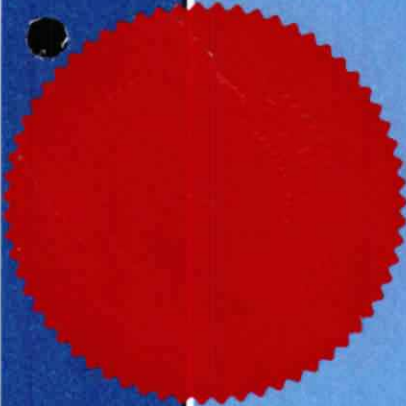



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



 THE NATIONAL ASSEMBLY PAPERS LAID	
REPORT DATE: 25 FEB 2025	DAY: TUESDAY
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THE AUDITOR-GENERAL

ON

ENGINEERS BOARD OF KENYA

**FOR THE YEAR ENDED
30 JUNE, 2024**

STATE DEPARTMENT FOR ROADS



ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024



ENGINEERS BOARD OF KENYA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30TH, 2024

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

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

Table of Contents	Page
1. ACRONYMS AND DEFINITION OF KEY TERMS	iii
2. KEY ENTITY INFORMATION AND MANAGEMENT	iv
3. THE BOARD OF DIRECTORS.....	xii
4. KEY MANAGEMENT TEAM.....	xvii
5. CHAIRMAN'S STATEMENT.....	xxiii
6. REPORT OF THE REGISTRAR/ CHIEF EXECUTIVE OFFICER.....	xxvi
7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR THE FY 2023/2024 xxviii	
8. CORPORATE GOVERNANCE STATEMENT.....	xxxii
9. MANAGEMENT DISCUSSION AND ANALYSIS.....	xxxvi
10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING.....	lvi
11. REPORT OF THE DIRECTORS.....	lviii
12. STATEMENT OF DIRECTORS' RESPONSIBILITIES.....	lix
13. REPORT OF THE INDEPENDENT AUDITOR FOR THE FINANCIAL STATEMENTS OF ENGINEERS BOARD OF KENYA	lxi
14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024	1
15. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024.....	2
16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2024	3
17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024	4
18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 TH JUNE 2024	5
19. NOTES TO THE FINANCIAL STATEMENTS.....	7
20. APPENDICES.....	25
Appendix 1: Implementation Status of Auditor-General's Recommendations	25

1. ACRONYMS AND DEFINITION OF KEY TERMS

A: Acronyms

CEO	Chief Executive Officer
CE	Consulting Engineer
EBK	Engineers Board of Kenya
GEIP	Graduate Engineers Internship Program
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PE	Professional Engineer
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank

B: Definition of Key Terms

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

Comparative Year - Means the prior period.

2. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Engineers Board of Kenya (EBK) is a regulatory body established under Section 3(1) of the Engineers Act 2011 to succeed the Engineers Registration Board (ERB) established by the Engineers Registration Act, Cap 530 (1969). It is charged with the mandate of registration of engineers and engineering consulting firms, regulation of engineering professional services, setting of engineering standards and development and general practice of engineering.

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

Engineers Board of Kenya Vision Statement

The Board's Vision is *"Safe and sustainable engineering infrastructure."*

Engineers Board of Kenya Mission Statement

The Board's Mission is *"To ensure production of globally competitive engineers and quality engineering services through regulation, capacity building and enforcing compliance with set engineering standards to meet the current and future needs of society."*

Engineers Board of Kenya Core Values

The Board's core values are:

- i) Integrity
- ii) Customer Centric
- iii) Accountability
- iv) Respect
- v) Excellence

(b) Principal Activities

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

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

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

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

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

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

(c) Key Management

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

1. Board of Directors

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

	Director	Designation
1.	Eng. Erastus K. Mwongera	Member (Chairman up to 3 rd October 2022)
2.	Eng. Julia W. Ondeyo	Vice – Chairperson
3.	Mr. Evans Atambo	Member
4.	Mr. James Gatere	Member (From 15 th January 2024)
5.	Eng. Benjamin K. Maingi	Member
6.	Eng. Roselane A. Jilo	Member
7.	Eng. Jane A. Simiyu	Member
8.	Mr. Daniel M. Mutua	Member
9.	Eng. Prof. Silvester O. Abuodha	Member
10.	Eng. Dr. Johnson M. Matu	Member
11.	Mr. Alex Mbuvi	Member
12.	Eng. Eric Ohaga	Member (Up to 5 th April 2024)
13.	Eng. Shammah Kiteme	Member (From 8 th April 2024)
14.	Eng. Margaret N. Ogai	Registrar/CEO

2. Accounting officer/ Chief Executive Officer

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

3. Management

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

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

	Name	Designation
1.	Eng. Margaret N. Ogai	Registrar/CEO
2.	Eng. Grace L. Onyango	Director, Capacity Building and Accreditation
3.	Eng. Anthony M. Okere	Director, Compliance and Enforcement
4.	CS Fridah N. Ng'alu	Director, Corporation Secretary & Legal Services
5.	Mr. Patrick Nyaga	Director, Corporate Services
6.	Mr. Erick O. Obiero	Manager, Human Resources and Administration
7.	Eng. Monica Wangare	Manager, Compliance & Enforcement
8.	Eng. Kenneth Kinoti	Manager, Compliance & Enforcement
9.	Eng. Joel Sutter	Manager, Accreditation
10.	Mr. Sebastian A. Bwire	Manager, ICT
11.	CPA Elijah N. Muriuki	Manager, Finance and Accounts
12.	CPA Dennis M. Karanja	Manager, Internal Audit
13.	Ms. Catherine W. Macharia	Manager, Supply Chain Management
14.	Eng. Samwel O. Abich	Manager, Capacity Building (Internship)
15.	CPA Stella Gati Maroa	Manager, Research & Strategy
16.	Eng. Faith Mutuku	Manager, Registration and Licensing
17.	Ms. Ruth Kwamboka	Manager, Corporate Communications

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

	Designation	Name
1.	Eng. Margaret N. Ogai	Registrar/CEO
2.	Eng. Grace L.A. Onyango	Director, Capacity Building and Accreditation
3.	Mr. Patrick Nyaga	Director, Corporate Services
4.	CPA Elijah N. Muriuki	Manager, Finance and Accounts
5.	Ms. Catherine W. Macharia	Manager, Supply Chain Management

(e) Fiduciary Oversight Arrangements

Board Committees Towards Good Corporate Governance

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

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

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

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

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

Membership of the Committee

i. Eng. Dr. Johnson M. Matu	-	Chairman
ii. Eng. Benjamin K. Maingi	-	Member
iii. Eng. Jane A. Simiyu	-	Member
iv. Eng. Roselane A. Jilo	-	Member
v. Mr. Evans Atambo	-	Member

2. Academics Qualifications Committee (AQC)

The functions of the Academics Qualifications Committee include:

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

Membership of the Committee

i. Eng. Prof. Sylvester. O. Abuodha	-	Chairman
ii. Eng. Erick O. Ohaga	-	Member
iii. Eng. Julia W. Ondeyo	-	Member
iv. Mr. Evans Atambo	-	Member
v. Mr. Daniel M. Mutua	-	Member

3. Finance, Strategy and Human Resource Development Committee

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

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

Membership of the Committee

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

4. Audit, Governance and Risk Committee

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

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

Membership of the Committee

- | | | |
|--------------------------|---|-------------|
| i. Eng. Roselane A. Jilo | - | Chairperson |
| ii. Eng. Jane A. Simiyu | - | Member |
| iii. Eng. Erick O. Ohaga | - | Member |
| iv. Mr. James Gatere | - | Member |
| v. Mr. Daniel M. Mutua | - | Member |

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

(f) Parliamentary Committee Activities

The Board reports on financial matters to the Parliamentary Investments Committee (PIC) by virtue of being a State Corporation. In addition, the Board due to its mandate also reports to the Transport, Public Works and Housing Committee as well as Education, Research and Technology Committees. Most parliamentary committees investigate specific matters of policy or government administration or performance for State Corporations. Other parliamentary committees are responsible for matters related to the internal administration of the parliament.

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(g) EBK Headquarters

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

(h) EBK Contacts

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

(i) EBK Bankers

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

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

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




(j) Independent Auditors

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


(k) Principal Legal Adviser

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




3. THE BOARD OF DIRECTORS

 <p>1. Eng. Erastus K. Mwangera, CE, FIEK, RCE, CBS</p>	<p>Chairman (up to 3rd October 2022) Year of birth: 1949 Eng. Erastus Mwangera is a registered Consulting Engineer (CE) and a Fellow of the Institution of Engineers of Kenya (FIEK). He holds was born in 1949 & holds a Bachelor's degree (Civil Engineering) from the University of Swansea, United Kingdom. Eng. Mwangera has a vast experience in the Public Service and the Private Sector and has recently served as the Chairman of the Kenya Airports Authority, Kenya National Highways Authority, Sameer Group of Companies among many other organizations. Eng. Mwangera is a representative of the private sector in the Board.</p>
 <p>2. Eng. Julia W. Ondeyo, PE. Rep. State Corporations.</p>	<p>Vice – Chairperson Year of Birth: 1975 Eng. Julia Ondeyo is a registered professional engineer and a Corporate member of the Institution of Engineers of Kenya. She holds Bachelor's degree (Civil Engineering) from the University of Nairobi and a Master degree in Business Administration from Strathmore University. Eng. Ondeyo boasts of over twenty years' experience in the roads sector and is currently Deputy Director at the Kenya National Highways Authority (KeNHA). Eng. Ondeyo represents state corporations in the Board.</p>
 <p>3. Mr. James Gatere PS, Rep State Department of Roads</p>	<p>Director Year of Birth: 1966 Mr. Gatere holds a Bachelor's degree in education - Kenyatta University, a Master's degree in educational administration - Moi University and a Higher National Diploma in Human Resource Management - College of Human Resource Management, Nairobi Mr Gatere has over thirty years-experience in the public service and is currently the Director in charge of Human Resource at the Parent Ministry (State Department of Roads). Mr. Gatere represents the Principal Secretary, State Department of Roads, in the Board effective from 15th January 2024</p>




ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

 <p>4. Mr. Evans Atambo PS. Rep Ministry of Education</p>	<p>Director Year of birth 1973 Mr. Evans Atambo holds a Bachelor of Education (B.Ed) from Moi University and a Master of Philosophy in Curriculum Development from Moi University and currently pursuing a Doctor of Philosophy degree in Curriculum Development at Catholic University of East Africa.</p> <p>Mr. Atambo has vast experience in the Education Sector and has worked as a teacher and in the management of the education sector sitting in councils of public universities in Kenya.</p> <p>Mr. Atambo represents the Principal Secretary State Department for Higher Education and Research in the Board.</p>
 <p>5. FA Daniel M. Mutua, CS, Rep, National Treasury.</p>	<p>Director Year of Birth: 1967 Mr Daniel Mutua is a Financial Analyst and holds BEd Economics / Business Studies from Kenyatta University and Masters in Business Administration from Maastricht Netherlands.</p> <p>Mr Mutua has served in various capacities as financial analyst with vast experience in management of state corporations.</p> <p>Mr Mutua represents the Cabinet Secretary, National Treasury & Economic Planning in the Board.</p>
 <p>6. Eng. Shammah Kiteme, CE President, Institution of Engineers of Kenya</p>	<p>Director Year of Birth: 1984 Eng. Shammah Kiteme is a registered Consulting Engineer and a certified Project Management Professional (PMP®) with Project Management International- USA</p> <p>Eng. Shammah Kiteme is an accomplished practicing Civil Structural Engineer. He has practiced in the areas of Structural Engineering and Waste Water treatment for over 15 years. He has consulted both in Kenya and in other countries in Africa. He has delivered key projects with multidisciplinary teams of Engineers drawn from other countries.</p>

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

 <p>7. Eng. Prof. Silvester O. Abuodha, CE Rep Universities</p>	<p>Chairperson – Academic Qualifications Committee Year of Birth: 1963 Eng. Prof. Silvester Abuodha is a consulting engineer and a Fellow of the Institution of Engineers of Kenya. Eng. Prof Abuodha holds Bachelor’s degree (Civil Engineering) from the University of Nairobi and MSc (Civil Engineering) as well as PhD (Civil Engineering) both from the University of Manchester, United Kingdom Eng Prof Abuodha has a wealth of experience in engineering cutting across the academia, private practice and in the public sector where he having begun his career at the Kenya Railways Corporation.</p> <p>Eng. Prof. Abuodha represents Universities in the Board.</p>
 <p>8. Eng. Jane A. Simiyu, CE.- IEK Nominee</p>	<p>Director Year of Birth: 1964 Eng. Jane Simiyu is a consulting engineer and a corporate member of the Institution of Engineers of Kenya. Eng. Simiyu holds a Bachelor’s degree in Agricultural Engineering and an MBA (Project Planning & Management) from the University of Nairobi Eng. Simiyu has vast experience in agricultural engineering having worked in the public service and consulting industry. Eng. Simiyu is a Director/ Shareholder at the Tertiary Consulting Engineers. Eng. Simiyu was nominated to the Board by the Institution of Engineers of Kenya.</p>
 <p>9. Eng. Benjamin K. Maingi, CE. IEK Nominee</p>	<p>Chairperson – Finance, Strategy and Human Resource Development Committee Year of Birth: 1957 Eng. Benjamin Maingi is a consulting engineer and a corporate member of the Institution of Engineers of Kenya. Eng. Maingi holds a Bachelor’s degree in Civil Engineering from the University of Nairobi and an MSc (Highway Engineering) from the University of Birmingham UK Eng. Maingi has vast experience in the engineering sector having served in various senior capacities in the public service. Eng. Maingi was nominated to the Board by the Institution of Engineers of Kenya.</p>

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

 <p>10. Eng. Roselane Ambasi Jilo, PE IEK Nominee</p>	<p>Chairperson – Audit, Governance and Risk Committee Year of Birth: 1970</p> <p>Eng Roselane Jilo is a professional engineer and a Fellow of the Institution of Engineer of Kenya.</p> <p>Eng Jilo holds a Bachelor's degree in Electrical Engineering from the University of Nairobi, and an MBA (Strategic Management) from Kenya Methodist University.</p> <p>Eng Jilo has vast experience in engineering management in the public sector and currently works at the Kenya Pipeline Company</p> <p>Eng. Jilo was nominated to the Board by the Institution of Engineers of Kenya</p>
 <p>11. Eng. Dr. Johnson M. Matu, CE Rep Private Sector</p>	<p>Chairperson – Registration, Professional Development and Compliance Committee Year of Birth: 1955</p> <p>Eng. Johnson Matu is a consulting engineer and a Fellow of the Institution of Engineers of Kenya.</p> <p>Eng. Matu holds a Bachelor's degree in Civil Engineering, an MBA and a PhD (Project Planning and Management) from the University of Nairobi.</p> <p>Eng. Matu has vast experience in engineering industry and has previously served as the Chairman of the Association of Consulting Engineers of Kenya (ACEK). He has also served as the Chairperson of the Kenya Private Sector Alliance (KEPSA) Energy and Infrastructure Board.</p> <p>Eng Matu is the proprietor of APEC Consulting.</p> <p>Eng. Matu represents the Private sector in the Board.</p>
 <p>12. Mr. Alex Mbuvi Rep. Attorney General</p>	<p>Director Year of Birth: 1975</p> <p>Mr Alex Mbuvi is an advocate of the High Court of Kenya and serves as the Chief State Counsel in the State Department of Roads under the Ministry of Roads and Transport.</p> <p>He represents the Attorney General in the Board.</p>

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024



13. Eng. Margaret N. Ogai, CE
Registrar / Chief Executive
Officer

Registrar/CEO

Year of Birth: 1967

Eng. Margaret N. Ogai is a Consulting Engineer and a Fellow member of the Institution of Engineers of Kenya (IEK).

Eng. Margaret holds a Bachelor of Science Degree in Civil Engineering and a Master's degree in Business Administration (Procurement) from the University of Nairobi.



Eng. Margaret has over 30 years wealth of experience in Infrastructure Development and Highways Management that cuts across both public and private sector.

Eng. Margaret serves as the Registrar / Chief Executive Officer of the Board and is responsible for the implementation of the Board's strategic goals and the management of its resources including giving direction and leadership for the achievement of its mission and vision.

4. KEY MANAGEMENT TEAM




<p>1. Eng. Margaret N. Ogai, CE</p>  <p>MBA (Procurement) & BSc (Civil Engineering), University of Nairobi.</p>	<p>Eng. Margaret N. Ogai is the Registrar/CEO of EBK and the Accounting Officer. She is a Consulting Engineer and a Fellow member of the Institution of Engineers of Kenya (IEK).</p> <p>She leads the Secretariat of the Board and is responsible for the day-to-day management of affairs and staff of the Board.</p> <p>As the Chief Executive Officer of the Board, she acts in accordance with instructions of the Board of Directors and accepts, transmits, services and keeps custody of documents in accordance with Engineers Act, 2011.</p>
<p>2. Eng. Grace L. Onyango, PE</p>  <p>BEng (Electrical and Electronic Engineering), University of Northumbria at Newcastle.</p>	<p>Director, Capacity Building and Accreditation</p> <p>She is a Professional Engineer with the Board and a Corporate member of the Institution of Engineers of Kenya (IEK).</p> <p>She oversees the Continuing Professional Development, Internship and Accreditation departments under the directorate.</p> <p>She is responsible for building capacity in the engineering profession and provide accreditation for engineering education, training and practice.</p>
<p>3. Eng. Okere A. Makokha, PE</p>  <p>B.Tech (Electrical and Communications Engineering), Moi University.</p>	<p>Director, Compliance Standards and Enforcement</p> <p>He is a Professional Engineer with the Board and a Corporate member of the Institution of Engineers of Kenya (IEK).</p> <p>He oversees the Engineering Standards and Compliance & Enforcement departments under the directorate.</p> <p>He is responsible for monitoring compliance and enforcing the Engineers Act 2011.</p>

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

<p>4. CS Fridah N. Ng'alu</p>  <p>MSc (Governance & Leadership), JKUAT; LLB, Moi University; PGD in Law, KSL; Certified Public Secretary, KASNEB.</p>	<p>Director, Corporation Secretary and Legal Services She is a member of the Law Society of Kenya (LSK) and the Institute of Certified Secretaries (ICS).</p> <p>Ms. Ng'alu serves as the Director, Corporation Secretary and Legal Services.</p> <p>Responsible for providing Board services to the Board of Directors, providing legal and corporate governance advice to the Board and coordinating provision of legal services.</p>
<p>5. Mr. Patrick Nyaga</p>  <p>MBA (Strategic Management), JKUAT. B.Com (Accounting), Kenyatta University</p>	<p>Director, Corporate Services</p> <p>He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK).</p> <p>He oversees the Corporate Services Directorate.</p> <p>He is responsible for the overall leadership & management of the Finance & accounts, ICT, Corporate Communications, Human Resource & Administration departments.</p>
<p>6. Mr. Erick O. Obiero</p>  <p>MBA (Strategic Management), UoN; BBA, Maseno University; Higher Dip. in Human Resource Management.</p>	<p>Human Resource and Administration Manager He is a full member of the Institute of Human Resources Management of Kenya (IHRM-K).</p> <p>He oversees the Human Resource Management and Administration department.</p> <p>He is responsible for developing adequate human resource capacity for the Secretariat, developing and implementing effective administrative policies, procedures and processes.</p>

<p>7. Mr. Sebastian B. Abuya</p>  <p>BSc (Mathematics and Computing, Egerton University; Oracle Certified Associate (OCA), Microsoft Certified Professional (MCP).</p>	<p>Information Communication Technology (ICT) Manager He is a Member of the Computer Society of Kenya.</p> <p>He oversees the Information Communication and Technology department.</p> <p>He is responsible for promoting the use of ICT in delivery of services towards realization of the Board's mandate.</p>
<p>8. CPA Elijah N. Muriuki</p>  <p>MA (M&E), MKU; BCom. (Finance), KCA University; CPA</p>	<p>Finance Manager</p> <p>He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK).</p> <p>He oversees the Finance and Accounts department.</p> <p>He is responsible for the prudent management of financial resources by implementing accounting policies, sound systems and procedures; and reporting on the financial performance of the Board.</p>
<p>9. CPA Dennis M. Karanja</p>  <p>MSc (Finance)-UoN; BCom. (Finance)-JKUAT; Certified Public Accountant (CPA); Certified Internal Auditor (CIA); Certified Fraud Examiner (CFE); Certified Information Systems Auditor (CISA); Certified in Risk and Information Systems Control</p>	<p>Internal Audit Manager</p> <p>He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK), the Institute of Internal Auditors of Kenya (IIA-K), Information Systems Audit and Control Association (ISACA), and the Association of Certified Fraud Examiners (ACFE).</p> <p>He oversees the Internal Audit department.</p> <p>He is responsible for evaluating the effectiveness of risk management, internal controls, governance processes and corruption prevention mechanisms of the Board.</p>

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

<p>(CRISC); Project Management Professional (PMP).</p>	
<p>10. Eng. Kenneth Kinoti, PE.</p>  <p>BSc. Civil Engineering, JKUAT</p>	<p>Manager, Compliance and Enforcement</p> <p>He is a Professional Engineer with the Board and a Corporate member of the Institution of Engineers of Kenya (IEK).</p> <p>Eng. Kenneth Kinoti is responsible for the investigation and enforcement of violations to the Engineers Act 2011,</p>
<p>11. Eng. Monica Wangare, PE</p>  <p>BTec Civil and Structural Engineering, Moi University</p>	<p>Manager, Compliance and Enforcement</p> <p>She is a Professional Engineer with the Board and a Corporate member of the Institution of Engineers of Kenya (IEK).</p> <p>Eng. Monica is responsible for enforcement of the Engineers Act</p>
<p>12. Eng. Samwel O. Abich, PE.</p>  <p>MSc (Agricultural Engineering), Egerton University; BSc (Agricultural Engineering), JKUAT.</p>	<p>Manager, Capacity Building (Internship)</p> <p>He is a Professional Engineer with the Board and a Corporate member of the Institution of Engineers of Kenya (IEK). He is also a member of the Kenya Society of Environmental, Biological and Agricultural Engineers</p> <p>He oversees the implementation of the Graduate Engineers Internship Program - GEIP.</p> <p>He is responsible for the recruitment, induction and carrying out of various training programmes for the graduate engineers interns under the program.</p>

<p>13. Catherine W. Macharia</p>  <p>MSc (Purchasing and Supplies Mgmt.), JKUAT; BSc (Procurement and Logistics), JKUAT.</p>	<p>Manager, Supply Chain Management</p> <p>She is a member of Chartered Institute of Purchasing and supply (UK) MCIPS and a full member of Kenya Institute of supplies Management, MKISM.</p> <p>She oversees the Supply Chain Management department of the Board.</p> <p>She is responsible for implementation of efficient and effective systems of acquisition of goods, works and services, as well as disposal of assets.</p>
<p>14. CPA Stella Gati Maroa</p>  <p>MBA (Strategic Mgmt.), Kenyatta University; BCom (Finance), UoN.</p>	<p>Manager, Research and Strategy</p> <p>She is a member of both the Institute of Certified Public Accountants of Kenya (ICPAK) and the National Quality Institute (NQI).</p> <p>She oversees the Policy, Research and Strategy department of the Board.</p> <p>She is responsible for the policies formulation, Research, Strategic Management, Quality Assurance, Coordination of Risks Management and Performance Management.</p>
<p>15. Eng. Faith Mutheu Mutuku, PE</p>  <p>BSc (Civil Engineering), Jomo Kenyatta University of Agriculture and Technology.</p>	<p>Manager, Registration and Licensing</p> <p>She is a Professional Engineer with the Board and a Corporate member of the Institution of Engineers of Kenya (IEK).</p> <p>She serves as the Manager, Registration and Licensing Services Directorate.</p> <p>She is responsible for registration of Engineers and Engineering Consulting firms, provision of annual practising licenses to compliant Engineers as well as gazettelement of the licensed Engineers.</p>

16. Ms Ruth Kwamboka



MBA media studies, BA Print Journalism and Public Relations Daystar University.

Manager Corporate Communications

Ms Ruth Kwamboka Muturi is a communication expert.

She serves as the Manager, Corporate Communications.

She is responsible for the corporate communications of the Board.

5. CHAIRMAN'S STATEMENT

The Engineers Board of Kenya (EBK) plays a critical role as an enabler in advancing Kenya's development agenda, guided by Vision 2030 and the Bottom-Up Economic Transformation Agenda (BETA). These frameworks aim to foster economic turnaround, inclusive growth, and position Kenya as a globally competitive nation. Engineers have consistently driven national priority projects in key areas such as agriculture, housing, health, and the digital and creative economy. Their expertise continues to shape Kenya's progress, and the Board remains steadfast in implementing critical milestones in engineering education, training, and practice as mandated by the Engineers Act.

Launch of Strategic Plan

In the Financial Year 2023/24, the Board launched its Strategic Plan 2023/2024–2027/2028 during the 5th Engineering Partnership Convention (EPC), marking a pivotal moment in the journey towards achieving key goals. This strategic document aligns with Medium-Term Plan Four (MTP IV) and BETA, outlining vital focus areas such as the regulation of engineering services, capacity development, strategic partnerships, and institutional strengthening. With unwavering support from the Ministry of Roads and Transport, the Board is committed to delivering on this mandate and contributing to Kenya's economic transformation.

Addressing Joblessness in the Engineering Sector

One of the significant challenges our nation faces is high unemployment, particularly among fresh graduates. Specifically, over 40% of graduate engineers lack opportunities for professional training within their first two years post-graduation. To unlock employment opportunities, the Board accredited over 66 programs during the year, recognized by the Board, which unlocked employment for over 3,000 graduates. We are committed to clearing the balance of programs this fiscal year and developing an accreditation framework with the Commission for University Education (CUE) to ensure these programs meet current industry demands.

The Graduate Engineers Internship Program (GEIP) trained over 450 graduate engineers, contributing to a rise in the number of professional engineers registered, with 474 registrations – the highest ever. In the FY 2024/25, we aim to increase this figure to 600 engineers. Furthermore, the Board is spearheading the establishment of the Kenya School of Engineering (KSE), which will offer professional courses for engineers across all cadres, including a bridging program to transition engineering technologists to graduate engineers.

Compliance with Building Controls

To address the concerning issue of building collapses, the Board has continued to execute its mandate, conducting compliance checks across almost 10 counties. Some of the gaps identified include the approval of building plans by non-licensed engineers, developers' failure to register projects with the National Construction Authority (NCA) or county governments, and the lack of engagement of registered professional engineers for project supervision. To address these challenges, the Board developed and launched the Engineering Projects Registration Portal (EPRP) in June 2023. This platform ensures the registration of all engineering projects, allowing for closer monitoring and ensuring that only professional engineers are involved at critical stages of construction.

The Board has also participated in the Multi-Sectoral Agency Coordination Committee, chaired by the Cabinet Secretary for Public Works, carrying out joint inspections and sharing information with other building regulators.

Career Progression and Professional Development

The Board has been actively involved in the development of Engineering Career Progression and Professional Development Guidelines, spearheaded by the State Department of Roads. These guidelines, currently under review by the Ministry, provide clear pathways for all engineering cadres (engineers, technologists, and technicians) to advance in their careers, ensuring that the profession remains competitive, attractive, and aligned with global best practices.

The Board has engaged in several forums with the Head of Public Service to revitalize and re-energize regulatory agencies authorities. One result of these forums is the establishment of standing committees, which have supported the Board's policy recommendations, including mandatory registration of professional programs. Additionally, the Board is pursuing the Development Control Bill, which will clearly define the role of professionals in the building sector.

Resource Mobilization and Sustainability

A key constraint facing the Board remains its low resource base, which has hindered its ability to execute its mandate effectively. In response, the Board commissioned a Financial Sustainability Report, recommending the introduction of an Engineer Training Levy – a percentage-based fee on engineering projects. This levy will enhance the Board's capacity to regulate the engineering practice and ensure that projects meet required standards and deliver value for money.

Strategic Partnerships and Collaborations

Collaboration remains a cornerstone of the Board's efforts. The Board has mutual recognition agreements under the East African Community (EAC), and during the year, South Sudan applied to accede to the agreement, expanding the market for engineers to six nations (Uganda, Tanzania, Rwanda, South Sudan, and Burundi).

Under the African Continental Free Trade Area (AfCFTA), a key program under the AU Agenda 2063, the Board is spearheading negotiations for the liberalization of engineering practice, providing Kenyan engineers opportunities for employment and service provision across Africa. Additionally, the Board is on track to achieve international recognition of its programs by acceding to the Washington Accord (International Engineering Alliance) by June 2025, working closely with mentors from the Board of Engineers Malaysia and the Pakistan Engineering Council.

The Board has also forged international linkages, such as the Memorandum of Understanding (MoU) with the Korean Professional Engineers Association, signed in October 2022, to enhance technological transfer and expertise development for Kenyan engineers.

Acknowledgments

The Board acknowledges the support of the Cabinet Secretary, Ministry of Roads and Transport, the Principal Secretary, State Department of Roads, Council of Engineering Deans and Principals, National Construction Authority (NCA), Board of Registration of Architects and Quantity Surveyors (BoRAQS), Institution of Engineers of Kenya (IEK), Association of Consulting Engineers of Kenya (ACEK), engineers, and other stakeholders. The Board remains committed to its mandate of regulating, educating, and developing the engineering profession in Kenya for the benefit of the nation



Eng. Erastus K. Mwangera, FIEK, CE, CBS
BOARD CHAIRMAN
ENGINEERS BOARD OF KENYA

6. REPORT OF THE REGISTRAR/ CHIEF EXECUTIVE OFFICER

The Engineers Board of Kenya (EBK) made significant strides in implementing the Engineers Act and the Strategic Plan during the 2023–2024 Financial Year. The Board's strategic goals are aligned with four key pillars: enhancing the practice of engineering through training and capacity building, registering engineers and engineering consulting firms, regulating professional engineering services by developing and enforcing standards, and strengthening the institutional development of EBK.

ISO Certification and Continuous Improvement

In our journey towards operational excellence, the Board has embarked on achieving ISO certification to enhance the effectiveness of our Quality Management Systems (QMS). Continuous improvement of these systems is integral to delivering high-quality services, meeting stakeholder expectations, and upholding the standards of the engineering profession in Kenya. This commitment ensures the Board is aligned with global best practices and remains competitive in-service delivery.

Human Resource Capacity Development

The Board recognizes that human resource capacity is essential to executing its mandate. During the 2023–2024 Financial Year, EBK successfully recruited 1 Director, 3 Managers, and 8 staff members, demonstrating our commitment to attracting and retaining top talent. We are currently reviewing our HR instruments to ensure that recruitment, training, and performance management systems remain robust. These efforts will enable the Board to build a diverse, competent team capable of driving its strategic objectives effectively.

Digitalization and E-Citizen Integration

The Board continues to embrace digital transformation to enhance efficiency and improve service delivery. In 2023, we integrated our services into the eCitizen platform, improving accessibility and transparency in the registration and regulation of engineers.

Furthermore, the Engineers Project Registration Portal (EPRP), launched in June 2023 by His Excellency President William Ruto, is now fully operational. This platform allows for the comprehensive monitoring and evaluation of engineering projects nationwide, ensuring compliance with standards and safeguarding public safety.

Looking forward, the Board is working on a Digitalization Masterplan that will guide the organization's digital strategy over the next five years. This plan includes the launch of an online engineer registration system within the year, further advancing our digital service offerings.

Partnerships and Collaborations

Strategic partnerships continue to be a cornerstone of our operations. The Board is involved in various collaborative initiatives aimed at enhancing engineering safety and skills development. We are pursuing joint accreditation with the Commission for University Education (CUE) and establishing a collaborative framework with the State Department for Roads to bridge the gap between academia and industry. Additionally, we have partnered with the Institution of Engineers of Kenya (IEK) and the Association of Consulting Engineers of Kenya (ACEK) to drive joint initiatives aimed at fostering professionalism and capacity development.

At the international level, the Board actively participates in Mutual Recognition Agreements (MRAs) with regional and global partners, enhancing the global mobility and recognition of Kenyan engineers.

Resource Challenges and Financial Sustainability

Despite our notable achievements, the Board continues to face challenges due to limited resources, which hinder the full execution of its mandate. To address this, we conducted a Financial Sustainability Review focused on resource mobilization strategies. One of the key recommendations is the introduction of a percentage-based construction levy, which will boost the Board's financial base, enabling more effective regulation of the engineering sector.

Conclusion

The performance of the Engineers Board of Kenya over the past year underscores our commitment to excellence, innovation, and professionalism. Our own assessment showed that the Board achieved an exemplary score in the 20th Cycle of Performance Contracting, reflecting the dedication of our staff and the continued support of our stakeholders.

We are especially grateful to the Board, the Parent Ministry, the State Department for Roads, and our development partners for their unwavering support. As we look ahead, the Board remains committed to enhancing professionalism and achieving its vision of regulating and developing the engineering profession in Kenya for the benefit of the nation.



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

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR THE FY 2023/2024

The Board developed and operationalized its five-year Strategic Plan (2023/2024-2027/2028) to guide the Board's directions between 1st July 2023 to 30th June 2028 upon expiry of its 2019-2022 Strategic Plan and the 1 year Tactical Plan 2022/2023. This Strategic Plan focuses on 4 Key Result Areas (KRAs): Regulation of engineering services, Development of capacity for general practice of engineering, Strategic partnerships and collaborations, and Institutional strengthening.

The Board achieved its performance targets set for the FY 2023-2024 period as indicated in the table below:

Key Result Areas	Strategic Objectives	Unit of Measure	Strategic Initiatives	Achievements
KRA 1: Regulation of engineering services	To ensure Safety, Quality and Reliability of Engineering Services	No. of Standards	Development of Engineering Standards	<ul style="list-style-type: none"> The Board developed an Evaluation Criteria for carrying out site inspections during a workshop held between 22nd to 26th January 2024. The Criteria enabled the Board to undertake 42 site inspections in the FY 2023/2024 The Board developed Terms of Reference for Compliance and Enforcement Framework and submitted to the parent Ministry.
		Number	Registration of Engineers and Engineering Consulting Firms	The Board registered 2604 engineers in various categories as follows: 2067 Graduate Engineers; 474 Professional Engineers; 42 Consulting Engineers; 20 Engineering Consulting Firms; and 1 Accredited Checker.
		Number	Publish register of Engineers in good standing in the Kenya Gazette	The Board published 2328 Engineers and Engineering Consulting Firms in the Kenya Gazette.
KRA 2: Development of Capacity for General Practice of Engineering	To Improve the Capacity of Engineers and Engineering Consulting	No. of participants	Conduct Continuous Professional Development (CPD)	The Board carried out several CPD activities during the financial year that attracted 9,123 participants.
		Number of Delegates	Hold Engineering Partnership Convention (EPC)	The Board successfully held the 5th Engineering Partnerships Convention 2024 from 7th to 10th May 2024 at Dedan University of Science and Technology (DEKUT), Nyeri County. 1881 participants attended.

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

Key Result Areas	Strategic Objectives	Unit of Measure	Strategic Initiatives	Achievements
		No. of Graduate Engineers Trained	Strengthen the Graduate Internship Programme (GEIP)	<p>The Board coordinated training of 844 Graduate Engineers in various GEIP models as follows:</p> <ul style="list-style-type: none"> Continued Professional Training of 195 Graduate Engineers under GEIP Cohort 2,3 & 4 Recruited and inducted 110 Graduate Engineers under GEIP Cohort 5 Coordinated training of 469 Graduate Engineers under Agency based model Coordinated training of 70. Graduate Engineers under Academia based model.
		No. of Accredited Engineering Programs	Conduct an audit of accreditation status of all engineering programs offered in Kenya	<p>The Board conducted a total of 17 Independent Reviews of engineering programmes across different Universities in the Financial year 2023/2024 as follows: 6 Programmes at Technical University of Kenya; 1 programme at Strathmore University; 4 programmes at Egerton University; 2 programmes at Murang'a University of Technology; and 4 programmes at South Eastern Kenya University (SEKU).</p>
		Washington Accord Signatory	Attain Washington Accord Signatory	<ul style="list-style-type: none"> The Board prepared an expression of interest to be sent to IHLs on matters OBE during FY 2023/2024 The Board is committed to accede to the Washington Accord by 2025
KRA 3: Strategic Partnership and Collaborations	To strengthen partnerships and collaborations	No. of Workshops	Design and implement stakeholder engagement on regulation and setting standards	<p>The Board held consultative meetings with the following stakeholders:</p> <ul style="list-style-type: none"> State Department of Roads and Road Agencies to develop a framework for collaboration between SDOR and Academia on Research and Capacity Building for sustainable road infrastructure County Governments of Kajiado, Siaya and Murang'a. MOUs with the respective County Governments are underway.

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

Key Result Areas	Strategic Objectives	Unit of Measure	Strategic Initiatives	Achievements
				<ul style="list-style-type: none"> National Police Service with an aim of strengthening compliance Kenya institute of Highways and Building Technology to establish areas of collaborations. An MOU is underway Council of Engineering Deans and Principals to review the Accreditation Standards The East African Community (EAC) Registrars during the Engineers Competent Authorities Coordination Committee meetings were held Quarterly to discuss matters harmonization of engineering standards across the region.
		Report	Undertake a financial sustainability study and implement the recommendations	<ul style="list-style-type: none"> Financial Sustainability undertaken and a report prepared Senior management team trained from 22nd to 26th April 2024 on Financial Sustainability
KRA 4: Institutional Strengthening	To Strengthen Institutional Capacity	Kshs.	Appropriation in Aid (A-I-A)	<p>The Board was able to generate its own revenue and achieved the PC Targets in the following areas:</p> <ul style="list-style-type: none"> Annual Subscription Fees: by 113% Applications Fees: by 100% Continuous Professional Development: by 145% Other Income: by 367%
		Percentage level of Digitalization	Digital Transformation	<ul style="list-style-type: none"> The Board developed and operationalized the online Engineers Registration Portal (EPRP) projects.ebk.go.ke The Board implemented subscription fees payment process on the E-citizen platform The Board on boarded the following services on the E-Citizen platform: Registration & Licensing Services, Engineers ID Application, Engineers, Stamp Application, and the Professional Development events services.
		Number	Conduct awareness campaigns	<ul style="list-style-type: none"> The Board Conducted awareness on the Mandate of Engineers Board of Kenya to the Public on "The Situation Room" Spice FM

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

Key Result Areas	Strategic Objectives	Unit of Measure	Strategic Initiatives	Achievements
				<p>on Wednesday, 6th December from 9 am. www.youtube.com/live/jdDliQtwoaA?si=HaoME0inyN0HjicO</p> <ul style="list-style-type: none"> • The Board in collaboration with IEK Conducted awareness on the Mandate of Engineers Board of Kenya to the Public on KBC on Wednesday, 28th February 2024 from 8.30 am. topic: Engineers Contribution to Sustainable Development https://www.youtube.com/live/Fhcl7Czw6Hk?si=PZM05M4aW5amV8uC • A segment about the Board on page 20 of My Gov dated 5th March 2024. Topic: <i>“Engineers Board Rolls out Strategy to Develop and Strengthen Compliance to engineering Standards Countrywide”</i> • The Board conducted awareness on its Mandate during the 5th EPC media launch undertaken on the 16th April, 2024 • The Board conducted awareness on its Mandate during EPC 2024 broadcasting.

8. CORPORATE GOVERNANCE STATEMENT

Introduction

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

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

Role and Responsibilities of Directors and Management

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

The Board Charter

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

Committees of the Board

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

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

Induction and Training

Formal letters of appointment are in place with all non-executive directors setting out the terms of their appointment. In the reporting period the Board held a Board retreat where members were members deliberated on various policies prepared by Management. Further sensitization programs for directors are regularly undertaken through regular management presentations on key business functions and activities and visits to familiarize with EBK operations. A Board Induction Workshop was also conducted during the year where members were trained on the strategic role of board of directors in state corporations.

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

Director's Skills and Experience

The Board's objective is to have an appropriate mix of skills, expertise and experience on EBK's Board and Board committees. The Board as currently constituted draws a membership from various experts in the fields of engineering, finance, management, legal, governance & education. Further, the Board also has representation from all major stakeholders responsible for engineering matters in the country.

Attendance to Board meetings by Board members

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

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

Board/Board Committee Meetings

During the year 2023/2024 the Full Board held Four (4) Ordinary Meetings and Four (4) Special Meetings. There were other meetings during the year as need arose.

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

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

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

Name of Board Member		No. of Board Meetings Attended	No. of Committee Meetings Attended	Total No. of Meetings Attended
1.	Eng. Erastus K. Mwangera, CE, CBS, FIEK	8	-	8
2.	Eng. Erick Ohaga, CE	6	6	12
3.	Mr. Daniel Mutua	7	10	17
4.	Mr. Evans Atambo	8	9	17
5.	Mr. Alex Mbuvi	5	0	5
6.	Eng. Benjamin K. Maingi, CE	8	10	18
7.	Eng. Roselane A. Jilo, PE	7	10	17
8.	Eng. Jane A. Simiyu, CE	7	10	17
9.	Eng. Julia W. Ondeyo, PE	8	9	17
10.	Prof. (Eng.) Silvester O. Abuodha, CE	8	9	17
11.	Eng. Dr. Johnson M. Matu, CE	7	9	16
12.	Mr. James Gatere	3	0	1
13.	Eng. Shammah Kiteme	1	0	1

Board and Management Performance Evaluation

The Board members evaluate themselves through a Board self-evaluation exercise facilitated by State Corporation Advisory Committee. The performance of individual members falls under the

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

ambit of the Chairman. The Board evaluates the Registrar/CEO, Manager Internal Audit & Director Corporation Secretary and Legal Services. The Registrar/ CEO conducts annual performance reviews of the senior managers to evaluate their performance against relevant performance measures and reports to the Board on the outcome of this review.

Board Performance Results

In the year under review, performance of the Board was conducted by State Corporations Advisory Committee (SCAC).

Conflict of Interest

During the year ended 30th June 2024 the Board Maintained a Conflict-of-Interest Register. As required, before commencement of each meeting held, every board member was given an opportunity to declare any conflict of interest in the matters for consideration.

Remuneration

Payment of allowances to the Board Members was made in accordance with Guidelines on Terms and Conditions of Service for State Corporations' Chief Executive Officers, Chairmen and Board Members, Management Staff and Unionisable Staff.

Succession plan

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

Appointment and removal of Board members

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

Code of Ethics and Conduct

The Board has developed a code of ethics and conduct to guide its governance operations. The Board conducted quarterly internal governance compliance assessments during the financial year under review. A comprehensive legal & governance audit is planned for the next FY.

9. MANAGEMENT DISCUSSION AND ANALYSIS

SECTION A

The Board's Operational and Financial Performance

The Board initiated the implementation of its 2023/2024-2027/2028 Strategic Plan whose key result areas and activities are geared towards achieving the Boards mandate which is derived from the core functions as set out in the Engineers Act, 2011. They are Registration of engineers and engineering consulting firms; Regulating engineering professional services; Setting of engineering standards; Development of the general practice of engineering; and Training and Capacity development of the Board. In 2023/2024 the Board implemented the following key activities:

1) IMPLEMENTATION OF THE ENGINEERS ACT

a) Registration of Engineers

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

The following were the engineers registered under various categories:

Registered Engineers During 2023/2024 Financial Year

Category	Number
Consulting Engineers	42
Professional Engineers	474
Graduate Engineers	2067
Consulting Firms	20
Accredited Checkers	1

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

Registered Engineers During 2014-2024 Strategic Periods

Financial Year	Consulting Engineers	Professional Engineers	Graduate Engineers	Consulting Firms	Accredited Checkers	Total
2014/15	33	127	1,130	-	-	1,290
2015/16	14	87	747	-	-	848
2016/17	21	125	1,755	18	-	1,919
2017/18	24	189	2,230	13	-	2,456
2018/19	15	74	2,473	25	-	2,587
2019/20	9	110	2,561	19	-	2,699
2020/21	56	235	1,576	17	-	1,884
2021/22	36	354	1,674	16	-	2,080
2022/23	50	343	1,987	20	18	2,418
2023/24	42	474	2,067	20	1	2,604
Total	300	2,118	18,200	148	19	20,785

b) Engineers Project Registration Portal

During the year under review, the Board implemented the Engineers Project Registration Portal (EPRP) with the objective of effectively monitoring and evaluating ongoing projects undertaken by registered engineers, aiming to prevent the collapse of buildings in the country. The EPRP seeks to strengthen the regulatory framework through which the Board ensures that engineering projects meet the required standards for public safety and welfare.

In FY 2023/2024, the Board successfully registered 127 projects on the EPRP in addition to the 4500 projects from the National Construction Authority. The Board is committed to upgrading the portal in the FY 2024/2025 to include all sectors and enable unique serialization of projects. This upgrade is expected to significantly increase the number of projects on the EPRP, thus enhancing the regulation of active projects nationwide.

c) Continuing Professional Development Programs for Engineers

The Board continued strengthening the Continuous Professional Development (CPD) programs for engineers by organizing in house activities in various relevant areas in line with its mandate of developing the engineering profession. During the year under review, The Board developed CPD calendar of activities for the 2024 covering the following broad areas; Sensitization workshops, Construction safety, Project management, Social safeguards in, Engineering Partnerships

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

Convention 2024. Majority of the activities were conducted virtually. Figures 1 & 2 below shows a snapshot of the CPD activities conducted by the Board virtually during the 2023/2024 FY.

Table 1: Overview July - December 2023 Virtual CPD Activities

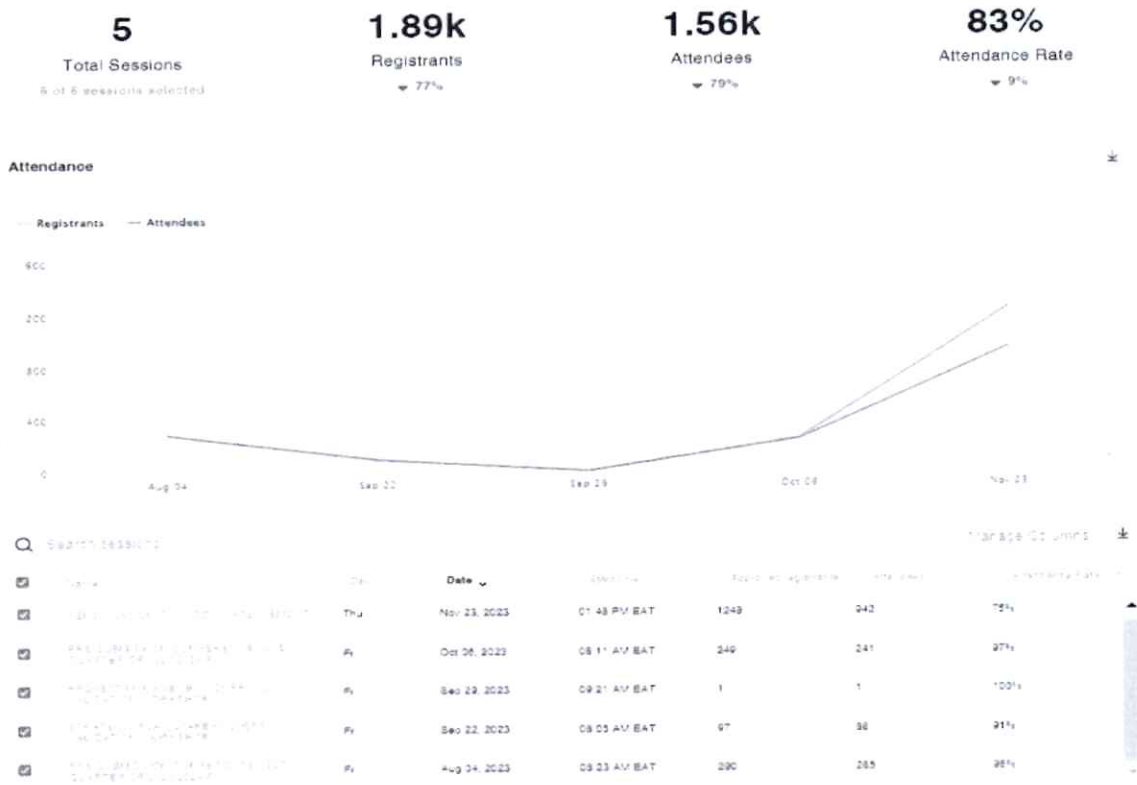


Table 2: Overview Jan - June 2024 Virtual CPD Activities



In line with Section 7 (1) (r) of the Engineers Act 2011 that allows the Board to “collaborate with engineering training institutions, professional associations, engineering organizations and other relevant bodies in matters relating to training and professional development of engineers,” the Board partnered with various institutions to hold a diverse range of physical and virtual events. Over 9,000 engineers registered in the various categories attended the CPD activities held in the FY 2023/2024.

d) Graduate Engineers Internship Programme

During the year under review, the Board continued receiving funding for the Board’s flagship Graduate Engineers Internship Program. The main objective of the programme is to provide graduate engineers with structured training geared towards preparation for professional registration. The programme is run on three models: -

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

Under the Government funded model, the Board successfully recruited, inducted 110 Graduate Engineers under Cohort 5, and continued Professional Training of 195 Graduate Engineers under GEIP Cohort 2,3 & 4.

The Board also trained 539 Graduate Engineers from various institutions under the agency-based and Academia based models. These models focus on employers of graduate engineers who have training programmes and in partnership with the Board, the training programmes are enriched to ensure that the graduate engineers gain competencies required for professional registration.

e) Independent Review of Engineering Programmes

The Engineers Act 2011 confers on the Board the function and mandate to accredit engineering programmes in public and private Universities and other tertiary institutions offering engineering programmes to assess their quality. However, this mandate had been hindered by an adverse court ruling in 2020.

During the year under review, the Board conducted independent reviews evaluations of 17 engineering programs across six universities in Kenya. The overall objective of the review visits was to assess the submitted engineering programmes for recognition by the Board. The table below shows the universities visited and their respective engineering degree programmes that were reviewed independently by the Board.

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

S. No	University	Programmes	Dates of IR visits
1.	Technical University of Kenya	<ul style="list-style-type: none"> • B. Eng. Aeronautical Engineering • B. Eng. Civil Engineering • B. Eng. Electrical & Electronics Engineering • B. Eng. Mechanical Engineering • B. Eng. Biosystems & Environmental Engineering • B. Eng. Chemical Engineering 	11 th July 2023
2.	Strathmore University	<ul style="list-style-type: none"> • BSc. Electrical & Electronics Engineering 	20 th July 2023
3.	Egerton University	<ul style="list-style-type: none"> • BSc. Civil & Environmental Engineering • BSc. Mechanical & Manufacturing Engineering • BSc. Electrical & Control Engineering 	3 rd August 2023
4.	Murang'a University of Technology	<ul style="list-style-type: none"> • BSc. Mechatronics Engineering • BSc. Civil Engineering 	11 th August 202
5.	South Eastern Kenya University	<ul style="list-style-type: none"> • BSc. Agricultural Engineering • BSc. Mechanical Engineering • BSc. Electrical & Electronics Engineering • BSc. Civil Engineering 	27 th March 2024
6.	Egerton University	<ul style="list-style-type: none"> • BSc. Electrical & Control Engineering 	30 th April 2024

f) Partnerships/Collaborations/Memorandum of Understanding

During the FY 2023/2024 the Board held consultative meetings with:

- State Department of Roads and Road Agencies to develop a framework for collaboration between SDOR and Academia on Research and Capacity Building for sustainable road infrastructure
- County Governments of Kajiado, Siaya and Murang'a. MOUs with the respective County Governments are underway.
- National Police Service with an aim of strengthening compliance
- Kenya institute of Highways and Building Technology to establish areas of collaborations. An MOU is underway.
- Council of Engineering Deans and Principals to review the Accreditation Standards

Further, the East African Community (EAC) Engineers Competent Authorities Coordination Committee meetings were held Quarterly. Registrars from the Boards of the East African countries including EBK engaged in the consultative meetings. Part of the Mutual Recognition Agreement (MRA) framework is to facilitate registration, licensing and practice of engineers across the East Africa Community (EAC). Among the discussions included ways to strengthen EAC Mutual Recognition Agreement (MRA) and to ease trade restrictions for professional engineering services in the region.

g) Compliance and Enforcement

1) Resolved violations to the Engineers Act no. 43 of 2011

As of 30th June 2024, a total of sixteen (16No.) violations to the Engineers Act No. 43 of 2011 had been resolved. The resolved cases were connected to the collapse of infrastructure in various Counties, the majority being those of buildings under construction. The process targeted the Professional Engineers and Consulting Engineering Firms associated with the projects in question, either as design engineers or those involved in supervision. The Summary of the Cases is:

Concluded Disciplinary cases for Engineers: 14No. cases

- i. Acquittal: 3No. cases (*Nairobi, Murang'a & Vihiga County*)
- ii. Warning: 9No. cases (*Uasin-Gishu, Nyamira, Nyeri, 2No. – Kiambu County, - Kirinyaga County, Juakali, Murang'a County, & 2No. Lukenya, Machakos County*)
- iii. Suspension: 2No. (*A3051 – 1 year - Muranga, A2619 – 1 year - Meru County*)

Concluded Cases on Non-engineers: 2No. cases

- i. Cease and desist letter was issued to a person using the title Engineer, without duly being registered by the Board.
- ii. Cease and desist letter was issued to a firm purporting to offer professional engineering services, without duly being registered as an Engineering Consulting Firm by the Board.

2) Public interest inquiry

The Board appointed on 5th February 2024, a task force of three professional engineers with expertise and experience in the Oil and Gas industry to investigate the LPG Gas Explosion incident of February 01, 2024, at Miradi Embakasi. A co-opted Accredited Checker with expertise in Civil & Structural Engineering also joined the team to review the structural engineering designs submitted for the proposed LPG facility. The Team joined a multi-agency team comprising EPRA, NEMA, State

Department of Public Works, and NPS. The multi-agency team visited the site and retrieved relevant documentation from the other agencies. The inquiry is progressing well, with a draft final report preparation underway.

3) Compliance monitoring inspections:

Pursuant to Section 7 (1) (g) of the Engineers Act 2011, which mandates the Board to “*enter and inspect sites where construction, installation, erection, alteration, renovation, maintenance, processing or manufacturing works are in progress*”; the Board conducted in the FY2023/2024 a total of forty-two (42No.) compliance monitoring inspections across nine(9) counties, including: Murang’a, Kiambu, Kajiado, Nairobi, Siaya, Bungoma, Mombasa, Nyamira and Nakuru.

Additionally, the Board participated in six (6No.) joint site visits with the National Construction Authority (NCA) to investigate collapsed buildings. As a result of these inspections; the following has been achieved:

- i. Initiation of a memorandum of understanding to strengthen the engineering functions at two Counties, with a draft memorandum shared among the parties in each of the two counties for discussion and finalization. The counties being.
 - o Murang’a County Government
 - o Kajiado County Government
- ii. Issuance of two(2No.) stop orders, and closure of site; one in Murang’a and another in Mombasa for constructions not meeting standards.
- iii. Preparation of a policy brief to the Cabinet Secretary, Ministry of Roads & Transport on the gaps identified through the site inspections in the built environment.

4) Engineers Project Registration Portal (EPRP)

Since its launch at the EPC2023, held in June of 2023 at Naivasha; the EPRP has continued to operate, with 127 projects having been registered by the end of FY2023/2024. The Board conducted a successful system review, with the input of the engineers and initiated an enhancement program that will empower approving authorities to authenticate engineers' credentials, thereby bolstering transparency and accountability in project approvals at the County Government level. The new system is also set to enable the public to query any project with an engineering input based on the data available in the publicity signboard, to confirm the involvement of a professional engineer/firm in the project, thus promoting public safety.

5) Multi-Sectoral Agency Consultative Committee (MSACC)

The Board engaged in the Multi-Sectoral Agency Consultative Committee (MSACC), comprised of State Department of Roads, State Department of Public Works, EBK, BORAQS, NBI, NCA, NEMA, NDMU, KEBS and the OAG; to prioritize collaborative efforts in joint compliance inspections and enforcement actions with 7 joint site visits undertaken. The Board played a significant role as a member of MSACC, in the formulation of the Draft Public Works Policy & Draft Building Development Control Bill.

6) Compliance tools

The Board continued to issue the engineers stamps as one of the compliance tools under the Engineers Rules of 2019. The engineer's stamp is a critical tool promoting the welfare of the public as it ensures that professional engineering services are only offered by practicing engineers who are registered under the categories of professional & consulting engineers and are in good standing with the Board. In addition, the stamp makes it easy to identify genuine engineering documents (*designs, reports, drawings etc.*). The Board issued a total of five-hundred and twenty-seven (527No.) Engineers stamps during FY2023/2024.

7) Compliance and enforcement workshops

The Board conducted targeted sensitization seminars/workshops to engineers and other stakeholders with the aim of promoting ethics and professionalism in engineering practice; and ensuring engineering standards are followed. Three such forums were organized as highlighted below:

- Online seminar on compliance tools and EPRP held on 23rd November 2023;
- Online seminar on scale of fees, compliance tools, code of ethics held on 26th April 2024.
- A session on regulatory framework and engineering standards held during the EPC 2024, on 17th May 2024.

8) Temporary engineers audit

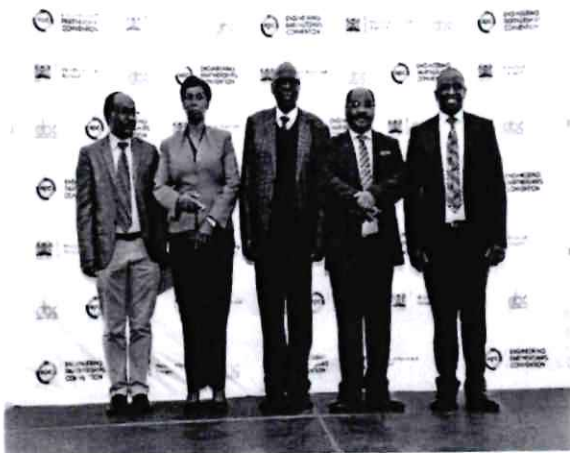
The Board conducted an audit of Government Agencies in the roads, air, rail, energy, and water sectors done in November of 2023. Nine (9No.) organizations (*Kenya Power, KenGen, KeTRACO, GDC, KURA, KeRRA, KRC, NIA and KAA*) were audited during the exercise. The exercise revealed significant non-compliance; with only 2No.organizations (*KeNHA & KCAA*) having submitted adequate records to the Board. This presents a major risk to the safety and welfare of the public as foreign nationals with unverified professional competencies may be offering services in the

Country. The Board has since initiated engagement with the Director, Immigration & Citizen Services; with an aim to have a MOU addressing the prerequisites for issuance of work permit for foreign engineers, and Audit of foreign nationals in the country offering engineering services. Two major audits targeting the Transport, Energy, ICT, Water, Housing & Manufacturing sectors are planned for FY2024/2025.

h) Engineering Partnerships Convention 2024

One of the Board's major events during the financial year was the 5th Engineers Partnerships Convention (EPC) that was held at Dedan Kimathi University of Technology in Nyeri from 7th to 10th May 2024 themed "**Engineering@60: Reflections, Response, Resetting**". The Convention provided a comprehensive platform for over 1800 engineers, scientists, innovators, and stakeholders to engage in meaningful discussions, knowledge exchange, and envision the future of engineering. Conversations and break away sessions focused around 4 pillars aligned to the Sustainable Development Goals (SDGs); engineering and innovation, climate change and engineering education.

The Chief Guest, Hon Kipchumba Murkomen (The Cabinet Secretary for the Ministry of Roads and Transport) in his opening remarks, acknowledged the growth and leadership of engineers in Kenya's development, emphasizing the importance of local engineering capabilities, gender parity, and effective regulation of the sector. He pledged support for Kenya's accession to the Washington Accord to enhance global mobility for Kenyan engineers and called for sustainable solutions to address climate resilience.





2) DEVELOPMENT OF THE BOARD'S INSTITUTIONAL CAPACITY
Employees Welfare

a) Staff Recruitment and Induction

The Board has successfully recruited; Director Corporate Services, Manager Corporate Communications, Manager Capacity Building (Accreditation) and Managers Compliance and Enforcement. The Board will continue with its commitment to diversity and inclusion by implementing unconscious bias training for our hiring teams and launching mentorship programs to support the professional development of diverse employees. The Board's recruitment policy ensures the gender ratio is taken into consideration as well as other salient features of the constitution such as marginalized and ethnic diversity.



New staff induction held at Simba Lodge Hotel in Naivasha, from 7th to 11th November 2023

b) Staff Capacity Building

The Board undertook various capacity building activities. These included both at individual and Group/Performance Committee levels. The Board also conducted a 3-day Staff Team Building retreat in January, 2024 whose objectives were:-

- a) Improving staff productivity and performance
- b) Enhancing team work and interpersonal relations
- c) Strengthening collaboration cross-working department
- d) Improving communication, conflict resolution, team morale, work life balance, stress management and emotional intelligence



Staff team building retreat

c) Incorporating Gender and Disability at The Workplace

The Board organised a full day sensitisation program for staff with trainers from National Gender Equality Commission (NGEC) and National Council for Persons with Disability (NCPWD) whereby staff were sensitised on developing policies and committing to all forms of affirmative action to attain balanced diversity.

d) Recategorization

The Board successfully implemented the revised remuneration grading structure (annual basic staff salary progressions) effective June 2023 which has positively impacted on staff productivity, morale & welfare.

e) Staff Medical

The Board has continued to provide the staff & directors with medical benefits. During the year staff on contractual terms were added to the medical cover which has increased their productivity and morale as well as ensuring their dependents are catered for.

f) Performance Management

The Board reviewed the previous appraisal tool (PAS). Following the review, a new performance appraisal tool was developed and implemented to provide for mid - year performance adjustments & appraisals for all employees, link the corporate performance to individual performance.

g) Training & Capacity Development

Management has implemented the training plan for the FY 2023/2024 within the approved budgetary allocation for all staff. The courses were;

a. Management courses	15
b. Supervisory courses	4
c. Technical courses	19
d. Non-technical courses	31
e. Group/team courses	<u>2</u>
Total courses	<u>71</u>

The Board in June 2024 organized a training for officers from Compliance & Enforcement and Legal Services Directorates, on investigations, evidence gathering and documentation; with an aim to enhance internal capacity to implement the regulatory powers of the Board, which are critical to the achievement of safe and sustainable infrastructure and systems in the country.

The training was facilitated by the National Criminal Investigation Academy (NCIA) formerly DCI Academy, under the Directorate of Criminal Investigations (DCI).

i) World Engineering Day held on 4th March, 2024

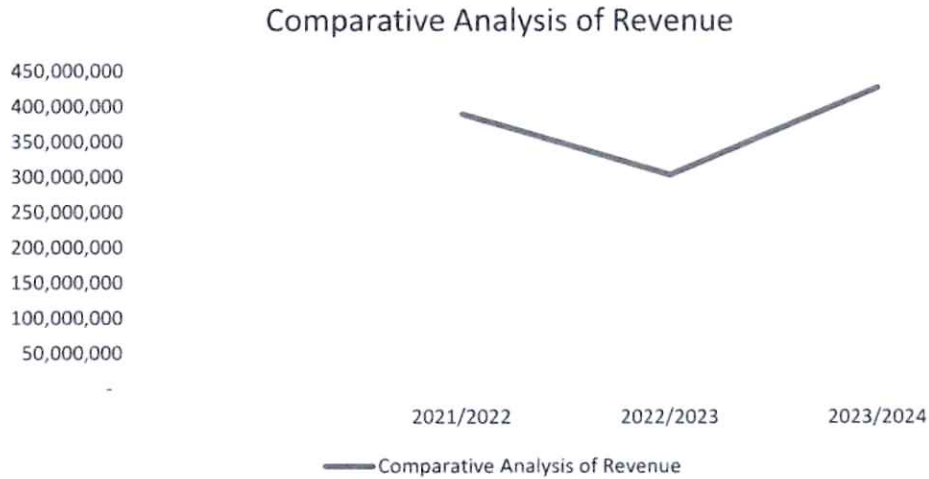
The 40th General Conference of UNESCO adopted a resolution to proclaim 4th March of every year a world-engineering day for sustainable development. This was an opportunity to celebrate the important contributions of engineers and engineering to sustainable Development and modern life. It was also an opportunity to discuss how engineers could be involved in sustainable development and also to engage the wider community on the contributions of engineers and engineering which were very critical factors for achieving Sustainable Development goals. In the FY 2023/2024, the Board in collaboration with the Institution of Engineers of Kenya celebrated the role of Engineers in building a Sustainable world during the World Engineering day on 4th March, 2024 at Daystar University. The event attracted over 2000 participants.

j) Other Significant Activities carried out during the financial year:

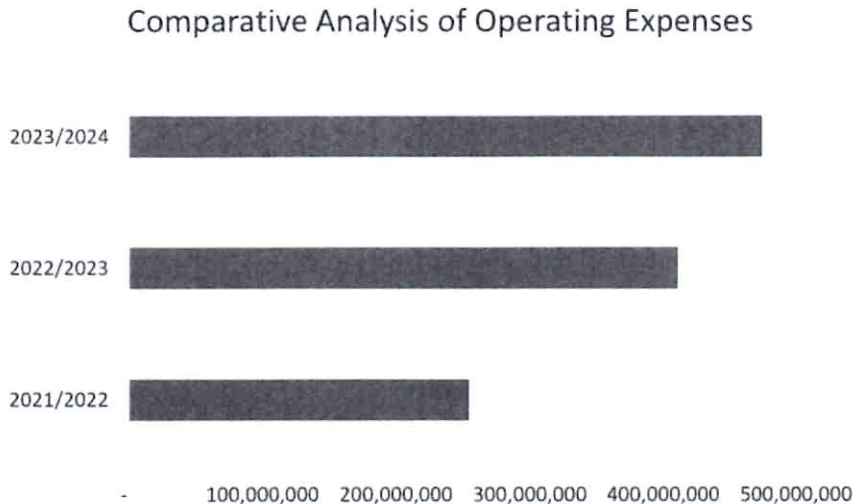
- i) Carried out Corruption Risk Assessment in the areas of Information Communication Technology, Payroll Management, Procurement and Financial Management and implemented risk mitigation plan to address the risks identified. The Corruption Prevention Committee was also trained.
- ii) The Board continued registering youth, women and persons with Disability suppliers during period in line with its performance Contract for the financial year 2023/24. These initiatives were geared towards enhancing awareness, building capacity, increasing transparency and promoting allocation of 30% procurement opportunities.
- iii) The Board successfully launched its 2023/2024-2027/2028 Board Strategic Plan during the 5th Engineering Partnerships Convention (EPC) held at Dedan Kimathi University of Technology from 7th to 10th May, 2024.

3) FINANCIAL PERFORMANCE

- Over the last three (3) years (2021/2022 to 2023/2024), the Board's revenue decreased from **Kshs. 389,031,054** in 2021/2022 to **Kshs. 303,288,479** in 2022/2023 and then increased to **Kshs. 427,409,827** in 2023/2024.



- Over the last three financial years (2021/2022 to 2023/2024), operating expenses have increased from **Kshs. 254,720,863** to **Kshs. 474,468,347**.



SECTION B

Board's Compliance with Statutory Requirements

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

SECTION C

Key Projects and Investment decisions EBK is planning/implementing

The Board is implementing its Strategic Plan and programmes are implemented in accordance with Annual Work Plans and Budgets drawn from the plan. Key projects are geared towards facilitating delivery of the Board's mandate in line with the National Government strategic objectives and policies as outlined in the Medium-Term Plan IV of the Vision 2030 and aligned to the President's Bottom-Up Economic Transformation Agenda (BETA). The Board is carrying out the following three programs in the Medium Term 2023- 2027;

1. The Graduate Engineers Internship Programme (GEIP)

GEIP has made significant strides in developing graduate engineers in Kenya during the Financial Year 2023/24. The program focused on practical training, capacity building, and exposure to professional engineering environments, with a strong emphasis on enhancing employability and preparing interns for registration as Professional Engineers (PEs). By the end of the financial year, 24 interns from various cohorts successfully registered as Professional Engineers, marking a key milestone in their professional journeys. Furthermore, 5 interns secured full-time employment during the internship period.

A total of 103 interns from Cohort IV underwent specialized training on contract management in Naivasha, where they gained essential skills in project management and legal frameworks, preparing them to handle engineering contracts effectively. Similarly, 55 interns from Cohort III received training in Machakos on professional examination report writing, equipping them with the tools necessary to document their professional experiences and take the final steps towards PE registration. Additionally, the Academia GEIP organized a training session at JKUAT, which was attended by 70 graduate engineers employed in academia. The focus of this session was to help these engineers prepare their professional examination reports, ensuring they are well-prepared for registration as Professional Engineers.

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REPORT OF THE AUDITOR-GENERAL ON ENGINEERS BOARD OF KENYA FOR THE YEAR ENDED 30 JUNE, 2024 - STATE DEPARTMENT FOR ROADS

PREAMBLE

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

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

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities 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 Engineers Board of Kenya set out on pages 1 to 39, which comprise of the statement of financial position as at 30 June, 2024, and the statement of financial performance, statement of changes in net

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Engineers Board of Kenya as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Engineers Act, 2011 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual receipts on comparable basis amounts of Kshs.604,850,000 and Kshs.427,409,827, respectively resulting in revenue under-funding of Kshs.177,440,173 or 29% of the budget. However, the Authority spent Kshs.496,078,961 against actual receipts of Kshs.427,409,827 resulting in over-utilization of Kshs.68,669,134 or 14% of the receipts. The underfunding affected the planned activities and impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Issues

In the audit report of the previous year, several issues were raised under Emphasis of Matter and in the Report on Lawfulness and Effectiveness in Use of Public Resources sections. The issues remained unresolved contrary to the provisions of Section 149(2)(l)

of the Public Finance Management Act, 2012 which require the Accounting Officers designated to try to resolve any issues resulting from an audit that remain outstanding.

Other Information

The Board of Directors is responsible for the other information set out on page iii to ix which comprise of Key Entity Information and Management, The Board of Directors, Key Management Team, Chairman's statement, Report of the Registrar, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management discussion and analysis, and Environment and Sustainability Reporting, Report of the Directors. The Other Information does not include the financial statements and my audit report thereon.

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

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

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, 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 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Non-Compliance with the Staff Establishment

Review of the Board's organizational structure, grading and the approved staff establishment revealed that the Board had an approved staff establishment of one hundred and twenty-one (121) officers. However, during the year under review, only thirty-nine (39) officers were in-post or 32% of the approved establishment, thus resulting in understaffing of eighty-two (82) officers across various staffing cadres.

Failure to substantively observe the establishment may have negatively affected service delivery to the public.

2. Lack of a Substantive Board Chairman

Review of the Board's records revealed that the previous Board Chairman was re-appointed for the second and final term on 04 August, 2022. However, it was observed that upon reappointment as a Board Member, he was not officially appointed as the Board's Chair and therefore the Board operated without a substantive Chairman for the year under review. The board requested for a substantive Board Chairman from the parent ministry vide a letter dated 26 July, 2024, a request which is yet to be met. This was contrary to Section 1.1(9) of Mwongozo - Code of Governance for State Corporations that states that chairpersons of all State Corporations shall be appointed by the President. In the circumstances, Management was in breach of Mwongozo - Code of Governance for State Corporations.

3. Under-Staffed Audit Department

During the year under review, the Internal Audit Department had only one staff casting doubt that the officer could effectively cover all the duties identified in Regulation 153 of the Public Finance Management (National Government) Regulations, 2015 of evaluating the budget, giving reasonable assurance and reviewing the effectiveness of financial and non-financial performance.

In the circumstances, the effectiveness of internal controls on evaluating the budget, giving reasonable assurance and reviewing the effectiveness of financial and non-financial performance could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement,

whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

23 December, 2024

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

All interns participated in the Engineering Partnership Convention (EPC) held in Nyeri. This national event provided an invaluable platform for networking and exposure to industry trends, helping interns understand the critical role of engineers in nation-building. A select group of 30 interns from Cohorts III and IV attended the Association of Consulting Engineers of Kenya (ACEK) Conference in Eldoret, where they gained insights into engineering consultancy and infrastructure project trends. Another 20 interns attended the Institution of Engineers of Kenya (IEK) Conference in Mombasa, engaging in discussions on innovations and the future of engineering, with a particular focus on sustainability.

Overall, the GEIP has continued to effectively bridge the gap between academic learning and professional practice, ensuring that graduate engineers in Kenya are well-prepared to meet the demands of the engineering industry. The program's emphasis on targeted training, participation in conferences, and networking has not only bolstered the interns' readiness for professional registration but has also significantly enhanced their employability and career prospects. Through these efforts, the GEIP remains committed to shaping the future of Kenya's engineering profession.



Meeting at JKUAT – Academia-Based Model Workshop



Kenya Space Engineering Meeting

2. Establishment of Kenya School of Engineering

The Engineers Act, 2011 gives the Board the function to establish a school of engineering and provide facilities and opportunities for learning, professional exposure and skills acquisition, and cause continuing professional development programmes for engineers to be held; The School of Engineering will provide a platform where students with deficiencies for Registration in certain disciplines to bridge and become registrable by the Board. This will minimize the challenges associated with non-registration of graduates.

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

3. Kenya Academy of Engineering and Technology

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

4. Compliance and Enforcement of Engineering Standards

To conduct monitoring of compliance by entering and inspect sites where projects are being implemented as provided for in the Section 7 (1) (g) and (f) of the Engineers Act, 2011, the Board implemented the Engineers Project Registration Portal (EPRP) with the objective of effectively monitoring and evaluating ongoing projects undertaken by registered engineers, aiming to prevent the collapse of buildings in the country. The EPRP seeks to strengthen the regulatory framework through which the Board ensures that engineering projects meet the required standards for public safety and welfare.

The Board is committed to upgrading the portal in the FY 2024/2025 to include all sectors and enable unique serialization of projects. This upgrade is expected to significantly increase the number of projects on the EPRP, thus enhancing the regulation of active projects nationwide.

Further, the Board is seeking to develop a robust Compliance and Enforcement Framework for the Engineers Act 2011 for effective regulation of the entire engineering value chain (planning, designing, processing and delivery of engineering products and services). Effective Compliance and Enforcement Framework will therefore ensure value for money for engineering projects and production of competitive goods and services in sustainable ways. The Framework shall ensure only competent and licensed Engineers will design and supervise infrastructural projects, systems, and processes in energy, transportation, water and sanitation, agricultural, housing, manufacturing, telecommunications, etc. and hence guaranteed safety, health and public welfare. The procurement process of a consultant to develop the framework is at an advanced stage.

5. Acceding to the Washington Accord

The Board intends to attain the signatory status on the Washington Accord under the international Engineering Alliance by the year 2025 and in addition Establish the Engineering Accreditation Council. The Signatory status will ensure global recognition of our engineering programmes, global mobility of our engineers and attraction of local engineering programmes by students globally. The Board carried out activities geared toward achieving provisional signatory status to the Washington Accord as follows:

S. No	Activity	Date/ Venue
1.	Workshop between EBK and COEDP •	28 th Feb – 1 st March 2024 (Kyaka Hotel Machakos)



Workshop between EBK and COEDP – 28th Feb to 1st March 2024

6. Establishment of the Engineering Resource Centre

Recognizing the need to manage information pertaining to engineers and engineering activities, the Board commits to establish the Engineering Resource Center (ERC) in FY 2024/2025 to act as an information hub and knowledge transfer. The Board has already developed the terms of reference as of FY 2023/2024 and plans to onboard a consultant who will assist in the technical development of the ERC.

SECTION D

Major Risks facing EBK

The key risks facing the Board include:

i. Operational Risks

- Lack of secure source of funding to effectively implement planned initiatives due to recent Government budget cuts.
- The automation of the Board's core services like application and renewal of engineering licenses in line with the government policy on adopting e-services comes with certain risks like hacking and counterfeit of e-documents.
- Inadequate human resource capacity to facilitate the provision of efficient and effective services.

II. Market Risks

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

III. Legal and Regulatory risks

- The Board being a regulator is faced with court cases from time to time some of which demand for financial compensation from the Board.
- Overlapping mandates between Engineers Act, 2011 and Universities Amendment Act, 2016 as well as the Engineering Technology Act, 2016;

SECTION E

Material Arrears in Statutory/Financial Obligations

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

SECTION F

The Board's Financial Probity and Serious Governance Issues

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

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

SECTION G

Pictorials – 30th Annual International IEK Conference



10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

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

- Integrity
- Customer Centric
- Accountability
- Respect
- Excellence

CORPORATE SOCIAL RESPONSIBILITY EVENTS FOR FY 2023/24

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

During the FY 2023/2024, the Board actively engaged in various Corporate Social Responsibility (CSR) initiatives aimed at enhancing community well-being and uplifting lives. The undertaken CSR activities during this period are detailed as follows:

a. World Cerebral Palsy Day

In observance of World Cerebral Palsy Day, which falls on 6th October 2023 EBK supported the Diani CP Caregivers by participating and providing financial support.

Diani CP Caregivers is a registered Community-Based Organization (CBO) comprising parents dedicated to assisting children with various developmental disabilities to reach their maximum potential. On World Cerebral Palsy Day, the team launched a therapy center that will provide free therapy and porridge to the children and their caregivers. The center aims to address the specific needs and challenges faced by children affected by cerebral palsy and offer support to their families.

b. Standard Chartered Marathon

EBK staff led by the Registrar/CEO participated in the 20th edition of the Standard Chartered Nairobi Marathon. This year, the marathon celebrated two decades of running excellence with the objective of enhancing environmental sustainability, an objective that aligns with EBK's drive to protect the environment.

c. World Day of Remembrance (WDoR)

On November 19, 2023, the Engineers' Board of Kenya (EBK), State Department of Roads in collaboration with key road agencies KURA, KeRRA, NTSA observed the World Day of Remembrance for Road Crash Victims (WDoR).

The team, including traffic police from the Mombasa region, organized a safety training session for BodaBoda and TukTuk drivers in Mombasa County. As part of the commitment to road safety, the participants were also provided with essential first aid kits during the event.

d. Tree Planting Exercise

"Presidential directive on tree planting"

In response to government's 15 Billion Tree campaign objective, the Board demonstrated its commitment to environmental sustainability by actively participating in various tree planting activities across the country throughout the FY 2023/2024. A total of 90,500 seedlings were planted during the period, contributing significantly to Kenya's national reforestation goals as follows:

- i) The Board planted 5000 seedlings across four locations: Gana Hola in Mikindani, Bamburi in Mombasa, Langata, and Mamlaka in Nairobi on the 13th November, 2023.
- ii) The Board planted 30,000 seedlings at Kabage Forest in Nyeri on 6th and 7th May, 2024 during the 5th Engineering Partnerships Convention held at Dedan Kimathi University of Technology (DEKUT).
- iii) The Board made a substantial addition of 50,000 seedlings to Kabage Forest, and planted 500 seedlings at DEKUT on 10th May, 2024, during the National Tree Planting Day.
- iv) Further, the Board planted 5,000 seedlings at Uplands Forest in Kiambu County on 18th June, 2024 during the Public Service Week.

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

11. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2024 which show the state of the Board's affairs.

Principal activities

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

Results

The results of the Board for the year ended June 30, 2024 are set out on pages 01 to 24.

Directors

The members of the Board of Directors who served during the year in accordance with the Engineers Act 2011 are shown on pages (xii) to (xvi). During the year, Eng. Erick Ohaga was replaced by Eng. Shammah Kiteme in the Board with effect from 8th April 2024, as the President of the Institution of the Engineers of Kenya.

Auditors

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

By Order of the Board



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

Date: 30.9.2024

12. STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

The Directors are responsible for the preparation and presentation of the Board's financial statements, which give a true and fair view of the state of affairs of the Centre for and as at the end of the financial year ended on June 30, 2024. This responsibility includes:

- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Board;
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) safeguarding the assets of the Board;
- (v) selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.


The Directors accept responsibility for the Board's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Engineers Act of 2011. The Directors are of the opinion that the Board's financial statements give a true and fair view of the state of the Board's transactions during the financial year ended June 30, 2024, and of the Board's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Board, which have been relied upon in the preparation of the Board's financial statements as well as the adequacy of the systems of internal financial control.

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

The Directors confirm that the Board has complied fully with applicable Government of Kenya Regulations and the terms of external financing covenants (where applicable), and that the Board's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Nothing has come to the attention of the Directors to indicate that the Board will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Engineers Board of Kenya (EBK) financial statements were approved by the Board on 30/09 2024 and signed on its behalf by:



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



Eng. Margaret N. Ogai, CE
Registrar/CEO


ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

**13. REPORT OF THE INDEPENDENT AUDITOR FOR THE FINANCIAL STATEMENTS OF
ENGINEERS BOARD OF KENYA**

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

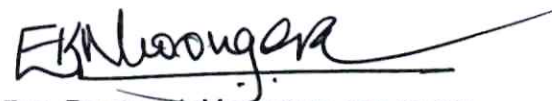
	YEAR	2023/2024	2022/2023
	NOTES	KSHS	KSHS
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
Transfers from other Government Entities	6	241,850,000	155,400,000
Application Fees	7	38,530,778	35,387,960
Annual Subscription Fees	8	84,996,525	66,331,838
Public Contributions & Donations	9	450,000	100,000
Total Non-Exchange Transactions		365,827,303	257,219,798
REVENUE FROM EXCHANGE TRANSACTIONS			
Interest Income	10	4,809,730	3,762,445
Other Income	11	377,470	61,804
CPD Income	12	56,395,325	42,244,432
Total Exchange Transactions		61,582,525	46,068,681
Total Revenue		427,409,827	303,288,479
EXPENSES			
Use of Goods and Services	13	312,975,999	236,144,205
Employee Costs	14	152,802,613	101,003,977
Board Expenses	15	22,630,429	21,090,207
Depreciation Expense	16	18,967,427	20,202,605
Repairs and Maintenance	17	2,046,405	4,351,901
Increase/(Decrease) in Provision for Doubtful Debts	18	(40,578,041)	28,038,425
Accrued Gratuity	24	5,623,515	0
Total Expenses		474,468,347	410,831,321
SURPLUS/(DEFICIT) FOR THE PERIOD		(47,058,520)	(107,542,842)


 Eng. Margaret N. Ogai, CE
 Registrar/CEO

Date: 30.9.2024


 Elijah N. Muriuki
 Finance Manager
 ICPAK No.: 14037

Date: 30/09/2024


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

Date: 30-09-2024

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

15. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	YEAR	2023/2024	2022/2023
ASSETS	NOTES	KSHS	KSHS
CURRENT ASSETS			
Receivables from Non-Exchange Transactions	19	11,969,041	195,986,816
Receivables from Exchange Transactions	20	10,625,310	4,952,586
Cash and Cash Equivalents	21	152,334,049	146,611,416
Total Current Assets		174,928,400	347,550,819
Non-Current Assets			
Property, Plant and Equipment	22	217,011,588	187,305,667
Total Non-Current Assets		217,011,588	187,305,667
TOTAL ASSETS		391,939,989	534,856,485
LIABILITIES			
Current Liabilities			
Trade Payables	23	25,177,694	17,572,250
Prepayments and Accruals	24	14,081,512	24,623,702
Total Current Liabilities		39,259,206	42,195,951
Net Assets			
Reserves	25	172,520,773	140,842,015
Retained Earnings	26	180,160,010	351,818,519
Total Net Assets		352,680,783	492,660,534
TOTAL NET ASSETS AND LIABILITIES		391,939,989	534,856,485

The Financial Statements set out on pages 01 to 24 were signed on behalf of the Board of Directors by:


 Eng. Margaret N. Ogai, CE
 Registrar/CEO


 Elijah N. Muriuki
 Finance Manager
 ICPAK No.: 14037


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

Date: 30.9.2024

Date: 30/9/2024

Date: 30-09-2024

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2024

DESCRIPTION	RESERVES	RETAINED EARNINGS	TOTAL
	KSHS	KSHS	KSHS
Balance as at 1 st July 2021	140,842,015	459,361,361	600,203,374
Capital Reserve	0	0	0
Surplus for The Year	0	(107,542,842)	(107,542,842)
Balance as at 30th June 2023	140,842,015	351,818,519	492,660,532
Balance as at 1 st July 2023	140,842,015	351,818,519	492,660,532
Capital Reserve	24,442,358	0	24,442,358
Revaluation Reserve	7,236,400		7,236,400
Internal Adjustments	0	(124,599,989)	(124,599,989)
Deficit for The Year	0	(47,058,520)	(47,058,520)
Balance as at 30th June 2024	172,520,773	180,160,010	352,680,783

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

DESCRIPTION	YEAR NOTE	2023/2024	2022/2023
		KSH	KSH
Cash Flow from Operating Activities			
Receipts			
Transfers from other Govt Entities		323,750,000	134,000,000
Application Fees		38,530,778	35,387,960
Annual Subscription Fees		74,927,877	77,196,660
Public Contributions & Donations		450,000	100,000
Settlements from Development Partners		7,591,206	(19,063,216)
Interest Income		4,027,189	3,762,445
Other Income		35,966	61,804
CPD Income		49,724,679	33,345,711
Total Receipts		499,037,695	264,791,364
Payments			
Use of Goods and Services		305,704,574	228,955,494
Employee Costs		152,958,141	101,003,977
Board Expenses		22,630,429	21,090,207
Repairs and Maintenance		2,046,405	4,351,901
Total Payments		483,339,549	355,401,579
Net Cash flows from Operating Activities	27	15,698,146	(90,610,216)
Cash Flow from Investing Activities			
Purchase of Property, Plant & Equipment		(9,975,511)	(13,685,565)
Net Cash Generated from Investing Activities		(9,975,511)	(13,685,565)
Net Increase in Cash and Cash Equivalents		5,722,635	(104,295,781)
Cash and Cash Equivalents at 1 st July	21	146,611,416	250,907,197
Cash and Cash Equivalents as at 30th June	21	152,334,049	146,611,416

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2024

ITEM	ORIGINAL BUDGET	ADJUSTMENTS	FINAL BUDGET	ACTUAL ON COMPARABLE BASIS	PERFORMANCE DIFFERENCE	UTILIZATION	
REVENUE	KSHS			KSHS	KSHS	%	NOTES
Government Funds	241,850,000	0	241,850,000	241,850,000	0	0%	
Application Fees	38,700,000	0	38,700,000	38,530,778	169,223	100%	
Annual Subscription Fees	75,100,000	0	75,100,000	84,996,525	(9,896,525)	113%	
Public Contributions & Donations	0	0	0	450,000	(450,000)	-100%	
CPD Income	25,000,000	14,000,000	39,000,000	56,395,325	(17,395,325)	145%	(i)
Interest and other Income	1,200,000	0	1,200,000	5,187,199	(3,987,199)	432%	
Balance brought forward	209,000,000	0	209,000,000				
Total income	590,850,000	14,000,000	604,850,000	427,409,827	(177,440,173)	71%	
EXPENSES							
Use of Goods and Services	412,467,000	14,000,000	426,467,000	312,975,999	113,491,001	73%	(ii)
Employee Costs	152,810,000	0	152,810,000	152,802,613	7,387	100%	
Remuneration of Directors	23,073,000	0	23,073,000	22,630,429	442,571	98%	
Repairs and Maintenance	2,500,000	0	2,500,000	2,046,405	453,595	82%	(iii)
Accrued Gratuity	0	0	0	5,623,515	(5,623,515)	0%	
Total Expense	590,850,000	14,000,000	604,850,000	496,078,961	108,771,039	82%	
Surplus/ (Deficit)	0	0	0	(68,669,135)	(68,669,135)		
Capital Expenditure	78,350,000	0	78,350,000	16,994,589	61,355,412	22%	

Notes on the budget performance:

- i) The Board exceeded the CPD Income target during the period due to funds collected during the Engineering Partnerships Convention held in June 2024.
 - ii) The Board did not realise full absorption of these costs during the period under review as most of the planned activities were conducted virtually while others were rescheduled for implementation in the next FY as per the Board's approved business/work plan for the current financial year due to exogenous factors such as inadequate human resource capacity.
 - iii) Some of the committed expenditures under these costs were not paid as the service providers involved did not issue/submit their invoices during the period under review.
- The difference between the original budget and the final budget is due to reallocations that happened during the financial year in order to address the various emerging pertinent strategic matters requiring additional expenditure as a result of GoK directives among other causes.

19. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

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

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

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

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

3. ADOPTION OF NEW AND REVISED STANDARDS

i. **New and amended standards and interpretations in issue effective in the year ended 30 June 2024**

Standard	Effective date and impact:
IPSAS 45- Property Plant and Equipment	Applicable 1st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

Standard	Effective date and impact:
	<p>assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>The entity shall consider the standard for application in the next financial year</i></p>
<p>IPSAS 47- Revenue</p>	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>The entity shall consider the standard for application when the implementation date falls due.</i></p>

ii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2023/2024.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions – IPSAS 23

Fees, taxes and fines

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

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Board and can be measured reliably. Annual subscription fee are measured on accrual basis on all the registered members while application fees are measured on actual fees received.

ii) Revenue from exchange transactions – IPSAS 9

Rendering of services

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

CPD Income

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

Interest income

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

a) Budget information – IPSAS 24

The original budget for FY 2023-24 was approved by the EBK's Board of Directors. Subsequent revisions were made to the approved budget in accordance with specific guidelines from the Parent Ministry and the National Treasury.

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

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

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

b) Taxes – IAS 12

Current income tax

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

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

c) Property, plant and equipment – IPSAS 17

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

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

Category	Estimated Useful Life (Years)	Depreciation Rate
Office Space	99	2%
Telephones, Telephone Equipment's, Apparatus and Instruments	8	12 ½%
Furniture and Fittings	8	12 ½%
Motor Vehicles and Motor Cycles	4	25%
Computers, photocopiers, fax machines, calculators and IT Equipment	3	33.33%

d) Provisions - IPSAS 19

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

Contingent liabilities

The Board does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. The Board being a regulator is faced with legal cases from time to time whereby the Board sometimes ends up paying hefty damages to the aggrieved parties as well as incurring high litigation costs towards the defence counsel.

Contingent assets

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

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

e) Nature and purpose of reserves

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

Capital Reserves

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

Retained Earnings

Refers to cumulative surpluses carried forward over the years.

f) Changes in accounting policies and estimates – IPSAS 3

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

g) Employee benefits – IPSAS 25

Retirement benefit plans

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

h) Related parties – IPSAS 20

The Board regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Board, or vice versa. Members of key management are regarded as related parties and comprise the board of directors, the Registrar/CEO and Senior Management Team.

i) Intangible Assets -IPSAS 31

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

j) Cash and cash equivalents

Cash and cash equivalents comprise cash at hand and cash in bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include Mpesa paybill accounts, standing imprests balances and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

k) Comparative figures

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

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

The preparation of the Board's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

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

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

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material. The provision for doubtful debts has been provided for in accordance with the Board's debt management policy which became effective from the FY 2022/23.

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

l) Subsequent events – IPSAS 14

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

6. Transfers from other Government Entities

Description	2023 - 2024	2022 - 2023
	KShs	KShs
Recurrent Exchequer	126,000,000	113,400,000
Development Exchequer	115,850,000	42,000,000
Total	241,850,000	155,400,000

7. Application Fees

Description	2023 - 2024	2022 - 2023
	KShs	KShs
Consulting Firms	384,000	1,292,000
Consulting Engineers	940,000	1,283,000
Professional Engineers	3,923,000	3,665,000
Graduate Engineers	7,914,000	7,886,000
Temporary Engineers	4,800,000	5,080,000
Professional Examinations	14,622,950	9,827,150
Accredited Checker	50,000	450,000
Engineers ID Fee	739,000	731,500
Engineers Stamp Fee	2,158,000	2,923,490
Independent Reviews fees	2,999,828	2,249,820
Total	38,530,778	35,387,960

8. Annual Subscription Fees

Description	2023 - 2024	2022 - 2023
	KShs	KShs
Consulting Firms	6,750,000	4,654,000
Consulting Engineers	11,398,200	11,345,000
Professional Engineers	30,484,869	22,280,630
Graduate Engineers	35,836,856	27,775,508
Accredited Checker	525,000	230,000
Graduate Technician Engineer	1,000	27,200
Technician Engineer	600	19,500
Total	84,996,525	66,331,838

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

9. Public Contributions and Donations

Description	2023 - 2024	2022 - 2023
	KShs	KShs
KeRRA	0	100,000
Internship Sponsorship	450,000	0
Total	450,000	100,000

10. Interest Income

Description	2023 - 2024	2022 - 2023
	KShs	KShs
Net Interest Earned	4,027,189	3,762,445
Gross Interest Accrued	782,540	0
Total	4,809,729	3,762,445

11. Other Income

Description	2023 - 2024	2022 - 2023
	KShs	KShs
Replacement of Certificates & Engineers' IDs	16,000	14,000
Sale of Tender Documents	2,000	4,265
Miscellaneous Receipts	350,170	5,874
Disposals	9,300	37,665
Total	377,470	61,804

12. CPD Income

Description	2023 - 2024	2022 - 2023
	KShs	KShs
Course Accreditation and Validation Fee	150,000	370,000
CPD Training Fee	22,323,173	4,974,900
Engineering Partnerships Convention (EPC)	33,922,152	36,899,532
Total	56,395,325	42,244,432

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

13. Use of Goods and Services

Description	2023 - 2024	2022 - 2023
	KShs	KShs
Professional Examinations	10,019,162	8,485,739
Communication	199,089	867,640
Publishing & Printing Services	3,087,580	2,217,849
Refined Fuel Lubricants	5,073,660	3,636,452
Supply Chain Management	8,727,566	5,986,839
Hospitality Supplies and Services	2,085,795	2,546,813
General Insurance (Vehicle & Office)	1,337,409	696,581
Utilities	2,916,977	2,594,768
Bank Charges	658,197	605,106
Service Charge & Relocation	1,512,135	1,406,400
Cleaning Services	1,705,817	1,828,128
Corporate Social Responsibility	1,455,077	1,441,353
Conferences & Workshops	32,762,715	23,588,852
Advertising and Media	4,663,010	5,106,162
Legal and Governance Services	4,531,766	7,616,839
Audit Fees	350,000	350,000
Domestic Travel & Subsistence	2,386,898	2,036,717
Staff Training, Development & Professional Bodies Subscriptions	15,768,040	17,455,790
Capacity Building & Accreditation Expenses	11,435,009	13,235,836
GEIP Expenses	132,620,817	80,036,445
Compliance and Enforcement	15,134,559	11,324,359
Policy, Research & Strategy Expenses	19,343,644	13,031,883
QMS & ISO Expenses	8,750,993	447,413
Security Services	1,026,000	1,108,000
Computers Accessories	33,720	325,947
Taxation	-	4,210,868
Foreign Travel & Subsistence	1,839,623	8,556,288
ICT Related Expenses	3,620,332	3,891,760
Internal Audit & Assurance	528,771	712,372
Budget preparation & Statutory Reporting	3,568,182	1,391,158
Registration & Licensing of Engineers	2,081,640	1,730,035
Staff Welfare, Recruitment & Induction	5,146,934	3,668,981
Cross-cutting Issues (PC Committees)	7,331,854	3,935,643
Records Management	1,273,029	69,189
Total	312,975,999	236,144,205

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

14. Employee Costs

Description	2023 - 2024	2022 - 2023
	KShs	KShs
Substantive Staff	123,311,888	81,847,614
Deployed Allowances	695,388	557,514
Contract and Casual Labour	10,980,668	8,007,368
Staff Medical Insurance	14,627,966	9,599,920
WIBA/GPA/GLA	1,031,143	991,561
Staff Airtime	2,155,560	0
Total	152,802,613	101,003,977

15. Board Expenses

Description	2023 - 2024	2022 - 2023
	KShs	KShs
Chairman Honoraria	-	261,000
Board Members Allowances	12,486,084	9,154,000
Board Sessions Expenses	1,330,387	1,283,628
Board Retreat & Evaluation	2,304,650	5,100,335
Board Training & Capacity Building	6,069,117	5,005,842
Board Medical Cover	440,192	285,403
Total	22,630,430	21,090,207

16. Depreciation and Amortization Expense

Description	2023 - 2024	2022 - 2023
	KShs	KShs
Office Space	2,690,868	2,690,868
Motor Vehicles, Including, Motor Cycles	0	3,586,875
Computers & Related Equipment	3,335,832	1,212,616
Office Equipment, Furniture & Fittings	12,940,727	12,712,246
Total	18,967,427	20,202,605

17. Repairs and Maintenance

Description	2023 - 2024	2022 - 2023
	KShs	KShs
Maintenance Furniture	25,911	323,849
Maintenance Equipment	25,837	901,181
Maintenance Building	184,849	455,036
Maintenance Motor Vehicles	1,809,808	2,671,836
Total	2,046,405	4,351,901

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

18. Increase in Provision for Doubtful Debts

Description	2023 - 2024	2022 - 2023
	KShs	KShs
Increase/ (Decrease) in Provision for Doubtful Debts	(40,578,041)	28,038,425
Total	(40,578,041)	28,038,425

19. Receivables from Non-Exchange Transactions

Description	2023 - 2024	2022 - 2023
	KShs	KShs
National Treasury	0	81,900,000
Development Partners- EATTFDP	0	19,404,719
Development Partners- HoAGDP	11,813,513	0
Annual Subscriptions	0	94,682,097
Staff Debtors	155,528	0
Total	11,969,041	195,986,816

***Breakdown of Annual Subscriptions receivables**

Description	2023 - 2024	2022 - 2023
	KShs	KShs
Engineering Consulting Firms	0	2,336,000
Graduate Engineers	0	116,533,088
Professional Engineers	0	11,832,500
Consulting Engineers	0	4,558,550
Sub-Total	0	135,260,138
Provision for doubtful debts	0	(40,578,041)
Net Total	0	94,682,097

***Ageing analysis for Receivables from Non-exchange transactions**

Description	2023 - 2024		2022 - 2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	11,969,041	100%	101,304,719	52%
Between 1- 2 years	0	0%	0	0%
Between 2-3 years	0	0%	0	0%
Over 3 years	0	0%	94,682,097	48%
Total	11,969,041	100%	195,986,816	100%

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

20. Receivables from Exchange Transactions

Description	2023 - 2024	2022 - 2023
	KShs	KShs
Companies (EPC)	9,508,750	4,952,586
Pre-paid Expenses	234,020	0
Staff Welfare	100,000	0
Accrued Interest Receivable	782,540	0
Total	10,625,310	4,952,586

***Ageing analysis for Receivables from exchange transactions**

Description	2023 - 2024		2022 - 2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	10,625,310	100%	4,952,586	100%
Between 1- 2 years	0	0%	0	0%
Between 2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
Total	10,625,310	100%	4,952,586	100%

21. Cash and Cash Equivalentents

Description	2023 - 2024	2022 - 2023
	KShs	KShs
National Bank Account	73,697,039	14,626,005
KCB Bank Accounts	1,601,867	30,767,270
HFC Current Account	16,886,014	38,248,086
HFC Fixed Deposit Account	66,957,280	62,957,791
M-Pesa - Main Accounts	0	12,263
M-Pesa - CPD Accounts	0	0
E-Citizen Settlement Account	(6,808,150)	0
Total	152,334,049	146,611,416

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

22. Property, Plant and Equipment

2022/2023						
ASSET VALUATION	Office Space	Motor Vehicles, Including, Motor Cycles	Computers & Related Equipment	Office Equipment, Furniture & Fittings	Capital Work in progress	Total
Valuation at Cost at July 1 st 2022	134,543,377	51,357,018	23,391,556	101,508,378	383,045	311,183,374
Additions during the Year	-	-	6,559,173	1,634,642	5,491,750	13,685,565
At June 30th, 2023	134,543,377	51,357,018	29,950,729	103,143,020	5,874,795	324,868,939
ASSET DEPRECIATION						
Accumulated as at July 1 st , 2022	9,418,037	47,770,143	19,952,962	40,219,526	0	117,360,668
Charge for the year	2,690,868	3,586,875	1,212,616	12,712,246	0	20,202,604
Accumulated as at June 30th, 2023	12,108,904	51,357,018	21,165,578	52,931,772	0	137,563,272
Net Book Value at June 30th, 2023	122,434,473	-	8,785,152	50,211,248	5,874,795	187,305,667
2023/2024						
ASSET VALUATION	Office Space	Motor Vehicles, Including, Motor Cycles	Computers & Related Equipment	Office Equipment, Furniture & Fittings	Capital Work in progress	Total
Valuation at Cost at July 1 st 2023	134,543,377	51,357,018	29,950,730	103,143,020	5,874,795	324,868,940
Additions - Purchases	-	-	2,332,348	2,770,723	4,872,439	9,975,511
Additions - Donations		24,442,358				24,442,358
Additions - Revaluations		7,236,400				7,236,400
Additions - Accruals					7,019,078	7,019,078
At June 30th, 2024	134,543,377	83,035,776	32,283,074	105,913,743	17,766,312	373,542,287
ASSET DEPRECIATION						
Accumulated as at July 1 st , 2023	12,108,905	51,357,018	21,165,578	52,931,772	0	137,563,272
Charge for the year	2,690,868	0	3,335,832	12,940,727	0	18,967,427
Accumulated as at June 30th, 2024	14,799,772	51,357,018	24,501,410	65,872,499	0	156,530,699
Net Book Value at June 30th, 2024	119,743,605	31,678,758	7,781,668	40,041,244	17,766,312	217,011,587

- The capital work-in-progress relates to the alterations of EBK premises works. The additions during the year relate to costs incurred towards partitioning works at EBK Offices premised at Barabara Plaza as well as costs attributable for the purchase of the Board's new ERP system.

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

23. Trade/Accounts Payables

Description	2023 - 2024	2022 - 2023
	KShs	KShs
Accounts Payables	25,177,694	17,572,250
Total	25,177,694	17,572,250

***Ageing analysis for Trade/Accounts Payables**

Description	2023 - 2024		2022 - 2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	25,177,694	100%	17,572,250	100%
Between 1- 2 years	0	0%	0	0%
Between 2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
Total	25,177,694	100%	17,572,250	100%

24. Prepayments and Accruals

Description	2023 - 2024	2022 - 2023
	KShs	KShs
Prepaid CPD Income	1,088,919	2,634,978
Accrued Audit Fee	350,000	350,000
State Department of Roads (Infrastructure)	0	341,504
Annual Subscriptions	0	20,728,797
UDIP Project Evaluation	0	568,423
Accrued Gratuity	5,623,515	0
Enterprise Resource Planning System	7,019,078	0
Total	14,081,512	24,623,702

***Ageing analysis for Prepayments and Accruals**

Description	2023 - 2024		2022 - 2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	13,186,534	94%	21,420,301	87%
Between 1- 2 years	0	0%	0	0%
Between 2-3 years	0	0%	568,423	2%
Over 3 years	894,978	6%	2,634,978	11%
Total	14,081,512	100%	24,623,702	100%

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

25. Reserves

Description	2023 - 2024	2022 - 2023
	KShs	KShs
At beginning of the year	140,842,013	140,842,013
Capital Reserve	24,442,358	0
Revaluation Reserve	7,236,400	0
Total	172,520,771	140,842,013

26. Retained Earnings

Description	2023 - 2024	2022 - 2023
	KShs	KShs
Opening Balance	351,818,519	459,361,361
Internal Adjustments	(124,599,989)	0
Surplus/(Deficit) for the Year	(47,058,520)	(107,542,842)
Total	180,160,010	351,818,519

27. Net Cashflows from Operating Activities

Description	2023 - 2024	2022 - 2023
	Kshs.	Kshs.
Surplus/(Deficit) for the Year	(47,058,520)	(107,542,842)
Adjusted for:		
Depreciation	18,967,427	20,202,605
Decrease in Provision for Doubtful Debts	(40,578,041)	28,038,425
Surplus Before Working Capital Changes	(68,669,135)	(59,301,812)
Changes in Working Capital		
Changes in Receivables - Non-Exchange	99,995,828	(50,668,694)
Changes in Receivables - Exchange	(5,672,724)	(2,522,586)
Changes in Payables	7,605,444	7,188,712
Changes in Prepayments & Accruals	(17,561,268)	14,694,166
Net Cash flows from Operating Activities	15,698,146	(90,610,215)

28. FINANCIAL RISK MANAGEMENT

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

Market risk

Foreign exchange risk

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

Price risk

The Board is lowly exposed to equity securities price risk because it does not have investments in quoted shares that are carried at fair values.

Interest rate risk

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

Credit risk

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

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

Liquidity risk

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

29. RELATED PARTY DISCLOSURES

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of directors
- v) Kenya School of Government (KSG)
- vi) Kenya Power (KPLC)

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

Transactions with Related Parties

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
a) Transfers from the Government		
Exchequer Release from National Govt	241,850,000	155,400,000
Total	241,850,000	155,400,000
b) Key management Compensation		
Directors' emoluments	22,570,429	21,090,207
Compensation to the CEO	7,956,000	5,937,600
Compensation to key management	18,675,000	11,664,876
Total	49,201,429	38,692,683
c) Purchases from related parties		
Purchases of electricity from KPLC	1,776,711	1,535,155
Training & Conference Fees paid to KSG	3,285,393	1,072,050
Total	5,062,104	2,607,205

30. SEGMENT REPORTING

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

31. ULTIMATE HOLDING ENTITY

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

32. CURRENCY

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

33. EVENTS AFTER REPORTING PERIOD

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

34. TRANSFERS FROM STATE DEPARTMENT OF INFRASTRUCTURE

S/NO.	DATE RECEIVED	UTILIZATION DESCRIPTION	AMOUNT
1	16-Nov-2023	Recurrent Exchequer	57,925,000
2	28-Nov-2023	Development Exchequer	31,500,000
3	29-Feb-2024	Development Exchequer	57,925,000
4	24-April-2024	Recurrent Exchequer	31,500,000
5	04-Jun-2024	Recurrent Exchequer	31,500,000
6	18-Jun-2024	Recurrent Exchequer	31,500,000
	TOTAL		241,850,000

35. OUTSTANDING AUDIT ISSUES

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

20. APPENDICES

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
No. 1	<p>Unsupported Conference and Air Ticket Expenditures</p> <p>The statement of financial performance reflects use of goods and services expenditure of Kshs.236,144,205 as disclosed in Note 13 to the financial statements. Review of records revealed that there were conference and air tickets expenditures of Kshs. 1,528,660 and Kshs.3,163,025 respectively that were incurred without valid requisitions and issuance of local purchase/service orders. In the circumstances, the accuracy and completeness of the total expenditure of Kshs.4,691,685 could not be confirmed.</p>	<p>The valid requisitions and local purchase/service orders for the conference and air tickets expenditures of Kshs. 1,528,660 and Kshs.3,163,025 respectively were availed for audit review.</p>	<p><u>Resolved.</u></p> <p>All air-tickets and conferences have been procured using valid requisitions and local purchase/service orders.</p>	N/A
No. 2	<p>Inaccuracies in Board Expenses</p> <p>The statement of financial performance reflects board expenses of Kshs.21,090,207 as disclosed in Note 15 to the financial statements. Review of the supporting ledger revealed that various expenses amounting to Kshs.2,801,104 were mis-posted to other various expenditure items distorting the respective expenditure balances reported in the financial statements. Therefore, the total Board expenditure including the mis-posted board</p>	<p>EBK prepares program/departmental based budgets in line with Treasury circular 08/2021 dated 19th July 2021. This is in order to ensure effective allocation of resources to all the functional areas of the Board. the expenditures highlighted in the observations above were for</p>	<p><u>Resolved.</u></p> <p>The Board has prepared the current FY budget and capped the board expenses vote to 5% as per the prevailing GoK guidelines.</p>	<p>Within the current financial year 2024/2025</p>

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>expenditure would have amounted to Kshs.23,891,311 (or 5.7% of the total expenditure). Further, comparison of the balance with the recommended Board expenditure of Kshs.20,141,103 or 5% of the total expenditure of Kshs.402,822,058 in the year under review, Management have incurred an amount of Kshs.3,750,208 above the recommended Board expenditure without the required approvals.</p> <p>In the circumstances, the accuracy of the Board expenses of Kshs. 21,090,207 could not be confirmed.</p>	<p>stakeholder engagements which had been budgeted for under various programs and votes. EBK Board members attended the stakeholder engagements thereby expensing their costs under those programs and vote heads.</p> <p>Unlike most Boards of State Corporations whose mandate is to provide policy setting & oversight as well as strategy, the Engineers Act 2011, has vested the EBK Board of Directors with additional statutory responsibilities which are not in the other state corporations such as:</p> <p>a. Approve and accredit engineering programs in public and private universities and other tertiary level educational institutions offering education in engineering. Accreditation of university engineering courses where the Board has to review & adopt reports from independent review panels to ensure that the programs meet the required</p>	<p>The Board has requested for approval for the Board expenses to be capped at the upper limit to ensure it fulfils its mandate .</p>	

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>threshold for quality engineering education.</p> <p>b. Conduct disciplinary hearings against engineers based on complaints from the public or government bodies for alleged contraventions of the Engineers Act and Rules. This requires constitution of an inquiry committee to conduct investigations with the report is tabled before the Board after which the Engineer is charged and is invited before the Board for a hearing. Disciplinary hearings, inquiries & investigations are random and require immediate action to avoid loss of life or property. These cannot be scheduled in the standard board calendar and given their nature, it is not possible to carry out the site visits and inspections within the normal board calendar.</p> <p>Consequently, it is not appropriate to classify/report/charge the</p>		

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>resultant expenses to the usual mandate of strategy, policy setting & oversight.</p> <p>Going forward the Board will apply for the relevant approvals to ensure strict compliance with the Mwongozo Code of Governance for state corporations code in regards to reporting & classification of Board expenses given the unique nature of the EBK Board of Directors responsibilities as set out in the Engineers Act, rules & regulations.</p>		
No. 3	<p>Long Outstanding Receivables from the State Department for Roads</p> <p>The Statement of financial position reflects receivables from non-exchange transactions balance of Kshs. 195,986,816 as disclosed in Note 19 to the financial statements.</p> <p>The balance includes development partners - EARTTDFP amount of Kshs.19,404,719 in respect of State Department for Roads under the East Africa Regional Transport, Trade and Development Facilitation project. The latter balance includes</p>	<p>Evidence of effort or measures by the management to recover the long outstanding net receivables (Gross less prepayments) of Kshs 114 Million include the following:</p> <ul style="list-style-type: none"> EBK communicated with the Engineers who had arrears to pay their annual dues in the FY-2021/2022 and some paid. The collection efforts have continued in 	<p><u>Resolved.</u></p> <p>The Board has since received the refund for the sums owed from the development partners.</p> <p>As a result of the various debt recovery mechanisms & strategies employed by the Board in accordance with the</p>	N/A

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the Issue to be resolved)
	<p>outstanding expenditure incurred by the Board to be funded through the donor funded project for holding the Engineers Partnership Convention in the year 2022 at a cost of Kshs.9,663,200. Further, included in the balance of Kshs.19,404,719 was an amount of Kshs.3,500,455 incurred by the Board as part payment for ERP system implementation and which was to be funded through the project.</p> <p>Review of records revealed the following observations;</p> <p>(i). It was highly unlikely that the debt will be recoverable before the expiry of the credit facility by the donor since the debt has been outstanding for eighteen (18) months as at the time of the audit.</p> <p>(ii). Further, third party confirmation from the audited financial statements for the EARTTDF project for the year ending 30 June, 2023 revealed there were no pending payables related to the Board. Consequently, the authenticity of the outstanding debt could not be confirmed.</p> <p>Further, the balance includes an amount of Kshs. 94,682,097 in respect to annual subscriptions which comprised of net receivables amount of Kshs. 135,260,138 and the provision for doubtful debts of</p>	<p>the current FY 2022/23 with the subscription's receipts having increased. This has reduced the outstanding net debtors from Kshs. 125 million (2021/22) to Kshs. 114 million as at 30.06.2023 leading to actual recoverability of the outstanding graduate receivables.</p> <p>The Board has also in the interim put mechanisms in place to ensure that the outstanding receivables are recovered either partially or in full. These include sending of regular payments reminders to the registered engineers via bulk SMSes & bulk emails platforms, making individual phone calls to the registered engineers, and holding CPD clinics & sensitization forums with the engineering fraternity in a bid to enhance their compliance with the Engineers Rules of 2019. As a result of the various debt</p>	<p>Debt Management policy, The receivables from non-exchange transactions relating to annual subscriptions have declined by 8% with the graduate engineers' receivable balance standing at Kshs. 106 million as at 30.06.2024 down from 116 million as at 30.06.2023.</p>	

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Kshs. 40,578,041. However, the ageing analysis provided reflects debtors' balance of Kshs.136,585,851 that had been outstanding for more than 90 days with some dating back to from 30 June, 2019.</p> <p>In the circumstances, the recoverability of the receivables from non-exchange transactions balance of Kshs.195,986,816 could not be confirmed.</p>	<p>recovery mechanisms & strategies employed by the Board in accordance with the Debt Management policy, the receivables from non-exchange transactions relating to annual subscriptions have declined by 9% with the net balance standing at Kshs. 114.531 million as at 30.06.2023 down from 125.396 million as at 30.06.2022.</p>		
No. 4	<p>Budgetary Control and Performance</p> <p>The statement of comparison of budget and actual amounts reflects final budget and actual on comparable basis amounts of Kshs. 450,644,000 and Kshs. 303,288,479 respectively, resulting to under-funding of Kshs. 147,355,521 (or 33% of the budget). Similarly, the Board expended Kshs. 410,831,321 against an approved budget of Kshs. 450,644,000, resulting to under-expenditure of Kshs. 39,812,679 (or 10% of the budget).</p> <p>In the circumstances, the underfunding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public.</p>	<p>The Board revenue sources comprise of Government Transfers and Internally Generated Funds (AiA). The approved Government Transfers were: Development Funds Kshs. 42,000,000 and Recurrent Funds Kshs. 113,400,000 while the budgeted AiA was Kshs. 116,040,000. The Board received 100% of both development and recurrent funds. The AiA collected was Kshs. 147,788,479 representing a performance rate of 127% thereby surpassing the targets. Overall, there was no underfunding of the Board's budget.</p>	<p><u>Resolved.</u></p> <p>The Board achieved 100% of revenue from the exchequer and 118% of its internally generated revenue thereby surpassing the target for the FY 2023/24.</p> <p>The absorption rate increased to 84% as at 30.06.2024, compared to the previous year's absorption rate of 75%.</p>	N/A

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the Issue to be resolved)
		<p>The funds from the exchequer were received towards the close of the financial year, which inhibited the proper planning and absorption of both development and recurrent funds resulting to under expenditure by 9%. Other factors include meetings/engagements happening virtually thereby reducing costs associated with physical meetings (e.g. travel, venue, subsistence, etc), delayed recruitment of new staff members, deferment of several activities to the following financial year, attrition of the GEIP interns leading to reduction in monthly stipends, among other limiting factors.</p>		
No. 5	<p>Lack of a Substantive Board Chairman Review of the Board's records revealed that the previous Board Chairman was re-appointed as a Board member for the second and final term, on 4 August, 2022. However, it was observed that upon re-appointment, he was not officially appointed as the Board's Chair and therefore the Board had no substantial Chairman as at the time of the audit, in December, 2023. This is contrary to Section 5 (1) (a) of the Engineers Act, 2011 which states that the</p>	<p>Following the expiry of the term of the Board Chairman on 3rd October 2022, the management communicated to the Cabinet Secretary for Roads and Transport – as the Appointing Authority in accordance with the Engineers Act of 2011 - requesting for appointment of a Chairman of the Board of Directors.</p>	<p style="text-align: center;">Not Resolved</p> <p>The Board has communicated to the appointing authority and is following up.</p>	<p style="text-align: center;">N/A</p>

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Board shall consist of - the chairperson who shall be appointed by the Cabinet Secretary from amongst the members appointed under paragraph (g). In the circumstances, Management and the appointing authority were in breach of the law.			
No. 6	<p>Unapproved Staff Bonus Payments</p> <p>The statement of financial performance reflects employee costs amounting to Kshs.101,003,977 as disclosed in Note 14 to the financial statements. Review of the Board's payrolls for the period under review revealed that bonus payments of Kshs.2,288,693 were paid to various staff of the Board in the month of August, 2022. Although management provided the performance contracting guidelines, evaluation by the Ministry of Public Service and Gender and the approval of the Board, the approval of the parent ministry was not provided. This is contrary to Circular No. OP/CAB9/21/2A/LII/43 dated 23 November 2004 which states that the approval of the parent ministry must be considered in making bonus payments. In the circumstances, Management was in breach of the regulations.</p>	<p>The Performance contracting guidelines for the financial year 2020/2021 sets out the basis for reward for exemplary performance.</p> <p>The payment of the 13th salary of Kshs 2,288,693/- was due to the EBK's exemplary performance - very good performance - as evaluated by the Ministry of Public Service and Gender for the 2020/2021 Performance contract. The payment was made based on the approved EBK Rewards, Recognition and Sanctions Policy and the approval of the Board of Directors.</p>	<p>Resolved.</p> <p>The Board received an approval from the Salaries and Remuneration Commission to pay Board and Staff Bonus.</p>	N/A
No. 7	<p>Delayed Implementation of the Enhanced Enterprise Resource Planning (ERP) System</p> <p>The Board entered into a contract with Kinetic Technology Limited on 6 September, 2021 for</p>	<p>Following the extension of the East Africa Regional Transport, Trade and Development Facilitation</p>	<p>Partially Resolved</p> <p>The Board is in the final stages of closing the ERP project.</p>	

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>provision of an ERP system at a contract sum of Kshs.11,698,463. The contract period was expected to be 120 days ending 6 January, 2022. The project was a donor funded project to be funded by East Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP) credit No 5638-KE) which is due to have expired on 31 December, 2023 based on the financing agreement although the contract was extended with one more year to 31 December, 2024. Review of the contract agreement revealed that as provided in Clause GCC 12.1(b), thirty percent (30%) of the total contract price was to be payable against issuance of the installation certificate under GCC clause 26. This payment was made on 19 January, 2023, one year and three months after the time the contract was signed. As at the time of the audit, the performance guarantee dated 16 August, 2021 and valid up to 01 August 2022 had expired. Further, it was observed that the Board did not have a valid contract with the consultant since the original contract had expired. Further, it was noted that there was delay in achievement of operation acceptance which was to be achieved within 120 days (6 January, 2022). This was observed through some manual operations of the Board in the financial year 2022/2023 since the ERP was not fully operational. In the circumstances, the delay in project implementation may lead to the Board not getting value for money on the delayed and incomplete project thus affecting service delivery to the public.</p>	<p>Project (EARTTDFP) credit No 5638-KE) to 31st December 2024, the Board is on course to have concluded the ERP development, installation & commissioning given that as at 30th June 2023, the Enhancement of the ERP was already at implementation stage with various modules already operational. The Board has engaged the vendor to complete the ERP as well as performance bond to ensure that Board's interests are secured.</p>		

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
No. 8	<p>Staff Under-Establishment</p> <p>Review of human resource records provided for audit revealed that the Board had an approved staff establishment of one hundred and twenty-one (121) officers. However, during the financial year under review only thirty-nine (39) officers were in post in various cadres which was equivalent to 32%, thus resulting to a shortfall of eighty-two (82) officers across the various staffing cadres due to underfunding of the Board. In the circumstances, there is a risk of the Board not being able to deliver on its mandate.</p>	<p>The board is implementing the approved three (3) year recruitment plan to fill its staff establishment. The implementation is being carried out in phases based on budgetary allocations and approvals from the Parent Ministry as well as the National Treasury. The recruitments have been done in a progressive manner and the percentage staff in post has increased to 42, representing a 35% increase.</p>	<p>Resolved</p> <p>The staff in post has increased progressively from 39 to 51 representing an increase from 32% to 42% after the recruitment of additional 12 staff members during the FY 2023/24.</p> <p>The Board had requested for National Treasury approval to recruit staff as per the recruitment plan. The Board is following up on the approval but due to the long turnaround period, the Board has engaged alternatives measures to meet its staffing.</p>	<p>Within three (3) years subject to increased budgetary allocation to ensure optimal staff compliment is recruited.</p>
No. 9	<p>Payment of Airtime Allowance</p> <p>A) Employees Paid Airtime Allowance above the Approved Rate</p> <p>Review of the Board's monthly payrolls revealed that Management paid four (4) employees airtime allowance above what is stipulated in the salaries and allowances entitlements for the Board by an amount of Kshs.63,785. No evidence was provided</p>	<p>The differences in the airtime allowance is because for the professional Engineers, the rate was picked at 5,000/- in order to attract and retain them which was a</p>	<p>Resolved</p> <p>The Board ceased payment of allowance based on advisory</p>	<p>N/A</p>

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the Issue to be resolved)
	<p>by Management to show that the overpayments of airtime allowances were recovered from the affected staff.</p> <p>B) Employees paid Airtime allowance less than the approved rate</p> <p>Further, review the Board's monthly payrolls revealed that Management paid eight (8) employees airtime allowance that was less than what is stipulated the salaries and allowances entitlements for the Board by an amount of Kshs.8,083. In the circumstances, Management was in breach of the Board's policy on payment of airtime.</p>	<p>challenge at the level of Senior Engineers. The Board approved the facilitation rate of 5,000/- for engineers at EBK 5 to attract and retain them.</p>	<p>from the Salaries and Remuneration Commission.</p>	
No. 10	<p>Non-Rotation of Board Members in the Board's Committees</p> <p>Review of the Board committee composition and available records revealed that various board members in various committees were not rotated based on the approved regulations. This is contrary to Annexure I, Part D - Section 11 of Mwongozo - The Code of Governance for State Corporations on Committees of the Board which states that the Board may, from time to time, rotate Board members between the committees.</p> <p>In the circumstances, the Board was in breach of the regulations.</p>	<p>The rotation and assignment of Directors to various committees has been hampered by the delayed appointment of the Chairperson. Directors of the current Board of Directors were reappointed for a second term in August 2022 while the Chairpersons term expired in October 2022. As per the Engineers Act 2011, the Chairperson is appointed by the Cabinet Secretary from amongst the members appointed under paragraph (g) thus the Board has been awaiting the appointment of a substantive Board</p>	<p><u>Resolved.</u></p> <p>The Board committees were reconstituted effective July 2024 as per the prevailing guidelines.</p>	N/A

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		Chairperson to facilitate the rotation of Committees.		
No. 11	<p>Unrealized Application Fees- Independent Review Fees</p> <p>The statement of financial performance reflects application fees amount of Ksh.35,387,960 related to application fees as disclosed in Note 7 to the financial statements which further includes independent review fees income of Kshs.2,249,820. The statement of performance against predetermined objectives for the financial year 2022/2023 indicates that the board conducted twenty (20) Independent Reviews on Engineering Programmes in six (6) Universities. The six (6) universities were invoiced a total amount of Kshs.6,000,000 for the independent reviews conducted. However, as at 30 June, 2023 only two (2) Universities had paid for the course accreditation of University Engineering programs while one (1) University had partially paid thus accounting for a total amount of Kshs.2,249,820 received during the year. Further, three (3) Universities had not paid the invoiced fees thus accounting for the unrealized application fees income of Kshs.3,750,180. In the circumstances, The Board is exposed to bad debts arising from non-collection of debts accruing from offering of accreditation services.</p>	<p>Following the court ruling of Civil Application no. 190 OF 2020 between Kenya Medical Laboratory Technicians & Technologists & 7 others v Attorney General; Commission of University Education & another (Interested Parties) [2020] eKLR and the amendment of the Universities Act (Section 5A) - that halted all professional bodies from carrying out the accreditation function. This meant that the Board had no legal impetus to demand/collect any payment from the several universities for accreditation services therefore becoming exposed to bad debts. The Board being a statutory regulator as part of its mandate to regulate engineering courses, maintain the integrity of the engineering profession and for public good, resolved to conduct independent reviews for recognition of engineering programmes as allowed for in Section 7(1)(i) of the Engineers Act 2011. Since one of the reasons for the Attorney General not approving any</p>	<p>Resolved</p> <p>Kenyatta University, settled its debt of Kshs. 1,200,000 on 15th February 2024.</p> <p>Murang'a University of Technology clarified that they are processing the payment.</p> <p>Technical University of Kenya has settled their debt of Kshs 1,800,000/-.</p> <p>The Board has also ensured strict adherence to the Engineers Rules 2019 whereby the independent review visits are carried out after the beneficially university has paid the applicable fees of Kshs. 300,000 per engineering degree course.</p>	<p>Within the current financial year 2024/2025</p>

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>MOUs for accreditation services between CUE and the professional regulatory bodies, was the cost implication whereby the CUE & EBK were to charge for dual accreditation. The Board was forced as part of the public good to conduct independent reviews without charging universities to ensure that graduate engineers can be registered by the Board thus being eligible for employment.</p> <p>It was later agreed between the Universities and the Board that the universities would still pay the cost of recognition of their programmes to enable the Board to defray the costs of conducting independent reviews hence the reason why invoicing universities for independent reviews was done after the review was under way.</p> <p>Following a meeting between the Head of Public Service, Professional Bodies, the Commission of University Education, it was agreed that a framework for recognizing of professional programmes be developed and that professional bodies continue with their mandate of accreditation.</p>		

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
No. 12	<p>Weak Internal Controls - Imprest Management</p> <p>Review of the Board's bank statements provided revealed that a total amount of Kshs.15,058,935 were withdrawn in cash from two (2) bank accounts operated by the Board on diverse dates. The withdrawals related to imprests paid to officers for various activities of the Board.</p> <p>Included in the balance of Kshs.15,058,935 cash withdrawals is an amount of Kshs.8,081,005 which was observed to be cash withdrawals relating to staff imprests exceeding the maximum petty cash limit of Kshs.100,000 per week contrary to Section 5.1 of the Board's Financial Policies and Procedures Manual on petty cash. Further, the cash withdrawals were for various payments instead of the payments being made to the respective payees contrary to the Board's Financial policies and procedures on bank & cash management.</p> <p>Review of records provided revealed that an amount of Kshs.12,841,802 was withdrawn from the Board's bank accounts as staff imprests and used to cater for various payments other than those approved under imprest utilization. The amounts withdrawn exceeded the petty cash withdrawal limit of Kshs.20,000 contrary to Section 5.3 of the Board's financial policies and procedures manual.</p> <p>In addition, review of the Board's cashbook and the bank statements revealed that various cash withdrawals through direct withdrawals and cheque encashments for various Board activities. It was</p>	<p>The management is always compliant with Government Regulations and Circulars issued from time to time. One of such directives is the requirement that foreign travel clearance for Board Members and CEO must be issued by the Head of Public Service. However following delays in approval which sometimes are granted one day before the actual date of the travel, which in a number of cases was on a Friday when the travel date was on Sunday. Given then short timelines to purchase foreign currency, it necessitated payments which cannot conveniently be made through the cash office or bank account as provided for under The Public finance Management Regulations. Further, the withdrawals that were directly expensed related to funds reimbursement for various expenditure items that had been incurred such as transport (airport transfer) costs, meals & refreshments, which had not been foreseen and thereby facilitated by the contingency allocation of the</p>	<p>Resolved</p> <p>The management has since taken the following actions to strengthen the internal controls related to imprests managements:</p> <ul style="list-style-type: none"> • Ensured that payments are drawn directly in favour of the officer. • No more issuance of cash advances of amounts beyond the stipulated limit. • Revised the EBK Finance and Accounts Policies and procedures manual to incorporate various payments modes and channels such as mobile money, internet banking, etc. that will greatly reduce instances of cash handling moving forward. 	N/A

ENGINEERS BOARD OF KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>observed that the withdrawals were not being recorded in the staff imprest register or ledgers indicating the staffs who received the funds for later surrender after the completion of the activities. Further, records revealed that the Board directly expensed the withdrawals in various expenditure items. It was not possible to confirm whether the cash advances were being supported by imprest warrants dully authorized by the accounting officer.</p> <p>In the circumstances, the effectiveness of internal controls in relation to imprest management could not be confirmed.</p>	<p>activities' approved budgets. However, all cash advances were supported by approved imprest warrants.</p>	<ul style="list-style-type: none"> Instituted controls to ensure all cash advances are supported by imprest warrants and are recorded in the imprest register for easier tracking of the surrender of the cash advanced. 	

Signed: 

Registrar/CEO

Date: 30-9-2024



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