

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

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**OF**

**THE AUDITOR-GENERAL**

**ON**

**KENYA ACADEMY OF SPORTS**

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

✓  
OFFICE OF THE AUDITOR GENERAL  
P.O. Box 30084 - 00100, NAIROBI  
KENYA  
REGISTRY

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**KENYA ACADEMY OF SPORTS**  
*Beyond sporting talent*

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**KENYA ACADEMY OF SPORTS**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDING  
JUNE 30, 2022**

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

***Kenya Academy of Sports***  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2022.**

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**Kenya Academy of Sports**  
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**1. Key Entity Information and Management**

**(a) Background information**

The Kenya Academy of Sports is a state corporation established under Section 33 of the Sports Act No. 25 of 2013. The institution is mandated to nurture and develop sports talent, train and capacity-build technical sports personnel as well as conduct and promote sports research to revitalise the industry for socioeconomic boost. Before inception of KAS the National Youth Talent Academy (NYTA) and the Kenya National Sports Institute (KNSI), entities supported by the Department of Sports jointly with the Ministry of Education and UNICEF carried out programmes that sort to identify, nurture and develop talent among the youth as well as train sports technical personnel.

The Academy is envisaged to be a highly specialized Institution for training both athletes and technical personnel as well as conducting research in sports.

**(b) Principal Activities**

- i. Establish and manage sports training academies
- ii. Organize, administer and coordinate sports courses for sports personnel
- iii. Promote research and development of talent in sports
- iv. Collect, collate, store and disseminate tangible and intangible historical sports material to the public, sport organizations, researchers and institutions of learning
- v. Receive and analyze data on training requirements from sport organizations
- vi. Partner with other institutions & organizations for regular updates on the current sports trends
- vii. Perform any other functions to achieve the aforementioned

**Vision**

“Global excellence in sports talent development”

**Mission Statement:**

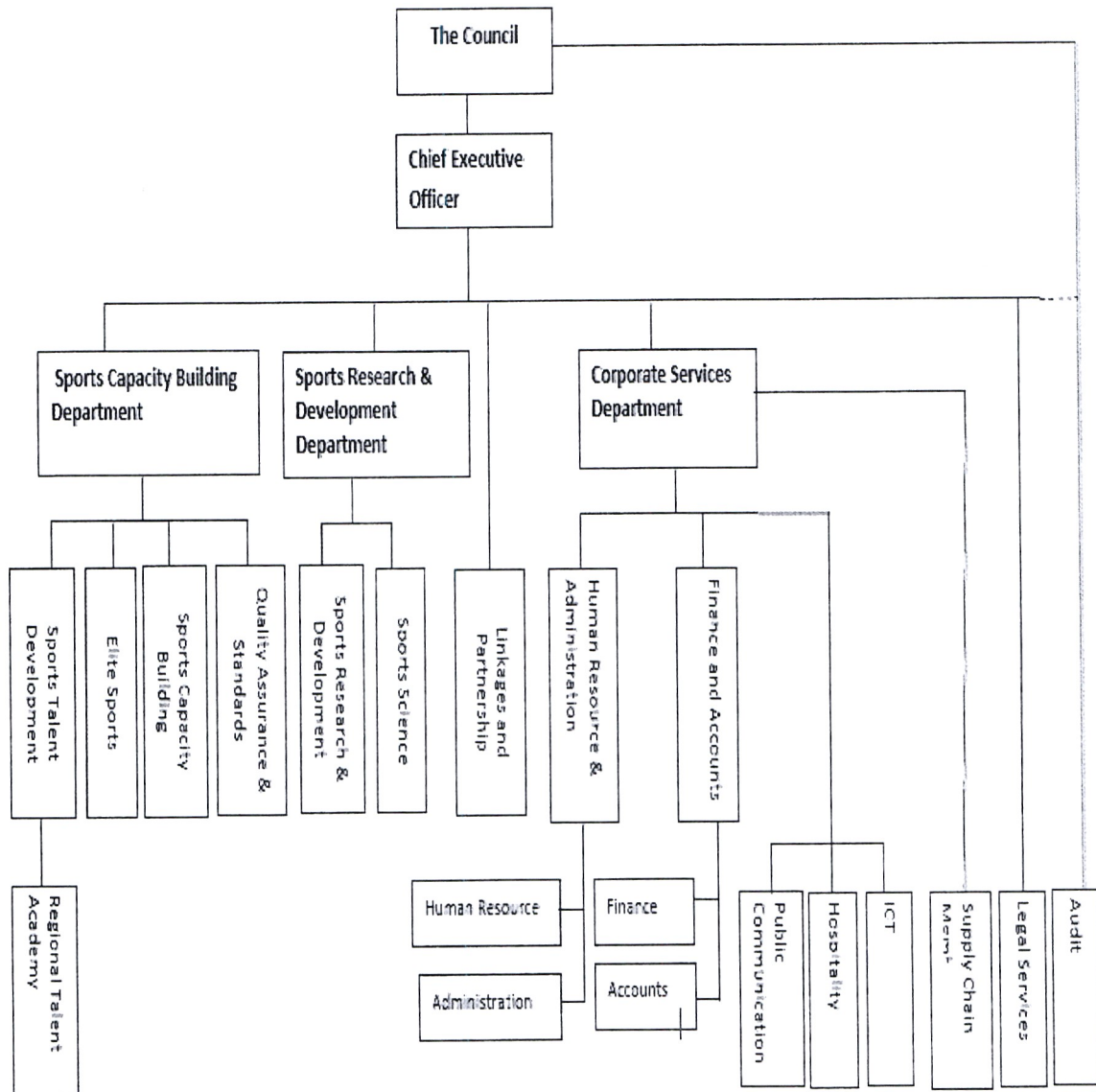
“To develop sports talents through establishment and management of sports academies, training and research for global competitiveness and sustainable socio-economic growth”

**Core Values**

1. Teamwork
2. Professionalism
3. Innovation
4. Collaboration
5. Meritocracy

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**(c) Key Management**



**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 20XX and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	<b>Dr. Doreen Odhiambo</b>
2.	Director Corporate Services	<b>Joyce Owiti</b>
3.	Director Research	<b>John Okwemba</b>
4.	Senior Manager Talent Development	<b>James Theuri</b>
5.	Head of Procurement	<b>Peter Kenyatta</b>

**(e) Fiduciary Oversight Arrangements**

- *Audit and Risk Committee*
- *Finance committee*
- *Parliamentary Oversight Committees*

**(f) Kenya Academy Headquarters**

P.O. Box 9056 - 00200  
Kenya Academy of Sports Complex  
Kasarani  
Nairobi, KENYA

**(g) Academy Contacts**

Telephone: (254) 020 2211460  
E-mail: [info@kas.or.ke](mailto:info@kas.or.ke)  
Website: [www.kas.or.ke](http://www.kas.or.ke)

**(h) Academy Bankers**

Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya

Kenya Commercial Bank

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Thika Road Mall Branch  
P.O Box 105514 – 0101 Jamia  
Nairobi, Kenya




**(i) Independent Auditors**

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




**(j) Principal Legal Adviser**

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




**2. The Council**

Ref	Directors	Details
1.	 Dr. Paul Tergat	D. o. B: 17/06/1969  Key Qualifications:  Work Experience: In Sports Fraternity  NOCK President  Date of Appointment: 08/02/2019  <b>Council Chairman</b>
2.	 Humphrey Khayange	D. o. B: 20/07/1982  MBA Chemistry  Former Captain Kenya Sevens Rugby Team  Work Experience  Member, Technical and audit and compliance committee Date of Appointment: 20/09/2018  <b>Independent Member</b>
3.	 Catherine Ndereba	D. o. B: 21/07/1972  Work Experience: Former world marathon Champion  Chairperson, Human Resource committee Date of Appointment: 08/02/2019  <b>Independent Member</b>

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4.		<p>D. o. B: 09/05/1973</p> <p>Member: NOCK</p> <p>Work Experience: Sports</p> <p>Committee Member: Finance and Investment : Human Resource and Training committee</p> <p>Date of Appointment: 20/09/2018</p> <p><b>Independent Member</b></p>
5.	Ahmed Mohamed	<p>D.o.B.</p> <p>Committee Member: Technical Committee</p> <p>Date of Appointment</p> <p><b>Independent Member</b></p>
6.	 <p>Asiya Mohamed</p>	<p>D.o.B.</p> <p>Committee Member: Human Resource and Training committee</p> <p>Date of Appointment</p> <p><b>Independent Member</b></p>
7.	 <p>Dr. Doreen Odhiambo, PhD</p>	<p>Date of Birth: 18<sup>th</sup> June, 1972</p> <p>Professional/Academic Qualifications: PHD in Sports Management, Post Graduate Certificate in Research:</p> <p><b>Chief Executive Officer</b></p>

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8.	 Dr. Walter Ongeti	D.o.B 01/05/1981  Rep: Ministry of Sports, Culture and Arts  Doctor of Philosophy – Business Administration  Technical Development and Safety Committee  Date of Appointment: 27/11/2020
9.	Joseph Onyango	Rep: AG’s Office  Committee Member: Finance and Investment,  Human Resource and Training Committee  Date of Appointment: 29/02/2022
10.	 Elizabeth Chepkemoi	Treasury Rep  Work Experience  Member, Finance and Investment, Audit and Compliance committees  Date of Appointment: 28/02/2022
11.	 Pius Metto	D.o.B: 24/05/1967  Director General: Sports Kenya  Member: Finance And investment, Audit and compliance, Compliance Date of Appointment: 07/01/2021

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**3. Management Team**

	Management	Details
1.	 Dr. Doreen Odhiambo	Chief Executive Officer Professional/Academic Qualifications:  PHD in Sports Management, Post Graduate Certificate in Research:
2.	 Joyce Owiti	Director Corporate Services Professional/Academic Qualifications:  Master of Business Administration
3.	 John Okwemba Ngotah	Director Research Professional/Academic Qualifications:  Master of Education – Curriculum Studies



#### **4. Chairman's Statement**

The Kenya Academy of Sports is a principal sports training and research institution established through the Sports Act of 2013 (Rev, 2019). The council has endeavoured to steer the Academy to greater heights by providing strategic leadership and exploring available opportunities for the institution to grow and positively impact the youth and the sports fraternity. The council has been steadfast in providing guidance towards the implementation of activities agreed upon between the Ministry, Council, and Management as charted in the annual Performance Contracts.

During the year, the Academy consolidated various gains. These include: Relocation of the Academy to the KAS Complex; Revision, approval, and operationalization of the KAS Human Resource 2022 instruments; Purchase of two motor vehicles; Hosting of the Second International Sports Conference; Development and launch of the Safeguarding Policy in Sports; Training of three officers at the IOC in Safeguarding in Sports; and undertaking successful training programs for athletes and sports technical personnel among other achievements.

Various challenges, however, faced the Academy during the year. They included suspension of sporting activities due to Covid-19 Pandemic, inadequate funding for the Academy's activities, inadequate staffing and delayed disbursement of funds from the National Treasury. Collective efforts to mitigate against these and other challenges are pivotal in unlocking the full potential of the Academy.

We appreciate all partners who have worked with the Academy in undertaking its functions. We thank the leadership of the Ministry of Sports Culture and Heritage which has enabled the Academy to undertake its mandate. We also appreciate the financial support received from the Sports, Arts and Social Development Fund for the activities of the Academy supplemented the National Treasury financing. As the Academy continues to undertake the establishment of regional and constituency sports academies across the country to identify, nurture and develop sports talent at the grassroots, support from all stakeholders remains fundamental.

  
CHAIRMAN   
Date: 21/03/2023

## **5. Report of the Chief Executive Officer**

Kenya Academy of Sports is a State Corporation established through the Sports Act, 2013 (Rev.2019). It became operational in 2014, having taken over the functions of Kenya National Sports Institute (KNSI) and National Youth Talent Academy (NYTA). The Academy's core mandate is to undertake sports talent development, training of technical sports personnel, and promotion of research in sports. By working in collaboration with other sports organizations and sports institutions, the Academy has developed the sports talent of many young people in various sports disciplines such as basketball, hockey, chess, volleyball, and Kabadi, among others. Further, in order to enhance provision of structured sports skills training, the Academy has developed curricula for six sports disciplines, namely athletics, basketball, cricket, golf football and volleyball. Various programmes and activities geared towards training and capacity-building of sports technical personnel were also conducted to augment sports performance.

The Academy successfully hosted its Second International Sports Conference, which converged Sports Professionals and Administrators from diverse backgrounds from within and outside the country for knowledge sharing and showcasing of innovations in sports. This was also an opportunity for KAS to launch the Safeguarding in Sports Policy aimed at enhancing safe sports in the Academy and its affiliates. Vital partnerships and collaborations were also forged, which are hoped to benefit the Academy and the entire sporting ecosystem in diverse ways.

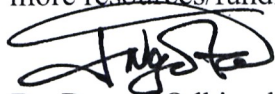
The Academy visited various renowned sports institutions in South Africa to benchmark the best practices in sports training and help concretize the sports academy concept as an avenue for sustainable elite sports performance. Similarly, the Academy is geared towards initiating exchange visits with other reputable sports institutions in Africa, Europe, and Asia. This will give KAS Management much-needed knowledge and experience to elevate the Academy to world-class status.

The Kenya Academy of Sports reviewed its HR instruments in line with the guidelines of the State Corporations Advisory Committee (SCAC), which thereafter received approval from SCAC. The KAS Council rolled out the implementation of the approved HR instruments including fully transitioning staff from the old structure to the new/ revised one, either as permanent and pensionable or on contractual terms as was applicable.

The Academy relocated to offices at the new KAS Complex and also purchased two vehicles. This will help to enhance efficiency and improve service delivery.

In the financial year 2021/2022, Kenya Academy of Sports had a total budgetary allocation of Kshs. 290,078,209. This included Kshs. 159,950,000 (Kshs. 105,400,000 and Kshs. 54,550,000 for recurrent and capital expenditures respectively) from the Exchequer and Kshs. 125,128,208 from Sport Arts and Social Development Fund

Sports talent development is a capital-intensive endeavour. It requires strategic investment in requisite infrastructural facilities, sports training as well as research. It is thus clear that the Academy requires more resources/funding in order to fully implement its mandate as provided in the Sports Act, 2013.



Dr. Doreen Odhiambo, PhD.  
CHIEF EXECUTIVE OFFICER

Date 21/03/2023

**6. Statement of Performance against Predetermined Objectives for FY 2021/22**

The Kenya Academy of Sports (KAS) has five Thematic Areas which constitute the foundation and pillars of growth as indicated in the strategic Plan 2018-2022. Against the thematic areas, five strategic issues (SI's) are stated to underscore the state of affairs associated therewith and warranting change. The strategic issues have goals and strategic objectives (SO's) themselves being expressions of the multiple levels of desired results. The Academy's Strategic Plan for the FY 2018 – 2022 has the following strategic model:

<b>Thematic Area/ Strategic Pillar</b>	<b>Strategic Issue</b>	<b>Strategic Objective</b>	<b>Key Performance Indicator</b>
Sports Academies	Inadequate sports infrastructure and qualified staff to undertake talent administration and management	To establish the headquarters, 15 academies and 10 branch offices over the plan period	<ul style="list-style-type: none"> <li>• Established headquarters and branch offices</li> <li>• Number of academies established</li> </ul>
		To fully operationalize the headquarters, academies and branch offices over the plan period	<ul style="list-style-type: none"> <li>• Adequate equipment and instruments of administration and management in place</li> <li>• Hire competent staff</li> </ul>
Sports Personnel	Inadequate and semi-skilled sport technical personnel	To increase the number of qualified sports technical personnel by 50% over the plan period	Number of qualified sports technical and administration personnel
		To increase the number of programs/courses for sports technical personnel by 50% by 2022	Number of programmes/courses conducted
Sports Athlete	Inadequate number of professionally trained and high performing athletes	To Increase the number of high performing athletes by 50% over the plan period	<ul style="list-style-type: none"> <li>• Increased number of high performing athletes trained</li> <li>• Increased number of mentorship programmes</li> <li>• Effective talent identification mechanisms</li> </ul>

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		To increase competitive sports talent disciplines from by 20 over the plan period	<ul style="list-style-type: none"> <li>Increased number of competitive sports disciplines</li> </ul>
		To increase the number of medals and awards accrued over the plan period by Strategic Plan 2016-2022 65 50%	<ul style="list-style-type: none"> <li>Increased number of medals and awards</li> </ul>
Sports Research and Knowledge	Inadequate research, knowledge and linkages in sport talent development	To increase research findings for sports talent development in at least seven disciplines by 2022	The number of research findings realized
		To increase knowledge and information accessible for sports talent development	<ul style="list-style-type: none"> <li>Increased information and knowledge accessible on sports talent development</li> <li>Increased number of research linkages and collaboration actualized</li> </ul>
Institutional Capacity	Inadequate institutional capacity	To fully enhance effective and efficient financial management by 2022	<ul style="list-style-type: none"> <li>Enhanced financial management</li> <li>Adequate financing of KAS programmes</li> </ul>
		To enhance Human Capital up to 70% of organizational needs by 2022	<ul style="list-style-type: none"> <li>Increased KAS' human resource capacity</li> </ul>
		To increase infrastructural capacity over the next seven years	<ul style="list-style-type: none"> <li>Adequate office space for staff</li> <li>Increased infrastructural facilities</li> </ul>
		To enhance collaboration, liaison and consultation with stakeholders by 80% in seven years	<ul style="list-style-type: none"> <li>Increased collaboration, consultation and communication with stakeholders</li> </ul>

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The Kenya Academy of Sports develops its annual work plans based on the above thematic areas/strategic pillars. Assessment of the Council's performance against its annual work plan is done on a quarterly basis. The Academy continued to perform relatively poor due to the effects of corona virus (Covid-19) which occasioned suspension of sporting activities across the country till late in the financial year. Similarly, the Academy continues to experience serious underfunding especially for its core mandate programmes. In the Financial Year under review, the Academy expected enhanced funding from the Sports, Arts and Social Development (SASDF) for core mandate programmes, however, the funding did not materialise which affected the performance of set targets as per the 5 thematic areas/strategic pillars, as indicated in the diagram below:

<b>Strategic Pillar</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
Sports Academies	<ul style="list-style-type: none"> <li>i. To complete Phase 1 construction of the Academy Complex;</li> <li>ii. To complete Phase 1B construction of the Academy hostel building</li> <li>iii. To initiate the establishment of 10 Sports Training Academies</li> </ul>	<ul style="list-style-type: none"> <li>i. 100% completion of Phase I of KAS Complex</li> <li>ii. Five usable playgrounds</li> <li>iii. 100% completion of KAS hostel building</li> <li>iv. 10 sports training academies established</li> </ul>	<ul style="list-style-type: none"> <li>i. Supervision and monitoring of construction works;</li> <li>ii. Regular site visits &amp; inspection;</li> <li>iii. Preparation of progress reports</li> </ul>	<ul style="list-style-type: none"> <li>• Phase One construction attained practical completion. Certificate of Practical Completion issued.</li> <li>• Phase 1B of KAS hostel building attained 45% completion</li> <li>• Establishment of 10 sports training academies initiated.</li> </ul>
Sports Personnel	To train 300 coaches and referees in different sports disciplines	Number of coaches & referees trained	<ul style="list-style-type: none"> <li>i. Organisation</li> <li>ii. Advertisement, selection and admission</li> <li>iii. Training</li> <li>iv. Certification and accreditation</li> </ul>	379 coaches & referees trained
Sports Athlete	To recruit and train 2,500 talented children and youth in	Number of trained athletes	<ul style="list-style-type: none"> <li>• Conducting recruitment exercises</li> <li>• Admission of recruits into respective cohorts</li> </ul>	2,398 offered training in 5 sports disciplines at different levels

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	various sports disciplines.		<ul style="list-style-type: none"> <li>• Conducting training</li> </ul>	
Sports Research and Development	<ul style="list-style-type: none"> <li>i. Conduct 2 studies and 1 nationwide research on sports talent development</li> <li>ii. Collaborate with 3 sports research institutions</li> <li>iii. Publish 2 research articles</li> <li>iv. Host a research conference</li> <li>v. Conduct 6 comparative studies on sports talent development</li> <li>vi. Create a sports database</li> </ul>	<ul style="list-style-type: none"> <li>i. Number of baseline study and research conducted</li> <li>ii. Number of collaborations established</li> <li>iii. Number of articles published</li> <li>iv. Number of conferences hosted</li> <li>v. Number of comparative studies conducted</li> <li>vi. Sports database created</li> </ul>	<ul style="list-style-type: none"> <li>i. Conducting research</li> <li>ii. Organisation and coordination of conference logistics</li> <li>iii. Writing and publishing articles in research journals</li> <li>iv. Organising, coordinating and implementing the conference hosting</li> <li>v. Collecting, collating and assessing data</li> <li>vi. Engaging experts, designing and installing systems</li> </ul>	<ul style="list-style-type: none"> <li>• One research survey conducted</li> <li>• The annual research conference 2021/22 hosted</li> <li>• Creation of database initiated</li> <li>• Collaboration with research institutions initiated</li> <li>• One Comparative study undertaken</li> </ul>
Institutional Capacity	<ul style="list-style-type: none"> <li>i. To increase KAS funding</li> <li>ii. To increase KAS staffing levels</li> <li>iii. To strengthen institutional policy framework</li> </ul>	<ul style="list-style-type: none"> <li>i. Amount of funds mobilized</li> <li>ii. Number of new staff competitively recruited</li> <li>iii. Number of institutional policy documents developed</li> </ul>	<ul style="list-style-type: none"> <li>i. Develop funding proposals and seek partnerships;</li> <li>ii. Seek necessary approvals for recruitment;</li> <li>iii. Seek additional funding for recruitment of staff</li> <li>iv. Develop key institutional policies</li> </ul>	<ul style="list-style-type: none"> <li>• Managed to lobby additional funding from SASDF for completion of KAS hostel building</li> <li>• Additional Staff recruited</li> <li>• Key policy documents developed and approved</li> </ul>

## **7. Corporate Governance Statement**

Kenya Academy of Sports is governed by a Council comprising of 11 members. The Council members are appointed in a transparent and formal process which takes into consideration the mix of skills and competencies required for the achievement of KAS long term goals. The Chairperson is appointed by the President while the Council members are appointed by the CS in charge of Sports. The members of the Council are appointed for a term of 3years. However, the Council may recommend the removal of a member based on non-performance, non-attendance of meetings, unethical conduct or as set out in any constitutive documents or applicable law.

### **The Council**

The KAS Council exercises its mandate independently and objectively. It is headed by a Chairman, five independent members and five other members representing various offices i.e. Principal Secretary State Department for Sports, Inspectorate of State Corporation, The National Treasury, Sports Kenya and Attorney Generals Chambers.

### **Board Charter**

To enable the Council carry out its strategic oversight function effectively, a Board Charter has been developed. This key document provides members with an opportunity to think creatively and critically about their strategic and operational plans. The charter also defines the Council's roles, responsibilities and functions. Further the charter defines the separation of roles, functions, responsibilities and powers of the Council in its relation with individual members. In order to move in tandem with the changing times, the Council reviews the charter annually or as the need arises and makes the document available.

### **Role of the Council**

The Council performs several tasks including:

- Determining the organisations mission, vision and core values.
- Setting and overseeing the overall strategy and approving significant policies of KAS.
- Ensuring that the Strategy is aligned with the purpose of KAS and the legitimate interests and expectations of its stakeholders
- Approving the organisational structure and annual budgets
- Monitoring KAS performance and ensuring sustainability,
- Enhancing KAS corporate image
- Ensuring availability of adequate resources for the achievement of KAS objectives.
- Ensuring effective communication

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**Meetings**

Council meetings are held at least four times a year and not more than four months' elapse between the date of one meeting and the date of the next meeting. A schedule of the dates of meetings are agreed upon by the council members and set out in the council work plan.

In the financial year ending 30th June, 2022 the Council held 1 committee meetings and 6 full Council meetings.

**Council Renumeration**

KAS follows a formal, and transparent, fair and ethical remuneration system which stipulates the elements of each Member's fees and attendance allowances.

## **8. Management Discussion and Analysis**

The management of Kenya Academy of Sports is led by the Chief Executive Officer who is answerable to the Council. Currently, the Academy has three Directorates namely: Talent Development, Sports Research and Corporate Services headed Directors who report to the CEO.

The Chief Executive Officer provides leadership and oversees the day to day running of the Academy. Additionally, the CEO is responsible for the execution and communication of the Board's strategies, decisions and policies. Being the link between the Academy and the Council, the CEO is responsible to oversee the implementation of the objectives of KAS.

The Directorate of Talent Development is responsible for the development of norms and standards for talent identification and development to meet international standards. Under this directorate, the capacity building of sports technical personnel is carried out in liaison with sports federations/associations so as to produce coaches/referees/umpires and sports administrators of global calibre. To actualize its goals, this directorate establishes partnerships and collaborations with institutions of higher learning, corporate institutions and government agencies.

Among the recent important activities of KAS, is the proposed establishment of constituency sports academies with the aim of tapping grassroots talent. For the last five years, the directorate has achieved the following:

1. Trained 6,640 athletes;
2. Trained 1,000 sports technical personnel and sports administrators;
3. Initiated the development of training curricula for athletes in 5 sports disciplines;
4. Issued over 4,000 chessboards since 2016 to counties and schools.

Under development, the Academy completed Phase one construction of its complex which contains Hostel blocks to 1st floor, two football pitches, two basketball courts and one rugby pitch. The Academy engaged a contractor for Phase 1B construction works which includes; completion of internal works for hostel building from 2nd floor to 7th floor and perimeter wall & gate around KAS Complex. The Academy further plans to establish regional academies in 10 regions.

The Directorate of Corporate Services plays the key role of offering support services in the areas of finance, accounts, human resource and administration, public communication, information technology and hospitality. The directorate is therefore responsible for developing, formulating and advising on all policy issues on the areas mentioned above.

The Directorate undertook the development and or review of the following policy documents:

1. Human Resource Manual

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2. Career progression guidelines
3. Organizational structure and staff establishment
4. The strategic plan 2022-2027
5. Customer Service Charter
6. Project Management Policy
7. Safeguarding in Sports Policy
8. Gender Mainstreaming Policy
9. Disability Mainstreaming Policy
10. Performance Appraisal Tools
11. Resource Mobilisation Policy

The Sports Research Directorate pursues to enhance sports performance through well guided and scientifically approved methods. Considerable work has been done in the area of collaboration and research. In 2017 the Directorate partnered with Kenyatta University to conduct pre-games symposium in which international sports personalities attended and exchanged useful information. Additionally, the Directorate has conducted research and surveys in the following areas:

1. Needs assessment on safeguarding in sports
2. Baseline survey on safeguarding in sports

Linkages and partnerships plays a vital role in connecting KAS to like-minded organizations in the corporate and academic circles. Quite a lot has been done in this area where partnerships and collaborations have been forged i.e. there has been a longstanding working relationship between KAS and the following:

1. UNICEF
2. GIZ
3. Kenyatta University
4. University of Nairobi
5. Ministry of Education
6. Communication Authority
7. County Governments
8. UNESCO

Under this division many MOU's have been signed all aimed at enhancing the academy's capacity to develop the sporting potential of the Kenyan youth.

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The Academy continues to encounter reduced resource allocation hitherto hindering performance and implementation of its core mandate. To address this challenge, the Academy continues to engage the Sports, Arts & Social Development Fund with the aim of attracting more financial resources.

## **9. Environmental and Sustainability Reporting**

KAS exists to transform lives through the identification, nurturing and development of sports talent. Our driving force is to enhance sports performance and promote socio-economic growth through sports. It is what guides us to deliver our strategy, putting the Citizen first, delivering relevant services, and improving operational excellence. Below is an outline of the organization's policies and activities that promote sustainability:

### **i) Sustainability strategy and profile**

KAS recognizes that establishing partnerships as guided by the Government's PPP policy is a key strategy for creating sustainability. KAS strives to attract both domestic and international private sector investment to help address the deficit in infrastructure and service delivery

### **ii) Environmental performance**

All KAS infrastructure development projects comply with Government regulations on environmental protection. Further, the Academy contributes to Kenya's INDC Climate Change Mitigation strategy to achieve 10% tree cover, and promotes biodiversity conservation, by intentionally planting 500 indigenous trees in the financial year 2021/2022.

### **iii) Employee welfare**

The KAS council has endeavoured to create an enabling environment for the welfare of staff by:

Development of the Human Resource Manual  
Promoting bonding sessions for staff

### **iv) Market place practices-**

The organisation should outline its efforts to:

#### **a) Responsible competition practice.**

- **Award Criteria:** Stating in the tender document or notice all the criteria the institution intends to apply to award the contract. The procedures used, the specifications chosen, and the selection and award criteria applied can all be monitored through this transparency requirements.
- **Awarding to the reserved groups and promotion of local content:** This involves allocating at least 30% of the procurement budget in every financial year to Youth, Women and PWD. To ensure the sustainable promotion of local industries, the Kenya

Academy of Sports allocates at least 40% of the procurement budget to locally made products.

- **Publicity:** Advertising procurement procedure on the available channels e.g using Public Procurement Information Portal (PPIP) to ensure that the institution is not able simply to contact those tenderers with whom they would prefer to deal.
- **Providing Avenues for challenging procurement process:** This involves putting in place channels for challenging the bidding process. This ensures bidders have the right to challenge the bidding process whenever they feel that they were unfairly treated. Such challenges are based on the procurement legal framework.
- **Ethics:** These are the moral principles that govern the conducting of an activity. Competitive procurement ensures fair and ethical treatment of Bids from suppliers. The Academy allows parties to submit a bid for a job, complete with all required documentations to compete fairly for jobs to avoid conflicts i.e selecting suppliers from prequalified list to compete for a tender.
- **Privacy of Information:** One of the fundamentals of any procurement process is confidentiality of information exchanged between a bidder and a contracting authority. The Kenya Academy of Sports ensures protection of commercially sensitive information which is disclosed to the public. This also ensures that none of the bidders abuse the system by knowing contents of the bids submitted by others and thus compromising the competitive process.

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

Supplier relations help to determine the value each supplier provides and which ones are most critical to organizational continuity and performance. The supply chain and supplier relations enable the organization to cultivate better relationship with suppliers based on each supplier importance.

- **Promoting Clear, Consistent Communication.**

Clear and consistent communication is foundational in business relationships. To build effective and long-term relationships with suppliers, buyers/procuring Academy must communicate with the suppliers on the basis of an equal partnership. The Kenya Academy of Sports provides proper channels for communication and feedbacks from the stakeholders.

- **Leverage Technology for Mutual Benefit.**

Effective technological platform that supports and promotes efficiency and transparency e.g. self-service portal that enables the vendor to view purchased orders, update contact information, submit invoice and respond to request for quotation.

- **Regularly Review Deliverable and Performance.**

Regularly reviewing the performance of the suppliers promoting vendor accountability and helps to reduce the cost and improve customer participation. By outlining supplier expectations, and sharing the results with the team, the Academy provides the vendor with regular feedback this can be used to exceed expectations and deliver additional value.

- **Paying Suppliers on Time.**

The Academy ensures that suppliers are paid on time. This has proven that the institution is reliable to the customers and that they are able and easy to work with. Suppliers like timely payment just like the institution, like timely action on their side.

- **Clear Plan for Issue Resolution.**

Outlining plan for issue resolution ahead of time to provide timely resolution with minimum disruption to the operations.

- **Using detailed Agreements.**

Writing down everything that both parties expect from the partnership such as item/service description, delivery terms, payment terms and communication reduces the possibility of confusion or possible disputes.

- **Evaluating the Risks**

Evaluating the risk of dealing with a supplier especially for complex goods and services. Asking for references /years in business, areas of expertise and how they deal with crisis. By evaluating the suppliers, the Academy can mitigate the risks and be ready to deal with any emergencies in partnership with the suppliers, which can help minimize interruptions to the institution's operations.

**c) Responsible marketing and advertisement**

Organisation can promote ethical marketing practices by promoting fairness, social responsibility, empathy and honest by following ethical standards. Efforts to maintain ethical marketing practices include;

### **1. Transparency**

This is a marketing concept that refers to the degree to which an organisation shares its leader, employees, values, culture, strategy, business process and the results of those process with its public/stakeholders. Kenya Academy of Sports showcase transparency in terms of sharing information which is verified and true in its media platforms. Sharing with the public, the history and operations product output to the last detail without hiding anything. Transparency is also achieved when the Academy address issues resulting from their operations which come as complaints from its consumers/stakeholders. A complaint register and suggestion box has been put in place for such purposes.

### **2. Integrity**

This is a practice of being honest and showing consistent and uncompromising adherence to strong moral and ethical principles and values. The Kenya Academy upholds integrity in its operations as a sports institutions by keeping employees adequately informed about issues in the institution. This can also be traced where the Academy upholds its promises and commitments especially to stakeholders' e.g suppliers by paying their dues after completion of a job. The Academy follows up on misconduct and holds accountable those who violate standards and guidelines in the workplace.

### **3. Protecting Consumer Data and Privacy.**

Consumers are becoming increasingly concerned about entrusting their data with organisations. The Academy has put in place measures that protects endpoints against external threats by using capabilities of cutting edge security technology that can protect against ransom ware, data breaches and malware.

### **4. Responding meaningfully to consumer concerns.**

Customer response is very important aspect for all organisations to create good working relationship satisfaction and loyalty. Kenya Academy of Sports through inquiry emails, social media handles and accessible website is able to do follow up and respond to customers/stakeholders needs accordingly. Complain books and suggestion books within the institution has facilitated the exchange of information and knowledge, and develop relationship with others.

#### **d) Product stewardship**

The Kenya Academy of Sports as a State Department is mandated to identify, nurture and develop Sports Talent among Youth in Kenya as well as train Sports Technical Personnel.

***Kenya Academy of Sports***  
**Annual Report and Financial Statements**  
**for the year ended June 30, 2022.**

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The Kenya Academy of Sports has consumers that benefit from its operations. These Consumers include:

1. Athletes,
2. Sports Technical Personnel(i.e. coaches, managers)

These listed consumers are the major consumers of the Kenya Academy of Sports and as such have rights and interests that apply to them. In our capacity as the Kenya Academy of Sports, we have an obligation to safeguard those interests and rights. The rights of our consumers include:

- i. Right of access to information
  - ii. Right to safety
  - iii. Right to clean and healthy environment
  - iv. Right to service
- **Right of access to Information-** The Kenya Academy of Sports ensures this is met by making information pertaining to the institution and its operations available on the websites and social media handles. This is achieved through procurement of competent web hosting services that enable the organization display in detail all the information that is relevant to the institution and the public.
  - **Right to safety** – Safety is an important aspect in operations of an organization. The Kenya Academy of sports contracts services of skilled and well organized security service providers to provide security around the premises. In ensuring that sports equipment and resources for daily operations are stored properly, the Academy has put in place burglar proofed windows and doors to curb theft.
  - **Right to Clean and healthy environment** – The Kenya Academy of Sports has engaged services of cleaning companies to keep the work environment clean and suitable for operations as well as enforcing Covid 19 protocols and guidelines as instructed by the government.
  - **Right to Service-** The Kenya Academy of Sports is tasked with identifying, nurturing and developing sports talent among youth as well as train and capacity build technical sports personnel. The Academy therefore sources for services of competent trainers qualified and certified by the Kenya National Qualification Authority to facilitate training of technical sports personnel who in turn train athletes and potential athletes in a bid to achieve our mandate. The service charter clearly expresses guidelines, responsibilities of consumers and the responsibilities of the Academy in offering services. The Kenya Academy of Sports in its capacity to deliver, ensures quality and standard Services, goods and works that meet required levels fit for consumption to safeguard consumer rights and interests.

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

The Kenya Academy of Sports uses its resources to help those in need. KAS staff participated in the Standard Chartered Nairobi Marathon, which is a charity event that raises funds to tackle inequalities and promote economic inclusion for the younger generation. The Academy also distributed hygiene kits to pupils and 23 balls to schools in informal settlements.

**Kenya Academy of Sports**  
**Annual Report and Financial Statements**  
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**10. Report of the Directors**

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

**Principal activities**

The principal activities of the Kenya Academy of Sports are -:

- a) Establish and manage sport's training academies;
- b) Organize, administer and co-ordinate sports courses for technical and sports administration personnel;
- c) Promote research and development of talent in sports, in collaboration with institutions of higher learning, national sports organizations and other stakeholders;
- d) Collect, collate, store and disseminate tangible and intangible historical sports material to the public, sports organizations, researchers and institutions of learning;
- e) Receive and analyse data on training requirements from sports organizations;
- f) Link with other institutions and organizations for regular updates on the current sports trends; and
- g) Perform any other function that may directly or indirectly contribute to the attainment of the foregoing.

**Vision**

Global excellence in sports talent development.

**Mission**

To develop talent through establishment and management of sports academies, training and research for global competitiveness and sustainable socio-economic growth.

**Results**

The results of the Kenya Academy of Sports for the year ended June 30, 2022 are set out on pages 1-29

**Directors**

The members of the Board of Directors who served during the year are shown on page vii. During the year/period ended June 30, 2022 no director has retired or resigned.

**Auditors**

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

By Order of the Board

  
.....

Name *Sharon Muthoni Muthuri*

**Corporate Secretary/Secretary to the Board**

### 11. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 require the Directors to prepare financial statements in respect of Kenya Academy of Sports, which give a true and fair view of the state of affairs of the Kenya Academy of Sports at the end of the financial year and the operating results of Kenya Academy of Sports for that year. The Directors are also required to ensure that Kenya Academy of Sports keeps proper accounting records which disclose with reasonable accuracy the financial position of Kenya Academy of Sports. The Directors are also responsible for safeguarding the assets of Kenya Academy of Sports.

The Directors are responsible for the preparation and presentation of the Kenya Academy of Sports' financial statements, which give a true and fair view of the state of affairs of the Academy for and as at the end of the financial year ended on June 30, 2022. This responsibility includes:


- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Academy;
- (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 Kenya Academy of Sports;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.


The Directors accept responsibility for Kenya Academy of Sports' financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Directors are of the opinion that Kenya Academy of Sports' financial statements give a true and fair view of the state of Kenya Academy of Sports' transactions during the financial year ended June 30, 2022, and of Kenya Academy of Sports' financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for Kenya Academy of Sports, which have been relied upon in the preparation of the Academy's financial statements as well as the adequacy of the systems of internal financial control.

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

#### Approval of the financial statement

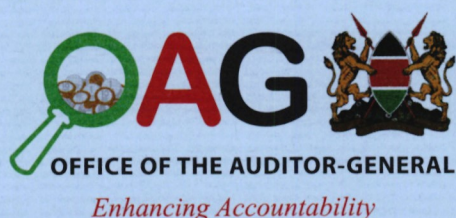
The Academy's financial statements were approved by the Council on 26/9/2022 and signed on its behalf by:

Signature   
Name Humphrey Kumpunge  
Chairperson of the Council

Signature   
Name Dr. Doreen Odhiambo  
Accounting Officer

# REPUBLIC OF KENYA

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



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

## REPORT OF THE AUDITOR-GENERAL ON KENYA ACADEMY OF SPORTS FOR THE YEAR ENDED 30 JUNE, 2022

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Kenya Academy of Sports set out on pages 1 to 31, which comprise of the statement of financial position as at 30 June, 2022 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenya Academy of Sports as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Sports Act, 2013

### **Basis for Qualified Opinion**

#### **1. Property, Plant and Equipment**

The statement of financial position and as disclosed in Note 12 to the financial statements reflects property, plant and equipment balance of Kshs.1,305,075,457. However, the following unsatisfactory issues were noted;

##### **1.1 Incomplete Fixed Assets Register**

The fixed assets register provided for audit in support of the property, plant and equipment balance was not complete. Further, the office furniture, fittings and computers were not tagged for identification purposes.

##### **1.2 Lack of Land Ownership Documents**

The property, plant and equipment balance excludes the value of land in which the office building is erected, while proof of ownership could not be established for the lack of title deed.

In the circumstances, the accuracy, ownership and presentation of the property, plant and equipment balance of Kshs.1,305,075,457 as at 30 June, 2022 could not be confirmed.

#### **2. Cash and Cash Equivalents**

The statement of financial position and as disclosed in Note 7 to the financial statements reflects cash and cash equivalents balance of Kshs.178,743,558. However, review of bank reconciliation statements for Recurrent Account at Kenya Commercial Bank revealed stale cheques totaling to Kshs.4,146,938 some dating back to 2017/2018 financial year which had not been written back in the cash book. No explanation was given for the failure to update the cash book.

In the circumstances, the accuracy and fair statement of the cash and cash equivalents balance of Kshs.178,743,558 as at 30 June, 2022 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Academy of Sports Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities

in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were key audit matters to report in the year under review.

### **Other Matter**

#### **1. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.290,689,437 and Kshs.287,931,984 respectively resulting to an under-funding of Kshs.2,757,453 (or 1%) of the approved budget. Similarly, the Academy expended Kshs.268,756,419 against an approved budget of Kshs.304,435,000 resulting to an under-expenditure of Kshs.35,678,581 (or 13%) of the budget.

The underfunding and underexpenditure affected the planned programmes and activities which may have impacted negatively on effective and efficient service delivery to the public.

#### **2. Unresolved Prior Year Matters**

In the audit report of the previous year, a number of paragraphs were raised. However, Management has not resolved and disclosed all the prior year matters as provided by the Public Sector Accounting Standards Board templates. Management has not provided satisfactory explanation for the delay in resolving the issues.

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

### **Conclusion**

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

### **Delay in Completion of Project**

The statement of financial position and Note 12 to the financial statements reflects property, plant and equipment balance of Kshs.1,305,075,457. The balance includes buildings (WIP) amount of Kshs.1,284,001,714 which relates to the construction of phase I of International Sports Academy building. The contract for Phase 1 was signed on 28 July, 2018 with expected completion date of 30 March, 2020. However, physical verification on 28 February, 2023 revealed that Contractor was still on site and the work

was 80 percent complete with no extension of time granted. No explanation was given for the delay in completion of the Project.

In the circumstances, the value for money realized from the expenditure of Kshs.1,284,001,714 incurred on the delayed Project could not be confirmed.

### **Basis for Conclusion**

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the

activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Academy to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

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

**Nairobi**

**24 April, 2023**

**Kenya Academy of Sports  
Annual Report and Financial Statements  
for the year ended June 30, 2022.**

**13. Statement of Financial Performance for the year ended 30 June 2022**

	Notes	2021-2022	2020-2021
Income from Non-Exchange Transactions		Kshs	Kshs
GOK Grants	1.(a)	173,304,959	92,288,588
Unicef Grant	1.(b)	-	5,201,750
		<b>173,304,959</b>	<b>97,490,338</b>
<b>Income from exchange transactions</b>			
Conference fee	2.(a)	611,228	982,748
Other Income	2.(b)		
Sale of Tender Docs		-	-
		<b>611,228</b>	<b>982,748</b>
<b>Total revenue</b>		<b>173,916,187</b>	<b>98,473,086</b>
<b>Expenditures</b>			
Employee costs	3.	48,268,557	34,262,497
Remuneration of Board	4.	9,207,031	4,737,142
Use of goods and services	5.	97,265,034	62,522,675
Depreciation Expense	6.	2,035,497	-
		<b>156,776,118</b>	<b>101,522,314</b>
<b>Surplus/(Deficit) for the period</b>		<b>17,140,069</b>	<b>(3,049,228)</b>

The notes set out on pages 9 to 29 form an integral part of these Financial Statements.

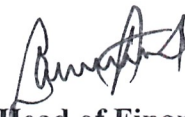
The Financial Statements set out on pages 1 to 8 were signed on behalf of the Board of Directors by:



Accounting Officer

Name: Dr. Doreen Odhiambo

Date 21/03/2023



Head of Finance

Name Raphael Abonyo

ICPAK Member Number:

Date 21/03/2023



Chairman of the Board

Name: Humphrey Kiprono

Date 21/03/2023

**Kenya Academy of Sports**  
**Annual Report and Financial Statements**  
**for the year ended June 30, 2022.**

**14 Statement of Financial Position as at 30 June 2022**

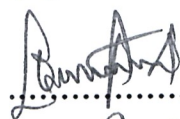
	Notes	2021-2022	2020-2021
Assets		Kshs	Kshs
<b>Current Assets</b>			
Cash and Cash Equivalents	7.	178,743,558	154,865,033
Accounts Receivables	8.	6,545,376	6,545,376
<b>Total Current Assets</b>		<b>185,288,934</b>	<b>161,410,409</b>
<b>Non Current Assets</b>			
Property plant and Equipment	12.	1,305,075,457	1,193,095,157
<b>Total Non Current Assets</b>		<b>1,305,075,457</b>	<b>1,193,095,157</b>
<b>Total Assets</b>		<b>1,490,364,391</b>	<b>1,354,505,566</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payables from Non -exchange transactions	10.	3,303,635	1,358,128
<b>Total Liabilities</b>		<b>3,303,635</b>	<b>1,358,128</b>
<b>Net Assets</b>			
Surplus / (Deficit) for the year	11.	19,042,350	1,902,281
Capital Reserve	1.(c)	1,468,018,407	1,351,245,157
<b>Total Net Assets</b>		<b>1,487,060,756</b>	<b>1,353,147,438</b>
<b>Total Liabilities &amp; Net Assets</b>		<b>1,490,364,391</b>	<b>1,354,505,566</b>

The financial statements set out on pages 1 to 8 were signed on behalf of the Board of Directors by:



Name **Dr. Doreen Oluwande**  
**Accounting Officer**

Date **21/03/2023**



Name **Raphael Abonyo**  
**Head of Finance**

ICPAK Member Number:

Date **21/03/2023**



Name **Humphrey Keeyango**  
**Chairman of the Board**

Date **21/03/2023**

**Kenya Academy of Sports**  
**Annual Report and Financial Statements**  
**for the year ended June 30, 2022.**

**15 Statement of Changes in Net Assets for the year ended 30 June 2022**

	Attributable to the Kenya Academy of Sports				TOTAL
	Self insurance reserve	Reserves	Revaluation Reserves	Accumulated surplus	
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Balance as at 1 July 2020</b>	-	1,131,592,072	-	4,951,509	1,136,543,581
Surplus/(deficit) for the period	-	-	-	(3,049,228)	(3,049,228)
Transfers to/from accumulated capital	-	1,131,592,072	-	-	1,131,592,072
Transfer of excess depreciation on revaluation	-	-	-	-	-
Grants received during the year	-	219,653,085	-	-	219,653,085
Revaluation gain	-	-	-	-	-
<b>Balance as at 30 JUNE 2021</b>	-	<b>1,351,245,157</b>	-	<b>1,902,281</b>	<b>1,353,147,438</b>
<b>Balance as at 1 July 2021</b>	-	<b>1,351,245,157</b>	-	<b>1,902,281</b>	<b>1,353,147,438</b>
Surplus/(Deficit) for the period	-	-	-	17,140,069	17,140,069
Transfers to/from accumulated surplus	-	-	-	-	-
Transfer of excess depreciation on revaluation	-	-	-	-	-

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Grants received during the year		116,773,250				116,773,250
Revaluation gain			-			-
<b>Balance as at 30 JUNE 2022</b>		<b>1,468,018,407</b>			<b>19,042,350</b>	<b>1,487,060,756</b>

*Note:*

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**16. Statement of Cash Flows for the year ended 30 June 2022**

		2021-2022	2020-2021
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Government grants and subsidies	1.(a)	173,304,959	92,288,588
Unicef Grant	1.(b)	-	5,201,750
Rendering of services	2.(a)	611,228	982,748
<b>Total Receipts</b>		<b>173,916,187</b>	<b>98,473,086</b>
<b>Payments</b>			
Compensation of employees	3	48,268,557	34,262,497
Remuneration of Board	4	9,207,031	4,737,142
Goods and services	5	97,265,034	62,522,675
Decrease in non-current receivables	8	-	1,908,203
Increase in accounts payables		(1,945,507)	395,597
<b>Total Payments</b>		<b>152,795,115</b>	<b>103,826,114</b>
<b>Net cash flows from operating activities</b>		<b>21,121,072</b>	<b>(5,353,028)</b>
<b>Cash flows from investing activities</b>			
Construction of KAS Complex	9	(90,906,557)	(61,503,085)
Purchase of Motovehicles		(15,441,068)	-
Purchase of Furniture and fittings		(6,098,430)	-
Purchase of Computers		(439,742)	-
Purchase of Generator		(1,130,000)	-
<b>Net cash flows used in investing activities</b>		<b>(114,015,797)</b>	<b>(61,503,085)</b>
<b>Cash flows from financing activities</b>			
Capital Grants from SASDF		62,223,250	-
Government Grants for Development	1.(c)	54,550,000	219,653,085

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Net cash flows used in financing activities		116,773,250	219,653,085
Net increase/(decrease) in cash and cash equivalents		23,878,525	152,796,972
Cash and cash equivalents at 1 JULY		154,865,033	(2,539,539)
<b>Cash and cash equivalents at 30 JUNE</b>		<b>178,743,558</b>	<b>154,865,033</b>

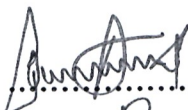
*(IPSAS 2 allows an Entity to present the cash flow statement using the direct or indirect method but encourages the direct method. Entities should use the direct method of cash flow preparation as shown above)*

The financial statements set out on pages 1 to 8 were signed on behalf of the Board of Directors by:



Name: Dr. Doreen Odhiambo  
 Accounting Officer

Date 21/03/2023



Name: Raphael Abony  
 Head of Finance

ICPAK M/No:  
 Date 21/03/2023



Name: Humphrey Kipange  
 Chairman of the Board

Date 21/03/2023

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**17. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2022**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization %
	2021-2022 Kshs	2021-2022 Kshs	2021-2022 Kshs	2021-2022 Kshs	2021-2022 Kshs	2021-2022
Revenue						
Government grants and subsidies- Recurrent	80,400,000	92,904,959	173,304,959	173,304,959	-	100
Government grants and subsidies- Development	77,785,000	38,988,250	116,773,250	114,015,797	2,757,453	97.6386261
Rendering of services	1,000,000	(388,772)	611,228	611,228	(0)	
UNICEF GRANTS	5,000,000	(5,000,000)	-	-	-	0
Sale of goods						
Finance Income						
Gains on disposal, rental income and agency fees						
<b>Total income</b>	<b>164,185,000</b>	<b>126,504,437</b>	<b>290,689,437</b>	<b>287,931,984</b>	<b>2,757,453</b>	<b>99.051409</b>
<b>Expenses</b>						
Compensation of employees	26,620,000	18,966,419	45,586,419	48,268,557	(2,682,138)	105.883633
Board remuneration	5,160,000	2,799,331	7,959,331	9,207,031	(1,247,700)	115.675939
Goods and services	44,354,800	89,761,200	134,116,000	97,265,034	36,850,966	72.5230652
Rent paid					-	
Taxation paid					-	
International Academy of Sports	77,785,000	38,988,250	116,773,250	114,015,797	2,757,453	97.6386261
Grants and subsidies paid						
<b>Total expenditure</b>	<b>153,919,800</b>	<b>150,515,200</b>	<b>304,435,000</b>	<b>268,756,419</b>	<b>35,678,581</b>	<b>91.2803944</b>
<b>Surplus for the period</b>				<b>19,175,565</b>		

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Budget notes

1. Increase in revenue is as a result of funds received from Sports, Arts and Social Development Fund (SASDF)
2. The Academy did not receive funding from UNICEF as was budgeted for due to the Suspension of Sporting Activities in Schools caused by Covid 19 Pandemic hence the negative adjustment
3. The positive adjustment of expenditure was necessitated by receipt of funds from SASDF

## **18. Notes to the Financial Statements**

### **1. General Information**

The Kenya Academy of Sports is established by and derives its authority and accountability from the Sports Act No 25 of 2013. The Academy is wholly owned by the Government of Kenya and is domiciled in Kenya. The Academy's principal activity is to nurture and develop sports talent, train and capacity-build technical sports personnel as well as conduct and promote sports research to revitalize the industry for socioeconomic boost.

### **2. Statement Of Compliance And Basis Of Preparation**

The academy's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) The financial statements are presented in Kenya shillings, which is the function and reporting currency of the academy and all values are rounded to the nearest thousands (Kshs 000). The accounting policies have been consistently applied to all the years presented.

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

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

### **3 ADOPTION OF NEW AND REVISED STANDARDS**

- i. Early adoption of standards  
The Academy did not early – adopt any new or amended standards in year 2021

### **4 Summary of Significant Accounting Policies**

#### **a) Revenue recognition**

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

##### **Fees, taxes, and fines**

The Academy recognizes revenues from fees taxes 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 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 academy and the fair 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 recognised on obtaining control of the asset (cash, goods, service 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 academy and can be measured reliably.

- ii. **Revenue from exchange transactions – IPSAS 9**

##### **Rendering of services**

The academy recognized revenue from rendering of services y reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours in incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

##### **Sales of services**

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

### **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 assets net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period

#### **b) Budget information – IPSAS 24**

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

#### **c) Taxes - IAS 12**

The Kenya Academy of Sports is exempt from income tax under the First schedule, paragraph 10 of the Kenyan Income Tax Act (Cap 470).

### **Sales Tax**

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

#### **d) Property, Plant and equipment – IPSAS 17**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Where an asset is acquired in a non-exchange transaction for nil or normal consideration the asset is initially measured at its fair value. The annual depreciation in use are:

- a. Furniture and Fittings 12.5%
- b. Plant and Equipment 12.5%
- c. Electronic Data Processing Equipment 30%
- d. Motor Vehicles 25%

#### **e) Intangible assets – IPSAS 31**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in surplus or deficit in the

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period in which the expenditure is incurred.  
The useful life of the intangible assets is assessed as either finite or indefinite.

**f) Financial instruments – IPSA 29**

*Financial assets*

*Initial recognition and measurement*

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

*Loans and receivables*

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

*Impairment of financial assets*

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

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

**h) Financial liabilities**

*Initial recognition and measurement*

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

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

***Loans and borrowing***

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

**IPSAS 29.65**

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

**ii) Research and Development costs**

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

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

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

**g) Provisions-IPSAS 19**

Provisions are recognized when the centre has a present obligation (Legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement. The centre makes a provision for gratuity for its employees on contract at the rate of 3.1% of the basic salary. The amount is charged against income in the year in which it is earned.

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***Contingent Liabilities***

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

***Contingent Assets***

The centre 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 centre in the notes to the financial statements. Contingent asset are assessed continually to ensure that developments are appropriately reflected in the financial the financial statement. 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.

**h) Nature and Purpose of Reserves**

The Academy maintains reserves in terms of specific requirements.

**i) Foreign currency transactions-IPSAS 5**

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

**j) Borrowing costs –IPSAS 5**

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

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

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

**k) Related parties**

The Academy regards a related party as a person or an Academy with the ability to exert control individually or jointly, or to exercise significant influence over the Academy, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

**l) Service concession arrangements**

The Academy analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Academy recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Academy also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**m) Cash and cash equivalents**

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

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

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

**n) Comparative figures**

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

**o) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2021

**4. Significant Judgments And Sources Of Estimation Uncertainty**

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

**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 Academy 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 Academy. 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:

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

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

**1. Transfers from Other Government entities**

1.(a)	Income from Non-Exchange Transactions	2021-2022	2020-2021
		Kshs	Kshs
	<b>GOK GRANTS</b>		
	Recurrent	80,400,000	44,650,000
	Development - Recurrent	80,721,027	16,281,915
	Grant from SASDF	12,183,932	31,356,673
		<b>173,304,959</b>	<b>92,288,588</b>

1.(b)	Donor Grants	2021-2022	2020-2021
	UNICEF Grant	-	5,201,750
		-	5,201,750

1.(c)	CAPITAL Reserve	2021-2022	2020-2021
		Kshs	Kshs
	Capital b/f	1,351,245,157	1,131,592,072
	Capital Grants received for the year	54,550,000	219,653,085
	Other Capital grants received	62,223,250	
		<b>1,468,018,407</b>	<b>1,351,245,157</b>

NB\* Capital approach as been applied to recognize the part of the development grant that was used for construction work for International Sports Academy building by debiting work in progress account and Crediting Capital Reserve account with the same amount.

2.(a)	Income from the Exchange Transactions	2021-2022	2020-2021
		Kshs	Kshs
	Conference fee	-	982,748
		611,228.05	
	Sale of Tender Documents	-	
		<b>611,228</b>	<b>982,748</b>

	2021-2022	2020-2021
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	2021-2022	2020-2021
	Kshs	Kshs
3. <b>Employee Costs</b>		
Contracted and seconded staff	39,562,906.41	28,425,935
Statutory Deductions	8,705,650	5,836,562
	-	-
<b>Total Employee Cost</b>	<b>48,268,557</b>	<b>34,262,497</b>

	2021-2022	2020-2021
	Kshs	Kshs
4. <b>Board Remunerations</b>		
Remuneration of Board	9,207,031	4,737,142
	<b>9,207,031</b>	<b>4,737,142</b>

	2021-2022	2020-2021
	Kshs	Kshs
5. <b>Use of goods and services</b>		
Personell Training and Development	1,097,167.00	238,000
Staff Medical Insurance	1,338,972.00	-
Sports Talent Identification and Development	8,953,550	6,120,635
Foreign Travel Accomodation	-	-
Prevention of HIV/AIDS	862,464	23,000
Purchase of Sports equipments	-	270,000
Capacity Building of Sports Technical Personnel	-	5,725,020
Sports Research and Development	3,260,200	2,100,440
Travel & Accommodations	9,687,622	26,909,442
Telephone & Internet	1,156,595	862,343
Establishment of Sports Academies	21,523,753	2,086,400
Review of KAS strategic plan	1,131,600	1,000,000
Validations of regulations and standards	-	-
Development of key Institution policies	1,630,300	2,187,400
Hospitality	1,540,531	1,236,777
Utilities (Electricity and water)	1,056,512	

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Postage	9,450	9,450
Office Equipment and Computers	1,606,532	1,669,970
Stationaries & Printing	688,875	1,066,257
Maintenance of Plant and equipment	136,090	-
Office Cleaning & Materials	45,500	-
Contribution to International Organizations	-	-
Consultancy Services	2,928,000	3,030,000
Conducting of Holiday sports camp	1,961,500	-
Hosting of International Sports conference	5,949,320	-
Bank charges	150,339	18,575
Review of KAS organisational structure	1,246,800	781,600
Marketing /Branding/PR	5,626,299	5,061,684
Development of Curriculum for KAS	3,410,250	-
Linkages and Partnerships	2,501,485	898,200
Audit fee	300,000	300,000
Relocation to Kas offices		24,000
Mitigation of Covid 19 Pandemic	-	903,482
Contracted guards and cleaners	16,363,509	-
General Insurance	589,820	-
Fuel and Lubricants	512,000	-
	<b>97,265,034</b>	<b>62,522,675</b>

6.	<b>2021-2022</b>	<b>2020-2021</b>
<b>Depreciation Expense</b>	<b>Kshs</b>	<b>Kshs</b>
Property, Plant and Equipment	2,035,497	-
	-	-
	<b>2,035,497</b>	<b>-</b>

	<b>2021-2022</b>	<b>2020-2021</b>
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7. <b>Cash and Cash Equivalents</b>	<b>Kshs</b>	<b>Kshs</b>
KAS Recurrent Account - KCB	5,502,849	154,850,089
KAS Donor Account - KCB	83,079	1,144
KAS SASDF - KCB	173,153,695	5,000
KAS Development Acc -KCB	3,935	5,000
Cash in Hand	-	3,800
	<b>178,743,558</b>	<b>154,865,033</b>

	<b>2021-2022</b>	<b>2020-2021</b>
8. <b>Account Receivables</b>	<b>Kshs</b>	<b>Kshs</b>
Advaces to Fc Talanta & Sports Kenya	6,545,376.04	6,545,376
Outstanding Imprests	-	-
	<b>6,545,376.04</b>	<b>6,545,376</b>

	<b>2021-2022</b>	<b>2020-2021</b>
9. <b>International Sports Academy (Work In Progress)</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Opening Bal</b>	1,193,095,157.00	1,131,592,072
<b>Expenditure</b>	90,906,557.00	61,503,085
International Sports Academy	<b>1,284,001,714.00</b>	<b>1,193,095,157</b>

	<b>2021-2022</b>	<b>2020-2021</b>
10. <b>Accounts Payables from Non-Exchange transactions</b>	<b>Kshs</b>	<b>Kshs</b>
Pending bills from purchase of good and services	3,303,634.58	1,358,128
Accrued Employees benefit obligation & PAYE	-	-
	<b>3,303,634.58</b>	<b>1,358,128</b>

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
11. <b>Surplus/ (Deficit) for the year</b>	1,902,281	4,951,509
Surplus/ (Deficit) for the year	17,140,069	(3,049,228)
	<b>19,042,350</b>	<b>1,902,281</b>

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Notes to the Financial Statements (Continued)

12. Property, Plant and Equipment

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PROPERTY, PLANT AND EQUIPMENTS MOVEMENT SCHEDULE

Cost	Buildings (WIP) Kshs	Motor vehicles Kshs	Furniture and fittings Kshs	Computers Kshs	Other Assets (Generator) Kshs	Total Kshs
As At 1 July 2020	1,131,592,072	-	-	-	-	1,131,592,072
Additions	61,503,085	-	-	-	-	61,503,085
Disposals	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-
<b>As At 30<sup>th</sup> June 2021</b>	<b>1,193,095,157</b>	-	-	-	-	<b>1,193,095,157</b>
Additions	90,906,557	15,441,068	6,098,430	439,742	1,130,000	114,015,797
Disposals	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-
As At 30 <sup>th</sup> June 2022	1,284,001,714	15,441,068	6,098,430	439,742	1,130,000	1,307,110,954
Depreciation and Impairment						
At 1 July 2020	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-

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Impairment	-	-	-	-	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-	-	-	-	-
As At 30 June 2021	-	-	-	-	-	-	-	-	-
Depreciation	-	1,608,445	224,504	131,922	70,625	2,035,497	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30 <sup>th</sup> June 2022	-	1,608,445	224,504	131,922	70,625	2,035,497	-	-	-
Net Book Values	-	-	-	-	-	-	-	-	-
As At 30 <sup>th</sup> June 2021	1,193,095,157	-	-	-	-	-	-	-	1,193,095,157
As At 30 <sup>th</sup> June 2022	1,284,001,714	13,832,623	5,873,926	307,819	1,059,375	1,305,075,457	-	-	1,305,075,457

### 13. FINANCIAL RISK MANAGEMENT

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

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

**i) Credit risk**

The Academy has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Academy's management based on prior experience and their assessment of the current economic environment.

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**Financial Risk Management**

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

	<b>Total amount Kshs</b>	<b>Fully performing Kshs</b>	<b>Past due Kshs</b>	<b>Impaired Kshs</b>
<b>As at 30 June 2021</b>				
Receivables from exchange transactions				
Receivables from non exchange transactions	6,545,376.	6,545,376.	-	-
Bank balances				
<b>Total</b>	<b>6,545,376.</b>	<b>6,545,376.</b>	<b>-</b>	<b>-</b>
<b>As at 30 June 2020</b>				
Receivables from exchange transactions				
Receivables from non exchange transactions	6,545,376.	6,545,376.		
Bank balances				
<b>Total</b>	<b>6,545,376.</b>	<b>6,545,376.</b>		

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Academy has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Academy has significant concentration of credit risk on amounts due from Kenya Academy of Sports. The board of directors sets the Academy's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

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

**Financial Risk Management**

**ii) Liquidity risk management**

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

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

	<b>Less than 1 month</b>	<b>Between 1-3 months</b>	<b>Over 5 months</b>	<b>Total</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>As at 30 June 2021</b>				
Trade payables	-	3,303,635		3,303,635
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
<b>Total</b>	<b>-</b>	<b>3,303,635</b>		<b>3,303,635</b>
<b>As at 30 June 2020</b>				
Trade payables	-	962,530.54		962,530.54
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
<b>Total</b>	<b>-</b>	<b>962,530.54</b>		<b>962,530.54</b>

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

**Financial Risk Management**

iii) **Market risk**

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

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

The Academy's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Academy's exposure to market risks or the manner in which it manages and measures the risk.

a) **Interest rate risk**

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

**Management of interest rate risk**

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

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

**Financial Risk Management**

**Fair value of financial assets and liabilities**

**a) Financial instruments measured at fair value.**

**Determination of fair value and fair values hierarchy**

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

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The *Academy* considers relevant and observable market prices in its valuations where possible.

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

**14. Related Party Disclosures**

**Nature of related party relationships**

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

**Government of Kenya**

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

**Other related parties include:**

- i) The Parent Ministry;
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) UNICEF Kenya

**15. Events after the Reporting Period**

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

**16. Ultimate And Holding Academy**

The Academy is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Sports Culture and Heritage. Its ultimate parent is the Government of Kenya.

**17. Currency**

The financial statements are presented in Kenya Shillings (Kshs).

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**19. Appendix**

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Stale Cheques in Bank Reconciliation Statement	The bounced cheques mentioned appear in the bank reconciliations and are attributed to the previous audited financial years. Their removal from the bank reconciliation would affect Cash and Cash Equivalents in those years	No resolved	30 <sup>th</sup> June 2023
2	Anomalies in Work in Progress	In regard to the issue of engaging private consultants instead of State Department of Public Works, the management takes note of this and commits to engage State Department for Public Works in our subsequent and future projects The Academy has also ensured that all the Fee Notes that come from the project consultants are approved by the State Department for Public Works before payments are made to the consultants.	Not Resolved	30 <sup>th</sup> June 2023
3	Unapproved Expenditure	The Academy's budget was rationalized in the	Not Resolved	30 <sup>th</sup> June 2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		fourth quarter of the financial year 2020/2021 during supplementary 2 which provided that realignments of budgetary allocations to actual expenditures to include expenditures like Linkages and Partnerships, Establishment of Satellite Academies and Consultancy services which were not sufficiently provided for in the approved budget		
4	Property, Plant and Equipment	Kenya Academy of Sports was allocated a parcel of land which is part of the entire Moi International Sports Complex. The title of the entire complex is with the Ministry of Sports and therefore no division has been done. The Academy has not been issued with its title deed and therefore the management is not able to value the land.	Not resolved	30 <sup>th</sup> June 2023



C.E. O

Date 21/03/2023

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**Appendix II: Projects implemented by**

Projects implemented by the State Corporation/ SAGA. Funded by development partners and/ or the Government.

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Phase 1B Completion of Kenya Academy of Sports Complex	343,200,000	-	45%	158,150,000	-	<u>SASDF</u>
2	Phase 1 Completion of Kenya Academy of Sports Complex	1,332,318,521	1,284,001,714	100%	90,906,557	90,906,557	GoK

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