procurement is competitive bidding, mainly open tenders, requests for quotations and requests for proposals. This ensures that firms are given equal opportunity to compete. The organisation has zero tolerance for corruption and enforces segregation of duties in its activities, especially in constituting procurement processing committees.

b) Responsible supply chain and supplier relations

Due to the Covid-19 pandemic, the Placement Service was not able to organise a physical supplier sensitisation forum. However, the Corporation utilised the mass media sensitise the public on the procurement opportunities in the organisation. The Corporation maintains a register of suppliers, which is updated often. Once a contract is awarded, the Placement Service, through the Supply Chain Management Department, ensures full implementation and performance of obligations.

c) Responsible Marketing and Advertisements

The Placement Service's advertisements are conducted in compliance with Government guidelines, professional and ethical standards. In addition, payments for advertisements are made promptly in compliance with the PFM Act and regulations.

d) Product stewardship

Secondary school students and their parents/guardians are the primary consumers of our services. We endeavour to satisfy their needs by through satisfaction surveys, career guidance forums and public

outreach. In addition, the placement of students to universities and colleges is primarily guided by student's preferences and their qualifications (merit).

v. Corporate Social Investment / Community Engagements

In line with the approved a Corporate Social Investment and Stakeholder Engagement Policy, the Placement Service engages with stakeholders for collaboration in areas of community transformation. In the year ended, the Placement Service engaged with the State House Girls School community in a tree planting session, where over 2,000 tree seedlings were planted in the school's compound. The activity was undertaken in collaboration with Higher Education Loans Board and the Placement Service contributed one hundred thousand shillings toward the event.



Tree planting activity at State House Girls High school in Nairobi on June 16, 2021.

X. REPORT OF THE BOARD MEMBERS

The Board submits its report together with the audited financial statements for the year ended June 30, 2021, which show the state of the Kenya Universities and Colleges Central Placement Service's affairs.

Principal activities

The principal activities of the entity continue to be; coordinating the placement of Government-sponsored students to universities and colleges, disseminating information on available programmes, their cost and areas prioritised by the Government, developing career guidance programmes for the benefit of students, collecting and retaining data on placement to universities and colleges, advising the Government on student placement and any other function assigned by the Universities Act, 2012.

Results

The results of the entity for the year ended June 30, 2021 are set out from page 1 to 7.

Board

The members of the Board who served during the year are shown on pages v to xii. During the period a new Chief Executive Officer, Dr. Agnes Mercy Wahome was appointed to replace Dr. John Muraguri who proceeded on retirement.

Auditors

The Auditor-General is responsible for the statutory audit of the Kenya Universities and Colleges Central Placement Service in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board.



Corporation Secretary

Nairobi,

August 31, 2021

XI. STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and Section 14 of the State Corporations Act require the Board to prepare financial statements in respect of the Placement Service, which give a true and fair view of the state of affairs of the Placement Service at the end of the financial year/period and the operating results of the Placement Service for that year/period. The Board members are also required to ensure that the Placement Service keeps proper accounting records which disclose with reasonable accuracy the financial position of the Service. The Board members are also responsible for safeguarding the assets of the Placement Service.

Further, the Board is responsible for the preparation and presentation of the Placement Service's financial statements, which give a true and fair view of the state of affairs of the Service for and as at the end of the financial year ended on June 30, 2021. This responsibility includes maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; 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; safeguarding the assets of the Placement Service; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Board accepts responsibility for the Service's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act.

The Board members are of the opinion that the Placement Service's financial statements give a true and fair view of the state of the Placement Service's transactions during the financial year ended June 30, 2021, and of its financial position as at that date. The Board Members further confirm the completeness of the accounting records maintained for the Placement Service, which have been relied upon in the preparation of the Service's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board to indicate that the Placement Service 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 Placement Service's financial statements were approved by the Finance and Strategy Committee on 22nd September, 2021 and signed on its behalf by:



Board Chairman



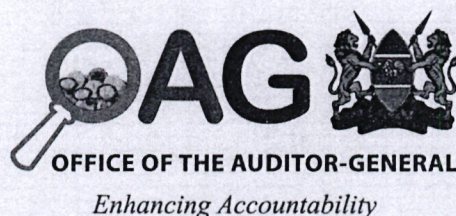
Board Member



Chief Executive Officer

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA UNIVERSITIES AND COLLEGES CENTRAL PLACEMENT SERVICE FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of the Kenya Universities and Colleges Central Placement Service set out on pages 44 to 83, which comprise of the statement of financial position as at 30 June, 2021, and the statement of financial performance, statement of changes in equity, statement of cash flows, statement of

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Kenya Universities and Colleges Central Placement Service as at 30 June, 2021, 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 Universities Act, 2012 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Universities and Colleges Central Placement Service Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Irregular Procurement of Consultancy Services

The statement of financial performance reflects a balance of Kshs.73,801,417 in respect of use of goods and services as detailed in Note 15 to the financial statements, which includes expenditure on professional consulting amounting to Kshs.2,781,800. The supporting ledger reflects a balance of Kshs.2,571,840 paid to a consultant for provision of Change Management Program, Emotional Intelligence and Conflict Resolution which took place between 14 and 19 December, 2020. Review of documents provided for audit

revealed that the Consultant was procured directly and there was no evidence of the measures taken to ensure that the price was fair and reasonable and compared well with known prices of goods, works or services in the circumstances, as provided under Section 103(e) of the Public Procurement and Asset Disposal Act, 2015.

Further, the notification of award was issued on 11 December, 2020 and accepted by the Consultant on 14 December, 2020 which coincided with the date the Program was starting raising doubts on whether the procedure for notification of intention to enter into a contract as required by the provisions of Section 87 of the Public Procurement and Asset Disposal Act, 2015 was followed. No contract was signed between the Service and the Consultant and instead a Local Purchase Order was issued to the Consultant on 23 December, 2020, long after the activity had taken place. In addition, the Local Purchase Order, which formed the contract was issued before the lapse of the fourteen (14) days period required by Section 135 (3) of the Public Procurement and Asset Disposal Act, 2015.

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

2.0 Irregular Board Expenses

The statement of financial performance reflects Board expenses of Kshs.19,881,627 which as detailed in Note 10 to the financial statements, includes Kshs.4,740,000 and Kshs.14,097,627 being sitting allowances and other Board expenses respectively. Review of documents revealed an expenditure of Kshs.2,685,808 in respect to team building and Board retreat undertaken during the year under review. However, the Cabinet Secretary approval for the Board activities was not provided for audit review, contrary to the Head of Public Service Circular referenced OP/CAB. 9/1A of 03 April, 2020 which required Board retreats to be approved by the Cabinet Secretary.

In the circumstances, the regularity of the Board retreat and the related expenditure could not be confirmed.

3.0 Staff Mortgage and Car Loan Reserve Fund

The statement of financial position reflects staff mortgage and car loan reserve fund of Kshs.331,425,475 as disclosed in Note 25(d) to the financial statements. However, appropriate Regulations to guide the implementation of the mortgage and car loan benefits to the employees as required by the provisions of Salaries and Remuneration Commission Circular Reference SRC 023/12/2014 of 17 December, 2014 had not been developed and the basis of the transfer of the funds to a car loan reserve fund could not be confirmed.

In the circumstances, the regularity of the reserve fund could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and the Placement Board

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

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

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

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


 CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

30 September, 2022

XIII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

Revenue from non-exchange transactions		2020/2021 Kshs	2019/2020 Kshs
Capitation Grants- Revenue	5	<u>16,468,582</u>	<u>24,348,110</u>
		<u>16,468,582</u>	<u>24,348,110</u>
Revenue from exchange transactions			
Registration Fees	6	2,620,000	3,360,000
Application and Revision	7	526,446,006	435,038,230
Finance income	8 (a)	45,577,470	27,927,945
Career book and other incomes	8(b)	<u>199,053</u>	<u>503,375</u>
		<u>574,842,528</u>	<u>466,829,550</u>
Total revenue		<u>591,311,110</u>	<u>491,177,660</u>
Expenses			
Employee costs	9	162,499,474	148,105,999
Board Expenses	10	19,881,627	17,295,431
Placement Processing and Publicity	11	10,279,522	14,907,453
Career Guidance and Workshops	12	5,900,947	12,122,224
Depreciation and amortization expense	13	32,060,838	31,720,048
Repairs and maintenance	14	1,802,248	2,219,726
Use of Goods and Services	15	73,801,417	68,095,863
Finance cost	16	<u>388,910</u>	<u>380,910</u>
Total expenses		<u>306,614,983</u>	<u>294,847,653</u>
Surplus for the period		<u>284,696,127</u>	<u>196,330,007</u>
		<u>284,696,127</u>	<u>196,330,007</u>

Surplus attributable to owners of the controlling entity

Total Surplus

284,696,127

196,330,007

The notes set out on pages 52 to 89 form an integral part of the Financial Statements


XIV. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

Assets	Notes	2020/2021	2019/2020
Current Assets		Kshs	Kshs
Cash and cash equivalents	17	256,832,935	254,831,820
Receivables from exchange transactions	18	414,244,914	341,211,274
Inventories	19	1,240,584	1,032,072
Investment (Short term placement of funds)	20	<u>745,551,321</u>	<u>539,515,744</u>
		<u>1,417,869,753</u>	<u>1,136,590,910</u>
Non-current assets			
Property, plant and equipment	21(a)	73,688,820	98,641,733
Intangible assets	21(b)	15,540,000	20,720,000
		<u>89,228,820</u>	<u>119,361,733</u>
Total assets		<u>1,507,098,573</u>	<u>1,255,952,643</u>
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	22	26,767,780	34,193,059
Refundable deposits from customers	23	731,368	579,308
Employee benefit obligation	24	3,854,104	4,545,220
Taxation	24 (b)	9,539,305	-
Total Current Liabilities		40,892,557	39,317,587

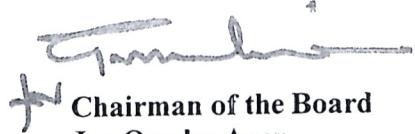
Non-current liabilities

Non-current employee benefit obligation	24	<u>1,204,839</u>	<u>1,100,934</u>
Total Non-Current Liabilities		<u>1,204,839</u>	<u>1,100,934</u>
Total liabilities		<u>42,097,396</u>	<u>40,418,521</u>
Net assets			
Accumulated surplus	25a	270,329,966	376,647,513
Capital Development Reserve	25b	800,000,000	600,000,000
Revaluation Reserve	25c	63,245,735	63,245,735
Staff Mortgage and Car Loan Reserve Fund	25d	<u>331,425,475</u>	<u>175,640,874</u>
Total net assets		<u>1,465,001,176</u>	<u>1,215,534,122</u>
Total net assets and liabilities		<u>1,507,098,572</u>	<u>1,255,952,643</u>

The financial statements set out on pages 44 to 51 were signed on behalf of the board of Directors by:


Chief Executive Officer
Dr. Agnes Mercy Wahome, PhD
August 31, 2021


Finance Manager
Michael Kimani
ICPAK No. 5310
August 31, 2021


Chairman of the Board
Joe Owaka Ager
August 31, 2021

XV. STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE

2021

	Accumulated Surplus	Revaluation Reserve	Capital Development Reserve	Staff Mortgage and Car Loan Reserve	Total
	Kshs		Kshs	Kshs	Kshs
Balance As at 1 July 2019	330,317,507	-	450,000,000	168,487,560	948,805,067
Surplus for the period	196,330,006		-	-	196,330,006
Revaluation Gain		63,245,735			63,245,735
Surplus for the period- Mortgage				7,153,313	7,153,313
Transfer to Capital Development Reserve	(150,000,000)		150,000,000		-
Transfer to Staff Mortgage and Car Loan Reserve	-		-	-	-
Balance as at 30 JUNE 2020	376,647,513	63,245,735	600,000,000	175,640,873	1,215,534,121
Balance As at 1 July 2020	376,647,513	63,245,735	600,000,000	175,640,873	1,215,534,121
Surplus for the period	284,696,127		-	-	284,696,127
Revaluation Gain					-
Surplus for the period- Mortgage				5,784,602	5,784,602
Transfer to Capital Development Reserve	(200,000,000)		200,000,000		-
Transfer to Staff Mortgage and Car Loan Reserve	(150,000,000)			150,000,000	-
Tax paid for the previous years	(25,605,053)				(25,605,053)
Tax for the Year	(15,408,621)				(15,408,621)
Balance as at 30 JUNE 2021	270,329,966	63,245,735	800,000,000	331,425,474	1,465,001,176

XVI. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2020/2021	2019/2020
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Capitation Grant - Revenue	5	16,468,582	24,348,110
Registration and Renewal Fees	6	2,620,000	3,360,000
Application and Revision	7	341,458,506	282,754,730
Placement Fees	7	114,996,345	128,800,600
Interest & Other Incomes	8	34,414,845	29,430,761
		509,958,278	468,694,201
Payments			
Compensation of employees	9	(155,063,346)	(150,447,494)
Goods and services		(134,888,575)	(118,149,901)
Finance cost	16	(388,910)	(380,910)
		(290,340,831)	(268,978,305)
Net cash flows from operating activities		219,617,446	199,715,896
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	21 (c)	(12,275,948)	(28,609,347)
Net cash flows used in investing activities		(12,275,948)	(28,609,347)
Cash flows from financing activities			
Increase in deposits	20	(206,035,577)	(194,495,822)
Staff Mortgage payment	24	(11,046,741)	(39,055,436)
Staff Mortgage repayments		5,957,331	5,953,222
Investment Income	25(d)	5,784,602	7,153,313
Net cash flows used in financing activities		(205,340,385)	(220,444,723)
Net increase/(decrease) in cash and cash equivalents		(2,001,114)	(49,338,174)
Cash and Cash Equivalents at 1 July 2020		254,831,820	304,169,994
Cash and cash equivalents at 30 JUNE 2021		256,832,935	254,831,820

XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Per centage (%)	Reference
	2020/2021	2020/2021	2020/2021	2020/2021	2020/2021		
	Kshs	Kshs	Kshs	Kshs	Kshs		
Revenue							
Capitation Grants-Revenue	21,958,000	(10,000,000)	11,958,000	16,468,582	4,510,582	37.7%	a)
Registration and Renewal Fees	500,000	-	500,000	2,620,000	2,120,000	424%	b)
Application and Revision Fees	215,000,000	-	215,000,000	341,458,506	126,458,506	59%	c)
Placement Fees	160,000,000	-	160,000,000	184,987,500	24,987,500	15.6%	d)
Interest Income	10,000,000	-	10,000,000	45,776,523	35,776,523	358%	e)
Total income	407,458,000	(10,000,000)	397,458,000	591,311,110	193,853,110		
Expenses							
Employee costs	202,004,000	-	202,004,000	162,449,474	39,504,526	20%	f)
Board Expenses	22,000,000	-	22,000,000	19,881,627	2,118,373	10%	g)
Placement Processing and Publicity	21,000,000	(5,000,000)	16,000,000	10,279,522	5,720,478	36%	h)
Career Guidance and Workshops	16,000,000	(6,500,000)	9,500,000	5,900,947	3,599,053	38%	i)
Depreciation Expense	24,340,000	-	24,340,000	32,060,838	(7,720,838)	-32%	j)
Repairs and Maintenance	5,500,000	14,900,000	20,400,000	1,802,248	18,597,752	91%	k)
General Expenses	99,514,000	(13,400,000)	86,114,000	73,801,417	12,312,583	14%	l)
Finance Cost	600,000	-	600,000	388,910	214,606	36%	m)
Capital Expenditure	16,500,000	-	16,500,000	1,927,924	14,572,076	88%	n)
Total Expenditure	407,458,000	(10,000,000)	397,458,000	308,542,907	88,915,093		
Surplus for the Period	-	-	-	282,768,203	282,768,203		

Explanation for the variances:

- a) Capitation budget reduced vide Supplementary budget dated 21st April 2021 by Kshs 10,000,000 from Kshs 21,958,000 but received Kshs 16,468,582.
- b) More Colleges registered than expected following the Government campaign to promote technical skills for manufacturing and industrialisation in TVET institutions.
- c) The Government decision to place all students who scored C+ and above to universities and thus the growth in application fees.
- d) More students reported into the institutions they were placed relative to and therefore increased placement fees.
- e) Prudent management of available funds in Treasury Bills as guided by the National Treasury.
- f) Delayed recruitment of staff due to Covid-19 pandemic and approval from the Treasury and Office of the President.
- g) Board training and capacity building activities were rescheduled due disruption by the Covid-19 pandemic.
- h) Planned shows, exhibitions and career fares for the benefit of students were interrupted by the Covid-19 pandemic.
- i) Schools outreach activities to students and teachers were conducted online which reduced the overall costs.
- j) There was change in depreciation policy, which was increased from 20% to 25% for computers and from 10% to 12.5% for furniture and equipment. This coupled with the increased values of the assets following revaluation at the end of the previous year increased the depreciation charge for the year.
- k) Repairs and maintenances are done on need basis and scheduled partitioning of offices was not achieved due to pandemic.
- l) Most of the administrative expenses were reduced following the President directive that staff work from home to keep social distance and to prevent spread of the corona virus.
- m) The financial operations were organized to minimise finance costs.
- n) The changes in the ICT department and the development of the ICT strategy refocused the planned investment.

XVIII. NOTES TO THE FINANCIAL STATEMENTS

1. General information

The Kenya Universities and Colleges Central Placement Service (“Placement Service”) was established under the Universities Act No. 42 of 2012 on December 13, 2012. The Placement Service is wholly owned by the Government of Kenya and is domiciled in Kenya. The principal activity of the Placement Service is contained in its mandate as outlined in Section 56 (1) of the Act as being to: co-ordinate the placement of the government sponsored students to universities and colleges; disseminate information on available programmes, their costs, and the areas of study prioritised by the Government; collect and retain data relating to university and college placement; advise the Government on matters relating to university and college student placement; develop career guidance programmes for the benefit of students; and perform any other function assigned to it under this Act.

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 Placement Service accounting policies.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Placement Service and all values are rounded to the nearest Kenya Shilling.

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

The comparative figures for the year ended June 30, 2020 are given for ease reference.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

3. Adoption of New and Revised Standards

- i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2021.**

Kenya Universities and Colleges Central Placement Service adopted the International Public Sector Accounting Standards for the first time in 2014

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

Standard	Effective date and Impact
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions, which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p> <p><i>(These amendments will not have significant changes since the Placement Service, adopted accrual basis at the beginning)</i></p>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

ii. New and Amended Standards and interpretations in issue but not yet effective in the year ended 30 June 2021

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity’s future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>(The amended standard will not have a major impact in the financial statement of the Placement Service)</i></p>

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity’s future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

Standard	Effective date and impact:
	<ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>(The standard will not have any significant impact on financial statements reporting)</i></p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity’s financial performance, financial position and cash flows. <p><i>(This standard will not have any significant impact on the financial statement of the Placement Service given the pension and medical cover have always been reported)</i></p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs, which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts, which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS, which were inadvertently omitted when IPSAS 41 was issued.</p>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2020.

4. Summary of significant accounting policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Capitation Grants

Capitation grants are only recognised when received or where the government gives a specific written undertaking on the same. 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 Placement Service 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 Placement Service and can be measured reliably. **Revenue from exchange transactions**

Rendering of services

The Placement Service recognizes revenues from placement fees in relation to the current financial year when the event occurs and the asset recognition criteria are met. Other incomes from rendering of services are recognized 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.

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 Placement Service.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

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.

b) Budget information

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

c) Taxes

The Placement Service has been classified as a Service State corporation category 3A and heavily relies on Government funding thus not subject to the provision of section 219(2) of the public Finance Management Regulations under the Public Finance Management Act.

The placement service is an agent for Kenya revenue authority with the mandate to withhold tax and remit to Kenya Revenue Authority. The withheld taxes are recognized as current liabilities until paid to the relevant authority.

Current income tax

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

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

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) 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. After initial recognition, inventory is measured at the lower of cost and net realizable value.

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. 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 Entity 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 Entity 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 Entity. KUCCPS has an operating lease and lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term. The deferred lease payments are recognised as deferred rent liability to be utilised in later years as rent escalates.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

g) Financial instruments

i. Financial assets

Initial recognition and measurement

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

Impairment of financial assets

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

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

h) Provisions

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

Contingent liabilities

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

Contingent assets

The 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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

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.

i) Commitments

Procurement commitments which are not finalised by the end of period are disclosed especially in relation to procurement of assets.

j) Reserves

Reserves are created and maintained in terms of specific requirements. The Board may from time to time establish a specific or general reserve fund to cater for current and future Placement needs.

k) Changes in accounting policies and estimates

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

l) Employee benefits

Retirement benefit plans

Placement Service provides retirement benefits for its employees. 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. Placement Service operates a defined contribution plan with Britam. Employees contribute 10% and Employer 20% of the qualifying staff basic pay and the same is paid to Britam on monthly basis.

Gratuity

Placement Service provides for gratuity for the staff working on contract terms of service at a rate of 31% of the basic pay. This is charged to the statement of financial performance for each year worked.

m) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

n) Related parties

Placement Service 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 Placement Service or vice versa. Members of key management are regarded as related parties.

o) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and 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.

p) Segment Reporting

Placement Service does not have any branches/reporting segments. All the operations are managed from the registered office. The core business of the Placement Service continues to be coordination of placement of government-sponsored student into universities and colleges as stipulated in Section 56 (1) of the Universities Act, 2012.

q) Comparative figures

The comparative figures for the year ended June 30, 2019 are given for ease reference.

r) Subsequent events

There were events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2021.

s) Significant judgments and sources of estimation uncertainty

Provision for Depreciation and Amortization

The following rates were applied for purposes of providing for the usage of the assets and providing for their replacement.

(a) Computers, Computer Accessories and Infrastructure	25%
(b) Motor Vehicles	20%
(c) Furniture, Fittings and equipment	12.5%
(d) Partitions and fittings	12.5%
(e) Intangible Assets	20%

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

Bad Debt Provision

Provision for bad debtors is made at a rate of 10% on Trade debtors. This is general provision and it does not include specific bad debts where debtors are fully impaired and irrecoverable.

5. Transfers from governments

	2020/2021	2019/2020
	Kshs	Kshs
Unconditional grants		
Capitation Grants - Revenue	<u>16,468,582</u>	<u>24,348,110</u>
Total government grants and subsidies	<u>16,468,582</u>	<u>24,348,110</u>

5.(b) Transfers from Ministries, Departments and Agencies

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income	Amount deferred	Total grant income during the quarter	Cumulative to date 30 June 2021	Cumulative to date 30 June 2020
			Kshs	Kshs	Kshs
State Department of University Education	16,468,582	-	16,468,582	16,468,582	24,348,110
Total	16,468,582	-	16,468,582	16,468,582	24,348,110

The entire amount recorded above as having been received from the Ministry of Education is fully reconciled to the amount recorded by the Ministry. Acknowledgement receipts were issued in favour of the Ministry of Education. The capitation receivable from the Ministry of Education was reduced from 21,938,101 to Kshs 11,934,101 vide letter dated 21st April 2021.

	Kshs	Kshs
6. Registration Fees	<u>2,620,000</u>	<u>3,360,000</u>
Total revenue from the rendering of services	<u>2,620,000</u>	<u>3,360,000</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

7. Application, Revision and Placement Fees

	Kshs	Kshs
Student Application and Revision Fees	341,458,506	282,754,730
Placement Fees	<u>184,987,500</u>	<u>152,283,500</u>
Total revenue from application fees	<u>526,446,066</u>	<u>435,038,230</u>

During the year institutions were billed Kshs 184,987,500 of which Kshs 37,712,620 was received. In addition, Kshs 77,283,725 was received from placement debtor for earlier years.

8. a) Finance Income - External Investments

Cash investments and fixed deposits	<u>45,577,470</u>	<u>27,927,945</u>
Total Interest Income - External Investments	<u>45,577,470</u>	<u>27,927,945</u>

Included in this, is revenue received from the investment in Treasury Bills of the available funds during the year. An amount of Kshs 11,700,558 was recognized as receivables interest as at June 30, 2021 from The National Treasury.

8. b) Career Book and Other incomes

Career book	<u>199,053</u>	<u>503,375</u>
Total career book and other incomes	<u>199,053</u>	<u>503,375</u>

The Placement published a career guide for students and invited institutions to place adverts in the first edition of the career guidebook. Included are proceeds received from the sale of the career book.

9. Employee costs

	Kshs	Kshs
Employee related costs - salaries and wages	108,019,042	94,766,518
Contribution to Pensions	16,435,584	15,381,224
Housing benefits and allowances	<u>38,044,848</u>	<u>37,958,257</u>
Employee costs	<u>162,499,474</u>	<u>148,105,999</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

10. Board Expenses

	Kshs	Kshs
Chairman's Honoraria	1,044,000	1,044,000
Sitting Allowances	4,740,000	5,000,000
Other Board Expenses	14,097,627	11,251,431
Total Board Expenses	<u>19,881,627</u>	<u>17,295,431</u>

11. Placement Processing and Publicity

	Kshs	Kshs
Placement Processing	1,608,980	2,514,410
Advertising & Publicity Publications	8,670,542	12,202,543
	-	190,500
	<u>10,279,522</u>	<u>14,907,453</u>

12. Career Guidance and Workshops

	Kshs	Kshs
Career Guidance & Workshops	960,840	1,677,378
Admission Support in Counties	3,491,247	4,765,210
Career Talks and workshops	1,370,360	1,070,000
Exhibitions and Shows	78,500	4,609,636
	<u>5,900,947</u>	<u>12,122,224</u>

13. Depreciation and Amortization Expense

	Kshs	Kshs
Property, Plant and Equipment	26,880,838	26,540,048
Intangible Assets	5,180,000	5,180,000
Total Depreciation	<u>32,060,838</u>	<u>31,720,048</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

14. Repairs and Maintenance

	Kshs	Kshs
Vehicles	1,266,289	1,946,164
Refurbishment and Other Repairs	<u>535,959</u>	<u>273,562</u>
Total Repairs and Maintenance	<u>1,802,248</u>	<u>2,219,726</u>

15. Use of Goods & services

The following are included in use of goods & services:

	2020/2021	2019/2020
	Kshs	Kshs
Audit fees	800,000	600,000
Conferences and Seminars	3,699,985	4,758,274
Office Operations	9,953,812	15,265,236
Printing and stationery	1,177,664	1,376,917
Telecommunication	4,212,993	3,950,166
Rent & service Charge	16,244,338	16,221,042
Staff Training	7,266,629	8,543,396
Subscription and Membership fees	373,975	536,908
Insurances	13,130,271	11,656,849
Professional fees	2,606,050	685,335
Capacity building	4,558,896	1,342,670
Professional consultancies	2,781,800	750,000
Knowledge management	19,600	21,500
Provision for bad and doubtful debts	<u>6,975,404</u>	<u>2,387,571</u>
Total use of goods and services	<u>73,801,417</u>	<u>68,095,863</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

16. Finance Cost

Bank Charges	388,910	380,910
Total Finance Cost	388,910	380,910

17. Cash and Cash Equivalents

	Kshs	Kshs
Current Account	145,016,015	143,597,883
On-call deposits	111,777,644	111,233,937
Cash-on-hand	39,276	-
Total Cash and Cash Equivalents	256,832,935	254,831,820

On call deposit include deposits in staff Mortgage Scheme and Car Loan Deposits with Housing Finance which attract market rate interest for the unused deposit and 2% for the portion utilized on staff mortgage and car loans.

17 (b) Detailed Analysis of the cash and cash equivalent

Financial Institution	Account Number	2020/2021	2019/2020
		Kshs	Kshs
a) Current account			
Kenya Commercial Bank	1151285021	66,133,261	92,435,841
	0114116359		
Co-operative Bank	6400	57,748,400	41,025,755
Sub-Total		123,881,661	133,461,595
b) On-Call deposits			
Kenya Commercial Bank	1151285021	-	-
	0114116359		
Co-operative Bank	6400	-	-
Sub-Total		-	-
c) Staff car loan/mortgage			
HFC Mortgage deposit	2211863401	79,135,876	81,550,074
HFC Car Loan Deposit	2211863402	32,641,767	29,683,863
Sub-Total		111,777,644	111,233,937

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

d) Others (specify)

Cash In hand		39,276	0	-
Mpesa	820200	369,996		171,917
Mpesa	820201	20,737,030		9,937,043
Mpesa	845385	27,328		27,328
Sub-Total		21,173,630		10,136,288
Grand Total		256,832,935		254,831,820

18. (a) Receivables from Exchange Transactions

Current receivables	Kshs	Kshs
i) Placement fees debtors	360,463,293	290,709,250
ii) Investment Interest debtors	11,700,558	6,407,248
iii) Prepayment	8,531,144	8,758,766
iv) Staff Mortgage Debtor	69,596,248	64,406,935
Less: Provision for bad debt	<u>(36,046,329)</u>	<u>(29,070,925)</u>
Total Receivables from Exchange Transactions	<u>414,244,915</u>	<u>341,211,274</u>

18. (b) Receivables from Non-Exchange Transactions

Current receivables	Kshs	Kshs
Capitations due for the Year	<u>-</u>	<u>-</u>
Total Receivables from Non-Exchange Transactions	<u>-</u>	<u>-</u>
Total current receivables	<u>414,244,915</u>	<u>341,211,274</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

The maximum exposure to the credit risk at the reporting date is the fair value of each of the class of receivable mentioned above. A provision of 10% of the total exchange debts is maintained for bad and doubtful debts. Any increase or decrease is charged to the statement of financial performance.

19. Inventories

	2020/2021 Kshs	2019/2020 Kshs
Consumable Stores	1,240,584	1,032,072
Total Inventories at the lower of cost and net realizable value	1,240,584	1,032,072

20. Investment

	Kshs	Kshs
Treasury Bills	745,551,321	539,515,744
Investments included funds invested in Government Treasury Bills.	745,551,321	539,515,744

21(a) Property, plant and equipment

	Motor Vehicles Kshs	Computers Kshs	Furniture and Equipment Kshs	Partitions & Fittings Kshs	Total Kshs
Cost					
As At 30 July 2020	27,300,000	70,758,602	11,123,179	16,000,000	125,181,781
Additions	-	798,400	1,129,524	-	1,927,924
As At 30 June 2021	27,300,000	71,557,002	12,252,703	16,000,000	127,109,705
Depreciation and impairment					
As At 1 July 2020	5,460,000	17,689,650	1,390,397	2,000,000	26,540,047
Depreciation	5,460,000	17,889,251	1,531,588	2,000,000	26,880,838
As At 30 June 2021	10,920,000	35,578,901	2,921,985	4,000,000	53,420,885
Net book values					
As At 30 June 2021	16,380,000	35,978,102	9,330,718	12,000,000	73,688,820

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

	Motor Vehicles	Computers	Furniture and Equipment	Partitions & Fittings	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 30 July 2019	54,276,519	66,143,415	13,656,222	-	134,076,156
Accumulated Depreciation	(5,460,000)	(17,689,650)	(1,390,397)	-	(24,540,048)
Net book values	48,816,519	48,453,765	12,265,825	-	109,536,108
Revaluation	27,300,000	38,415,100	8,902,400	16,000,000	90,617,500
Revaluation Surplus	(21,516,519)	(10,038,665)	(3,363,425)	16,000,000	(18,918,608)
Additions		32,343,502	2,220,779		34,564,281
At 30 June 2020	27,300,000	70,758,602	11,123,179	16,000,000	125,181,781
Depreciation and impairment					
At 1 July 2019	5,460,000	17,689,650	1,390,397	2,000,000	26,540,048
Depreciation	6,825,000	17,689,650	2,780,795	4,000,000	26,540,048
Accumulated Depreciation	(39,247,462)	(39,348,009)	(4,720,327)	-	(83,315,799)
At 30 June 2020	5,460,000	17,689,650	1,390,397	2,000,000	26,540,048
Net book values					
At 30 June 2020	21,840,000	53,068,951	9,732,782	14,000,000	98,641,733

	2020/2021	2019/2020
Cost		
As At 30 July 2020		
Valuation of Intangible assets	25,900,000	25,900,000
Additions	-	-
As At 30 June 2021	25,900,000	25,900,000
Amortization and impairment		
As At 30 July 2020	5,180,000	-
Amortization	5,180,000	5,180,000
As At 30 June 2021	10,360,000	5,180,000
Net book values		
As At 30 June 2021	15,540,000	20,720,000

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

Cost		
At 30 July 2019		
Valuation of Intangible assets	25,900,000	25,900,000
At 30 June 2020	<u>25,900,000</u>	<u>25,900,000</u>
Amortization and impairment		
At 30 July 2019		
Amortization	5,180,000	5,180,000
At 30 June 2020	<u>5,180,000</u>	<u>5,180,000</u>
Net book values		
At 30 June 2020	<u>20,720,000</u>	<u>20,720,000</u>

21(c)Property, plant and equipment- Cash flow Reconciliation

	2020/2021	2019/2020
	Kshs	Kshs
Asset Purchase during the year	1,927,924	34,564,281
Add: Assets Acquired Previous Financial Year Now Paid	10,348,024	11,291,772
Less: Outstanding Payment for Assets acquired during the year	-	(17,246,706)
	<u>12,275,948</u>	<u>28,609,347</u>

22. Trade and Other Payables from Exchange Transactions

	2020/2021	2019/2020
	Kshs	Kshs
Trade Payables (Note 22)	23,871,733	32,435,002
Other Payables	<u>2,896,046</u>	<u>1,758,057</u>
Total Trade and Other Payables	<u>26,767,780</u>	<u>34,193,059</u>

In the opinion of the Board, the carrying amounts of trade and other payables approximate to their fair value. Included in the trade payable is an amount of Kshs 4,152,241 being accrued rent liability cumulative (Kshs 4,152,241 in 2019/2020) see Note 26. This did not change after lease was renegotiated removing the escalation clause.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

23. Refundable deposits from Customers

	2020/2021 Kshs	2019/2020 Kshs
Student refunds	731,368	579,308
	<u>731,368</u>	<u>579,308</u>

24. Pensions and Other Post-Employment Benefit Plans

	2020/2021 Kshs	2019/2020 Kshs
Gratuity Provision		
Current benefit obligation	3,854,104	4,545,220
Non-Current Benefit obligation	1,204,839	1,100,934
Total Employee Benefit Liability	<u>5,058,944</u>	<u>5,646,154</u>

Placement Service operates a contributory pension scheme and pay gratuity to employees on contract. A provision is made for every period and charged to the Income Statement while the balance is carried as an employee obligation in the Statement of Financial Position.

24 (b). Taxation

	2020/2021 Kshs	2019/2020 Kshs
Corporate tax on Interest Income		
Interest Income for the Year	<u>51,362,072</u>	-
Taxation on interest at 30% for the year	15,408,621	-
Less taxed withheld at source (15%)	(5,040,645)	-
Tax due for the year	10,367,976	-
Assessed Taxation on interest for the previous years	30,025,117	-
Tax withheld at source for the previous years	<u>(5,248,735)</u>	-
Taxes paid for the previous years	<u>(25,605,053)</u>	-
Total Tax Liability	<u>9,539,305</u>	-

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

During the year, the Placement Service was assessed for corporate tax due on interest income based on its audited accounts since 2015 to 2020 giving a tax liability of Kshs 30,025,117. This was reported to the Board and the Board approved payment of the net tax after taking credit of withheld taxes at source and directed the management to engage KRA for waiver of penalties and interests. The taxes were paid from the revenue reserves.

25. a) Accumulated Surplus and Reserves

During the year the Board approved an increase of Capital development fund by Kshs two hundred million to cater for acquisition of own premises and another Kshs one hundred and fifty million to cater for staff mortgage and car loan scheme from the accumulated surplus .

	2020/2021	2019/2020
	Kshs	Kshs
Accumulated Surplus Balance Brought forward	376,647,513	330,317,507
Surplus for the Year	284,696,127	196,330,006
Transfers to Staff House Mortgage and Car Loan Scheme Reserve Fund	(150,000,000)	-
Transfers to Capital Development Reserve Fund	(200,000,000)	(150,000,000)
Taxation paid for the previous years	(25,605,053)	-
Taxation for the Year	(15,408,621)	-
Accumulated Surplus Balance Carried forward	<u><u>270,329,965</u></u>	<u><u>376,647,513</u></u>

b) Capital Development Reserve

The Board has been building a fund towards the acquisition of the Placement Service own office premises. During the period the Board set aside an additional one hundred and fifty million from the cumulative surplus toward the same.

	2020/2021	2019/2020
	Kshs	Kshs
Balance as at 1 July 2020	600,000,000	450,000,000
Transfer from Accumulated Surplus	<u>200,000,000</u>	<u>150,000,000</u>
Balance as at 30 June 2021	<u><u>800,000,000</u></u>	<u><u>600,000,000</u></u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

25.c) Revaluation

Surplus	2020/2021	2019/2020
	Kshs	Kshs
Surplus On Revaluation Of asset	63,245,735	63,245,735
Total Revaluation Surplus	63,245,735	63,245,735

There was a valuation of assets in the year 2021/2020 resulting to a Revaluation Surplus of Kshs 63,245,735.

d) Staff Mortgage and Car Loan Reserve Fund

	2020/2021	2019/2020
	Kshs	Kshs
Balance as at 1st July 2020	175,640,873	168,487,560
Interest earned during the year	5,784,602	7,153,313
Transfer from Accumulated Surplus	150,000,000	-
Balance as at 30 June 2021	331,425,474	175,640,873

26. Rent and Deferred Rent Liability

	2020/2021	2019/2020
	Kshs	Kshs
Total Rent (Lease) Expense	16,244,338	16,221,042
Total Rent (Lease) Due and Paid	16,244,338	17,073,424
Accrued Rent liability	-	(852,382)

27. Surplus in Statement of Financial performance reconciled to Surplus in Statement of actual and budget

	2020/2021	2019/2020
Surplus in the Statement of financial Performance	284,696,127	196,330,007
Less: Capital expenditure for the year	1,927,924	34,564,281
Surplus in the statement of Actual and Budget	282,768,203	161,765,726

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

28. Interest Income per Statement of Financial Performance Reconciled to Cash Flow Statement

	Kshs
Interest Income per Statement of financial performance	45,577,470
Accrued Interest in 2019/2020 now received	6,407,248
Accrued interest during the year 2020/2021	(11,700,558)
Less: Interest withheld at Source: KCB	(828,669)
Less: Interest withheld at Source: CBK	<u>(5,040,645)</u>
Interest per cash flow Statement	<u>34,414,845</u>

29. Commitments and contingencies

Petition No. 3 of 2016 against the Placement Service and KMTC

The Placement Service had a dispute with Kenya Medical Training College (KMTC) as who should place student in KMTC. The suit arose following confusion after the admission of two sets of students to KMTC (those placed by KUCCPS and those directly admitted by KMTC). The matter was determined in July, 2018 against the Placement Service where costs were awarded to KMTC. These costs are yet to be quantified and therefore remain a contingent liability.

Petition No. 44 of 2017 against the Placement Service, the AG, Ministry of Education & KNEC

The Placement Service has been sued together with the Kenya National Examination Council (KNEC) not to place 2016 students before the results have been moderated. This may attract engagement of lawyers and the cost may not be ascertained at the moment as they are onlly threats. Although this matter has been overtaken by events, the Petitioner has not formally withdrawn the matter and it therefore remains a contingent liability.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

30. Cash Generated from Operations	2020/2021	2019/2020
	Kshs	Kshs
Surplus for the year before tax	284,696,127	196,330,006
Adjusted for:		
Depreciation	32,060,838	31,720,048
Provision for Bad Debts	6,975,404	2,387,571
Interest from investment	(5,784,602)	7,153,313
Working capital adjustments:		
Decrease in inventory	208,512	71,011
Increase in receivables	(73,033,641)	(54,566,518)
Increase / (Decrease) in payables	<u>(1,678,875)</u>	<u>4,590,490</u>
Net cash flows from operating activities	<u>246,801,514</u>	<u>187,685,921</u>

31. Related Parties Transactions

Entities and other parties related to the Placement Service include those entities 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.

Nature of related party relationships

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

1. The National Government;
2. State Department of University Education –Ministry of Education;
3. Key Management;
4. Board Members;

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

a) Related party transactions

Grants from the Government	2020 Kshs	2019 Kshs
Transfers from Ministry of Education'	16,468,582	24,348,110
Total	16,468,582	24,348,110

b) Expenses incurred on behalf of the related parties

Payment of Salaries for 61 employees	162,499,474	148,105,999
Payment of medical insurances for the employees	13,130,271	11,656,849
Total	175,629,745	159,762,848

c) Key management compensation

Board members allowances	7,004,000	6,044,000
Key Management compensation	46,125,539	52,411,849
Total	53,129,539	58,455,849

32. Financial Risk Management Policies

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

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset and financial liability are disclosed in note 2 to the financial statements.

Financial risk management objectives

The activities of the Placement Service expose it to a variety of financial risks including credit risk, liquidity risks and the effects of changes in foreign currency rates. The Company's overall risk management program focuses on unpredictability of changes in the operating environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

a) Credit risk management

The Placement's credit risk is primarily attributable to its grant's receivables, other receivables and bank balances.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

The amounts of receivables other than grants receivable presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Company's management based on prior experience and their assessment of the current economic environment.

The amount of grants receivable presented in the statement of financial position relates to printed estimates and receivable from the Ministry of Education.

The credit risk on grants receivable and liquid funds with financial institutions is limited because the Ministry has given assurance of its payment and the banks are reputable with high credit ratings.

The amount that best represents the Company's maximum exposure to credit risk as at June 30, 2021 is made up as follows:

At 30 June 2021

Amount in Kshs	Total amount	Fully Performing	Past due	Impaired	Total
Receivables from exchange transactions	450,291,244	233,540,020	216,751,233	(36,046,329)	414,244,914
Bank balances	256,832,935	256,832,935	-	-	256,832,935
Total	698,593,034	392,031,935	306,561,099	(36,046,329)	662,546,705

At 30 June 2020

Amount in Kshs	Fully performing	Fully performing	Past due	Impaired	Total
Receivables from exchange transactions	370,282,199	135,199,000	235,083,199	(29,946,802)	340,335,397
Bank balances	254,831,820	254,831,820	-	-	254,831,820
Total	625,114,019	390,030,820	235,083,199	(29,946,802)	595,167,217

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board. The Board has put in place appropriate liquidity risk management framework for the management of the short, medium and long-term funding and liquidity management requirements. Placement Service manages liquidity risk by maintaining enough required funds for its operations through continuous monitoring of forecast and actual cash flows.

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

At 30 June 2021

Amount in Kshs	Less than 1 month	Between 1-3 months	Over 5 months	Total
Payable	37,945,155	-	-	37,945,155
Provision (Rent Accrued)	4,152,241	-	-	4,152,241
Total	42,097,396	-	-	42,097,396

At 30 June 2020

Amount in Kshs	Less than 1 month	Less than 1 month	Over one month	Total
Payable	34,193,059	-	-	34,193,059
Provisions (Rent Accrued)	4,152,241	-	-	4,152,241
Total	38,345,300	-	-	38,345,300

c) Exchange risk

The Placement Service does not hold of its bank balances in foreign currency. There are no other foreign currencies denominated financial assets or liabilities and for this reason, the Placement is not exposed materially to exchange risks.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

Capital risk management

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

	2020/2021	2019/2020
	Kshs	Kshs
Accumulated Surplus	270,329,966	376,647,513
Capital development reserve	800,000,000	600,000,000
Staff mortgage and car reserve	331,425,474	175,640,874
Total funds	1,401,755,440	1,152,288,387
Total borrowings	42,097,396	38,345,300
Less: cash and bank balances	256,832,935	254,831,820
Net debt/ (excess cash and cash equivalents)	-214,735,539	(216,486,520)
Gearing	3.00%	3.33%

33. Events after the Reporting Period

The Placement Service was directed by the state to work with the Ministry of Education and place an approximately ten thousand additional students to Private.

34. Ultimate and Holding Entity

The Placement Service is semi-autonomous government agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

35. Placement Statistics

The Placement Service has placed students into Universities, University Colleges and Colleges for 2014, 2015, 2016, 2017, 2018, 2019 and 2020. The first student to be placed in Private University was in FY 2016/2017. The following are some of the main data:

Descriptions	2020/2021	2019/2020	2018/2019	2017/2018	2016/2017	2015/2016	
Institutions							
No. of Universities and University Colleges receiving Students	70	71	69	65	70	62	
No. of Public Colleges receiving Students	182	158	126	121	63	57	
No. of Students Placed							
Universities and University Colleges	128,073	122,831	89,486	68,545	88,620	86,046	
Colleges	147,079	88,724	98,393	94,907	28,261	12,038	
	275,152	211,555	187,879	163,452	116,881	98,084	
Number of Students benefitting on Affirmative Action							
Gender	608	679	526	363	581	1,083	
Marginalised	1,617	1637	1,041	608	563	655	
Disability	-	25	0	0	0	178	

Appendix 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The Placement Service has no outstanding issues with the Office of the Auditor General. In the first five years, the Board has received clean audit reports.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status:	Timeframe:
				(Resolved / Not Resolved)	(Put a date when you expect the issue to be resolved)



Chief Executive Officer and Secretary to the Board
Dr. Agnes Mercy Wahome, PhD
August 31, 2021



Chairman of the Board
Mr. Joe Owaka Ager
August 31, 2021

Appendix 2: PROJECTS IMPLEMENTED BY THE KENYA UNIVERSITIES AND COLLEGES CENTRAL PLACEMENT SERVICE

Projects

The Placement Service had no major capital projects during the financial year 2020/2021.

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

Appendix 3: INTER-ENTITY TRANSFERS

THE KENYA UNIVERSITIES AND COLLEGES CENTRAL PLACEMENT SERVICE				
Break down of Transfers from the State Department of University Education				
FY 2020/2021				
a.	Recurrent Grants			
	<u>Receipt No.</u>	<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
	1454	18/8/2020	5,489,527	2020/2021
	1494	30/10/2020	5,489,528	2020/2021
	1558	4/2/2021	5,489,527	2020/2021
		Total	16,468,582	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
		∞	-	No development Grant received during the year.
		Total	-	

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



CPA. Michael Kimani
Finance Manager
Kenya Universities and Colleges Central Placement Service

August 31, 2021



CPA. Robert S. Asumani
Head of Accounting Unit
Ministry of Education-State
Department for University
Education and Research

August 31, 2021

Appendix 4: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

The Placement Service did not receive any other non-exchange transfers from other government entities during the financial year 2020/2021.

Kenya Universities and Colleges Central Placement Service	Date received			Where Recorded/recognized					
	as per bank statement	Nature: Recurrent/Development/Others	Total Amount - Kshs	Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	Total Transfers during the Year