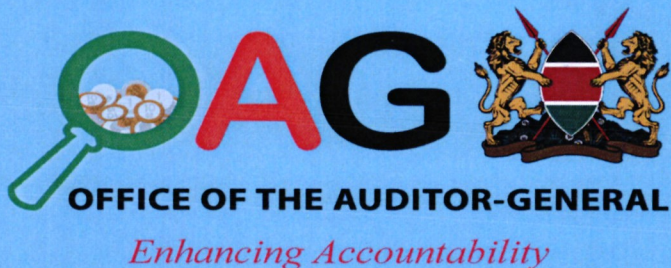


REPUBLIC OF KENYA



**REPORT**

NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 06 JUN 2023

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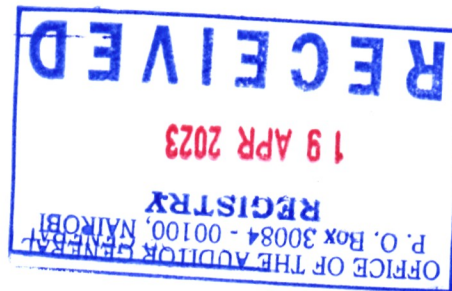
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LIBRARY

**THE AUDITOR-GENERAL**

**ON**

**KENYA UNIVERSITIES AND COLLEGES  
CENTRAL PLACEMENT SERVICE**

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



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**KENYA UNIVERSITIES AND COLLEGES CENTRAL PLACEMENT SERVICE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDING**

**30 JUNE, 2022**

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

**Kenya Universities and Colleges Central Placement Service**  
**Annual Report and Financial Statements**  
**For the year ended 30 June, 2022.**

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## **1. Key Placement Service Information and Management**

### **(a) Background information**

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

### **(b) Principal Activities**

As outlined in Section 56 (1) of the Universities Act, 2012, the mandate of the Placement Service is to co-ordinate the placement of the Government sponsored students to universities and colleges; disseminate information on available programmes, their costs, and the areas of study prioritised by the Government; collect and retain data relating to university and college placement; advise the Government on matters relating to university and college student placement; develop career guidance programmes for the benefit of students; and perform any other function assigned to it under the Universities Act.

The organisation’s Vision is “An equitable, fair and efficient placement service.” Its Mission is “to nurture careers through advisory services and placement to educational and training institutions.” The core values of the entity are customer centricity, integrity, access and equity, innovativeness and teamwork.

### **(c) Key Management**

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

- The Board of Directors
- The Chief Executive Officer
- The Management Team

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2022 and who had direct fiduciary responsibility were:

| No. | Designation  | Name                   |
|-----|--|------------------------|
| 1.  | Chief Executive Officer                                      | Dr. Agnes Mercy Wahome |
| 2.  | Director, Corporate Services                                 | Christine Mwaka        |
| 3.  | Director, Strategy, Planning, Quality Assurance & Compliance | Dr. Christopher Yegon  |
| 4.  | Director, Placement Coordination and Career Development      | Dr. John Oluoch        |
| 5.  | Finance Manager  | Michael Kimani         |
| 6.  | Manager, Human Resource and Administration                   | Nicholas Kanisa        |
| 7.  | Manager, Placement Coordination and Career Development       | Nancy Soila            |
| 8.  | Manager, Information, Communication and Technology           | Joseph Mwanja          |
| 9.  | Manager, Supply Chain Management                             | Daina Kibogo           |
| 10. | Manager, Research and Knowledge Management                   | Dr. Victoria Gioto     |
| 11. | Manager, Corporate Communication and Customer Experience     | Paul Juma              |
| 12. | Manager, Legal and Corporation Secretary                     | Faith Kaluai           |

**(e) Fiduciary Oversight Arrangements**

The Placement Service has put in place measures and structures to enforce fiduciary and oversight arrangements and ensure compliance. These structures comprise the Parliamentary Committees, Placement Board and Committees of the Board.

**The Board**

The Placement Board comprises the Audit Committee, Placement Committee, Finance and Strategy, and Human Resource Committee. These committees provide policy direction and oversight to the Placement Service while advising the Board on various policy matters relating to its mandate.

**The Audit Committee**

The main objective of the Audit Committee is to assist the Board in discharging its duties in relation to safeguarding of assets, the operation of adequate systems, control processes and the preparation of

accurate financial reporting and statements in compliance with all applicable legal requirements and accounting standards.

### **The Auditor-General**

Further, the Placement Service submits quarterly and annual financial statements and accounts to Parliament for scrutiny, while its accounts are audited annually by the Office of the Auditor-General. In addition, the Placement Service has developed Financial Regulations and Procedures for approval of the Placement Board.

#### **(f) Headquarters**

P.O. Box 105166-00101,  
ACK Garden House, 1<sup>st</sup> Ngong Avenue, Community Area  
Nairobi, Kenya

#### **(g) Contacts**

Telephone: (+254) 020 5137400, 0723954927, 0734879662  
E-mail: [ceo@kuccps.ac.ke](mailto:ceo@kuccps.ac.ke)  
Website: [www.kuccps.ac.ke](http://www.kuccps.ac.ke)

#### **(h) Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200, Nairobi, Kenya
2. KCB Group Limited  
University Way Branch  
P.O. Box 7206, 00300, Nairobi, Kenya
3. Cooperative Bank  
Upper Hill Branch  
P.O. Box 19555, 00202, Nairobi, Kenya
4. HFC  
Rehani House,  
Koinange Street/Kenyatta Avenue  
P.O. Box 30088, 00100, Nairobi, Kenya



**(i) Independent Auditors**


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



**(j) Principal Legal Adviser**


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

## 2. The Board of Directors



| Ref. | Director  | Details   |
|------|---|---|
| 1.   | <p><b>Mr. Cyrus Gituai OGW, EBS, CBS</b><br/>                     Board Chairman<br/>                     (Effective July 13, 2022)</p>  | <p>Mr. Cyrus Gituai was appointed Chairman of the Placement Board with effect from July 13, 2022. He previously served as a member of the State Corporations Advisory Committee. He was also the secretary to the Public Service Commission until 2004 when he was appointed the Permanent Secretary for Internal Security. A seasoned career civil servant, Mr. Gituai entered the public service in 1977 as a District Officer. In 1985, he was appointed a District Commissioner, before he was posted to the Treasury in 1992 the Budget Supply Department. In 1994, he was promoted to be the Deputy Director of Budget at the Treasury. Thereafter, from 1996, he served as Director of Pensions at the Department of Pensions. He was appointed Director of External Sources at the Treasury in 1999 and was responsible for coordination, mobilisation, negotiation, budgeting and disbursement of foreign aid loans and grants for development. Mr. Gituai holds a BA (Political Science) from University of Nairobi and MA (LIC) in Business Organisations from York St John University (UK).</p> |
| 2.   | <p><b>Mr. Joe Ager</b><br/>                     Board Chairman (July 13, 2018 to July 11, 2021)</p>                                    | <p>Mr. Ager served as the Board Chairman from July 2018 to July 2021. He is a distinguished management, marketing, finance, strategy and organisational change expert. He was appointed Chairman of the Placement Board on July 13, 2018 for a term of three years. He previously served as the General Manager at the Kenya Electricity Transmission Company (KETRACO), from 2010 to 2015, helping to establish the company as a respected member of the power pool of utility companies in East Africa. Prior to that, he served as Head of Customer Service and Marketing at the</p>   |



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|           |  | <p>Kenya Power and Lighting Company, where he oversaw the transformation of the company from a bureaucratic entity to a customer-focused organisation. This was between 2008 and 2010. Mr Ager also served in various other organisations, including at the British Airways, where he launched his management career as a General Manager for East and Central Africa (1984-1989), and later as Head of Strategy and Business Development, British Airways (UK), from 2001 to 2004. He holds a Master of Business Administration degree from The Open University, Milton Keynes, England; and a Diploma in Aviation and Flight Operations Management from Crane bank Aviation Management College, London.</p>  |
| <p>3.</p> | <p><b>Prof. Geoffrey M. Muluvi</b><br/>         (Vice-Chancellor, South Eastern Kenya University, Representing Public Universities), <b>Member</b></p>  | <p>Prof. Geoffrey Muluvi is the Vice-Chancellor at South Eastern Kenya University (SEKU). He was appointed to the Board on January 13, 2020 to represent Public Universities for a period of three years. Prior to his appointment to head SEKU, Prof. Muluvi served as Deputy Vice-Chancellor (Administration) at Kenyatta University, a position he had assumed in January 2008. Previously, he was the Dean of School of Pure and Applied Sciences, Chairman of Department and Associate Professor, Department of Biochemistry and Biotechnology at Kenyatta University. He holds a Doctor of Philosophy Degree (Molecular Biology) from the University of Dundee, UK and a Bachelor of Science (Moi University). He chairs the Finance and Strategy Committee.</p> |



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| <p><b>4.</b></p> | <p><b>Prof. Mwenda Ntarangwi</b><br/>                 (CEO, CUE), <b>Member</b></p>  | <p>Prof. Ntarangwi was appointed Chief Executive Officer at Commission for University Education with effect from September 5, 2017 thus becoming a member of the Placement Board. Prior to the appointment, Prof. Ntarangwi was a professor of anthropology at Calvin College, US. He studied Kiswahili at Kenyatta University and earned a Master’s degree in Swahili Cultural Studies in 1990. Later, he earned a Master’s and PhD degrees in cultural anthropology from the University of Illinois, Champaign-Urbana in 1995 and 1998, respectively. He chairs the Placement Committee of the Board.</p>   |
| <p><b>5.</b></p> | <p><b>CPA Charles Ringera</b><br/>                 (CEO, HELB), <b>Member</b></p>   | <p>CPA Charles Ringera is the Chief Executive Officer of the Higher Education Loans Board (HELB). He is a seasoned banker with over 20 years’ experience across all facets of central and commercial banking. He worked at the Central Bank of Kenya (CBK) in various capacities before moving to the Co-operative Bank in 2004. Initially, he served as Senior Credit Risk Analyst and later as a Senior Manager, Enterprise-wide Risk Management, where he laid the foundation for risk management for the bank. CPA Ringera then moved to KCB Group in 2006 to head the Group Operational Risk and Compliance function, supporting Kenya, Tanzania, South Sudan, Uganda and Rwanda. In March 2013, he was appointed Chief Executive Officer/Secretary at the Higher Education Loans Board (HELB) to transform the Board to achieve its core mandate of higher education student financing. He holds an MBA in strategic management; is an alumnus of Oxford Brookes University – UK; holds an Advanced Diploma in Risk Management in Banking/Finance by KPMG Sweden; and is a member of numerous professional accounting associations.</p> |



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| 6. | <p><b>Dr. Kipkirui Langat</b><br/>(Director-General, TVETA)<br/><b>Member</b></p>  | <p>Dr. Langat is the Director-General of the Technical and Vocational Education and Training Authority (TVETA). He has a wealth of experience from public and private sectors with close to 20 years in the technical and vocational education and training sector. He joined Rift Valley Training Institute as assistant lecturer (Department of Automotive Engineering) in 1996. He moved to the Eldoret Polytechnic in 2002 as a lecturer in the department of mechanical engineering, before being appointed Deputy Dean of Students, a year later. In 2004, he joined Egerton University as a lecturer in the department of industrial and energy engineering. In the last 10 years, Dr. Langat has been working with the United Nations Environment Programme (UNEP) in developing policies and guidelines for transport emissions in the East Africa Region. He holds a Bachelor of Education in Technology Education; Master of Philosophy in Technology Education (Automotive Technology) and Master of Business Administration (Strategic Management) both from Moi University; and Doctor of Philosophy in Engineering Systems and Management from Egerton University. He is a Fellow of the Institution of Engineering Technologists and Technicians (IET) of Kenya and has published widely in the areas of transport emissions and TVET.</p> |
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| <p>7.</p> | <p><b>Prof. Francis Aduol</b><br/>                 (Vice-Chancellor, TUK,<br/>                 Representing Public<br/>                 Universities), <b>Member</b></p>    | <p>Prof. Aduol is the Vice-Chancellor of Technical University of Kenya. He was appointed to the Board on March 13, 2017 for a period of three years and reappointed on January 13, 2020. He graduated with a Bachelor of Science in Engineering (Surveying and Photogrammetry) and a Master of Science Degree in Surveying from the University of Nairobi. He holds a Doctor of Philosophy in Engineering from the University of Stuttgart, Germany, and a Master of Arts Degree in Economic Policy Management from the University of Nairobi. He has served in national task forces that reviewed laws governing university education and technical training.</p> |
| <p>8.</p> | <p><b>Prof. Mumo Kisau</b><br/>                 (Vice-Chancellor, Scott<br/>                 Christian University,<br/>                 Representing Private<br/>                 Universities), <b>Member</b></p>  | <p>Prof. Mumo Kisau is the immediate former Vice-Chancellor of Scott Christian University. He was appointed to the Board on March 13, 2017 for a period of three years and reappointed on January 13, 2020. His Board membership ended in April 2022. Prof. Kisau has gained wide experience in leadership and management, having served in various positions including as a senior adviser at World Vision East Africa. He has also served as an Assistant Professor/Deputy Principal at Africa Leadership University. He holds a Doctorate of Philosophy in Divinity (Aberdeen University) and Master of Divinity from Africa International University.</p>      |


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| <p>9.</p>  | <p><b>Very Rev. Prof. Stephen Mbugua Ngari</b><br/>         Rector/Vice-Chancellor,<br/>         Catholic University of Eastern<br/>         Africa (CUEA), Representing<br/>         Private Universities, <b>Member</b></p>  | <p>The Very Rev. Prof. Stephen Mbugua Ngari joined the Placement Board in the fourth quarter of the Financial Year ended June 30, 2022. He is as a Board Member Representing Private Universities, replacing Prof. Mumo Kisau whose tenure ended in the same period. Rev. Prof. Mbugua is a Diocesan Priest from the Catholic Diocese of Nakuru. He is a professor in Psychology and Counselling having acquired an Associate Professorship from Egerton University. He has held various positions which include Rector/Vice-Chancellor at the Catholic University of Eastern Africa, Vice-Chancellor Designate at Tangaza University College, Director of University Welfare Services at Egerton University, Dean of Students at Egerton University and Associate Professor in Psychology and Counselling in Egerton University.</p> |
| <p>10.</p> | <p><b>Prof. Margaret Muthwii</b><br/>         (Vice-Chancellor, Pan Africa<br/>         Christian University,<br/>         Representing Private<br/>         Universities) <b>Member</b></p>                                 | <p>Prof. Margaret Muthwii is the Vice-Chancellor of Pan Africa Christian University. She was appointed to the Board on March 13, 2017 for a period of three years and reappointed on January 13, 2020. Prior to that, she worked with the United Bible Societies as a scholar, translation consultant and the Africa Area Translation Coordinator. She earned her PhD in 1994 at the University of East Anglia (UK), having received her first degree from the University of Nairobi. She began her teaching career at the Alliance Girls High School (1981-85) before proceeding to Kenyatta University, where she worked in various capacities from 1988 to 2001. She chairs the Human Resource Committee of the Board.</p>   |






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| <p><b>11.</b></p> | <p><b>Mrs. Glory K. Mutungi</b><br/>         (Chair KATTI), <b>Member</b></p>                   | <p>Mrs. Glory Mutungi is the National Chairperson of the Kenya Association of Technical Training Institutes (KATTI) and the Principal at Nairobi Technical Training Institute. A PhD candidate in leadership and education management at Kenya Methodist University, she holds a Master of Education (Counselling Psychology) degree from Kenyatta University and a Bachelor of Education (Arts) degree from Egerton University. She has built a career in teaching, research and administration, especially in Technical and Vocational Education and Training (TVET). She has contributed to the development of the TVET sector through numerous national and international conferences and workshops. Mrs. Mutungi chairs the Audit Committee of the Board.</p> |
| <p><b>12.</b></p> | <p><b>Mr. Patrick M. King’oina</b><br/>         (Representing KATTI),<br/> <b>Member</b></p>  | <p>Mr. Patrick King’oina is the Principal at the Ahmed Shahame Mwidani Technical and Vocational College. He was appointed to the Board on January 13, 2020 to represent KATTI for a period of three years. Mr. King’oina is an experienced and accomplished educationist and administrator, who has served as a Head of Department, Deputy Registrar, Registrar and Lecturer in Kenya’s TVET institutions for over three decades. He holds an MBA from Moi University and is a member of the Kenya Renewable Energy Association.</p>   |

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| <p>13.</p> | <p><b>Dr. Wilson Wahome Rureri</b><br/>                 (Alternate to PS, University Education), <b>Member</b><br/>                 (From December 1, 2021)</p>  | <p>Dr. Wahome is an administrator and public servant. He joined the Placement Board on December 1, 2021 as a Member Alternate to the Principal Secretary, Ministry of Education. Dr. Wahome has over ten (10) years' working experience in senior management positions in the Public Service. Currently, he serves at the State Department for University Education and Research, Ministry of Education, as the Personal Assistant to the Principal Secretary. He also sits in the Council of Chuka University as the Principal Secretary's Representative/Alternate Member in the Council. He has vast experience in providing guidance on policy issues for effective governance and management of public institutions/resources, and in partnerships and collaborations.</p>  |
| <p>14.</p> | <p><b>Mr. David K. Komen</b><br/>                 (Alternate to PS, National Treasury), <b>Member</b></p>    | <p>Mr. Komen is an economist and a career civil servant with over 29 years' experience in the Public Service. He joined the Board on May 5, 2021. He is a Senior Deputy Director of Budget at the National Treasury and Planning, where he handles the mobilisation of external resources and financial management of donor funded projects. Prior to joining the National Treasury, Mr. Komen worked in the Central Planning Departments in various Ministries including Ministry of Planning, Ministry of Agriculture, and Ministry of Cooperative Development, where he rose through the ranks to a Chief Economist. He holds a Bachelor of Arts Degree in Economics from the University of Nairobi, a Master of Science Degree in Economic Development and Project Planning from the University of Bradford, UK and a Postgraduate Certificate in Projects and Management Development from the UK. Over the years, he has served in a number of Boards</p> |


|     |  |   |
|-----|--|---|
|     |  | including KEMRI, Kerio Valley Development Authority, the Technical University of Kenya and Tanathi Water Works Development Authority.   |
| 15. | <p><b>Dr. (Mrs.) Agnes Mercy Wahome</b><br/>           Chief Executive Officer</p>        | <p>Dr. Agnes Mercy Wahome was appointed Acting Chief Executive Officer of the Placement Service on November 13, 2020 for a period of six months and confirmed as a substantive CEO in February 2021. Prior to the appointment, she had been the Manager, Research and Knowledge Management. She holds a PhD in Health Communication from Jomo Kenyatta University of Agriculture and Technology, a Master of Arts in Medical Sociology, a Bachelor of Arts in Sociology and Communication (University of Nairobi), Diploma in Community Oral Health (KMTC) and Diploma in Leadership in Strategic Health Communication (Johns Hopkins Center for Communication Program, USA).</p>   |
| 16. | <p><b>Ms. Faith Kaluai</b><br/>           Manager, Legal and Corporation Secretary</p>  | <p>Ms. Faith Kaluai was appointed Manager, Legal and Corporation Secretary on 23<sup>rd</sup> June 2022. She joined the Placement Service from the Teachers Service Commission where, she had served for 9 years in the Legal, Labour and Industrial Relations Directorate as a Principal Legal Officer. She also worked at the Office of the Attorney-General and Department of Justice as a State Counsel. She holds an LL.B from Moi University, a Master's degree from Kenyatta University, and a Higher Diploma in Human Resource Management. She has vast experience in Labour Law, Policy Development, Contract Management and Risk Management. She is an Advocate of the High Court of Kenya with 11 years of experience, Certified Public Secretary CPS (K) and a Certified Professional Mediator CPM (MTI).</p> |

### 3. Management Team

| No. | Management Member  | Details  |
|-----|--|--|
| 1.  |  <p><b>Dr. Agnes Mercy Wahome, PhD</b><br/>Chief Executive Officer</p> <p><i>PhD (Health Communication, JKUAT), M.A. Medical Sociology &amp; B.A. Sociology and Communication (UON), Dip. Community Oral Health (KMTC), Dip. Leadership in Strategic Health Communication (Johns Hopkins Center for Communication Program, USA)</i></p> | <p>The CEO is responsible for the day-to-day operations at the Placement Service.</p>  |
| 2.  |  <p><b>Dr. Christopher Yegon, PhD, MKIM,</b><br/>Director, Strategy, Planning, Quality Assurance &amp; Compliance</p> <p><i>PhD in Business Administration (JKUAT), MBA (UoN), Bachelor of Business Management (Moi), Diploma in Education</i></p>   | <p>The Director, Strategy, Planning, Quality Assurance &amp; Compliance is responsible for coordinating and overseeing the strategy and planning, research and knowledge management, quality assurance, risk and compliance functions in the organisation.</p> |
| 3.  |  <p><b>Dr. John Oluoch, PhD, MPRSK, MIHRM</b><br/>Director, Placement Coordination &amp; Career Development</p> <p><i>PhD and Master's Degree in Communication Studies, Postgraduate Diploma in Strategic and Human Resource Management, Postgraduate Diploma in Public Relations, Bachelor's degree in Education</i></p>             | <p>The Director, Placement Coordination &amp; Career Development is responsible for coordinating and overseeing placement coordination and career development functions.</p>   |

|    |   |  |   |
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| 4. |    | <p><b>Christine Mwaka</b><br/>Director, Corporate Services</p> <p><i>MBA, Finance (UON), B. Education (Moi), CPA (K), Member (ICPAK, KIM, Institute of Directors (IOD)</i></p>                 | <p>The Director, Corporate Services is responsible for coordinating and overseeing the Directorate of Corporate Services incorporating the ICT, Human Resource &amp; Administration, Corporate Communication &amp; Customer Experience and Finance functions.</p> |
| 5. |    | <p><b>CPA Michael Kimani</b><br/>Manager, Finance</p> <p><i>MBA (UoN), B Com. (KU), CPA-K, Member ICPAK</i></p>  | <p>The Finance Manager is responsible for budgeting, budgetary control, financial management and reporting at the Placement Service.</p>  |
| 6. |   | <p><b>CPA Faith Musya, Manager, Internal Audit</b></p> <p><i>MBA, B. Ed. (UoN), CPA-K, Member IIA, ICPAK</i></p>   | <p>The Internal Audit Manager is responsible for financial and systems audit, assurance and risk advisory services at the Placement Service.</p>  |
| 7. |  | <p><b>Daina Kibogo, Manager, Supply Chain Management</b></p> <p><i>M. Sc. Procurement &amp; Logistics (JKUAT), B.A. (Egerton), Dip. Supply Chain Management (ICM-UK), Member ICM, KISM</i></p> | <p>The Supply Chain Manager is responsible for procurement and supply chain operations at the Placement Service.</p>  |
| 8. |  | <p><b>Paul Juma, Manager, Corporate Communication</b></p> <p><i>MA Communication Studies, B. Ed. (UoN), Member PRSK</i></p>  | <p>The Corporate Communication Manager is responsible for the administration and management of publicity, corporate communication and customer experience at the Placement Service.</p>   |

|     |   |  |  |
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| 9.  |    | <p><b>Nancy Soila, Manager, Placement and Career Services</b></p> <p><i>MBA (KU), B. Ed (Moi), Member KIM</i></p>  | <p>The Placement and Career Services Manager is responsible for career guidance and placement programmes and activities at the Placement Service.</p>  |
| 10. |    | <p><b>Dr. Victoria Gioto, PhD, Manager, Research and Knowledge Management</b></p> <p><i>PhD Climate Change &amp; Adaptation, MA (Population Studies &amp; Research), BSc. Mathematics (Statistics), Diploma in Management Information System, Member, IMIS.</i></p>  | <p>The Manager, Research and Knowledge Management is responsible for the research and knowledge management operations.</p>   |
| 11. |   | <p><b>CHRP Nicholas Kanisa, FIHR, Manager, Human Resource and Administration</b></p> <p><i>MSc. Human Resource Management (JKUAT), BSc. Human Resource Management (Moi), International Higher Diploma in HRM (Cambridge), Diploma in HRM (Moi), Certified Human Resource Professional of Kenya, Fellow of the Institute of Human Resource Management</i></p> | <p>The Manager, Human Resource and Administration is responsible for human capital management and administrative support services. CHRP Kanisa joined the corporation in the last quarter of the financial year.</p> |
| 12. |  | <p><b>Ms. Faith Kaluai, Manager, Legal and Corporation Secretary</b></p> <p><i>LLM (KU), LLB (Moi), Dip. Law (KSL), Higher Diploma, HR Management, Member, LSK</i></p>   | <p>The Manager, Legal and Corporation Secretary is responsible for legal and corporation secretarial matters. Ms. Kaluai joined the corporation in the last quarter of the year ended.</p>                           |

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| 13. |  A professional headshot of Mr. Joseph Mwanja, a Black man with a short beard and mustache, wearing a dark suit jacket, a white shirt, and a red patterned tie. | <p><b>Mr. Joseph Mwanja, Manager,<br/>ICT</b></p> <p><i>MBA (Management Information<br/>Systems), BSc. ICT</i></p> | <p>The ICT manager is responsible for information communication technology operations at the Placement Service. Mr. Mwanja joined the corporation in the quarter under review.</p> |
|-----|--|--|--|

#### 4. Chairman's Statement



It gives me pleasure to present this Annual Report and Financial Statements of the Kenya Universities and College Central Placement Service for the Financial Year 2021/2022. We are truly honoured to have the opportunity of presenting this report to highlight the key achievements and activities of this period.

In the year under review, the Board of Directors was actively involved in its oversight role. The Board provided strategic direction, exercised control and remained accountable through effective leadership, structure and organisation, board performance, viability, financial sustainability, responsibility to stakeholders, corporate compliance, internal control procedures, corporate culture and risk management.

In offering support to the corporation to execute its mandate, I am happy to report the Board successfully recruited suitable candidates to fill all vacant management positions. We now have a full management team at the Placement Service.

I wish to appreciate the diverse members of the Board for their independent and objective performance. The Board held four (4) meetings in the year. Members were evaluated by the State Corporations Advisory Committee, based on the evaluation parameters it has set. I wish to report that the Board's performance was well above average.

On behalf of the Board of the Directors, I take this opportunity to thank the Ministry of Education and the National Treasury for supporting the corporation to execute its mandate.

I also commend Management and Staff for their tireless effort and commitment to the attainment of the strategic goals. I recognise their continued support that has ensured that the organisation has remained a critical contributor to the Education Sector.

To my fellow Directors, I am truly honoured to serve alongside you as we drive this institution towards the realisation of its strategic goals and objectives even as we begin delving into a new Strategic Plan.

A handwritten signature in blue ink, appearing to be 'C. Gituai', written over a light blue circular scribble.

**Mr. Cyrus Gituai, OGW, EBS, CBS**

**Chairman of the Board**

## 5. Report of the Chief Executive Officer



It is my honour to present the Annual Report and Financial Statements for the Financial Year 2022/2023. This has been a very successful year and wish to present the key highlights.

### **2022/2023 Placement of Students**

In the 2022/2023 cycle, 123,963 Students (2021 cohort) were placed to pursue degree programmes in Public and Private Universities. In addition, 124,258 students were placed to TVET programmes. This year, we also placed 1,831 Kenyans to Teacher Training Colleges (Diploma in Primary Teacher Education and Diploma in Secondary Teacher Education). These students will be trained on delivering the CBC curriculum. This is remarkable because it boosted the government's efforts to scale up transition of students from basic to higher education.

### **Human Resource Development**

The Corporation continued with the implementation of its approved Staff Establishment and is pleased to report that we are currently at 50% in-post, with the recruitment of three Managers. In the Financial year, the corporation continued to strengthen its Human Resource capacity through recruitment to fill various critical positions including Director Corporate Services, Manager ICT, Manager Legal and Corporation Secretary, Manager Human Resource and Administration. Additional officers were recruited to boost corporate communication and customer experience and legal departments.

### **Public Communication and Media Relations**

In the period under review, the corporation registered enhanced public communication, media relations and publicity of its activities and programmes. This was achieved through the engagement of the University of Nairobi Enterprises and Services (UNES) to provide communication support to the organisation. Through the consultancy, the corporation realised over Kshs. 116 Million in advertisement equivalent value, in addition to robust and proactive media engagement that resulted in positive coverage across all media channels.

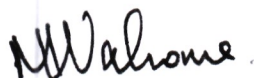
## **Financial Performance**

At the heels of the Covid-19 pandemic and academic year disruption with all the attention given to stabilising both the economy and the education calendar, it was a tough year for the education sector. Despite the global challenges, the Placement Service had one of its best results in terms of the number of placements and financial performance. During the year, the number of the students placed in universities and colleges increased bringing with it additional revenue.

The performance was an increase in revenue to Kshs. 672 Million (Kshs. 591 Million in 2020/2021) and expenditure in core mandates doubled. The total recurrent expenditure was Kshs. 378 Million with an additional Kshs. 21 Million invested in improved infrastructure for service delivery giving a surplus of Kshs. 294 Million (Kshs. 284 Million in 2020/2021).

The Placement Service worth improved to Kshs. 1,620 Million (Kshs. 1,507 in 2020/2021) with about Kshs. 800 Million earmarked for the capital project and Kshs 337 Million committed in staff mortgage. The Staff Car Loan and Mortgage Scheme separated from the Placement Service Main account and henceforth be accounted for separately as guided by the Treasury in June 2022.

Finally, on behalf of Management, I would like to thank the KUCCPS Board, the Ministry of Education and all stakeholders for their continued support and consideration.



**Dr. Agnes Mercy Wahome**  
**Chief Executive Officer**

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

The Kenya Universities and Colleges Central Placement Service (KUCCPS) has six (6) strategic pillars and objectives within the current 2017-2022 Strategic Plan. These strategic goals are as follows:

- 1) Enhance & Diversify Placement Services
- 2) To Enhance Innovation and Use of Technology
- 3) Financial Sustainability
- 4) Strengthen Career Advisory Services
- 5) Enhance Communication and Customer Experience
- 6) To Strengthen Institutional Capacity and Enhance Corporate Governance

KUCCPS develops its annual work plans based on the above six (6) goals. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Placement Service achieved its performance targets set for the FY 2021-2022 period for the six (6) strategic goals as indicated in the table below:

| Strategic Goals                                   | Objective  | Key Performance Indicators   | Activities  | Achievements  |
|---|--|--|---|---|
| <b>Enhance &amp; Diversify Placement Services</b> | Increase the number of students placed by KUCCPS | Placement to TVET programmes (Diploma, Certificate, Craft and Artisan) | Increase the revision exercises to three (3) to provide more opportunities to eligible students for placement | The placement cycle for FY 2022/2023 was done where 250,052 students were placed in degree, diploma, certificate and artisan programmes as follows; 123,963 to university programmes, 126,089 to TVET and TTCs. |
|   | Increase student applications                    | Placement to Degree programmes   | Promotion of centre /school applications  | KUCCPS opened the online application system, for School application and 1,935 out of 10,41 secondary schools submitted their applications.  |
|   | Increase Product Range at KUCCPS                 | Number of new products introduced                                      | Set up 5 additional Advisory and Resource Centre in Huduma Centres  | KUCCPS established 5 additional support stations in Isiolo, Narok, Laikipia, Kitale and Kiambu Huduma Centres   |

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| Strategic Goals                                    | Objective   | Key Performance Indicators                       | Activities  | Achievements   |
|--|---|--|---|--|
|  | Review the placement criteria   | Reviewed criteria                                | Hold a stakeholder validation forum and update the placement criteria                               | The criteria was reviewed and approved by the Board for implementation in the 2022/2023 placement cycle.   |
| <b>To Enhance Innovation and use of Technology</b> | To improve service delivery through automation                              | Number of innovations                            | Release of the 2021/2022 placement cycle results through short messages services (SMS)              | 2021/2022 Placement results were released through PRS Service.   |
|  | To improve collection, analysis, retention and dissemination of information | Science, Technology and Innovation Mainstreaming | Develop STI Strategy and Implement the Strategy.  | Science, Technology and Innovation Mainstreaming (STI) was developed and complied with requirement on submission of quarterly reports on STI mainstreaming to NACOSTI. |
|  |   | Decision Support System                          | Implement the Decision Support System (3D)  | KUCCPS implemented the Decision Support System for data analysis.  |
|  | To update and maintain a placement data base                                | Updated database                                 | Collect and retain data on programmes offered by Universities and Colleges and available capacities | KUCCPS published and maintained an up-to-date database on placement data are back-up. .  |
| <b>Financial Sustainability</b>                    |   | Unqualified Financial Statements                 | Compliance with PFM   | No non-compliance issues identified<br>KUCCPS achieved an unqualified financial statement report in 2021/2022 FY and won FIRE Award in Financial reporting             |

| Strategic Goals                                      | Objective                                     | Key Performance Indicators                      | Activities  | Achievements   |
|--|---|---|---|--|
| <b>Strengthen career advisory services</b>           | Strengthen Career Advisory Services           | Number of career services activities undertaken | Conduct teachers' career skill's gap analysis and four blended career teachers' workshops   | A skills gap analysis that targeted 7,237 examination centers (KNEC); 104 national, 727 extra-county, 1,147 county and 5,259 sub-county schools was done<br>A number of blended student career guidance events were also carried out during the year                     |
| <b>Enhance Communication and Customer Experience</b> | Enhance communication and customer experience | Communication strategy implementation report    | Establish branding needs and initiate requisitions for branding items<br>Expose KUCCPS brand on website and social media  | Website homepage designed to reflect KUCCPS mandate, mission, vision, values and corporate identity; social media branded with posters, videos and banners<br>Concept and planning of a testimonial video content production completed and recording of interviews done. |
|  |   | Service charter implementation                  | Display of the charter at the receptions<br>Customize the charter to unique needs and convenient access of the customers by providing mechanisms for sign language. | Displayed the charter prominently at ground, third and fourth floor receptions<br>Charter customized in audiovisual format and posted on the website and KUCCPS YouTube channel<br>Handling of customer needs and queries through the CRM                                |

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| Strategic Goals  | Objective   | Key Performance Indicators                     | Activities  | Achievements   |
|--|---|--|---|--|
| <b>To Strengthen Institutional Capacity and Enhance Corporate Governance</b> | To review organizational Structure                  | Report   | Finalization of career progression plan                     | Operationalization of the organization structure through recruitment, realignment of positions and staff capacity building.<br>Implementation of Human Resource Instruments e.g. Organization structure<br>Salary structure<br>Staff establishment<br>Career guidelines<br>Human Resource Policy and Procedure Manual  |
|  | To ensure quality management                        | Quality Management System                      | ISO 9001:2015 Certification Process                         | Documentation process was done, a request for assessment to KEBS done awaiting final certification assessment audit by KEBS.   |
|  | To develop and implement a risk management plan     | ERM reports                                    | Implementation of the risk management plan                  | To strengthen KUCCPS risk management culture, the activities carried out included identification, monitoring and evaluating the organization's risks through a review of its risk register and coming with mitigation action plans, staff capacity building and sensitization on risk management and treatment of the risks through implementation of the mitigation action plans. |
|  | Increase the number of partnerships, collaborations | Number of activities under taken with partners | Formal engagement of partners to support Placement services | Achieved key Strategic Collaborations such as KLB, Wings to Fly, Huduma Centres, KESSHA, LAPSET, County Government, KEFEP, ACCA)   |

## **7. Corporate Governance Statement**

### **a) Introduction**

KUCCPS is committed to maintaining the highest standards of Corporate Governance. This is considered crucial to the overall performance of the corporation. In performing its functions, the Board of Directors endeavours to consider the best interest of the Placement Service, stakeholders and the nation at large.

### **b) Constitution and Appointment of the Board of Directors**

Board members are appointed by the Cabinet Secretary for Education as provided for in the Universities Act, 2012. The Board comprises 13 members as follows:

- i. The Chairperson;
- ii. The Secretary of the Commission for University Education;
- iii. The Chief Executive of the Higher Education Loans Board;
- iv. The Chief Executive of TVETA
- v. Chief Executive of the TVET Funding Board;
- vi. Two Vice- Chancellors representing the Public Universities;
- vii. Two Vice- Chancellors representing Private Universities;
- viii. Two representatives of Kenya Associations of Technical Institutions;
- ix. The Principal Secretary in the Ministry responsible for Higher Education; and
- x. The Principal Secretary in the Ministry responsible for Finance.

### **c) Board Charter**

The Board is guided by a Board Charter which documents the constitution, roles and responsibilities of the Board. The provisions of the Board Charter are:

1. The appointment of Board members
2. The composition and the primary responsibilities of the Board
3. Practices of the Board including but not limited to the conducting of meetings
4. Relationship of the Board and Management
5. Conflict of interest
6. Induction, performance and remuneration of the Board.

### The Board Members

The members of the Board as at 30<sup>th</sup> June 2022 were as follows:

| S/No. | Name                                    | Role                               | D.O.A      | D.O.R      |
|-------|---|------------------------------------|------------|------------|
| 1.    | Mr. Joe Owaka Ager                      | Chairman                           | 12.07.2018 | 11.07.2021 |
| 2.    | Mr. Cyrus Gituai                        | Chairman                           | 13.07.2022 | 12.07.2025 |
| 3.    | Prof. Geoffrey Muluvi                   | VC, Public Universities<br>(SEKU)  | 13.01.2020 | 12.01.2023 |
| 4.    | Prof. Mwenda Ntarangwi                  | CEO, CUE                           | 05.09.2017 | 16.07.2022 |
| 5.    | CPA Charles Ringera                     | CEO, HELB                          | 27.01.2014 | TBA        |
| 6.    | Prof. Margaret Muthwii                  | VC, Private Universities<br>(PAC)  | 13.03.2017 | 12.03.2023 |
| 7.    | Prof. Mumo Kisau                        | VC, Private Universities<br>(SCU)  | 13.01.2020 | 14.04.2022 |
| 8.    | Prof. Francis Aduol                     | VC, Public Universities<br>(TUK)   | 13.03.2017 | 12.03.2023 |
| 9.    | Very Rev. Prof. Stephen<br>Mbugua Ngari | VC, Private Universities<br>(CUEA) | 14.04.2022 | 13.04.2025 |
| 10.   | Mrs. Glory Kambanja Mutungi             | Representative, KATTI<br>(NTTI)    | 13.03.2017 | 12.03.2023 |
| 11.   | Mr. Patrick King'oina                   | Representative, KATTI<br>(CIT)     | 13.01.2020 | 12.01.2023 |
| 12.   | Mr. Lukes Shiroya                       | Alternate, PS (MOE)                | 04.06.2020 | 31.11.2021 |
| 13.   | Dr. Wahome Rureri                       | Alternate, PS (MOE)                | 1.12.2021  | 1.08.2022  |
| 14.   | Dr. Kipkirui Lang'at                    | DG, TVETA                          | 19.03.2015 | TBA        |
| 15.   | Mr. David Komen                         | Alt, PS (Treasury)                 | 05.05.2021 | TBA        |
| 16.   | Mr. Arthur Gacheru Karagu               | Representative (IG- SC)            | 9.07.2021  | TBA        |
| 17.   | Dr. Agnes Mercy Wahome                  | Chief Executive Officer,<br>KUCCPS | 1.01.2021  | 13.01.2026 |

#### **d) Role and Responsibilities of the Board**

The Board provides leadership and strategic direction to the Placement Service. Its role is to guide the Corporation towards sustainable long-term success by offering policy direction. In carrying out this overall mandate, the Board is guided by impartiality.

#### **e) Board Member meetings**

It is the responsibility of the Chairman and the Board Secretary to generate the Board Almanac and Agenda for the meeting. The meetings of the Board are held at least once every quarter in a financial year. To ensure effective and efficient operation of the Board, all Board Papers are circulated well in advance of the meeting. With the incorporation of the E- Board system, the Board has managed to conduct both hybrid and physical meeting and going paperless. In addition, to the Board meetings, other meetings may be convened as need arises. To facilitate the smooth running of the Board's affairs, four Committees have been established.

#### **f) Committees of the Board**

In order to facilitate the smooth running of its affairs the Board members have established Committees with a membership and terms of reference as outlined in the Board Charter. The following Committees were in place in the Financial Year

1. Placement Committee
2. Human Resource Committee
3. Finance and Strategy Committee
4. Audit Committee

#### **g) Conflict of Interest**

The Board members are under a fiduciary duty to act honestly and in the best interest of the organisation. Accordingly, Directors have been encouraged to recuse themselves from discussing or voting on matters that a conflict of interest may exist. The Board maintains a Conflict of Interest Register.

## **h) Board Evaluation**

In pursuit of promoting Board effectiveness, the Board undertook self- evaluation facilitated by State Corporation Advisory Committee (SCAC). The recommendations from the evaluations were considered and implemented.

### **i) Board and Committees Meeting Attendance and Remuneration for 2021/2022**

The Board members, other than the Chief Executive Officer do not receive a salary. They however receive sitting allowance for every meeting attended at the rate of Kshs. 20,000 per sitting. In addition to the sitting allowance, the Chairman of the Board receives monthly Honoraria of Kshs. 80,000 per month and telephone allowance of Kshs. 7,000. Below are the individuals' attendance and remuneration.

#### **i. Full Board Meetings**

| <b>S/NO.</b> | <b>NAME</b>                          | <b>ATTENDANCE</b> | <b>ALLOWANCES</b> |
|--------------|--------------------------------------|-------------------|-------------------|
| 1.           | Mr. Joe Owaka Ager                   | 1/8               | 20,000            |
| 2.           | Mr. Cyrus Gituai                     | -                 | -                 |
| 3.           | Prof. Geoffrey Muluvi                | 8/8               | 160,000           |
| 4.           | Prof. Mwenda Ntarangwi               | 6/8               | 120,000           |
| 5.           | Prof Francis Aduol                   | -                 | -                 |
| 6.           | CPA Charles Ringera                  | 8/8               | 160,000           |
| 7.           | Prof. Margaret Muthwii               | 8/8               | 160,000           |
| 8.           | Prof. Mumo Kisau                     | 6/8               | 120,000           |
| 9.           | Very Rev. Prof. Stephen Mbugua Ngari | -                 | -                 |
| 10.          | Mrs. Glory Kambanja Mutungi          | 6/8               | 120,000           |
| 11.          | Mr. Patrick King'oina                | 6/8               | 120,000           |
| 12.          | Mr. Lukes Shiroya                    | 3/8               | 60,000            |
| 13.          | Dr. Wahome Rureri                    | 3/8               | 60,000            |
| 14.          | Dr. Kipkirui Lang'at                 | 5/8               | 100,000           |
| 15.          | Mr. David Komen                      | 5/8               | 100,000           |
| 16.          | Mr. Arthur Gacheru Karagu            | 6/8               | 120,000           |

**ii. Placement Committee**

| S/NO. | NAME                                 | ATTENDANCES | ALLOWANCES |
|-------|--------------------------------------|-------------|------------|
| 1.    | Prof. Mwenda Ntarangwi (Chairperson) | 4/4         | 80,000     |
| 2.    | Prof. Geoffrey Muluvi                | 4/4         | 80,000     |
| 3.    | Prof. Margaret Muthwii               | 4/4         | 80,000     |
| 4.    | CPA Charles Ringera                  | 3/4         | 60,000     |
| 5.    | Mr. Arthur Karagu                    | 2/4         | 40,000     |

**iii. Finance & Strategy Committee**

| S/NO. | NAME                                | ATTENDANCES | ALLOWANCES |
|-------|-------------------------------------|-------------|------------|
| 1.    | Prof. Geoffrey Muluvi (Chairperson) | 6/6         | 120,000    |
| 2.    | Mr. Patrick King'oina               | 6/6         | 120,000    |
| 3.    | Dr. Kipkirui Lang'at                | 5/6         | 100,000    |
| 4.    | Mr. Lukes Shiroya                   | 2/6         | 40,000     |
| 5.    | Mr. Arthur Karagu                   | 3/6         | 60,000     |
| 6.    | Dr. Wahome Rureri                   | 2/6         | 40,000     |

**iv. Human Resource Committee**

| S/NO. | NAME                                 | ATTENDANCES | ALLOWANCES |
|-------|--------------------------------------|-------------|------------|
| 1.    | Prof. Margaret Muthwii (Chairperson) | 6/6         | 120,000    |
| 2.    | Dr. Wahome Rureri                    | 3/6         | 60,000     |
| 3.    | Dr. Kipkirui Lang'at                 | 5/6         | 100,000    |
| 4.    | Mr. David Komen                      | 3/6         | 60,000     |
| 5.    | Mr. Lukes Shiroya                    | 3/6         | 60,000     |
| 6.    | Mr. Arthur Karagu                    | 3/6         | 60,000     |
| 7.    | Mr. Anthony Muriu                    | 1/6         | 20,000     |

**v. Audit Committee**

| <b>S/NO.</b> | <b>NAME</b>                          | <b>ATTENDANCES</b> | <b>ALLOWANCES</b> |
|--------------|--------------------------------------|--------------------|-------------------|
| 1.           | CPA Charles Ringera                  | 8/8                | 160,000           |
| 2.           | Mrs. Glory Kambanja Mutungi          | 8/8                | 160,000           |
| 3.           | Mr. David Komen                      | 6/8                | 120,000           |
| 4.           | Prof. Mumo Kisau                     | 4/8                | 80,000            |
| 5.           | Very Rev. Prof. Stephen Mbugua Ngari | 2/8                | 40,000            |

**j) Board Induction and Continuous Skills Development**

New Board members are offered an effective induction program to assist them in familiarizing with their responsibilities, general principles of corporate governance and Board practices. Further, the Board is trained in relevant areas deemed necessary for execution of their duties.

## 8. Management Discussion and Analysis

### Placement Coordination

In the 2022/2023 cycle, 123,963 Students (2021 cohort) were placed to pursue degree programmes in Public and Private Universities. In addition, 124,258 students were placed to TVET programmes. This year, we also placed 1,831 Kenyans to Teacher Training Colleges (Diploma in Primary Teacher Education and Diploma in Secondary Teacher Education). These students will be trained on delivering the CBC curriculum. This is remarkable because it boosted the government's efforts to scale up transition of students from basic to higher education.



*CS Education, Prof. George Magoha addressing the media after he officially released the 2022/2023 placement results in Nairobi.*

In addition, KUCCPS registered a total of 58 TVET institutions within the financial year.

### Career Guidance Programmes

In partnership with the Kenya Education Management Institute (KEMI), KUCCPS developed a draft training manual for capacity building of teachers in charge of career guidance.

Further, the Placement Service organised a virtual career guidance sensitisation for secondary students. Over 4000 students were reached from 49 secondary schools drawn from 17 counties. In addition, KUCCPS conducted physical career guidance and mentorship activities in 19 counties reaching 39 secondary schools.

A career teachers capacity building workshop was also conducted, in which 88 teachers from 28 counties were trained. The Placement Service also collaborated with Education Development Trust, and sensitised 254 teachers from 132 schools located in the ASAL areas. Career fairs and exhibitions for career guidance were held or organised in partnership with various stakeholders.

### ***Review the placement criteria***

Two stakeholder validation workshops were held in November 2021 for degree programmes and TVET programmes. Universities and TVET college representatives submitted their feedback on the revised degree and TVET cluster documents. In addition, the regulatory/professional Bodies provided minimum entry requirements for regulated degree and TVET programmes where applicable. A revised cluster document was developed.

## **Communication and Public Outreach**

### ***Publicity and Outreach***

The Placement Service through the corporate communications department carried out advertising and publicity campaigns for major placement activities in *MyGov*, Daily Nation, Standard newspaper, and the Teachers' Image Magazine. In addition, advertisements were also carried out through the national televisions and vernacular/community radio stations and they were geared towards increasing the number of applications by reaching to as many potential applicants as possible.

### ***Media sensitisation workshop***

The Placement Service organised a media sensitisation workshop in Naivasha as part of the Implementation of the Kenya Universities and Colleges Central Placement Service Communication Strategy. Twenty five (25) journalists from differed media houses attended the event. The aim of the workshop was to sensitise the journalists on KUCCPS mandate, enhance interaction between KUCCPS spokespeople and the media, create a network of journalists who can report accurately about KUCCPS, and build one-on-one relationships with journalists.

### ***Newsletter***

The first and second issue of the Placement Service e-newsletter *Career Buzz* was developed and published, as part of the Implementation of the Kenya Universities and Colleges Central. The publication highlighted topics on Centre/School Application, TVET Placement, KUCCPS entry criteria reforms, career guidance activities, career teacher training manual among others.

### ***Corporate Social Initiative***

The Placement Service organised and participated in a corporate social investment (CSI) activity from December 15<sup>th</sup> to 18<sup>th</sup> 2021 at Sobukwo Secondary School in West Pokot County and Kapsabet High School in Nandi County. The activity entailed donation of items and career guidance. KUCCPS donated 22 pieces of furniture to Sobukwo Secondary School and 10 pieces of UPS gadgets to

Kapsabet High School. The items had been identified and approved for disposal by way of transfer to another public entity, which was done as a corporate social responsibility initiative. The CEO led the KUCCPS team in the activities.



*ICT equipment donation to Kapsabet High School, Nandi County.*



*KUCCPS CEO giving career guidance at Subukwo Secondary School in West Pokot County.*

In addition, the Placement Service joined the Ministry of Environment and Forestry for a conservation activity during the World Wetland Day Celebration at Ondiri Swamp Kikuyu, Kiambu County on February 3, 2022. A donation was made towards the purchase of seedlings, 1000 indigenous tree and bamboo seedlings were planted.



*Right: Corporate Communication Manager planting a tree seedling at Ondiri Swamp in Kikuyu*

### ***Customer service training***

Customer Experience is one of the Placement Service strategic drivers which seeks to enhance communication and customer experience. In attainment of this target, twenty-six members of staff were trained on excellent customer service, the training was to empower the employees with the skills for serving students and other primary clients.



*Some of KUCCPS staff during a customer experience training at Machakos University.*

### ***Career outreach at exhibitions***

The Placement Service continued with its stakeholder's career outreach activities through exhibitions and fairs. Public awareness on placement process and opportunities were undertaken in 13 events namely Kenya Association of Technical Training Institutions (KATTI) annual general meeting 2021, Kenyatta University Career Fair & Exhibition, Masinde Muliro University of Science and Technology Career Fair, HELB TVET Career Fair, International Health Workforce Conference, 45<sup>th</sup> Annual National KESSHA, KATI Capacity Building Workshop, Africa Public Service Day, Machakos ASK Show, University of Nairobi Career Fair, CECEK Higher Education Career Fair Embakasi East and at Masinde Muliro University of Science and Technology.



*Placement Officer attending to students at a career outreach exhibition*

### **Strategy and Planning**

The strategy and planning department-coordinated implementation of work plan and PC by ensuring periodic and annual reports are submitted in time. In addition, the department ensures that necessary PC evidences are collected and organized in preparation for annual evaluation. The International Organization for Standard (ISO) 9001:2015 certification was initiated by the Department where ISO champions were trained and necessary documentations were developed awaiting certification.

### **Research and Knowledge Management**

A Research and Knowledge Management (R&KM) policy developed in 2018/2019 FY is being implemented. Among the key initiatives being implemented includes; Provision of Data for research on request to various stakeholders throughout the period; Acquisition and operationalization of a decision support system (3D) that has enhanced data analysis; R & KM Strategy developed pending approval; Science Technology and Innovation mainstreaming Strategy developed pending approval and in addition Desktop research for every placement cycle carried out during the period.

### **Risk and Compliance**

The department coordinates management of risks and ensure Enterprise Risk Management Framework developed in 2019/2020 FY is implemented. Integrated risk management plan, strategic

and operational initiatives of KUCCPS is implemented through maintenance of risk registers for both the organisation and departments with respective mitigation action plans. The department has enhanced risk awareness culture in KUCCPS through risk management awareness sessions for staff. A Business Continuity Plan (BCP) and a business impact analysis tool was developed in the 2019/2020 FY as part of implementation of BCP.

| <b>Strategic Objectives</b>   | <b>Strategic Initiatives</b>   |
|---|--|
| To monitor and evaluate the implementation of KUCCPS strategic plan.                              | Coordinate development of KUCCPS work plan & PC.<br>Preparation of periodic progress implementation reports on work plan & PC.<br>Monitoring and evaluation of SP                              |
| Enhance enterprise risk management and business continuity plan                                   | Review ERM Framework and Business Continuity Plan<br>Implementation of Business Continuity Plan  |
| Monitor implementation of KUCCPS services.  | Development and implement compliance policy<br>Develop a Quality Assurance Framework;<br>ISO 9001:2015 Certification;  |
| To conduct research and promote innovation on placement and career guidance.                      | Policy formulation.<br>Research on key thematic areas<br>Collaboration and partnerships on research and innovation<br>To collect data on location of schools for placement and career guidance |
| Advise the government on matters relating to university and college student placement and careers | Provide periodic advisory reports<br>Disseminate research findings on placement and careers  |
| Collect and retain data relating to KUCCPS services.  | Establish and operationalize a centralized knowledge management system   |

### **Compliance with statutory requirements**

The Placement Service during the financial year had no non-compliance issue raised by either internal or external audits, all statutory requirements have been complied with. It was able to meet its statutory obligations during the year under review remitting Kshs 41,909,550 to the KRA in tax payment (PAYE), Kshs 1,244,200 to the NHIF, Kshs 323,600 to the NSSF and Kshs 17,445,050 to BRITAM for Staff Pension Scheme.

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

The Kenya Universities and Colleges Central Placement Service exists to transform lives. This is our purpose; the driving force behind everything we do. 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 organisation's policies and activities that promote sustainability.

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

KUCCPS sustainability strategy focuses on financial and environmental sustainability. In the 2017-2022 Strategic Plan, Financial Sustainability is one of the organisation's strategic drivers. This is achieved through prudent utilisation of resources, own-revenue generation and collaboration with strategic partners. Environmental sustainability is achieved through conservation activities. In the year ended, KUCCPS participated in the planting of 2,000 tree seedlings towards the conservation of the Ondiri Swamp in Kiambu County.

### **ii) Environmental performance**

The Corporation has established an Environmental Sustainability Committee to champion matters to do with safeguarding the environment. The Committee is responsible for developing and ensuring an environmentally clean and health practices in the workplace. Among the achievements during the period is on use of emails and electronics to reduce in use of paper and petroleum waste.

### **iii) Employee welfare**

The organisation has Human Resource Instruments which were being implemented during the period under review. There are well documented policies on recruitment and were complied with during the period under review. Recruitment for positions of Head of Department and Directorate is undertaken by the Board while positions below Heads of Department / Directorates is undertaken by the Chief Executive Officer. There is an established Human Resource Advisory Committee that assists in recruitment process for positions below Heads of Department/ Directorates.

The Gender ratio was female (47%) to male (53%) which was attained without compromising merit. The HR instruments are reviewed after every five years, hence are due for review in the year 2023. Training needs analysis and performance appraisal are undertaken to inform the training plan.

In the financial year, staff were trained on cross cutting issues, leadership, management, supervisory courses and continuous professional development in order to enhance productivity. The organisation has complied with Occupational Safety and Health Act of 2007, and has in place Work Environment, Health and Safety policies and measures. The organisation has been issued an OSHA certificate.

**iv) Market place practices**

**a) Responsible competition practice**

The organisation obtains goods and services through procurement and supply chain management practices in accordance with the Public Procurement and Assets Disposal Act and Regulations. In addition, a committee had been established to spearhead efforts towards preventing corrupt practices and unethical behaviour, while employment opportunities are competitively and fairly filled through public participation. These measures are geared towards ensuring responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors.

Further, the Placement Service has approved policies within the legal and regulatory framework that guides Placement, Recruitment and Procurement this ensures fairness, equity, transparency, efficiency, effectiveness in service delivery. The Placement Service works and supports the Government in power in its policies and strategic direction.

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

The Placement Service complies with the Public Procurement and Assets Disposal Act, and the Regulations. There is an approved procurement plan which is implemented. The 30% requirement for the special group is agreed on at the beginning of the financial and the results for the year under review is Kshs. 46 Million. The Placement Service monitors implementation of contracts and payments are made in a timely manner. For the period under review there were no pending bills.

**c) Responsible marketing and advertisement**

Placement Service conducts its advertisement through recognised media in compliance with government regulations and ethical standards. Public communication and publicity campaigns are guided by an approved corporate communication policy and strategy.

**d) Product stewardship**

The main consumers of Placement Service services are students. To safeguard their rights and interests, Placement Service endeavours to comply with the laws and internal policies and guidelines that govern student placement and career guidance services.

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

The Placement Service has developed a Corporate Social Investment (CSI/CSR) and stakeholder engagement policy, which are under implementation.

In the period under review, the corporation undertook various CSR activities. In partnership with the Kenya Water Tower Agency, KUCCPS supported a tree planting activity at the Ondiri Swamp in Kikuyu, Kiambu County. In addition, the organisation donated assorted computer items and furniture to Sobukwo Secondary School in West Pokot County and Kapsabet High School in Nandi County.

**Kenya Universities and Colleges Central Placement Service  
Annual Report and Financial Statements  
For the year ended 30 June, 2022.**

**10. Report of the Directors**

The Directors submit their report together with the audited financial statements for the year ended 30 June, 2022, which show the state of the Kenya Universities and Colleges Central Placement Service's affairs.

**i) Principal activities**

The principal activities of the continue to be coordinating the placement of government-sponsored students to universities and colleges; disseminating information on the available programmes, their costs and the areas of study prioritised by the government; collecting and retaining data in relation to student placement; developing career guidance activities for the benefit of students; and advising the government on matters relating to student placement.

**ii) Results**

The results of the entity for the year ended 30 June, 2022, are set out on pages 1 to 8.

**iii) Directors**

The members of the Board of Directors who served during the year are shown on pages vi to xiii. During the year, Dr. Wahome Rureri and Rev. Prof. Stephen Mbugua joined the Board as a Member Alternate to the Principal Secretary, Ministry of Education and Member, Private Universities respectively. Dr. Wahome replaced Mr. Lukes Shiroya while Rev. Mbugua replaced Prof. Mumo Kisau, whose tenure in the Board had ended.

**iv) Tax Paid**

In accordance with section 3(2)(b) of the Income Tax Act 2013, the Placement Service paid Kshs 9,594,705 on interest and other revenues realised from its operations for FY 2020/2021.

**v) Auditors**

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

By Order of the Board



.....  
**Faith Kaluai**

Corporate Secretary

31 August, 2022

## **11. Statement of Directors Responsibilities**

Section 81 of the Public Finance Management Act, 2012, section 14 of the State Corporations Act and section 33 of the Universities Act, 2012 require the Directors to prepare financial statements in respect of Placement Service, which give a true and fair view of the state of affairs of the Placement Service at the end of the financial year and the operating results for that year. The Directors are also required to ensure that the Placement Service keeps proper accounting records that disclose with reasonable accuracy the financial position. The Directors are also responsible for safeguarding its assets.

The Directors are responsible for the preparation and presentation of the Placement Service's financial statements, which give a true and fair view of the state of affairs of the Placement Service for and as at the end of the financial year ended on 30 June, 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 Placement Service; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the Placement Service; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

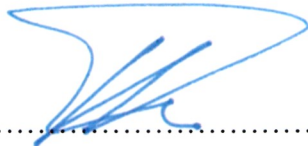
The Directors accept responsibility for the Placement Service's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Universities Act, 2012. The Directors are of the opinion that the Placement Service's financial statements give a true and fair view of the state of Placement Service's transactions during the financial year ended 30 June, 2022, and of the Placement Service's financial position as at that date.

The Directors further confirms the completeness of the accounting records maintained for the Placement Service, which have been relied upon in the preparation of the Placement Service'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 the Placement Service will not remain a going concern for at least the next twelve months from the date of this statement

**Approval of the financial statements**

The Board approved the Kenya Universities and Colleges Central Placement Service's financial statements on 29 September, 2022 and signed on its behalf by:



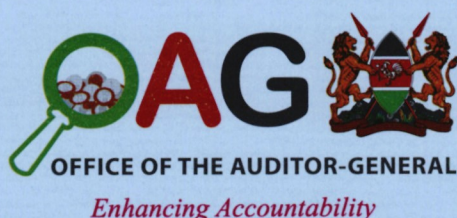
.....  
**Mr. Cyrus Gituai**  
**Chairperson of the Board**



.....  
**Dr. Agnes Mercy Wahome**  
**Chief Executive Officer**

# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON KENYA UNIVERSITIES AND COLLEGES CENTRAL PLACEMENT SERVICE 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 the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Opinion**

I have audited the accompanying financial statements of Kenya Universities and Colleges Central Placement Service set out on pages 1 to 38, 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, the financial statements present fairly, in all material respects, the financial position of the Kenya Universities and Colleges Central Placement Service as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Kenya Universities and Colleges Central Placement Service Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

### **Other Matter**

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

The statement of comparison of budget and actual amounts reflects final expenditure budget and actual on comparable basis of Kshs.570,396,110 and Kshs.398,072,205 respectively, resulting to under-absorption of Kshs.172,323,905 representing 30% of the budget.

The under-absorption of funds may have negatively impacted on service delivery to the public.

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

The audit report for the year ended 30 June, 2021 highlighted several unsatisfactory matters. The Management has not provided any disclosure on progress made in resolving these issues and no information was provided to indicate if the issues were resolved or not as at 30 June, 2022. This is contrary to Section 149 (2) (l) of the Public Finance Management Act, 2012, which requires that in carrying out a responsibility imposed by subsection (1), an accounting officer shall, in respect of the entity concerned try to resolve any issues resulting from an audit that remain outstanding.

In the circumstances, the audit issues remained unresolved.

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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and 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 overall governance.

In preparing the financial statements, Management is responsible for assessing the Service'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 Service or to cease operations.

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

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

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

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

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

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

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


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

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

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

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

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

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

**Nairobi**

**26 April, 2023**

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

|   | Note  | 2021/2022<br>Kshs  | 2020/2021<br>Kshs  |
|---|-------|--------------------|--------------------|
| <b>Revenue from non-exchange transactions</b>                   |       |                    |                    |
| Capitation Grants- Revenue                                      | 5     | 21,958,110         | 16,468,582         |
|   |       | <b>21,958,110</b>  | <b>16,468,582</b>  |
| <b>Revenue from exchange transactions</b>                       |       |                    |                    |
| Registration Fees   | 6     | 3,710,000          | 2,620,000          |
| Application and Revision  | 7     | 572,875,063        | 526,446,006        |
| Finance income  | 8 (a) | 65,724,086         | 45,577,470         |
| Career book and other incomes                                   | 8(b)  | 7,466,223          | 199,053            |
|   |       | <b>649,775,372</b> | <b>574,842,528</b> |
| <b>Total revenue</b>  |       | <b>671,733,482</b> | <b>591,311,110</b> |
| <b>Expenses</b>   |       |                    |                    |
| Employee costs  | 9     | 170,861,822        | 162,499,474        |
| Board Expenses  | 10    | 19,331,293         | 19,881,627         |
| Placement Processing and Publicity                              | 11    | 25,069,070         | 10,279,522         |
| Career Guidance and Workshops                                   | 12    | 9,164,831          | 5,900,947          |
| Depreciation and amortization expense                           | 13    | 36,482,775         | 32,060,838         |
| Repairs and maintenance   | 14    | 23,982,373         | 1,802,248          |
| Use of Goods and Services                                       | 15    | 92,617,776         | 73,801,417         |
| Finance cost  | 16    | 478,981            | 388,910            |
| <b>Total expenses</b>   |       | <b>377,988,922</b> | <b>306,614,983</b> |
| <b>Surplus for the period</b>                                   |       | <b>293,744,560</b> | <b>284,696,127</b> |
| <b>Surplus attributable to owners of the controlling entity</b> |       | <b>293,744,560</b> | <b>293,744,560</b> |
| <b>Total Surplus</b>  |       | <b>293,744,560</b> | <b>284,696,127</b> |

The notes set out on pages 9 to 43 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

Dr. Agnes Mercy Wahome

31 August, 2022



Head of Finance

CPA Michael Kimani

ICPAK: 5310

31 August, 2022



Chairman of the Board

Mr. Cyrus Gituai

31 August, 2022

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

| Assets  | Note   | 2021/2022<br>Kshs           | 2020/2021<br>Kshs           |
|---|--------|-----------------------------|-----------------------------|
| <b>Current assets</b>                               |        |                             |                             |
| Cash and cash equivalents                           | 17     | 463,742,936                 | 256,832,935                 |
| Receivables from exchange transactions              | 18     | 376,113,898                 | 414,244,914                 |
| Inventories   | 19     | 1,662,515                   | 1,240,584                   |
| Investment (Short term placement of funds)          | 20     | <u>704,798,066</u>          | <u>745,551,321</u>          |
| <b>Total Current Assets</b>                         |        | <b><u>1,546,317,415</u></b> | <b><u>1,417,869,753</u></b> |
| <b>Non-current assets</b>                           |        |                             |                             |
| Property, plant and equipment                       | 21(a)  | 62,714,327                  | 73,688,820                  |
| Intangible assets                                   | 21(b)  | 11,340,000                  | 15,540,000                  |
| <b>Total Non- Current Assets</b>                    |        | <b><u>74,054,327</u></b>    | <b><u>89,228,820</u></b>    |
| <b>Total assets</b>                                 |        | <b><u>1,620,371,743</u></b> | <b><u>1,507,098,573</u></b> |
| <b>Liabilities</b>                                  |        |                             |                             |
| <b>Current liabilities</b>                          |        |                             |                             |
| Trade and other payables from exchange transactions | 22     | 185,495,293                 | 26,767,780                  |
| Refundable deposits from customers                  | 23     | 1,013,368                   | 731,368                     |
| Employee benefit obligation                         | 24     | 399,559                     | 3,854,104                   |
| Taxation  | 24 (b) | <u>21,331,445</u>           | <u>9,539,305</u>            |
| <b>Total assets</b>                                 |        | <b><u>208,239,664</u></b>   | <b><u>40,892,557</u></b>    |
| <b>Non-current liabilities</b>                      |        |                             |                             |
| Non-current employee benefit obligation             | 24     | <u>6,143,262</u>            | <u>1,204,839</u>            |
| <b>Total Non-Current Liabilities</b>                |        | <b><u>6,143,262</u></b>     | <b><u>1,204,839</u></b>     |
| <b>Total liabilities</b>                            |        | <b><u>214,382,926</u></b>   | <b><u>42,097,396</u></b>    |


**Kenya Universities and Colleges Central Placement Service  
Annual Report and Financial Statements  
For the year ended 30 June, 2022.**

**Net assets**

|  |     |                             |                             |
|--|-----|-----------------------------|-----------------------------|
| Accumulated surplus                      | 25a | 542,743,081                 | 270,329,966                 |
| Capital Development Reserve              | 25b | 800,000,000                 | 800,000,000                 |
| Revaluation Reserve                      | 25c | 63,245,735                  | 63,245,735                  |
| Staff Mortgage and Car Loan Reserve Fund | 25d |                             | <u>331,425,474</u>          |
| <b>Total net assets</b>                  |     | <b><u>1,405,988,817</u></b> | <b><u>1,465,001,176</u></b> |
| <b>Total net assets and liabilities</b>  |     | <b><u>1,620,371,743</u></b> | <b><u>1,507,098,572</u></b> |

The notes set out on pages 9 to 43 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**

**Dr. Agnes Mercy Wahome**

**31 August, 2022**



**Head of Finance**

**CPA Michael Kimani**

**ICPAK: 5310**

**31 August, 2022**



**Chairman of the Board**

**Mr. Cyrus Gituai**

**31 August, 2022**

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

|  | Accumulated<br>Surplus<br>Kshs | Revaluation<br>Reserve | Capital<br>Development<br>Reserve<br>Kshs | Staff<br>Mortgage<br>and Car<br>Loan<br>Reserve<br>Kshs | Total<br>Kshs |
|--|--------------------------------|------------------------|---|---|---------------|
| <b>Balance As at 1 July,<br/>2020</b>                          | 376,647,513                    | 63,245,735             | 600,000,000                               | 175,640,873   | 1,215,534,121 |
| Surplus for the period   | 284,696,127                    |                        | -   | -   | 284,696,127   |
| Revaluation Gain<br>Surplus for the period-<br>Mortgage        |                                |                        |   | 5,784,602   | -             |
| <b>Transfer to Capital<br/>Development Reserve</b>             | (200,000,000)                  |                        | 200,000,000                               |   | -             |
| <b>Transfer to Staff<br/>Mortgage and Car<br/>Loan Reserve</b> | (150,000,000)                  |                        |   | 150,000,000   | -             |
| Tax paid for the<br>previous years                             | (25,605,053)                   |                        |   |   | (25,605,053)  |
| Tax due for the Year   | (15,408,621)                   |                        |   |   | (15,408,621)  |
| <b>Balance as at 30 JUNE,<br/>2021</b>                         | 270,329,966                    | 63,245,735             | 800,000,000                               | 331,425,474   | 1,465,001,176 |
| <b>Balance as at 1 July,<br/>2021</b>                          | 270,329,966                    | 63,245,735             | 800,000,000                               | -   | 1,136,575,701 |
| Surplus for the period   | 293,744,560                    |                        | -   | -   | 293,744,560   |
| Revaluation Gain<br>Surplus for the period-<br>Mortgage        |                                |                        |   | -   | -             |
| Transfer to Capital<br>Development Reserve                     |                                |                        |   |   | -             |
| Transfer to Staff Mortgage<br>and Car Loan Reserve             |                                |                        |   |   | -             |
| Tax paid for the previous<br>years                             |                                |                        |   |   | -             |
| Tax due for the Year   | (21,331,445)                   |                        |   |   | (21,331,445)  |
| <b>Balance as at 30 JUNE,<br/>2022</b>                         | 542,743,081                    | 63,245,735             | 800,000,000                               | -   | 1,405,988,816 |

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

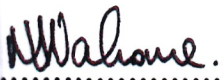
|  | Note     | 2021/2022            | 2020/2021            |
|--|----------|----------------------|----------------------|
|  |          | Kshs                 | Kshs                 |
| <b>Cash flows from operating activities</b>                  |          |                      |                      |
| <b>Receipts</b>  |          |                      |                      |
| Capitation Grant - Revenue                                   | 5        | 21,958,110           | 16,468,582           |
| Registration and Renewal Fees                                | 6        | 3,630,000            | 2,620,000            |
| Application and Revision                                     | 7        | 363,968,563          | 341,458,506          |
| Placement Fees   | 7        | 181,848,805          | 114,996,345          |
| Interest & Other Incomes                                     | 8( c )   | 65,032,798           | 34,414,845           |
|  |          | <b>636,438,277</b>   | <b>509,958,278</b>   |
| <b>Payments</b>  |          |                      |                      |
| Compensation of employees                                    | 9        | (164,409,064)        | (155,063,346)        |
| Board Expenses   |          | (19,331,293)         | -                    |
| Placement Processing and Publicity                           |          | (21,724,070)         | -                    |
| Career Guidance and Workshops                                |          | (9,164,831)          | -                    |
| Repairs and maintenance                                      |          | (22,132,568)         | -                    |
| Goods and services   |          | (110,922,875)        | (134,888,575)        |
| Finance cost   | 16       | (478,981)            | (388,910)            |
|  |          | <b>(348,163,684)</b> | <b>(290,340,831)</b> |
| <b>Net cash flows from operating activities</b>              |          | <b>288,274,593</b>   | <b>219,617,447</b>   |
| <b>Cash flows from investing activities</b>                  |          |                      |                      |
| Purchase of property, plant, equipment and intangible assets | 21 ( c ) | (10,340,203)         | (12,275,948)         |
| <b>Net cash flows used in investing activities</b>           |          | <b>(10,340,203)</b>  | <b>(12,275,948)</b>  |
| <b>Cash flows from financing activities</b>                  |          |                      |                      |

**Kenya Universities and Colleges Central Placement Service  
Annual Report and Financial Statements  
For the year ended 30 June, 2022.**


|   | Note | 2021/2022          | 2020/2021            |
|---|------|--------------------|----------------------|
|   |      | Kshs               | Kshs                 |
| Increase in deposits  |      | 40,753,255         | (206,035,577)        |
| Staff Mortgage payment                                      |      | -                  | (11,046,741)         |
| Staff Mortgage repayments                                   |      | -                  | 5,957,331            |
| Investment Income   |      | -                  | 5,784,602            |
| <b>Net cash flows used in financing activities</b>          |      | <b>40,753,255</b>  | <b>(205,340,385)</b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |      | <b>318,687,645</b> | <b>2,001,114</b>     |
| Cash and Cash Equivalents at 1 July, 2021                   |      | 145,055,291        | 254,831,820          |
| <b>Cash and cash equivalents at 30 JUNE, 2022</b>           |      | <b>463,758,686</b> | <b>256,832,935</b>   |

Placement Service present the cash flow statement using the direct method as per IPSAS 2.

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

  
.....  
**Dr. Agnes Mercy Wahome**  
**Accounting Officer**

**31 August, 2022**

  
.....  
**Michael Kimani**  
**Head of Finance**  
**ICPAK M/No: 5310**

**31 August, 2022**

  
.....  
**Cyrus Gituai**  
**Chairman of the Board**

**31 August, 2022**

Kenya Universities and Colleges Central Placement Service  
Annual Report and Financial Statements  
For the year ended 30 June, 2022.

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

| Revenue                            | Original budget    | Adjustments       | Final budget       | Actual on comparable basis | Performance difference | Per centage (%) | Ref. |
|------------------------------------|--------------------|-------------------|--------------------|----------------------------|------------------------|-----------------|------|
|                                    | 2021/2022<br>Kshs  | 2021/2022<br>Kshs | 2021/2022<br>Kshs  | 2021/2022<br>Kshs          | 2021/2022<br>Kshs      |                 |      |
| Capitation Grants- Revenue         | 21,958,110         | -                 | 21,958,110         | 21,958,110                 | -                      | 0.0%            |      |
| Registration and Renewal Fees      | 3,000,000          | -                 | 3,000,000          | 3,710,000                  | (710,000)              | -24%            | a)   |
| Application and Revision Fees      | 281,438,000        | -                 | 281,438,000        | 363,968,563                | (82,530,563)           | -29%            | b)   |
| Placement Fees                     | 243,000,000        | -                 | 243,000,000        | 208,906,500                | 34,093,500             | 14.0%           | c)   |
| Interest and Other Incomes         | 21,000,000         | -                 | 21,000,000         | 73,190,309                 | (52,190,309)           | -249%           | d)   |
| <b>Total income</b>                | <b>570,396,110</b> | <b>-</b>          | <b>570,396,110</b> | <b>671,733,482</b>         | <b>101,337,372</b>     |                 |      |
| <b>Expenses</b>                    |                    |                   |                    |                            |                        |                 |      |
| Employee costs                     | 246,989,000        | -                 | 246,989,000        | 170,861,822                | 76,127,178             | 31%             | e)   |
| Board Expenses                     | 22,000,000         | -                 | 22,000,000         | 19,331,293                 | 2,668,707              | 12%             | f)   |
| Placement Processing and Publicity | 30,095,000         | 1,500,000         | 31,595,000         | 25,069,070                 | 6,525,930              | 21%             | g)   |
| Career Guidance and Workshops      | 20,000,000         | (2,000,000)       | 18,000,000         | 9,164,831                  | 8,835,169              | 49%             | h)   |
| Depreciation Expense               | 48,813,000         | -                 | 48,813,000         | 36,482,775                 | 12,330,225             | 25%             | i)   |
| Repairs and Maintenance            | 29,000,000         | (2,000,000)       | 27,000,000         | 23,982,373                 | 3,017,627              | 11%             | j)   |
| General Expenses                   | 110,899,110        | 1,500,000         | 112,399,110        | 92,617,776                 | 19,781,334             | 18%             | k)   |
| Finance Cost                       | 600,000            | -                 | 600,000            | 478,981                    | 121,019                | 20%             |      |
| Capital Expenditure                | 62,000,000         | 1,000,000         | 63,000,000         | 20,083,283                 | 42,916,717             | 68%             | l)   |
| <b>Total Expenditure</b>           | <b>570,396,110</b> | <b>-</b>          | <b>570,396,110</b> | <b>398,072,205</b>         | <b>172,323,905</b>     | <b>70%</b>      |      |
| <b>Surplus for the Period</b>      | <b>-</b>           | <b>-</b>          | <b>-</b>           | <b>273,661,277</b>         | <b>273,661,277</b>     |                 |      |

**Budget explanatory notes**

- a) The registration of additional Teachers Training Colleges during the year boosted the revenues
- b) The number of applicants rose than projected due to TVET Campaign.
- c) Placement revenue realised during the year was less than projected with some students placed deferring their reporting to Universities and Colleges.
- d) The funds meant for Capital development continued to earn income from Treasury Bills.
- e) Recruitment of additional staff delayed and the projected salary review for the year not completed.
- f) Continued restriction on public assembly and movement restricted some of the Board activities.
- g) The continued closure of institutions and restriction of movement delayed students from reporting.
- h) Restrictions of assembly in schools had Placement Service implement a different strategy and thus less Physical career activities.
- i) Depreciation charge increased following the revaluation and valuation of assets.
- J) Repairs and maintenance done on need basis.
- k) Some activities expected to take place did not due to change of strategies following the Covid-19 pandemic.
- l) The implementation process was ongoing at the end of the period.

**Budget Reallocation**

During the year, there was budget reallocation within the operation budget to facilitate office partitioning for the additional staff recruited.

**Reconciliation with the Statement of Financial Performance**

The reconciliation between this statement and the statement of financial performance reflected in note 27.

The approved budget for the year included an amount of Kshs 358,862,000 for Capital Project and process is ongoing. This amount is not included in the above budget given it was for capital project.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

### 18. Notes to the Financial Statements

#### 1. General Information

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

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

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Placement Service and all values are rounded to the nearest Kenya Shilling. The financial statements have been prepared in accordance with the Public Finance Management Act (PFMA), the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.’’

The comparative figures for the year ended 30 June, 2021 are given for ease reference.

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED.**

**3. Adoption of New and Revised Standards**

*i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2022.*

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

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

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

*ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June, 2022.*

| Standard  | Effective date and impact:   |
|---|--|
| <p><b>IPSAS 41:</b><br/>Financial Instruments</p> | <p><b>Applicable: 1<sup>st</sup> January, 2023:</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> </ul> |

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

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

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED.**

| Standard  | Effective date and impact:  |
|---|---|
|   | <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p>(For the time being, the Placement Service has no guaranteed contracts, borrowing and has reported on IPSAS accruals and therefore minimal impact if any with the adoption of the standards)</p>  |
| <p>Other improvements to IPSAS</p>                | <p><b><i>Applicable 1<sup>st</sup> January 2023</i></b></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i></li> </ul> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> <li>• <i>IPSAS 39: Employee Benefits</i></li> </ul> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement</b> Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</li> </ul> |
| <p>IPSAS 43</p>                                   | <p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of The Placement Service.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>   |
| <p>IPSAS 44:<br/>Non- Current<br/>Assets Held</p> | <p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The Standard requires,</p>   |

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED.**

| Standard                             | Effective date and impact:   |
|--------------------------------------|--|
| for Sale and Discontinued Operations | Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:<br><br>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. |

*iii. Early adoption of standards*

The Placement Service did not early – adopt any new or amended standards in year 2021/2022.

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Capitation Grants**

Capitation grants are only recognised when received or where the government gives a specific written undertaking on the same. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Placement Service and the fair value of the asset can be measured reliably.

**Transfers from other Government Entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Placement Service and can be measured reliably. **Revenue from exchange transactions**

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

### Rendering of services

The Placement Service recognizes revenues from placement fees in relation to the current financial year when the event occurs and the asset recognition criteria are met. Other incomes from rendering of services are recognized by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

### Sale of goods

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

### Interest income

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

### b) Budget information

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

### c) Taxes

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

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED.**

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

**Current income tax**

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

**d) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Placement Service recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred.

Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**e) Inventories**

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

**f) Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Placement Service. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

lower, at the present value of the future minimum lease payments. The Placement Service also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Placement Service will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Placement Service. KUCCPS has an operating lease and lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term. The deferred lease payments are recognised as deferred rent liability to be utilised in later years as rent escalates.

### g) Financial instruments

#### *i. Financial assets*

##### *Initial recognition and measurement*

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

##### *Loans and receivables*

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

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

### *Held-to-maturity*

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

### *Impairment of financial assets*

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

### *Impairment of financial assets*

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

### *ii. Financial liabilities*

#### *Initial recognition and measurement*

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

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

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

### *Loans and borrowing*

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

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

### **h) Provisions**

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

### **Contingent liabilities**

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

### **Contingent assets**

The Placement Service 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 Placement Service in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

### **i) Commitments**

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

### **j) Reserves**

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

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED.**

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

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

**k) Employee benefits**

**Retirement benefit plans**

Placement Service provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Placement Service operates a defined contribution plan with Britam. Employees contribute 10% and Employer 20% of the qualifying staff basic pay and the same is paid to Britam on monthly basis.

**Gratuity**

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

**l) Foreign currency transactions**

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

**m) Related parties**

Placement Service regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over Placement Service or vice versa. Members of key management are regarded as related parties.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

### n) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

### o) Segment Reporting

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

### p) Comparative figures

The comparative figures for the year ended 30 June, 2021 are given for ease reference.

### q) Subsequent events

There were no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30 June, 2022.

### r) Significant judgments and sources of estimation uncertainty

#### Provision for Depreciation and Amortization

The following rates were applied for purposes of providing for the usage of the assets and providing for their replacement. The rates are applied on straight line basis.

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

#### Bad Debt Provision

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

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED.**

**5. Transfers from Other Government entities**

|  | <b>2021/2022</b>         | <b>2020/2021</b>         |
|--|--------------------------|--------------------------|
|  | <b>Kshs</b>              | <b>Kshs</b>              |
| <b>Unconditional grants</b>                  |                          |                          |
| Capitation Grants - Revenue                  | <u>21,958,110</u>        | <u>16,468,582</u>        |
| <b>Total government grants and subsidies</b> | <u><b>21,958,110</b></u> | <u><b>16,468,582</b></u> |

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

| Name of the Entity sending the grant     | Amount recognized to Statement of Comprehensive Income | Amount deferred | Total grant income during the year | Cumulative to date 30 June 2022 | Cumulative to date 30 June 2021 |
|--|--|-----------------|------------------------------------|---------------------------------|---------------------------------|
|  |  |                 | Kshs                               | Kshs                            | Kshs                            |
| State Department of University Education | 21,958,110   | -               | 21,958,110                         | 21,958,110                      | 16,468,582                      |
| <b>Total</b>                             | <b>21,958,110</b>                                      | <b>-</b>        | <b>21,958,110</b>                  | <b>21,958,110</b>               | <b>16,468,582</b>               |

The entire amount recorded above as having been received from the Ministry of Education is fully reconciled to the amount recorded by the Ministry. Acknowledgement receipts were issued in favour of the Ministry of Education.

**6. Registration Fees**

|   |                         |                         |
|---|-------------------------|-------------------------|
| Registration Fees                                   | <u>3,710,000</u>        | <u>2,620,000</u>        |
| <b>Total revenue from the rendering of services</b> | <u><b>3,710,000</b></u> | <u><b>2,620,000</b></u> |

Included in the placement debtors for the year is Kshs 80,000 receivable for registration of the colleges. Total billed for the year was Kshs 3,710,000 but received during the year was Kshs 3,630,000 posted in the Cash Flow Statement.

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED.**

**7. Application, Revision and Placement**

| <b>Fees</b>                                | <b>2021/2022<br/>Kshs</b> | <b>2020/2021<br/>Kshs</b> |
|--|---------------------------|---------------------------|
| Student Application and Revision Fees      | 363,968,563               | 341,458,506               |
| Placement Fees                             | <u>208,906,500</u>        | <u>184,987,500</u>        |
| <b>Total revenue from application fees</b> | <b><u>572,875,063</u></b> | <b><u>526,446,066</u></b> |

During the year institutions were billed Kshs 208,906,500 of which Kshs 74,843,030 was received. In addition, Kshs 107,005,775 was received from placement debtor for earlier years.

**8. a) Finance Income - External Investments**

|   |                          |                          |
|---|--------------------------|--------------------------|
| Cash investments and fixed deposits                 | <u>65,724,086</u>        | <u>45,577,470</u>        |
| <b>Total Interest Income - External Investments</b> | <b><u>65,724,086</u></b> | <b><u>45,577,470</u></b> |

Included in this is revenue received from the investment in Treasury Bills of the available funds during the year. An amount of Kshs 8,676,456 was recognised as receivable interest as at June 30, 2022 from the National Treasury.

**8. b) Career Book and Other incomes**

|  |                         |                       |
|--|-------------------------|-----------------------|
| Career book and other incomes              | <u>7,466,223</u>        | <u>199,053</u>        |
| <b>Total career book and other incomes</b> | <b><u>7,466,223</u></b> | <b><u>199,053</u></b> |

The Placement published a career guide for students and invited institutions to place adverts in the first edition of the career guidebook. Included are proceeds received from the sale of the career book and other incomes. Included is Kshs 1,127,303 outstanding at the end of the year from PDSL.

**8.(c) Interest Income per Statement of Financial Performance Reconciled to Cash Flow Statement**

|  |                          |                          |
|--|--------------------------|--------------------------|
| Interest Income (Note 8(a))                | 65,724,086               | 45,577,470               |
| Career Book and Other incomes (Note 8(b))  | 7,466,223                |                          |
| Accrued Interest in 2019/2020 now received | 11,700,558               | 6,407,248                |
| Accrued interest during the year 2020/2021 | (9,803,759)              | -                        |
| Less: Interest withheld at Source: KCB     | (1,382,640)              | -828,669                 |
| Less: Interest withheld at Source: CBK     | (7,580,367)              | -5,040,645               |
| Less: Income from short code 20842: PDSL   | <u>(1,091,302)</u>       |                          |
| <b>Interest per cash flow Statement</b>    | <b><u>65,032,798</u></b> | <b><u>34,414,845</u></b> |

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED.**

|   | <b>2021/2022</b>          | <b>2020/2021</b>          |
|---|---------------------------|---------------------------|
|   | <b>Kshs</b>               | <b>Kshs</b>               |
| <b>9. Employee costs</b>                                    |                           |                           |
| Employee related costs - salaries and wages                 | 113,213,108               | 108,019,042               |
| Contribution to Pensions                                    | 18,017,208                | 16,435,584                |
| Housing benefits and allowances                             | <u>39,631,505</u>         | <u>38,044,848</u>         |
| <b>Total Employee costs</b>                                 | <b><u>170,861,822</u></b> | <b><u>162,499,474</u></b> |
| <br>  |                           |                           |
| <b>9. (b) Reconciliation of Employee costs to Cash Flow</b> |                           |                           |
| Employee costs per Financial Performance                    | <b>170,861,822</b>        | <b>162,499,474</b>        |
| Add: Previous Years Salary Arrears Paid                     | 5,902,230                 |                           |
| Less: Staff salary and final dues Accrued                   | (5,812,167)               | (2,377,184)               |
| Less: Gratuity Accrued for the FY 2021/2022                 | <u>(6,542,821)</u>        | <u>(5,058,944)</u>        |
| <b>Employee costs as per cash flow statement</b>            | <b><u>164,409,064</u></b> | <b><u>155,063,346</u></b> |
| <br>  |                           |                           |
| <b>10. Board Expenses</b>                                   |                           |                           |
| Chairman's Honoraria  | 33,677                    | 1,044,000                 |
| Sitting Allowances  | 3,420,000                 | 4,740,000                 |
| Other Board Expenses  | <u>15,877,616</u>         | <u>14,097,627</u>         |
| <b>Total Board Expenses</b>                                 | <b><u>19,331,293</u></b>  | <b><u>19,881,627</u></b>  |
| <br>  |                           |                           |
| <b>11. Placement Processing and Publicity</b>               |                           |                           |
| Placement Processing  | 5,614,975                 | 1,608,980                 |
| Advertising & Publicity Publications                        | 19,216,905                | 8,670,542                 |
|   | <u>237,190</u>            | <u>-</u>                  |
|   | <b><u>25,069,070</u></b>  | <b><u>10,279,522</u></b>  |

During the year, Kshs 3,345,000 owed to Suppliers was outstanding and therefore not included in the cash flow.

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED.**

**12. Career Guidance and Workshops**

|  |                         |                         |
|--|-------------------------|-------------------------|
| Career Guidance & Workshops                | 1,584,572               | 960,840                 |
| Admission Support in Counties              | 3,272,879               | 3,491,247               |
| Career Talks and workshops                 | 1,260,925               | 1,370,360               |
| Exhibitions and shows                      | <u>3,046,455</u>        | <u>78,500</u>           |
| <b>Total Career Guidance and Workshops</b> | <b><u>9,164,831</u></b> | <b><u>5,900,947</u></b> |

**13. Depreciation and Amortization Expense**

|                               |                          |                          |
|-------------------------------|--------------------------|--------------------------|
| Property, Plant and Equipment | 31,057,775               | 26,880,838               |
| Intangible Assets             | <u>5,425,000</u>         | <u>5,180,000</u>         |
| <b>Total Depreciation</b>     | <b><u>36,482,775</u></b> | <b><u>32,060,838</u></b> |

**14. Repairs and Maintenance**

|                                      | <b>2021/2022</b>         | <b>2020/2021</b>        |
|--------------------------------------|--------------------------|-------------------------|
|                                      | <b>Kshs</b>              | <b>Kshs</b>             |
| Vehicles                             | 2,902,212                | 1,266,289               |
| Refurbishment and Other Repairs      | <u>21,080,161</u>        | <u>535,959</u>          |
| <b>Total Repairs and Maintenance</b> | <b><u>23,982,373</u></b> | <b><u>1,802,248</u></b> |

Included in the repairs and maintenance expense is Kshs 2,052,816 accrued retention for refurbishment and a prepayment of Kshs 203,011 fuel to NOCK.

**15. Use of Goods & services**

The following are included in use of goods & services:

|  |                          |                          |
|--|--------------------------|--------------------------|
| Audit fees                             | 800,000                  | 800,000                  |
| Conferences and Seminars               | 3,189,181                | 3,699,985                |
| Office Operations                      | 25,633,833               | 9,953,812                |
| Printing and stationery                | 2,167,029                | 1,177,664                |
| Telecommunication                      | 3,975,282                | 4,212,993                |
| Rent & service Charge                  | 19,516,675               | 16,244,338               |
| Staff Training                         | 11,730,425               | 7,266,629                |
| Subscription and Membership fees       | 2,223,625                | 373,975                  |
| Insurances                             | 13,178,541               | 13,130,271               |
| Professional fees                      | 905,270                  | 2,606,050                |
| Capacity building                      | 4,035,360                | 4,558,896                |
| Professional consultancies             | 1,033,200                | 2,781,800                |
| Knowledge management                   | 651,600                  | 19,600                   |
| Provision for bad and doubtful debts   | <u>3,577,754</u>         | <u>6,975,404</u>         |
| <b>Total use of goods and services</b> | <b><u>92,617,776</u></b> | <b><u>73,801,417</u></b> |

Included in the goods and services expenses is Kshs 22,036,777 was paid for the previous year's services while Kshs 9,490,376 was prepaid and a further Kshs 13,370,234 accrued at various stages.

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED.**

**16. Finance Cost**

|                           |                |                |
|---------------------------|----------------|----------------|
| Bank Charges              | 478,981        | 388,910        |
| <b>Total Finance Cost</b> | <b>478,981</b> | <b>388,910</b> |

**17. Cash and Cash Equivalents**

|  |                    |                    |
|--|--------------------|--------------------|
| Current Account                        | 463,742,936        | 145,016,015        |
| On-call deposits                       | .                  | 111,777,644        |
| Cash-on-hand                           | -                  | 39,276             |
| <b>Total Cash and Cash Equivalents</b> | <b>463,742,936</b> | <b>256,832,935</b> |

The Placement Service Car Loan and Staff Mortgage Scheme account separated from this account during the year and will be accounted for separately moving forward. The total effect was movement out of this account of Kshs 187,425,273 as shown in note 25 (d).

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

| Financial Institution             | Account Number | 2021/2022          | 2020/2021          |
|-----------------------------------|----------------|--------------------|--------------------|
|                                   |                | Kshs               | Kshs               |
| <b>a) Current account</b>         |                |                    |                    |
| Kenya Commercial Bank             | 1151285021     | 370,076,520        | 66,133,261         |
| Co-operative Bank                 | 01141163596400 | 66,258,025         | 57,748,400         |
| <b>Sub-Total</b>                  |                | <b>436,334,545</b> | <b>123,881,661</b> |
| <b>b) On-Call deposits</b>        |                |                    |                    |
| Kenya Commercial Bank             | 1151285021     | -                  | -                  |
| Co-operative Bank                 | 01141163596400 | -                  | -                  |
| <b>Sub-Total</b>                  |                | -                  | -                  |
| <b>c) Staff car loan/mortgage</b> |                |                    |                    |
| HFC Mortgage deposit              | 2211863401     | -                  | 79,135,876         |
| HFC Car Loan Deposit              | 2211863402     | -                  | 32,641,767         |
| <b>Sub-Total</b>                  |                | -                  | <b>111,777,644</b> |
| <b>d) Others ( specify)</b>       |                |                    |                    |
| Cash In hand                      |                | -                  | 39,276             |
| Mpesa                             | 820200         | 568,676            | 369,996            |
| Mpesa                             | 820201         | 26,812,387         | 20,737,030         |
| Mpesa                             | 845385         | 27,328             | 27,328             |
| <b>Sub-Total</b>                  |                | <b>27,408,391</b>  | <b>21,173,630</b>  |
| <b>Grand Total</b>                |                | <b>463,742,936</b> | <b>256,832,935</b> |

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED.**

| <b>18. (a) Receivables from Exchange Transactions</b> | <b>2021/2022<br/>Kshs</b> | <b>2020/2021<br/>Kshs</b> |
|---|---------------------------|---------------------------|
| <b>Current receivables</b>                            |                           |                           |
| i) Placement fees debtors                             | 396,240,835               | 360,463,293               |
| ii) Investment Interest debtors                       | 9,803,759                 | 11,700,558                |
| iii) Prepayment                                       | 9,693,388                 | 8,531,144                 |
| iv) Staff Mortgage Debtor                             | -                         | 69,596,248                |
| Less: Provision for bad debt                          | <u>(39,624,083)</u>       | <u>(36,046,329)</u>       |
| <b>Total Receivables from Exchange Transactions</b>   | <b><u>376,113,898</u></b> | <b><u>414,244,914</u></b> |

**18. (b) Receivables from Non-Exchange Transactions**

**Current receivables**

|   |                           |                           |
|---|---------------------------|---------------------------|
| Capitations due for the Year                            | <u>-</u>                  | <u>-</u>                  |
| <b>Total Receivables from Non-Exchange Transactions</b> | <b><u>-</u></b>           | <b><u>-</u></b>           |
| <b>Total current receivables</b>                        | <b><u>376,113,898</u></b> | <b><u>414,244,915</u></b> |

The maximum exposure to the credit risk at the reporting date is the fair value of each of the class of receivable mentioned above. A provision of 10% of the total exchange debts is maintained for bad and doubtful debts. Any increase or decrease is charged to the statement of financial performance. The Placement Service Car Loan and Staff Mortgage Scheme debtors separated from this account and will be accounted for separately.

**19. Inventories**

|                          |                         |                         |
|--------------------------|-------------------------|-------------------------|
| Consumable Stores        | <u>1,662,515</u>        | <u>1,240,584</u>        |
| <b>Total Inventories</b> | <b><u>1,662,515</u></b> | <b><u>1,240,584</u></b> |

**20. Investment**

|   |                           |                           |
|---|---------------------------|---------------------------|
| <b>Treasury Bills</b>   | <u>704,798,066</u>        | <u>745,551,321</u>        |
| Investments included funds invested in Government Treasury Bills. | <b><u>704,798,066</u></b> | <b><u>745,551,321</u></b> |

Investments funds invested in Government Treasury Bills reduced by Kshs 40,753,255 during the year compared to the last year, as some funds matured at the end of the year amounting to Kshs 258,000,000. The investment done at the beginning of the new financial year.

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED.**

**21(a) Property, plant and equipment**

|                                    | <b>Motor<br/>Vehicles</b> | <b>Computers</b>  | <b>Furniture<br/>and<br/>Equipment</b> | <b>Partitions<br/>&amp; Fittings</b> | <b>Total</b>       |
|------------------------------------|---------------------------|-------------------|--|--------------------------------------|--------------------|
| <b>Cost</b>                        | <b>Kshs</b>               | <b>Kshs</b>       | <b>Kshs</b>                            | <b>Kshs</b>                          | <b>Kshs</b>        |
| As At 1st July 2021                | 27,300,000                | 71,557,002        | 12,252,703                             | 16,000,000                           | 127,109,705        |
| Additions                          | 9,160,000                 | 7,836,212         | 2,811,571                              | 275,500                              | 20,083,283         |
| <b>As At 30 June 2022</b>          | <b>36,460,000</b>         | <b>79,393,214</b> | <b>15,064,274</b>                      | <b>16,275,500</b>                    | <b>147,192,988</b> |
| <b>Depreciation and impairment</b> |                           |                   |  |                                      |                    |
| As At 1 July 2021                  | 10,920,000                | 35,578,901        | 2,921,985                              | 4,000,000                            | 53,420,885         |
| Depreciation                       | 7,292,000                 | 19,848,303        | 1,883,034                              | 2,034,438                            | 31,057,775         |
| <b>As At 30 June 2022</b>          | <b>18,212,000</b>         | <b>55,427,204</b> | <b>4,805,019</b>                       | <b>6,034,438</b>                     | <b>84,478,661</b>  |
| <b>Net book values</b>             |                           |                   |  |                                      |                    |
| <b>As At 30 June 2022</b>          | <b>18,248,000</b>         | <b>23,966,010</b> | <b>10,259,255</b>                      | <b>10,241,063</b>                    | <b>62,714,327</b>  |

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

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED.**

**21(b) Intangible assets**

|                                    | <b>2021/2022</b>  | <b>2020/2021</b>  |
|------------------------------------|-------------------|-------------------|
|                                    | <b>Kshs</b>       | <b>Kshs</b>       |
| <b>Cost</b>                        |                   |                   |
| As At 1st July 2021                |                   |                   |
| Valuation of Intangible assets     | 25,900,000        | 25,900,000        |
| Additions                          | 1,225,000         | -                 |
| <b>As At 30 June, 2022</b>         | <b>27,125,000</b> | <b>25,900,000</b> |
| <b>Amortization and impairment</b> |                   |                   |
| As At 1st July 2021                |                   |                   |
| Amortization                       | 10,360,000        | 5,180,000         |
| As At 30 June 2022                 | 5,425,000         | 5,180,000         |
| <b>Net book values</b>             |                   |                   |
| As At 30 June, 2022                | <b>15,785,000</b> | <b>10,360,000</b> |
|                                    | <b>11,340,000</b> | <b>15,540,000</b> |

|                                    |                   |                    |
|------------------------------------|-------------------|--------------------|
| <b>Cost</b>                        |                   |                    |
| At 1st July 2020                   |                   |                    |
| Valuation of Intangible assets     | 25,900,000        | 25,900,000         |
| <b>At 30 June, 2021</b>            | <b>25,900,000</b> | <b>25,900,000</b>  |
| <b>Amortization and impairment</b> |                   |                    |
| At 1st July 2020                   | 5,180,000         | -                  |
| Amortization                       | 5,180,000         | 5,180,000          |
| <b>At 30 June, 2021</b>            | <b>10,360,000</b> | <b>5,180,000</b>   |
| <b>Net book values</b>             |                   |                    |
| At 30 June, 2021                   | <b>15,540,000</b> | <b>20,720,0000</b> |

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

|   | <b>2021/2022</b>  | <b>2020/2021</b>  |
|---|-------------------|-------------------|
|   | <b>Kshs</b>       | <b>Kshs</b>       |
| Asset Purchase during the year                                | 21,308,283        | 1,927,924         |
| Add: Assets Acquired Previous Financial Year Now Paid         | -                 | 10,348,024        |
| Less: Outstanding Payment for Assets acquired during the year | (10,968,080)      | -                 |
|   | <b>10,340,203</b> | <b>12,275,948</b> |

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED.**

**22. Trade and Other Payables from Exchange Transactions**

|                                       | <b>2021/2022</b>          | <b>2020/2021</b>         |
|---------------------------------------|---------------------------|--------------------------|
|                                       | <b>Kshs</b>               | <b>Kshs</b>              |
| Trade Payables<br>(Note 22)           | 182,858,123               | 23,871,733               |
| Other Payables                        | <u>3,669,568</u>          | <u>2,896,046</u>         |
| <b>Total Trade and Other Payables</b> | <b><u>186,527,693</u></b> | <b><u>26,767,780</u></b> |

Included in the payable for the period is an amount of Kshs 150,000,000 due for transfer the KUCCPS staff car loan and mortgage scheme. Included in the trade payable is an amount of Kshs 4,152,241 being accrued rent liability cumulative (Kshs 4,152,241 in 2019/2020) see Note 26. This did not change after lease was renegotiated removing the escalation clause. In the opinion of the Board, the carrying amounts of trade and other payables approximate to their fair value.

**23. Refundable deposits from Customers**

|                 | <b>2021/2022</b>        | <b>2020/2021</b>      |
|-----------------|-------------------------|-----------------------|
|                 | <b>Kshs</b>             | <b>Kshs</b>           |
| Student refunds | <u>1,013,368</u>        | <u>731,368</u>        |
|                 | <b><u>1,013,368</u></b> | <b><u>731,368</u></b> |

**24. Pensions and Other Post-Employment Benefit Plans**

|   | <b>2021/2022</b>        | <b>2020/2021</b>        |
|---|-------------------------|-------------------------|
|   | <b>Kshs</b>             | <b>Kshs</b>             |
| <b>Gratuity Provision</b>               |                         |                         |
| Current benefit obligation              | 399,559                 | 3,854,104               |
| Non-Current Benefit obligation          | <u>6,143,262</u>        | <u>1,204,839</u>        |
| <b>Total Employee Benefit Liability</b> | <b><u>6,542,821</u></b> | <b><u>5,058,944</u></b> |

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

**24 (b). Taxation**

|  | <b>2021/2022</b>  | <b>2020/2021</b>   |
|--|-------------------|--------------------|
|  | <b>Kshs</b>       | <b>Kshs</b>        |
| <b>Corporate tax on Interest Income</b>  |                   |                    |
| Interest Income for the Year             | 71,104,816        | 51,362,072         |
| Taxation on interest at 30% for the year | 21,331,445        | 15,408,621         |
| Less taxed withheld at source (15%)      | <u>-</u>          | <u>(5,040,645)</u> |
| Tax due for the year                     | <b>21,331,445</b> | <b>10,367,976</b>  |

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED.**

|  |                          |                         |
|--|--------------------------|-------------------------|
| Assessed Taxation on interest for the previous years | 9,594,705                | 30,025,117              |
| Tax withheld at source for the previous years        | -                        | (5,248,735)             |
| Taxes paid for the previous years                    | (9,594,705)              | (25,605,053)            |
| <b>Total Tax Liability</b>                           | <b><u>21,331,445</u></b> | <b><u>9,539,305</u></b> |

The Placement Service pays a corporate tax on interest income from term deposits and sale of career books. The tax due for the 2021/2022 of Kshs 9,594,705 net of amount withheld at the source was paid during the year. The tax liability for the current year is Kshs 21,331,445 before adjustment for the tax credits.

**25.a) Accumulated Surplus and Reserves**

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

|  | 2021/2022                 | 2020/2021                 |
|--|---------------------------|---------------------------|
|  | Kshs                      | Kshs                      |
| <b>Accumulated Surplus Balance Brought forward</b>                 | <b>270,329,966</b>        | <b>376,647,513</b>        |
| Surplus for the Year   | 293,744,560               | 284,696,127               |
| Transfers to Staff House Mortgage and Car Loan Scheme Reserve Fund | -                         | (150,000,000)             |
| Transfers to Capital Development Reserve Fund                      |                           | (200,000,000)             |
| Taxation paid for the previous years                               |                           | (25,605,053)              |
| Taxation for the Year  | <u>(21,331,445)</u>       | <u>(15,408,621)</u>       |
| <b>Accumulated Surplus Balance Carried forward</b>                 | <b><u>542,743,081</u></b> | <b><u>270,329,965</u></b> |

**b) Capital Development Reserve**

The Board has been building a fund towards the acquisition of the Placement Service own office premises. During the FY 2020/2021, the Board set aside an additional two hundred million from the cumulative surplus toward the same.

|                                    | 2021/2022                 | 2020/2021                 |
|------------------------------------|---------------------------|---------------------------|
|                                    | Kshs                      | Kshs                      |
| Balance as at 1 July, 2021         | 800,000,000               | 600,000,000               |
| Transfer from Accumulated Surplus  | -                         | 200,000,000               |
| <b>Balance as at 30 June, 2022</b> | <b><u>800,000,000</u></b> | <b><u>800,000,000</u></b> |

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED.**

| <b>25.c) Revaluation Surplus</b> | <b>2021/2022</b>         | <b>2020/2021</b>         |
|----------------------------------|--------------------------|--------------------------|
|                                  | <b>Kshs</b>              | <b>Kshs</b>              |
| Surplus On Revaluation Of asset  | <u>63,245,735</u>        | <u>63,245,735</u>        |
| <b>Total Revaluation Surplus</b> | <b><u>63,245,735</u></b> | <b><u>63,245,735</u></b> |

There was a valuation of assets in the year 2019/2020 resulting to a Revaluation Surplus of Kshs 63,245,735.

**25. d) Staff Mortgage and Car Loan Reserve Fund**

|  | <b>2021/2022</b>    | <b>2020/2021</b>   |
|--|---------------------|--------------------|
|  | <b>Kshs</b>         | <b>Kshs</b>        |
| Balance as at 1st July 2021  | 331,425,474         | 175,640,873        |
| Interest earned during the year                                    | 5,999,797           | 5,784,602          |
| Transfer from Accumulated Surplus                                  | -                   | 150,000,000        |
| <b>Balance as at 30 June 2022</b>                                  | <b>337,425,273</b>  | <b>331,425,474</b> |
| <b>HFC Bank Transferred to Mortgage Scheme Account</b>             |                     |                    |
| HFC Mortgage deposit 2211863401                                    | -                   | 79,135,876         |
| HFC Car Loan Deposit 2211863402                                    | -                   | 32,641,768         |
| <b>Bank Balance as at 30 June 2021</b>                             | <b>111,777,644</b>  | <b>111,777,644</b> |
| Add: Loan Repayment Receipts to 30 June 2022                       | <b>4,290,944</b>    |                    |
| Add: Interest received during the year 2022                        | <b>5,999,798</b>    |                    |
| Less: Loans issued for the year ended 30 June 2022                 | <b>(30,402,393)</b> |                    |
| Mortgage debtors as at 30 June 2021                                | 95,759,280          |                    |
| Less: Outstanding Transfer from the Placement Service Main Account | 150,000,000         |                    |
| <b>Total Assets transferred to Staff Mortgage Scheme</b>           | <b>337,425,273</b>  |                    |

The Placement Service Staff Mortgage and Car Loan Scheme separated from the Main account of the Placement to stand alone as per the Treasury template of June 2022. The total fund moved was Kshs 337,425,272 of which Kshs 150,000,000 is owing to the fund from the Placement Service.

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED.**

Also moved with the fund are the bank account in HF bank and staff debtors for Mortgage and Car Loan Scheme.

**26. Rent and Deferred Rent Liability**

|                                 |                   |                   |
|---------------------------------|-------------------|-------------------|
| Total Rent (Lease) Expense      | 19,516,675        | 16,244,338        |
| Total Rent (Lease) Due and Paid | <u>19,516,675</u> | <u>16,244,338</u> |
| Accrued Rent liability          | <u>-</u>          | <u>-</u>          |

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

|   |                           |                           |
|---|---------------------------|---------------------------|
| Surplus in the Statement of financial Performance | 293,744,560               | 284,696,127               |
| Less: Capital expenditure for the year            | <u>20,083,283</u>         | <u>1,927,924</u>          |
| Surplus in the statement of Actual and Budget     | <u><b>273,661,277</b></u> | <u><b>282,768,203</b></u> |

**28. Commitments and contingencies**

The Placement Service commenced the process of procuring own office premises, development of data centre and installation and configuration of the database activity monitoring (DAM) system. This was ongoing and at various stages of completion with the budgets for ICT items fully committed. The Office acquisition project is a multi-year and the budget committed (Kshs 358,862,000) will utilized to accomplish the project.

**Descriptions**

|                                 |                          |
|---------------------------------|--------------------------|
| Data Centres                    | 23,234,950               |
| Data Activity Monitoring System | <u>11,194,378</u>        |
| <b>Total Commitment</b>         | <u><b>34,429,328</b></u> |

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

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

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED.**

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

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

| <b>29. Cash Generated from Operations</b>       | <b>2021/2022</b>          | <b>2020/2021</b>          |
|---|---------------------------|---------------------------|
|   | <b>Kshs</b>               | <b>Kshs</b>               |
| Surplus for the year before tax                 | 293,744,560               | 284,696,127               |
| <b>Adjusted for:</b>                            |                           |                           |
| Depreciation                                    | 36,482,775                | 32,060,838                |
| Provision for Bad Debts                         | 3,577,754                 | 6,975,404                 |
| Interest from investment                        |                           | (5,784,602)               |
| <b>Working capital adjustments:</b>             |                           |                           |
| Decrease in inventory                           | 421,951                   | 208,512                   |
| Increase in receivables                         | 38,131,898                | (73,033,640)              |
| Increase / (Decrease) in payables               | <u>172,285,530</u>        | <u>1,678,875</u>          |
| <b>Net cash flows from operating activities</b> | <u><b>544,643,567</b></u> | <u><b>246,801,514</b></u> |

**30. Related Parties Transactions**

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

**Nature of related party relationships**

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

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

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED.**

**a) Related party transactions**

| <b>Grants from the Government</b>     | <b>2021/2022<br/>Kshs</b> | <b>2020/2021<br/>Kshs</b> |
|---------------------------------------|---------------------------|---------------------------|
| Transfers from Ministry of Education' | <u>21,958,110</u>         | <u>16,468,582</u>         |
| <b>Total</b>                          | <b><u>21,958,110</u></b>  | <b><u>16,468,582</u></b>  |

**b) Expenses incurred on behalf of the related parties**

|   |                           |                           |
|---|---------------------------|---------------------------|
| Payment of Salaries for 61 employees            | 170,861,822               | 162,499,474               |
| Payment of medical insurances for the employees | <u>13,178,541</u>         | <u>13,130,271</u>         |
| <b>Total</b>                                    | <b><u>184,040,364</u></b> | <b><u>175,629,745</u></b> |

**c) Key management compensation**

|                             |                          |                          |
|-----------------------------|--------------------------|--------------------------|
| Board members allowances    | 7,960,000                | 7,004,000                |
| Key Management compensation | <u>50,912,813</u>        | <u>46,125,539</u>        |
| <b>Total</b>                | <b><u>58,872,813</u></b> | <b><u>53,129,539</u></b> |

**31. Financial Risk Management Policies**

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

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

**Financial risk management objectives**

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

**a) Credit risk management**

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

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED.**

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

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

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

The amount that best represents the Company's maximum exposure to credit risk as at June 30, 2022 is made up as follows:

**At 30 June 2022**

| <b>Amount in Kshs</b>                  | <b>Total amount</b> | <b>Fully Performing</b> | <b>Past due</b>    | <b>Impaired</b>     | <b>Total</b>       |
|--|---------------------|-------------------------|--------------------|---------------------|--------------------|
| Receivables from exchange transactions | 415,737,982         | 233,540,020             | 182,197,962        | (39,624,083)        | 376,113,898        |
| Bank balances                          | 463,742,936         | 463,742,936             | -                  | -                   | 463,742,936        |
| <b>Total</b>                           | <b>879,480,918</b>  | <b>697,282,956</b>      | <b>182,197,962</b> | <b>(39,624,083)</b> | <b>839,856,834</b> |

**At 30 June 2021**

| <b>Amount in Kshs</b>                  | <b>Fully performing</b> | <b>Fully performing</b> | <b>Past due</b>    | <b>Impaired</b>     | <b>Total</b>       |
|--|-------------------------|-------------------------|--------------------|---------------------|--------------------|
| Receivables from exchange transactions | 450,291,244             | 233,540,020             | 216,751,233        | (36,046,329)        | 414,244,914        |
| Bank balances                          | 256,832,935             | 256,832,935             | -                  | -                   | 256,832,935        |
| <b>Total</b>                           | <b>707,124,178</b>      | <b>490,372,955</b>      | <b>216,751,233</b> | <b>(36,046,329)</b> | <b>671,077,849</b> |

**b) Liquidity risk management**

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

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

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED.**

**At 30 June 2022**

| Amount in Kshs           | Less than 1 month  | Between 1-3 months | Over 5 months | Total              |
|--------------------------|--------------------|--------------------|---------------|--------------------|
| Payable                  | 210,230,685        | -                  | -             | 210,230,685        |
| Provision (Rent Accrued) | 4,152,241          | 4,152,241          | -             | -                  |
| <b>Total</b>             | <b>214,382,926</b> | <b>-</b>           | <b>-</b>      | <b>214,382,926</b> |

**At 30 June 2021**

| Amount in Kshs            | Less than 1 month | Less than 1 month | Over one month | Total             |
|---------------------------|-------------------|-------------------|----------------|-------------------|
| Payable                   | 37,945,155        | -                 | -              | 37,945,155        |
| Provisions (Rent Accrued) | 4,152,241         | -                 | -              | 4,152,241         |
| <b>Total</b>              | <b>42,097,396</b> | <b>-</b>          | <b>-</b>       | <b>42,097,396</b> |

**c) Exchange risk**

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

**Capital risk management**

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

|   | 2021/2022<br>Kshs    | 2020/2021<br>Kshs    |
|---|----------------------|----------------------|
| Accumulated Surplus                         | 542,743,081          | 270,329,966          |
| Capital development reserve                 | 800,000,000          | 800,000,000          |
| Staff mortgage and car reserve              | 0                    | 331,425,474          |
| <b>Total funds</b>                          | <b>1,342,743,081</b> | <b>1,401,755,440</b> |
| <br>  |                      |                      |
| Total borrowings                            | 214,382,926          | 42,097,396           |
| Less: cash and bank balances                | 463,742,936          | 256,832,935          |
| Net debt/(excess cash and cash equivalents) | (249,360,010)        | (214,735,539)        |
| <b>Gearing</b>                              | <b>15.97%</b>        | <b>3.00%</b>         |

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED.**

**32. Events after the Reporting Period**

The term of the Chairman Mr. Joe Ager, ended at the beginning (11/7/2021) of the financial year and he was replaced by the appointment of the **Mr. Cyrus Gituai** immediately after the year-end (13/7/2022).

**33. Ultimate and Holding Entity**

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

**34. Placement Statistics**

The Placement Service has placed students into Universities, University Colleges and Colleges for 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022. The first students to be placed in Private University was in FY 2016/2017. The following are some of the main data:

| <b>Descriptions</b>  | <b>2021/22</b> | <b>2020/21</b> | <b>2019/20</b> | <b>2018/19</b> | <b>2017/18</b> | <b>2016/17</b> | <b>2015/16</b> |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Institutions</b>  |                |                |                |                |                |                |                |
| No. of Universities and University Colleges receiving Students | 70             | 70             | 71             | 69             | 65             | 70             | 62             |
| No. of Public Colleges receiving Students                      | 225            | 182            | 158            | 126            | 121            | 63             | 57             |
| <b>No. of Students Placed</b>                                  |                |                |                |                |                |                |                |
| Universities and University Colleges                           | 123,963        | 128,073        | 122,831        | 89,486         | 68,545         | 88,620         | 86,046         |
| Colleges   | 126,089        | 147,079        | 88,724         | 98,393         | 94,907         | 28,261         | 12,038         |
|  | <b>250,052</b> | <b>275,152</b> | <b>211,555</b> | <b>187,879</b> | <b>143,162</b> | <b>116,881</b> | <b>98,084</b>  |
| <b>Number of Students benefitting on Affirmative Action</b>    |                |                |                |                |                |                |                |
| Gender   | 307            | 608            | 679            | 526            | 363            | 581            | 1,083          |
| Marginalised   | 1,011          | 1,617          | 1,637          | 1,041          | 608            | 563            | 655            |
| Disability   | 9              | -              | 25             | 0              | 0              | 0              | 178            |

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**Appendix 1: Progress on Follow up of Auditor Recommendations**

| Reference No. on the external audit Report | Issue Observations from Auditor               | Management comments   | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|---|--|-----------------------------------|--|
| 1.0  | Irregular Procurement of Consultancy Services | i) Trained all Staff involved in procurement on the public procurement Management.<br>ii) Compare prices with other comparable service provides (value for money) in future.  | Manager, Supply Chain Management                               | Resolved                          | 30 June, 2023  |
| 2.0  | Irregular Board Expenses                      | i) Management ensures that approval is sought from Cabinet Secretary for additional Board meeting.  | Chief Executive Officer  | Resolved                          | Continuous   |
| 3.0  | Staff Mortgage and Car Loan Reserve Fund      | i) Regulations were developed and approved to guide Mortgage Scheme Management.<br>ii) The Financial Statements for the Staff Mortgage and Car Loan Scheme is prepared as per Salaries and Remuneration Commission Circular (SRC/023/12/2014 of 17 December, 2014). | Manager, Finance and Accounts                                  | Resolved                          | 30 June, 2023 and Continuous                                     |

*Wahome.*

**Chief Executive Officer and Secretary to the Board  
Dr. Agnes Mercy Wahome  
31 August, 2022**

**Chairman of the Board  
Mr. Cyrus Gituai  
31 August, 2022**

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**Appendix 2: Projects Implemented by the Kenya Universities and Colleges Central Placement Service**

**Projects**

The Placement Service had no major capital projects during the financial year 2021/2022.

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

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**Appendix 3: Inter-Entity Transfers**

| <b>THE KENYA UNIVERSITIES AND COLLEGES CENTRAL PLACEMENT SERVICE</b>            |                    |                            |                      |  |
|---|--------------------|----------------------------|----------------------|--|
| <b>Breakdown of Transfers from the State Department of University Education</b> |                    |                            |                      |  |
| <b>FY 2021/2022</b>   |                    |                            |                      |  |
| a.  | Recurrent Grants   |                            |                      |  |
|   | Receipt No.        | <u>Bank Statement Date</u> | <u>Amount (Kshs)</u> | <u>Indicate the FY to which the amounts relate</u> |
|   | 1916               | 02/11/2021                 | 5,489,528            | 2021/2022  |
|   | 1950               | 20/01/2022                 | 5,489,527            | 2021/2022  |
|   | 1979               | 17/02/2022                 | 5,489,527            | 2021/2022  |
|   | 2029               | 28/04/2022                 | 5,489,528            | 2021/2022  |
|   | <b>Total</b>       |                            | <b>21,958,110</b>    |  |
| b.  | Development Grants |                            |                      |  |
|   |                    | <u>Bank Statement Date</u> | <u>Amount (Kshs)</u> | <u>Indicate the FY to which the amounts relate</u> |
|   |                    |                            | -                    | No development Grant received during the year.     |
|   | <b>Total</b>       |                            | -                    |  |

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



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

**31 August, 2022**



**CPA. Johnson Njuguna**  
Head of Accounting Unit  
Ministry of Education-State Department for University Education and Research

**31 August, 2022**

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**Appendix 4: Recording of Transfers from Other Government Entities**

The Placement Service did not receive any other non-exchange transfers from other government entities during the financial year 2021/2022.

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

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**Appendix VI: Reporting of Climate Relevant Expenditures**

Kenya Universities and Colleges Central Placement Service  
Telephone Number  
ceo@kuccps.ac.ke  
Dr. Agnes Mercy Wahome

| Project Name | Project Description | Project Objectives | Project Activities | Source of Funds |    |    |    | Implementing Partners |
|--------------|---------------------|--------------------|--------------------|-----------------|----|----|----|-----------------------|
|              |                     |                    |                    | Q1              | Q2 | Q3 | Q4 |                       |
|              |                     |                    |                    |                 |    |    |    |                       |
|              |                     |                    |                    |                 |    |    |    |                       |
|              |                     |                    |                    |                 |    |    |    |                       |
|              |                     |                    |                    |                 |    |    |    |                       |
|              |                     |                    |                    |                 |    |    |    |                       |
|              |                     |                    |                    |                 |    |    |    |                       |

The Placement Service had no directly expenditure on the above.

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**Appendix VII: Disaster Expenditure Reporting Template**

|  |  |                   |  |                  |                  |                   |
|--|--|-------------------|--|------------------|------------------|-------------------|
| <b>Date:</b>   |  |                   |  |                  |                  |                   |
| <b>Entity: Kenya Universities and Colleges Central Placement Service</b> |  |                   |  |                  |                  |                   |
| <b>Period to which this report refers (FY)</b>                           | <b>Year: 2021/2022</b>   |                   |  |                  |                  |                   |
| <b>Name of Reporting Officer</b>   | <b>Kenya Universities and Colleges Central Placement Service</b> |                   |  |                  |                  |                   |
| <b>Contact details of the reporting officer:</b>                         | <b>Email: info@kuccps.ac.ke</b>                                  |                   |  |                  |                  |                   |
| <b>Column I</b>  | <b>Column II</b>   | <b>Column III</b> | <b>Column IV</b>   | <b>Column V</b>  | <b>Column VI</b> | <b>Column VII</b> |
| Programme  | Sub-programme  | Disaster Type     | Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness) | Expenditure item | Amount (Kshs.)   | Comments          |
|  |  |                   |  |                  |                  |                   |
|  |  |                   |  |                  |                  |                   |

The Placement Service had no disaster expenditure during the year 2021/2022.

