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REPORT

OF

THE AUDITOR-GENERAL

ON

AUCTIONEERS LICENSING BOARD

**FOR THE YEAR ENDED
30 JUNE, 2025**



REPUBLIC OF KENYA



AUCTIONEERS LICENSING BOARD

AUCTIONEERS LICENSING BOARD

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025

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

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1. Acronyms and Definition of Key Terms

A: Acronyms

AG	Attorney General
ALB	Auctioneers Licensing Board
CBK	Central Bank of Kenya
CEO	Chief Executive Officer
DG	Director General
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KENSAP	Kenya National Society of Professional Auctioneers
KNCCI	Kenya National Chamber of Commerce and Industry
MD	Managing Director
NAKA	National Association of Kenya Auctioneers
NT	National Treasury
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
SCAC	State Corporation Advisory Committee
SLO	State Law office
VC	Vice Chancellor
WB	World Bank

B: Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Board Information and Management

(a) Background information

The Auctioneers Licensing Board is established under Section 3(1) of the Auctioneers Act Cap 1996 of the Laws of Kenya. The Auctioneers Licensing Board is domiciled in Kenya and has only one officer in Nairobi County. The object and purpose for which the Board is established are to exercise general supervision and control over the business and practice of Auctioneers.

(b) Principal Activities

The specific functions of the Board as stipulated under Section 4(2) of the Act.

- (1) The object and purpose for which the Board is established are to exercise general supervision and control over the business and practice of auctioneers.
- (2) Without prejudice to the generality of subsection (1) the Board shall—
 - (a) License and regulate the business and practice of auctioneers;
 - (b) Supervise and discipline licensed auctioneers;
 - (c) Develop and facilitate adequate training programs for licensed auctioneers;
 - (d) Conduct routine inspections and visits of auctioneer's premises;
 - (e) Set maintain and continuously improve the standards of learning professional competence and professional conduct for the provision of auctioneering services in Kenya;
 - (f) Determine maintain and enhance the standards of professional practice and ethical conduct and learning for the auctioneering profession in Kenya.

(c) Key Management

The Auctioneers Licensing Board's day-to-day management is under the following key organs:

- Board of Directors/ Council/ Management etc.;
- Accounting Officer and the Board's Secretary and
- Management

(d) Fiduciary Management

S.No	Name of the Staff	Responsibility
1.	Hon. Felix Kombo	Chairman
2.	Hon. Anthony Mwicigi	CEO/ Secretary
3.	Ms. Ruth Wangui Mburu	Secretariat
4.	CPA Malanga Isaiah	Accountant & head of Finance
5	Stella Mbijiwe	Secretariat
6.	Mr. Oloko Ouko Joash	Senior Support Staff and Head of Registry

The board draws its secretariat from the Judiciary as well as State Law office and Department of Justice. They

include two (2) Office Administrators, one (1) Accountant and Finance professional, and one (1) Senior Support staff. In case there is a need to enhance its operations, the Board draws additional secretariat from the Judiciary's Milimani Law Court's staff. Salaries and all other employment benefits are paid from the Judiciary as well as State Law office and Department of Justice. This arrangement shall continue until the Board becomes fully autonomous.

(e) Fiduciary Oversight Arrangements

Name of the Committee	Members
Finance and Audit Committee	None
Governance and Ethics Committee	None
Any other Committee	None

Before its move to the Office of the Attorney General, the Auctioneers Licensing Board was under the Judiciary and had several key oversight committees, including, Finance and Audit Committee, Governance and Ethics Committee; and other Committees

These committees were integral in providing governance and oversight over the operations of the Board.

Future Governance Structure:

The Auctioneers Licensing Board plans to reintroduce oversight committees once it is fully operationalized and has the necessary Human Resource (HR) instruments in place. This will include working in conjunction with several key entities, such as:

- The State Corporation Advisory Committee
- The National Treasury
- The Public Service Commission
- State Law Office

For these changes to proceed, approval is required from the aforementioned stakeholders. This approval process will ensure that all necessary structures and governance frameworks are aligned with the Board's operational requirements.

(d) Board Headquarters

P.O. BOX 30041-00100
 Re-Insurance Plaza 4th Floor
 Taifa Road,
Nairobi KENYA.

(e) Board Contacts

Auctioneers Licensing Board Contacts
 Telephone: :(254) 725492786/020-2716504/2/3
 E-mail: auctioneerslicensingboard@yahoo.com

auctioneerslicensingboard@gmail.com
auctioneerlicensingboard@court.go.ke

(f) Board Bankers

Kenya Commercial Bank Limited
Kencom Hse,
P. O. BOX 48400-00100 GPO Nairobi.

(g) Independent Auditor




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




(h) Principal Legal Adviser

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







3. The Board members

Ref	Board Members	Profile
1.	 <p>Hon. Felix Mutinda Kombo Chairman</p>	<p>Hon. Felix Mutinda Kombo is the Chairperson of the Auctioneers Licensing Board and currently serves as Chief Magistrate at Maua Law Courts. A law graduate with a diploma from the Kenya School of Law, he joined the Judiciary in 2005 and has held various roles, including Special Magistrate in anti-corruption and probate matters.</p> <p>He was appointed Chairperson of the Board by the Chief Justice under Section 3(1)(a) of the Auctioneers Act, effective 9th June 2023, for a renewable three-year term.</p>
2.	 <p>Hon. Anthony Mwicigi Executive Board Secretary</p>	<p>Hon. Anthony Mwicigi is the Executive Board Secretary of the Auctioneers Licensing Board and currently serves as a Chief Magistrate at Shanzu Law Courts. He holds a law degree and a diploma from the Kenya School of Law. Since joining the Judiciary in 2004, he has served in various courts across the country, rising to his current role.</p> <p>He was appointed as Secretary to the Auctioneers Licensing Board by the Chief Justice under Sections 7(1) and 3(1)(g) of the Auctioneers Act, for a three-year term effective 9th June 2023.</p>
3.	 <p>Hon. Stella B. Atambo Member</p>	<p>Hon. Stella Atambo is the Chief Magistrate at Thika Law Courts. She holds a law degree and a diploma from the Kenya School of Law. With extensive judicial experience, she has served in various courts across Kenya, including as Chief Magistrate at Kiambu Law Courts.</p> <p>She was appointed by the Chief Justice as a member of the Auctioneers Licensing Board under Section 3 of the Auctioneers Act, for a three-year term.</p>



Ref	Board Members	Profile
4.	 <p data-bbox="288 640 480 707">Mr. Dennis Kirui Member</p>	<p data-bbox="600 315 1453 483">Mr. Dennis Kirui is the Chairperson of the National Association of Kenya Auctioneers (NAKA) and therefore represents the Association to the Board. He is the proprietor of the firm of Saddabri Auctioneers domiciled in Nakuru County.</p> <p data-bbox="600 539 1453 707">In exercise of the powers conferred by section 3 (1) (e) of the Auctioneers Act with effect from 27th July 2020, via Gazette Notice No. 5754, the Chief Justice appointed him as a member of the Board. His term has since then been renewed for the second term.</p>
5.	 <p data-bbox="217 1200 552 1267">Mr. George Mbagu Kinuthia Member</p>	<p data-bbox="600 730 1453 808">Mr. George Mbagu Kinuthia is an Auctioneer trading in style of Immediate Auctioneers.</p> <p data-bbox="600 819 1453 898">He is the current Chair of the Kenya National Society of Professional Auctioneers (KENSAP).</p> <p data-bbox="600 909 1453 1077">He was appointed to the Auctioneers Licensing Board by the Chief Justice under Section 3(1)(e) of the Auctioneers Act, effective 12th June 2020 via Gazette Notice No. 4475. His term has since been renewed for a second and final term.</p>
6.	 <p data-bbox="280 1715 480 1783">Dr. Alfred Mdeizi Member</p>	<p data-bbox="600 1279 1453 1357">Dr. Mdeizi is an Auctioneer Trading in the style of Pave Auctioneers. He is also a part- time lecturer various Universities in Kenya.</p> <p data-bbox="600 1391 1453 1514">He was appointed as a member of the Board by the Chief Justice under Section 3 (1) (e) of the Auctioneers Act with effect from 12th June 2020 via Gazette Notice No. 4475.</p> <p data-bbox="600 1547 1453 1671">He represents Auctioneers in the Board as guided under Auctioneers Act no.5 of 1996 representing Association of Auctioneers. He is serving his second and final term.</p>

Ref	Board Members	Profile
7.	 <p data-bbox="248 651 571 719">Ms. Gladys Warigia Mwangi Member</p>	<p data-bbox="624 262 1485 577">Ms. Gladys Mwangi is a legal expert with over 15 years of experience in Commercial Law, Family Law, and Conveyancing. She manages Gladys Mwangi & Company Advocates and has authored Civil Litigation in Kenya and A Handbook on Estate Planning. From 2017 to 2024, she lectured at Kenyatta University School of Law and served as Deputy Director of Student Affairs (2020–2023). She is also the Vice-Chairperson of the Association of Certified Mediators (ACM).</p> <p data-bbox="624 613 1485 786">The Chief Justice appointed her to the Auctioneers Licensing Board under Section 3(1)(d) of the Auctioneers Act, for a three-year term effective 8th November 2024, as published in Gazette Notice No. 15338 of 22nd November 2024.</p>
8.	 <p data-bbox="248 1182 571 1249">Mr. Raimond Saya Molenje Member</p>	<p data-bbox="624 846 1485 1019">Mr. Molenje is an advocate of the High Court of Kenya with over 10 years of experience and currently serves as CEO of the Kenya Bankers Association. He has expertise in legal and HR advisory, employee relations, regulatory matters, and staff development.</p> <p data-bbox="624 1077 1485 1249">He was first appointed to the Auctioneers Licensing Board on 20th March 2019 via Gazette Notice No. 3038 and reappointed on 7th August 2023 through Gazette Notice No. 10126, under Section 3(1)(h) of the Auctioneers Act (Cap. 526).</p>
9.	 <p data-bbox="225 1742 587 1809">Mr. Obura Ericsson Odhiambo Member</p>	<p data-bbox="624 1355 1485 1473">Mr. Obura is an advocate of the High Court of Kenya with over 10 years of experience and serves as a Principal State Counsel in the Office of the Attorney General.</p> <p data-bbox="624 1532 1485 1794">He was appointed to the Auctioneers Licensing Board on 7th August 2023 as the representative of the Principal Secretary, Interior and National Security, via Gazette Notice No. 10126, under Section 3(1)(b) of the Auctioneers Act (Cap. 526). His appointment was revoked effective 8th November 2025 through Gazette Notice No. 15338 of 22nd November 2024.</p>

Ref	Board Members	Profile
10.	 <p data-bbox="236 647 536 714">Mr. Mutia Justus Mutisya Member</p>	<p data-bbox="600 226 1457 495">Mr. Mutia Justus Mutisya is an advocate of the High court of Kenya with over 10 years' experience. He is He joined the Board with effect from 7th August 2023 vide Gazette Notice No. 10126 of 2023 under Under section 3 (1) (d) of the Auctioneers Act (Cap. 526) laws of Kenya. He is a representative of the Law Society of Kenya.</p> <p data-bbox="600 551 1457 674">He is the proprietor of Mutia J M and Associates, Chair Emeritus for LSK South Eastern Branch(2018-2022), MKIM, and Lecturer, Daystar University School of Law.</p>
11.	 <p data-bbox="236 1182 533 1249">Mr. Edwin Okemwa Saisi Member</p>	<p data-bbox="600 779 1457 902">Mr. Edwin Okemwa Saisi is an Assistant County Commissioner at the Ministry of interior. He is also an advocate of the High court of Kenya with over 9 years' experience.</p> <p data-bbox="600 958 1457 1081">He joined the Board with effect from 8th November 2024 vide Gazette Notice No15338 of 22nd November 2024 under Under section 3 (1) (b) of the Auctioneers Act (Cap. 526) laws of Kenya.</p> <p data-bbox="600 1137 1457 1261">He is a representative of the PS Interior and National security having been appointed to the board. His term was revoked with effect from 8th November 2025 via gazette Notice No.15338 of 22nd November 2024.</p>
12.	 <p data-bbox="209 1664 560 1765">Mr. Leonard Joseph Wanjogu Mwangi Member</p>	<p data-bbox="600 1417 1457 1496">Mr. Leonard Joseph Wanjogu Mwangi is the proprietor of Ndutumi Auctioneers and current Chair of the Auctioneers' Association.</p> <p data-bbox="600 1552 1457 1675">He was appointed to the Auctioneers Licensing Board by the Chief Justice under Section 3(1)(e) of the Auctioneers Act, for a three-year term effective 8th June 2023.</p>

Ref	Board Members	Profile
13.	 <p>Mr. Nickson Wanjau Mwangi Member</p>	<p>Mr. Nickson Wanjau Mwangi was appointed to the Auctioneers Licensing Board, for a term of three (3) years, with effect from the 23rd October, 2023 via Gazette notice Number 14101.</p> <p>He represents Kenya National Chamber of Commerce and Industry (KNCCI) in the Board under section 7 (1) and 3 (1) (g) of the Auctioneers Act.</p>

4. Key Management Team

	Management	Details
1.	 <p>Hon. Felix M. Kombo Chairman</p>	<p>Hon. Felix M. Kombo is the current chair and doubles up as an alternate signatory to the Board's Bank account.</p>
2.	 <p>Hon. Anthony Mwicigi Executive Board Secretary</p>	<p>Hon. Anthony Mwicigi is the Executive Board Secretary at the Auctioneers Licensing Board. He's the AIE holder of the Board and responsible for all financial matters of the Board.</p>

5. Chairman's Statement

The Auctioneers Licensing Board (hereinafter referred to as the Board) is a creature of statute established by the Auctioneers Act no.5 of 1996 as a body corporate. The object and purpose for which the Board is established are to exercise general supervision and control over the business and practice of auctioneers.

The Board is composed of the following members;

- i. Chairman a person qualified to be a judge of the High Court or Court of Appeal.
- ii. Two Advocates representing the Law Society of Kenya.
- iii. A Chief magistrate
- iv. A representative of the Permanent Secretary in the Office of the President for the time being responsible for matters relating to National Security.
- v. Four auctioneers of not less than five years' standing.
- vi. A representative of the National Chamber of Commerce and Industry.
- vii. A representative of the Kenya Bankers Association.

The functions of the Board are as follows;

- i. License and regulate the business and practice of auctioneers.
- ii. Supervise and discipline licensed auctioneers.
- iii. Develop and facilitate adequate training programs for licensed auctioneers.
- iv. Conduct routine inspections and visits to auctioneer's premises.
- v. Set maintain and continuously improve the standards of learning professional competence and professional conduct for the provision of auctioneering services in Kenya.
- vi. Determine maintain and enhance the standards of professional practice and ethical conduct and learning for the auctioneering profession in Kenya.

KEY ACTIVITIES

The Auctioneers Licensing Board sat on a bi-monthly basis at the Milimani Law Courts Boardroom to consider applications for fresh licenses (Class A), applications for enhancement of licenses from Class A to B and to hear and determine disciplinary cases filed by members of the public against the conduct of individual Auctioneers. During the period under review the Board sat and deliberated with regard to licensing and disciplinary matters. On matters licensing and determination of cases, the Board issued a total of 823 licenses to qualified applicants whereas over 152 cases were heard and determined in the year under review.

In compliance with the Provisions of Section 4 (2) I of the Auctioneers Act, as read with Rule 10(3) of the Auctioneers (Practice) Rules, 2009, the Board in conjunction with the Auctioneers Associations was able to carry out training programmes/Workshops for licensed auctioneers. The said programmes involved the participation of various stakeholders in the industry and were conducted in Nairobi, Kajiado, Kisumu and Uasin Gishu Counties.

SUCSESSES

The Board has improved service delivery to its members in the following ways.

- i. Hearing dates. The Board has been issuing hearing and mention dates while in session. This has streamlined the hearing and conclusion of cases before the Board.
- ii. Licensing. The Board has ensured that most of the applications received are processed to ensure that all auctioneers are licensed on time.

CHALLENGES

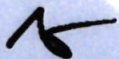
Office Space

The Board which sits monthly to conduct disciplinary hearings uses the still uses the Judiciary's board room. This has become a challenge in the past and present months as there have been competing meetings sometimes forcing the Board to conclude meetings prematurely. It has resulted in compromising the Board's work.

WAY FORWARD AND FUTURE OUTLOOK OF THE BOARD

In the light of the above the Board in catching up with technology and streamlining training licensing and disciplinary processes is planning to undertake two major projects;

- i. **Curriculum development.** The Board is in discussions with stakeholders to support the development of a curriculum for auctioneers training. This is mainly to help streamline the practice and enhance knowledge considering that this is a purely apprentice trade. This will also help the board to have a proper training framework for future auctioneers.
- ii. **Automation of the licensing process.** The Board would like to automate the licensing process. This will go a long way in supporting the licensing and disciplinary functions. On transparency, it will help the members of the public at the click of a button to know the status of and auctioneer jurisdiction and registered office.



Hon. Felix Kombo (Mr.)

Chief Magistrate

Chairman Auctioneers Licensing Board.

6. Report of the Chief Executive Officer

The **Auctioneers Licensing Board (ALB)** is a statutory body established under the **Auctioneers Act** to regulate, license, and oversee the conduct and operations of auctioneers in Kenya. The Board ensures that the auctioneering profession is practiced in accordance with the law, upholding integrity, professionalism, and accountability. Its key functions include licensing qualified auctioneers, inspecting practitioners to ensure compliance with the Auctioneers Rules and relevant laws, and handling disciplinary and regulatory matters.

The Board operates under the authority of the **Chief Justice**, who appoints all members through the **Kenya Gazette**. This process promotes transparency, accountability, and adherence to good governance principles.

Activities during the Year

During the **2024/2025 financial year**, the Board undertook several key activities aimed at fulfilling its statutory mandate. A total of **152 cases** were registered during the period under review, out of which **100 cases** were heard and determined. This reflects the Board's commitment to improving efficiency and timely case resolution.

Additionally, the Board conducted **640 inspections** of licensed auctioneers to assess their compliance with the Auctioneers Rules and other applicable laws. All inspected practitioners were found to be fully compliant, demonstrating strong adherence to the regulatory framework and professional standards.

The Board also processed and issued **823 licenses** to qualified auctioneers for the 2024/2025 financial year. All applicants who met the prescribed qualifications were licensed, ensuring transparency and merit-based approval. The **Chief Justice** appointed the following members to serve on the Board, all of whom will continue in the next financial year:

1. Hon. Felix Kombo
2. Hon. Stella Atambo
3. Hon. Anthony Mwigigi
4. Mr. Denis Kirui
5. Mr. Alfred Mdeizi
6. Mr. George Mbagu
7. Mr. Raymond Molenje
8. Mr. M. J. Mutisya
9. Ms. Gladys W. Mwangi
10. Mr. Edwin O. Saisi
11. Mr. L. J. W. Mwangi
12. Mr. N. M. Wanjau

The Board currently operates with a **lean Secretariat of only four officers**, drawn from the **Judiciary** and the **State Law Office**. This level of staffing is below what is required under the Auctioneers Act and is not optimal for efficient service delivery.

Successes Consolidated

During the reporting period, the Board achieved several significant milestones. The **100% compliance rate** recorded among inspected auctioneers highlights the effectiveness of the Board's regulatory oversight and enforcement mechanisms. The efficient handling of cases and transparent issuance of licenses helped strengthen confidence in the auctioneering profession.

Through regular inspections, transparent processes, and adherence to statutory procedures, the Board continued to promote professionalism and ethical standards across the sector. These measures contributed to greater accountability and enhanced public trust in the regulation of auctioneering services.

Challenges Being Faced

Despite notable achievements, the Board continues to face several challenges that limit its capacity to fully discharge its mandate.

A key challenge is the **inadequate staffing**, with only four officers currently serving in the Secretariat. This limits the Board's ability to conduct inspections, process applications efficiently, and handle disciplinary matters within optimal timelines.

The Board's **partial operationalization** remains a major concern. The absence of a comprehensive **legal framework** for full operationalization, coupled with **financial constraint**, has hindered the establishment of necessary administrative and technical structures. The lack of requisite approvals from the **State Corporations Advisory Committee (SCAC)** and the **Salaries and Remuneration Commission (SRC)** has further delayed recruitment and organizational expansion.

In addition, the Board continues to grapple with a **backlog of 52 unresolved cases**, limited adoption of digital systems for case tracking and licensing, and insufficient public awareness regarding emerging legal and regulatory requirements.

Way Forward / Future Outlook

To address these challenges and enhance institutional efficiency, the **Auctioneers Licensing Board** has identified several strategic interventions and future priorities.

1. Full Operationalization of the Board

The Board will prioritize efforts to achieve full operationalization as envisioned under the Auctioneers Act. This will involve developing a comprehensive legal and institutional framework and obtaining necessary approvals from **SCAC, SRC**, and the **National Treasury** to establish a functional organizational structure and adequate staffing levels.

2. High-Level Stakeholder Engagement

The Board will **seek an audience with the Chief Justice, the Attorney General, and the Public Service Commission (PSC)** to discuss the challenges affecting its operationalization and resourcing. These engagements will help secure institutional and policy support necessary to strengthen the Board's governance, financial sustainability, and autonomy.

3. Digitization through eCitizen Platform

In alignment with the government's digital transformation agenda, the Board plans to **migrate key services to the eCitizen platform**. This will include the **online application, approval, and issuance of auctioneer licenses**, as well as real-time monitoring of compliance and renewals.

4. Development of an Integrated Case Management System

The Board will establish a **comprehensive case management system** to track, manage, and resolve disciplinary and regulatory cases efficiently. The system will digitize the end-to-end process — from case registration and hearing scheduling to determination and record keeping — thereby improving transparency and accountability.

5. Capacity Building and Professional Development

Continuous **training and professional development** programs will be implemented for auctioneers and Secretariat staff to enhance competence, ethical standards, and service delivery.

6. Enhanced Case Resolution and Dispute Management

To address the existing backlog, the Board will adopt **case fast-tracking mechanisms** and explore the use of **Alternative Dispute Resolution (ADR)** where appropriate to ensure efficient and timely justice delivery.

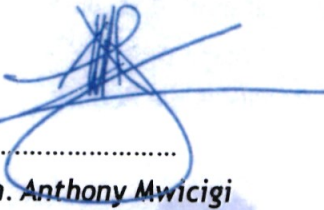
7. Financial and Structural Strengthening

The Board will work towards establishing sustainable financial mechanisms to support its operations, including exploring budgetary allocation frameworks and partnerships with relevant government institutions.

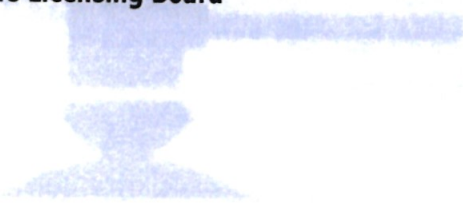
In conclusion, the **2024/2025 financial year** marked a period of growth, stability, and notable progress for the Auctioneers Licensing Board. The successes achieved in compliance monitoring, licensing, and case management demonstrate the Board's commitment to integrity, professionalism, and effective regulation.

However, full operationalization remains essential to achieving long-term sustainability and institutional efficiency. The Board is committed to pursuing necessary approvals, embracing digitization through the **eCitizen platform**, and establishing a **robust case management system** to modernize operations and enhance transparency.

Going forward, the Board will continue to engage key government stakeholders — including the **Chief Justice, Attorney General, and Public Service Commission** — to address structural and resource gaps. Through modernization, collaboration, and reform, the Auctioneers Licensing Board aims to strengthen governance, improve service delivery, and uphold professionalism within Kenya's auctioneering industry.



.....
Hon. Anthony Mwigigi
Secretary to the Board
Auctioneers Licensing Board



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

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

The Board has three (3) strategic pillars/ themes/issues and objectives within the Act. These strategic pillars/ themes/ issues are as follows:

Pillar /theme/issue 1: Ensure 100 % of cases filed against the Auctioneers are determined

Pillar/theme/issue 2: Ensure 100% of the No. of Auctioneers licensed are inspected

Pillar/theme/issue 3: Ensure 100% of Licenses are issued to qualified applicants

The Board develops its annual work plans based on the above the three (3) pillars/Themes/Issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The board achieved its performance targets set for the FY 2024/2025 period for its strategic pillars, as indicated in the diagram below:

Strategic Pillar/ Theme/ Issues	Objective	Key Performance Indicators	Activities	Achievements
Pillar/ theme/ issue 1: Determination of Cases	To Ensure that cases filed are Determined	% of cases filed against the Auctioneers determined	Hearing and determination of cases	152 cases were registered during the year and 100 cases were heard and determined.
Pillar/ theme/ issue 2: Inspection and Regulations	To Ensure that Auctioneers are Inspected	No. of Auctioneers inspected	Inspection of cases	640 Auctioneers were inspected and the all complied with Auctioneers Rules and the Law
Pillar/ theme/ issue 3: Licensing	To Issue Licenses to Qualified Applicants	% of Licenses issued to qualified applicants	Licensing of qualified auctioneers	A total of 823 auctioneers were issued with licenses in the financial year 2024-2025. This is out of the 823 qualified applicant.

8. Corporate Governance Statement

According to the Act the expenses of the Board shall be defrayed out of monies provided by Parliament for that purpose. The Board, as usual, has expended monies entrusted to it prudently under public finance laws policies and guidelines. All fees, fine and other monies received by the Board continued to be paid into the Consolidated Fund during the year.

The Board has continued to keep a register of licensed auctioneers as required under the law that is reliable authentic and verifiable and a record of pending and concluded disciplinary cases against auctioneers. Public and private institutions and individuals continue to be provided with information on licensed auctioneers from this record.

The board held various meetings in the year 2024-2025 as follows;

Month	Dates	Venue	No. of Meetings	Number of Attendees	Ratio	% Attendance
Jul-24	22nd Jul 2024 to 26th Jul 2024	Nairobi	5	11	11/12	92%
Aug-24	26th Aug to 30th Aug 2024	Kisumu	5	10	10/12	83%
Sep-24	16th to 20th Sept 2024	Nairobi	5	10	10/12	83%
Oct-24	22nd -25th Oct 2024	Machakos	4	10	10/12	83%
Nov-24	November 18-22 -2024	Nairobi	5	10	10/12	83%
Dec-24	2nd to 6th Dec 2024	Machakos	5	9	11/12	75%
Jan-25	16th -18th Jan and 20th to 24th Jan 2025	Nairobi	8	12	12/12	100%
Mar-25	17th Mar to 22nd Mar 2025	Nairobi	6	12	12/12	100%
May-25	19TH TO 23RD May 2025	Nairobi	5	12	12/12	100%
Jun-25	26th to27th Jun 2025	Eldoret	2	5	5/12	42%
Total			50			

The Auctioneers Licensing Board (ALB) is committed to high standards of governance, integrity, and accountability. Board members are appointed by the Chief Justice and published in the Kenya Gazette. Appointment and removal follow the provisions of the Auctioneers Act, ensuring transparency and due process.

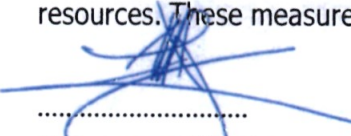
The Board comprises 12 members drawn from diverse professional and demographic backgrounds, reflecting gender balance and regional representation. Currently, the Board operates under the Judiciary's policies and remuneration as approved by the Chief Justice. Once fully operationalized, the Board will adopt its own remuneration framework, Board Charter, and governance policies.

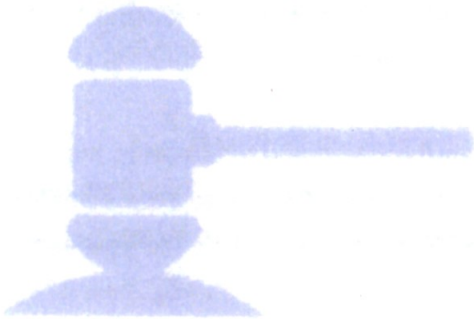
Key functions include licensing and regulating auctioneers, handling disciplinary cases, advising on policy matters, and providing strategic oversight of the Secretariat. Induction for new members is currently conducted on-the-job and through peer reviews within the Board.

The succession plan, conflict of interest policy, committee Terms of Reference, and related party transaction policy are currently adopted from the Judiciary, as the Board was originally under the Judiciary and the majority of Secretariat staff are still drawn from the Judiciary. These will be reviewed and tailored once the Board is fully operationalized.

To strengthen internal controls, the Board has requested to outsource the internal audit function from the parent ministry, the State Law Office, addressing current weaknesses in oversight and compliance. The Code of Ethics and governance audits are implemented as per the appointing authorities' directives and the Auctioneers Act.

To further strengthen governance, the Board will continue pursuing full operationalization and will engage the Chief Justice, Attorney General, and Public Service Commission to secure legal frameworks, institutional support, and resources. These measures will enhance efficiency, accountability, and professionalism in all Board operations.


.....
Hon. Anthony Mwicigi
Secretary to the Board



9. Management Discussion and Analysis

The proposed budget for the Auctioneers Licensing Board for the financial year 2024–2025 was Kshs 38,990,214. However, the Board only received Kshs 29,490,000 as actual disbursements for budget of Ksh 29,700,019, representing a funding shortfall of Kshs 9,500,214.

During the year, the Board recorded total revenue of Kshs 29,490,000, reflecting a 9% increase from the previous year's Kshs 26,990,000. All revenue was sourced from government transfers. Despite this increase, the Board's expenses rose significantly by 39%, reaching Kshs 34,550,180 compared to Kshs 24,800,786 in 2023–2024.

The notable rise in expenses was mainly attributed to an increase in remuneration for directors, which grew by 29% to Kshs 24,169,535, and employee costs, which rose by nearly 48% to Kshs 5,428,750. General expenses also more than doubled to Kshs 4,846,270. Other costs such as depreciation and audit fees remained unchanged during the period.

As a result, the Board reported a deficit of Kshs 5,060,180 for the year, reversing the previous year's surplus of Kshs 2,189,214. This deficit underscores that while revenue increased moderately, the rise in operational costs outpaced income, leading to a financial shortfall. The Board will need to explore additional sources of funding and enhance cost management to sustain its operations and support its growing mandate in the future.

At the end of the financial year 2024–2025, the Auctioneers Licensing Board had total assets amounting to Kshs 5,874,814, up from Kshs 29,358 in the previous year. This increase was mainly due to a substantial rise in cash and cash equivalents, which grew from Kshs 12,483 to Kshs 5,863,564. Property, plant, and equipment decreased slightly from Kshs 16,875 to Kshs 11,250.

Liabilities increased to Kshs 11,405,635 from Kshs 500,000 in 2023–2024, mainly due to higher trade and other payables. Consequently, the Board's net assets were negative at Kshs -5,530,822, compared to a negative balance of Kshs -470,642 the previous year. This change reflects the operating deficit of Kshs -5,060,180 reported during the year.

Overall, the Board's increased cash holdings indicate a stronger asset base, although liabilities and accumulated losses have also grown. The accumulation of trade payables underscores the importance of prudent financial planning and resource allocation to prevent similar backlogs in the future. Going forward, the Board will focus on managing expenses more effectively, reducing pending bills, and ensuring that any future surpluses are directed towards operational improvements, capacity building, and other strategic priorities.

10. Environmental and Sustainability Reporting

i) *Sustainability strategy and profile*

The Auctioneers Licensing Board is focused on ensuring long-term operational viability while maintaining environmental, social, and financial responsibility. The Board recognizes the importance of adopting sustainable practices to enhance its reputation, efficiency, and governance. In this regard, it seeks to minimize resource consumption, reduce waste, and promote the efficient use of finances and human capital. The Board's strategy includes developing effective internal controls, engaging in strategic collaborations with stakeholders, and adhering to regulatory standards that promote sustainability. This enables the Board to support the broader goals of fostering responsible business practices within the auctioneering industry and ensuring that its operations have a minimal negative impact on the environment and society.

To meet its sustainability goals, the Auctioneers Licensing Board ensures that it operates with financial prudence and transparency, as evidenced by its budgetary planning, cost control measures, and the reduction of accumulated liabilities. The Board is committed to managing resources efficiently, reducing operational costs, and improving its corporate governance framework. Additionally, the Board actively engages stakeholders such as the **State Corporation Advisory Committee, National Treasury,** and the **Public Service Commission** to ensure alignment with national policies, financial accountability, and the sustainability of its operations. Through these measures, the Board is well-positioned to ensure that its financial, environmental, and social objectives are met, creating a positive long-term impact on the industry and the communities it serves.

ii) *Environmental Performance by the Auctioneers Licensing Board*

Although the Auctioneers Licensing Board has not directly participated in environmental sustainability initiatives, it has actively encouraged its clients—the registered auctioneers—to adopt environmentally responsible practices. The Board recognizes the importance of sustainability within the auctioneering profession and has taken steps to raise awareness among auctioneers about environmental issues. Through a series of training workshops held in various locations including Kisumu, Eldoret, and Nairobi, the Board has provided guidance and resources to auctioneers, helping them understand the significance of reducing their environmental footprint. These workshops have focused on promoting sustainable business practices, such as minimizing paper usage, adopting digital processes, and implementing eco-friendly practices in day-to-day operations.

By facilitating these workshops, the Board has empowered its clients to make informed decisions that align with environmental goals, thereby fostering a culture of sustainability within the auctioneering industry. While the Board itself has not directly engaged in environmental projects, its efforts to encourage sustainable practices among registered auctioneers contribute to broader environmental goals. This proactive approach ensures that the auctioneering industry plays its part in reducing environmental impact, with the Board continuing to support these initiatives through training, collaboration, and advocacy.

iii) Corporate Social Responsibility by the Auctioneers Licensing Board

In the financial year 2024-2025, the Auctioneers Licensing Board did not directly participate in any Corporate Social Responsibility (CSR) initiatives or community engagements. This is primarily because the Board's mandate, as defined in the Auctioneers Act, is focused on regulating and overseeing the auctioneering profession, ensuring compliance with legal standards, and promoting the professional conduct of registered auctioneers. However, the Board has encouraged its clients—the registered auctioneers—to actively engage in CSR activities within their communities. Through various platforms such as workshops and training sessions, the Board has emphasized the importance of giving back to society and supporting local communities, urging auctioneers to integrate CSR practices into their business models.

While the Board's role is specific to its regulatory functions, it recognizes that CSR is an important aspect of professional ethics and corporate responsibility. By encouraging registered auctioneers to undertake CSR initiatives, the Board plays a supportive role in fostering a culture of community involvement within the industry. This aligns with the broader goal of promoting social responsibility in the auctioneering profession, even though the Board itself is not directly engaged in such activities.



11. Report of the Directors

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

i) Principal activities

The principal activities of the Board are stipulated under Section 4(2) of the Act. The object and purpose for which the Board is established are to exercise general supervision and control over the business and practice of auctioneers. Without prejudice to the generality of subsection (1) the Board shall—

- (a) License and regulate the business and practice of auctioneers;
- (b) Supervise and discipline licensed auctioneers;
- (c) Develop and facilitate adequate training programs for licensed auctioneers;
- (d) Conduct routine inspections and visits of auctioneer's premises;
- (e) Set maintain and continuously improve the standards of learning professional competence and professional conduct for the provision of auctioneering services in Kenya;
- (f) Determine maintain and enhance the standards of professional practice and ethical conduct and learning for the auctioneering profession in Kenya.

ii) Results

The results of the Board for the year ended June 30, 2025, are set out on page 1.

iii) Directors

The members of the Board who served during the year are shown on page (ix) to (xiii). During the year two (1) board members retired/ resigned and two (2) board members were appointed with for a period of three (3) years.

iv) Surplus remission

The Board did not make any surplus during the year FY 2024-2025 and hence no remittance to the Consolidated Fund.

v) Auditors

The Auditor-General is responsible for the statutory audit of the *Auctioneers Licensing Board* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the period ended June 30, 2025.

By Order of the Board

.....
Hon. Anthony Mwicigi
Corporation Secretary/ Secretary to the Board

12 Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act 2012 require the Directors to prepare financial statements in respect of that Auctioneers Licensing Board which give a true and fair view of the state of affairs of the Auctioneers Licensing Board at the end of the financial year/period and the operating results of the Auctioneers Licensing Board for that year/period.

The members are also required to ensure that the Auctioneers Licensing Board keeps proper accounting records which disclose with reasonable accuracy the financial position of the Auctioneers Licensing Board. The members are also responsible for safeguarding the assets of the Auctioneers Licensing Board.

The members are responsible for the preparation and presentation of the Auctioneers Licensing Board's financial statements which give a true and fair view of the state of affairs of the Auctioneers Licensing Board for and as at the end of the financial year (period) ended on June 30, 2023. 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 Auctioneers Licensing Board; (iii) designing implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and ensuring that they are free from material misstatements whether due to error or fraud; (iv) safeguarding the assets of the Auctioneers Licensing Board; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The members accept responsibility for the Auctioneers Licensing Board's financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with International Public Sector Accounting Standards (IPSAS) and the manner required by the PFM Act 2012 and the Auctioneers Act Cap 1996.

The members believe that the Auctioneers Licensing Board's financial statements give a true and fair view of the state of Auctioneers Licensing Board's transactions during the financial year ended June 30, 2025, and of the Auctioneers Licensing Board's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Auctioneers Licensing Board which have been relied upon in the preparation of the Auctioneers Licensing Board'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 Auctioneers Licensing Board will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The *Auctioneers Licensing Board's* financial statements were approved by the Board on 27th August 2025 and signed on its behalf by:


.....
Hon. Felix Kombo -

Chairperson of the Board


.....
Hon. Anthony Mwicigi
Accounting Officer

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON AUCTIONEERS LICENSING BOARD FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of the Auctioneers Licensing Board set out on pages 1 to 29, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Auctioneers Licensing Board as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Auctioneers Act No. 5 of 1996 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior year's audit report, several issues were raised under the Report on Lawfulness and Effectiveness in the Use of Public Resources and the Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during the audit of the Board in the financial year 2024/2025 revealed that the following seven (7) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2023/2024	Lack of a Strategic Plan
2	2023/2024	Lack of Equal Representation in the Board
3	2023/2024	Lack of an Approved Infrastructure for Financial Data Processing
4	2023/2024	Lack of Approved Financial Policy and Manuals
5	2023/2024	Under Staffing
6	2023/2024	Failure to Establish an Internal Audit Function and Audit Committee
7.	2023/2024	Delayed Replacement of Board Member

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Climate Change and Financing Requirements

Review of records revealed that the Board did not allocate resources in its annual budget towards Climate Change activities. This was contrary to Regulations 6(1)(d) and 15(2)(a) of the Climate Change Regulations, 2021, which require each public entity at both the National and County Governments to dedicate an amount in its annual budget towards Climate Change activities. The regulations also require each entity to designate a unit with adequate staff and financial resources and appoint a senior officer as head of the unit to coordinate the mainstreaming of the Climate Change action plan and other statutory Climate Change functions into sectoral strategies.

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

2. Lack of a Strategic Plan

As previously reported, review of records revealed that the Board did not have a strategic plan to confirm the effectiveness of the budget planning and execution process in compliance with the law. This was contrary to Section 68(2)(g) and (h) of the Public Finance Management Act, 2012, which states that an accounting officer shall prepare a strategic plan in conformity with the medium-term fiscal framework and fiscal policy objectives of the national government and prepare estimates of expenditure and revenues of the entity in conformity with the strategic plan.

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

3. Skewed Representation on the Board

Review of documents revealed that the Board's composition comprised two (2) women Board Members against nine (19) male Board Members. This was contrary to Article 232(i) of the Constitution of Kenya on affording adequate and equal opportunities for appointment, training, and advancement, at all levels of the Public Service for men and women, the members of all ethnic groups, and Persons with Disabilities. Further, there was no representation of special groups of persons, such as People with Disabilities, on the Board.

In the circumstances, the regularity of the Board's composition could not be confirmed.

4. Non-Compliance with the Guidelines on Management of Board Activities

Review of records on board operations revealed that during the year, the Board of Directors did not file the annual ALMANAC returns to the State Corporation Advisory Committee (SCAC) and did not undertake an Annual Board Evaluation. Further, the Board did not have an approved work plan indicating an annual performance target and aligned to Government activities.

In the circumstances, the effectiveness of the Board in the execution of its mandate could not be confirmed.

5. Lack of an Approved Human Resource Plan

Examination of records revealed that the Board did not have an approved staff establishment and had only five (5) seconded members of staff responsible for implementing the mandate. This was contrary to Section B.2 (1) of the Public Service Human Resource Manual, 2016, which states that every Ministry/State Department shall prepare Human Resource Plans to support the achievement of goals and objectives in their Strategic Plans, based on a comprehensive job analysis, and shall be reviewed every year to address emerging issues and needs.

In the circumstances, Management was in breach of the Government policies and the achievement of the goals and strategic plans of the Board could not be confirmed.

6. Prolonged Secondment Period

Review of records revealed that four (4) seconded staff had exceeded the three (3) year timeline, with two (2) officers having been on secondment for a period of fifteen (15) years, and the other two having been on secondment for twelve (12) and seven (7) years respectively. This was contrary to Paragraph 33(1)(b) of the Public Service Human Resource Policy Manual, of May 2016, which provides that secondment of officers from the Public Service to other organizations applies to Pensionable Officers, for a period not exceeding three (3) years and may be renewable once.

In the circumstances, Management was in breach of the Public Service Commission Human Resource Policy.

7. Failure to Prepare and Submit Quarterly Financial Reports

During the year under review, management did not prepare and submit quarterly financial reports to the line Cabinet Secretary and a copy to The National Treasury. This was contrary to Section 83 of the Public Finance Management Act, 2012, which requires Accounting Officers to prepare and submit quarterly financial reports not later than fifteen days after the end of each quarter to the line Cabinet Secretary, The National Treasury and submit a copy to the Auditor-General.

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

8. Irregular Board Expenses

Note 7 to the financial statements reflects directors' remuneration amounting to Kshs.24,169,535. However, review of records revealed that the Board held fifty (50) meetings, exceeding the maximum of six (6) per financial year allowed by law, representing an excess of 733%. Further, there were no approvals from the Cabinet Secretary or the State Corporations Advisory Committee (SCAC) for holding additional meetings. This was contrary to the provisions of the State Corporations Circular Ref. No.OP/CAB.9/1A dated 11 March, 2020, which stipulates that Board meetings should be restricted to a minimum of four (4) as provided under the State Corporations Act and capped at a maximum of six (6) for each financial year.

In the circumstances, the regularity and value for money of the board expenses amounting to Kshs.24,169,535 could not be confirmed.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in

the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON 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, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of an Internal Audit Function and Audit Committee

As previously reported, review of documents revealed that the Board had not established an internal audit unit and an Audit Committee. This was contrary to Section 73(1)(a) and (5) of the Public Finance Management Act, 2012, which requires every National Government entity to have appropriate arrangements for conducting internal audits that adhere to the guidelines issued by the Public Sector Accounting Standards Board. Further, the Board had not constituted an Audit Committee, contrary to Section 73(5) of the Public Finance Management Act, 2012, which prescribes the establishment, composition, and functions of the committee.

In the circumstances, the Board did not benefit from the oversight role and advice from the Audit Committee and the internal audit function.

2. Under Staffing

During the year under review, the Board did not have an approved staff establishment and had only five (5) seconded members of staff responsible for implementing the mandate of the Board, which is the general supervision and control over the business and practice of Auctioneers. Among the five (5) staff members was an accountant managing the finance unit and performing all the duties, including vote book control (budget), voucher preparation, examination and authorization, cash book maintenance, and bank reconciliations. This indicates lack of staff for effective segregation of duties, which poses a risk of fraud, misstatements and errors in the accounting records.

In the circumstances, the existence of effective internal controls and segregation of duties could not be confirmed.

3. Lack of a Comprehensive Assets Register

The statement of financial position reflects property, plant and equipment balance of Kshs.11,250 as disclosed in Note 13 to the financial statements. However, the Board fixed asset register was incomplete and did not have details such as description of each

asset, supplier details, the tag numbers, accumulated depreciation, among other relevant asset data.

In the circumstances, the effectiveness of the Board's internal controls over asset management could not be confirmed.

4. Inadequate Office Space

Physical verification of offices revealed that the Board operates from a small office without a designated registry room or adequate storage space for records. Files were observed stored on the floor, exposing them to safety and security risks. Further, the Board does not have a boardroom for conducting its core activities.

In the circumstances, the security of records and the effectiveness of internal controls over the Board's assets and information could not be confirmed.

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

Responsibilities of the Management and Board of Directors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 December, 2025

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

	Notes	2024-2025	2023-2024
Revenue from non-exchange transactions		Kshs	Kshs
Transfers from other governments –	6	29,490,000	26,990,000
		29,490,000	26,990,000
Revenue from exchange transactions			
Total revenue		29,490,000	26,990,000
Expenses			
Remuneration for Directors	7	24,169,535	18,738,874
Employee Costs	8	5,428,750	3,664,420
General Expenses	9	4,846,270	2,291,867
Depreciation	10	5,625	5,625
Provision for Audit Fees	11	100,000	100,000
Total expenses		34,550,180	24,800,786
Surplus/(deficit) for the period/year		-5,060,180	2,189,214

The notes set out on pages 7 to 34 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 34 were signed on behalf of the Board Members by:

.....
 Hon. Festus Terer
 Accounting Officer

Date: 04/12/2025

.....
 CPA Malanga Isaiah
 Head of Finance
 ICPAK M/No: 28388

Date: 04/12/2025

.....
 Name: Hon. Njeri Thuku
 Chairperson of the Board

Date: 04/12/2025

15. Statement of Financial Position as at 30 June 2025

	Notes	2024-2025 Kshs	2023-2024 Kshs
Assets			
Current assets			
Cash and cash equivalents	12	5,863,564	12,483
Non-current assets			
Property, plant and equipment	13	11,250	16,875
Total Assets		<u>5,874,814</u>	<u>29,358</u>
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	14	10,905,636	500,000
Non-Current Liabilities			
Trade and other payables from exchange transactions	15	500,000	-
Total Liabilities		11,405,636	500,000
Net Assets		-5,530,822	-470,642
Represented by:			
Accumulated Surplus/(Loss)		-5,542,072	-470,642
Capital Fund		11,250	
Total Net Assets		-5,530,822	-470,642
Total Net assets and Liabilities		<u>5,874,814</u>	<u>29,358</u>

The financial statements set out on pages 1 to 34 were signed on behalf of the Board of Members by:

.....
Hon. Festus Terer
Executive Board Secretary

Date 04/12/2025

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CPA Malanga Isaiiah
Head of Accounting & Finance
ICPAK M/No:28388

Date 04/12/2025

.....
Name: Hon. Njeri Thuku
Chairperson of the Board

Date 04/12/2025

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

Description	Notes	Retained earnings	Capital/	Total
			Development Grants/Fund	
		Kshs	Kshs	Kshs
As at July 1, 2023		- 2,659,856	-	2,659,856
Surplus/ (deficit) for the year		2,189,214		2,189,214
Transfer of depreciation/amortization from capital fund to retained earnings				-
As at June 30, 2024		- 470,642	0	- 470,642
				-
As at July 1, 2024		- 470,642	0	- 470,642
Prior year Adjustments				-
Recognition of Furniture	16	- 45,000	45,000	-
Transfer of depreciation/amortisation from capital fund to retained earnings	17	28,125	-28,125	-
Adjusted balances As at July 1, 2024		-487,517	16,875	- 470,642
Surplus/ (deficit) for the year		-5,060,180	0	- 5,060,180
Transfer of depreciation/amortisation from capital fund to retained earnings		5,625	-5,625	-
As at June 30, 2025		-5,542,072	11,250	- 5,530,822

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

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities		29,490,000	26,990,000
Total receipts		29,490,000	26,990,000
Payments			
General expenses –	9	4,846,270	2,391,867
Employee costs	18	5,351,750	3,664,420
Remuneration of directors	19	13,440,899	20,926,851
Total payments		23,638,919	26,983,138
Net cash flows from/(used in) operating activities		5,851,081	6,862
Cash flows from investing activities			
Purchase of investments			
Net cash flows from/(used in) investing activities		0	0
Cash flows from financing activities			
Proceeds from issue of shares			0
Net cash flows from financing Activities		0	0
Net increase/(decrease) in cash & cash equivalents		5,851,081	6,862
Cash and cash equivalents at 1 July		12,483	5621
Cash and cash equivalents at 30 June		5,863,564	12,483

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

Programme/Sub-programme	Original Budget	Supplementary	Final Budget	Actual on comparable basis	Budget utilization difference	Percentage of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfer from other Governments	38,990,214	-9,290,195	29,700,019	29,490,000	210,019	99%
	38,990,214	-9,290,195	29,700,019	29,490,000	210,019	99%
1.0 Remuneration of Directors						
1.1 Daily subsistence allowances & Travel costs	4,607,248	-1,217,248	3,390,000	3,390,000	-	100%
1.2 Director's emoluments	19,763,316	-4,311,532	15,451,784	18,217,750	-2,765,966	118%
1.3 Fuel Costs	-	-	-	-	-	-
1.4 Judicial officers' Allowances	1,320,000	-660,000	660,000	1,320,000	-	200%
1.5 Mileage allowances	1,194,796	-1,194,796	-	1,241,785	-1,241,785	-
Sub-total	26,885,360	-7,383,576	19,501,784	24,169,535	4,667,751	
2.0 Employee Costs						
2.1 Daily subsistence allowances & Travel costs	3,178,158	-1,476,908	1,701,250	1,778,250	-77,000	105%
2.2 Secretariat allowances	4,080,211	-429,711	3,650,500	3,650,500	-	100%
Sub-total	7,258,368	-1,906,619	5,351,749	5,428,750	-77,000	
3.0 General office Expenses						
3.1. Air tickets	526,000	-	526,000	525,980	20	100%
3.2 Bank charges	14,000	-	14,000	13,815	185	99%
3.3 Conference Cost	1,742,700	-	1,742,700	1,742,700	-	100%
3.4 Office expenses	1,225,750	-	1,225,750	1,225,741	9	100%
3.5 Rent and rates	1,338,036	-	1,338,036	1,338,034	2	100%
Sub-total	4,846,486	-	4,846,486	4,846,270	216	100%
Total	38,990,214	-	29,700,019	34,444,555	-4,744,535	
Surplus/(Loss) for the year as per the statement of budget Comparison	-	-	-	- 4,954,555	- 4,954,555	

Reconciliation

Reconciliation	Amount (Ksh)
Surplus/(Loss) for the year as per the statement of Financial Performance	-5,060,180
Surplus/(Loss) for the year as per the statement of budget Comparison	-4,954,554
Difference	-105,625
Reconciling Items	
Provision for Audit Fees	100,000
Depreciation	5,625
Total	105,625

The difference between the surplus as presented in the statement of comparison and the surplus for the year as presented in the statement of performance arose from depreciation of Ksh. 5,625 /- , provision for Audit fees of Ksh 100,000/- for the year 2024-2025.

18. Notes to the Financial Statements

1. General Information

Auctioneers Licensing Board is established by and derives its authority and accountability under Section 3(1) of the Auctioneers Act Cap 1996 of the Laws of Kenya. The Auctioneers Licensing Board is wholly owned by the Government of Kenya and is domiciled in Kenya. The Auctioneers Licensing Board's principal activity is to exercise general supervision and control over the business and practice of Auctioneers.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Auctioneers Licensing Board*. The financial statements have been prepared in accordance with the PFM Act, Auctioneers Act Cap 1996, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
<p>IPSAS 43</p>	<p>Applicable 1st January 2026</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 a Board.</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: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p>Applicable 1st January 2026</p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>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.</p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p>Applicable 1st January 2026</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>

Standard	Effective date and impact:
IPSAS 46 Measurement	<p>Applicable 1st January 2026</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an Board shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49- Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

iii. Early adoption of standards

The Board did not early – adopt any new or amended standards in the financial year.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

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

Transfers from other government entities

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

ii) Revenue from exchange transactions Rendering of services

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

Sale of goods

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

Interest income

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

Dividends

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

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for the Current year was approved by the National Assembly on 30th April 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Board upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Board recorded no additional appropriations.

The *Board's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 17(a) of these financial statements.

c) Taxes**Current income tax**

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

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable *Board* and the same taxation authority.

Sales tax

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

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent*

to initial recognition, investment properties are measured using the cost model and are depreciated over an thirty (30) year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. **(Board to amend appropriately based on the model adopted)** Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) **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 Board recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) **Leases**

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the *Board*. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The *Board* also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the *Board* will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the *Board*. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) **Intangible assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

h) Research and development costs

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

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

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

i) Financial instruments

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

j) Financial assets

Classification of financial assets

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

k) Subsequent measurement

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

l) Amortized cost

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

m) Fair value through net assets/ equity

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

n) Trade and other receivables

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

o) Fair value through Surplus or deficit

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

Financial liabilities**Classification**

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

Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Board*.

p) Provisions

Provisions are recognized when the *Auctioneers Licensing Board* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Board* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

q) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The Board recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The

liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the Board will incur in fulfilling the present obligations represented by the liability.

r) Contingent liabilities

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

s) Contingent assets

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

t) Nature and purpose of reserves

The Board creates and maintains reserves in terms of specific requirements

u) Changes in accounting policies and estimates

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

v) Employee benefits

Retirement benefit plans

The Auctioneers Licensing Board did not provide retirement benefits for its employees and directors. This is because directors are only entitled to sitting allowances whereas its employees are drawn and paid from the Judiciary and State Law office.

w) 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.

x) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

y) Related parties

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

z) Service concession arrangements

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

aa) Cash and cash equivalents

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

bb) Comparative figures

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

cc) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Board based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Board. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

6. Transfers from Other Government entities

Name of the entity sending the grant	Amount recognized to Statement of Comprehensive Income	The amount deferred under deferred income	Amount recognized in capital fund.	Total grant income during the year	2024-2025	2023-2024
	KShs	KShs	KShs	KShs	KShs	KShs
Office of the Attorney General Department of Justice	29,490,000			29,490,000	29,490,000	26,990,000
Total	29,490,000			29,490,000	29,490,000	26,690,000

GOK recurrent grants were operational grant from the Government through the Office of the Attorney General and Department of Justice disbursed as follows;

S.No	Date Received	Amount	Month in respect to the Transfer
1	06-Aug-24	2,457,500.00	Jul-23
2	30-Aug-24	2,457,500.00	Aug-23
3	02-Oct-24	2,457,500.00	Sep-23
4	31-Oct-24	2,457,500.00	Oct-23
5	29-Nov-24	2,457,500.00	Nov-23
6	03-Jan-25	2,457,500.00	Dec-23
7	07-Feb-25	2,457,500.00	Jan-24
8	13-Mar-25	2,457,500.00	Feb-24
9	08-Apr-25	2,457,500.00	Mar-24
10	29-Apr-25	2,457,500.00	Apr-24
11	09-Jun-25	2,457,500.00	May-24
12	27-Jun-25	2,457,500.00	Jun-24
Total		29,490,000.00	

Name of the entity sending the grant	Amount recognized to Statement of Comprehensive Income	The amount deferred under deferred income	Amount recognized in capital fund.	Total grant income during the year	2024-2025	2023-2024
	KShs	KShs	KShs	KShs	KShs	KShs
Office of the Attorney General Department of Justice	29,490,000	-	-	29,490,000	29,490,000	26,990,000
Revenues from Exchange Transactions	-	-	-	-	-	-
Total	29,490,000	-	-	29,490,000	29,490,000	26,990,000

ALB fees and fines are paid to the consolidated funds and accounted for by the state Law Office and Department of Justice. This is because we are not designated collectors of revenue.

7. REMUNERATION OF DIRECTORS

Description	2024-2025	2023-2024
	KShs	KShs
Daily subsistence Allowances & Travel costs	3,390,000	2,589,000
Directors Emoluments	18,217,750	15,709,874
Fuel costs	-	-
Judicial officers' allowances	1,320,000	440,000
Mileage Allowances	1,241,785	-
Remuneration of Directors	24,169,535	18,738,874

Payable3 Settled in the financial year were a3 follow3;

Details	2024-2025	2023-2024
	KShs	KShs
Directors' Emoluments	-	735,000
Judicial Officer's Allowances	-	-
Daily Subsistence allowances	-	-
Mileage allowances	-	-
Total	-	735,000

8. EMPLOYEE COSTS

Description	2024-2025	2023-2024
	KShs	KShs
Secretariat allowances	1,778,250.00	1,722,750.00
Daily Subsistence & Travel Costs	3,650,500.00	1,941,670.00
Total	5,428,750.00	3,664,420.00

The employees of the Board are drawn from the Judiciary and State Department. The costs above only relates to allowances payable and related to Board operations. Other employee costs are bone by the respective institutions.

9. GENERAL EXPENSES

Description	2024-2025	2023-2024
	KShs	KShs
Air tickets costs	525,980	635,275
Bank Charges	13,815	11,168
Conference costs	1,742,700	94,000
office Expenses	1,225,741	1,127,823
Rent & Rates	1,338,034	423,601
Total	4,846,270	2,291,867

Payables settled in the financial year were as follows;

Details	2024-2025	2023-2024
	KShs	KShs
office Expenses		
Air tickets costs		
Conference costs		
Bank Charges		
Rent & Rates		1,552,977
Total	-	1,552,977

Reconciliation of Rent Payment

Details	2024-2025	2023-2024
	KShs	KShs
Opening balance		1,552,977
Rent for the year		1,338,033
Payment of Rent in the year		(1,976,578)
credits notes		(914,432)
Rent Outstanding as at 30th June	-	-

10. Depreciation

Depreciation And Impairment	2024-2025	2023-2024
	Kshs	Kshs
Depreciation for the year	5,625	5,625

The rates applicable for depreciation on Property plant and equipment is disclosed under Note Number 13 of the financial statements.

11. Provision for Audit fees

Depreciation And Impairment	2024-2025	2023-2024
	Kshs	Kshs
Audit Fees for the year	100,000	100,000

The amounts disclosed herein is a provision for Audit fees based on market value in the sector. This amounts were omitted in the budget.

12. CASH AND CASH EQUIVALENTS

Description	2024-2025	2023-2024
	KShs	KShs
Current account- 1131745299 Held at KCB Nairobi	5,863,564	12,483
On-call deposits		
Fixed deposits account		
Staff car loan/ mortgage		
Total cash and cash equivalents	5,863,564	12,483

The cash and cash equivalents increased significantly from KShs 12,483 in 2023–2024 to KShs 5,863,564 in 2024–2025, representing an increase of KShs 5,851,081. The rise is mainly due to unpaid PAYE (Pay As You Earn) deductions for the year, which had not yet been remitted to the tax authorities as at year-end. This resulted in a higher cash balance being reflected in the current account at KCB Nairobi.

13. Property, Plant and Equipment

Cost	Furniture and fitting ³	Computers	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	
As At 1 July 2023	45,000				45,000
Additions					-
Disposals					-
Transfers/Adjustments					-
As at 30th June 2024	45,000	-	-	-	45,000
Additions					-
Disposals					-
Transfer/Adjustments					-
As at 30th June 2025	45,000	-	-	-	45,000
Depreciation And Impairment					-
At 1 July 2024	28,125				28,125
Depreciation					-
Impairment					-
Transfers/ Adjustments					-
As At 30th June 2024	28,125	-	-	-	28,125
Depreciation	5,625				5,625
Disposals					-
Impairment	-				-
Transfer/Adjustment					-
As At 30th June 2025	33,750				33,750
Net Book Values					-
As at 30th June 2024	22,500				22,500
As at 30th June 2025	11,250	-	-	-	11,250

Assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land			
Buildings			
Plant And Machinery			
Motor Vehicles, Including Motorcycles			
Computers And Related Equipment			
Office Equipment, Furniture, And Fittings	45,000	33,750	11,250
Total	45,000	33,750	11,250

14. Current Liabilities

Description	2024-2025	2023-2024
	Kshs	Kshs
Provision for Audit fees	100,000	500,000
Directors Emoluments	2,475,000	
Judicial officers Allowance	660,000	
Mileage Allowances	1,241,786	
Secretariat Allowances	77,000	
Commissioner of Income Taxes	6,351,850	
Rent		
Total trade and other payables	10,905,636	500,000

15. Non- Current Liabilities

Description	2024-2025	2023-2024
	Kshs	Kshs
Provision for Audit fees	500,000	500,000
Total trade and other payables	500,000	500,000

Ageing analysis: (Trade and other payables)

Ageing analysis: (Trade and other payables)	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	10,905,635	96%	100,000	20%
1-2 years	100,000	1%	100,000	20%
2-3 years	200,000	2%	200,000	40%
Over 3 years	200,000	2%	100,000	20%
Total	11,405,635	100%	500,000	100%

The payables that remain unpaid as at the end of the financial year relates to provision for audit fees payable to the Auditor General, Remuneration to directors and Pay As You Earn (P.A.Y.E).

16. Recognition of Assets

S.No	Description	2024-2025	2023-2024
		(Kshs)	(Kshs)
1	Recognition of Furniture	45,000	0

17. Transferred depreciation/amortisation from capital fund to retained earnings

S.No	Description	2024-2025	2023-2024
		(Kshs)	(Kshs)
1	Transferred depreciation/amortisation from capital fund to retained earnings	- 28,125	0
	Adjusted balance as at July 1, 2024	- 28,125	0

18. EMPLOYEES COSTS - Cash flow Statement

Description	2024-2025	2023-2024
	KShs	KShs
Employee Cost as per Statement of Financial performance	5,428,750.00	0
Less: Payables		
Secretariat allowances	77,000.00	0.00
Daily Subsistence & Travel Costs	0	0.00
Total Payables	77,000.00	0.00
Net Actual Cash Payments made in the year	5,351,750.00	3,664,420.00

19. Remuneration of Director3 - Ca3h flow 3statement

Details	2024-2025	2023-2024
	KShs	KShs
Total Remuneration of Directors	24,169,535	
Less payables:		0
Directors remunerations	3,135,001	0
Mileage allowances	1,241,785	0
Commissioner of Income Taxes	6,351,850	
Total	10,728,636	0
Net Cash Payments	13,440,899	0

20. General Expenses - Cash flow 3statement

	2024-2025	2023-2024
	KShs	KShs
Total General Expenses	4,846,270	2,291,867
Less: Payables not settled		
Air tickets costs	AMOUNT	0
Bank Charges	0	0
Conference costs	0	0
office Expenses	0	0
Rent & Rates	0	0
Total	0	0
Net Cash Payment	4,846,270	2,291,867

21. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

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

Other related parties include:

- i) Office of the Attorney General.
- ii) The Judiciary
- iii) Board members.

22. Events after the Reporting Period

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

23. Ultimate And Holding Board

The Board is a State Corporation/ or a Semi-Autonomous Government Agency under the office of Attorney General, State Law office and Department of Justice. Its ultimate parent is the Government of Kenya.

24. Currency

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

19. Appendices

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

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status:	Timeframe:
				(Resolved / Not Resolved)	(Put a date when you expect the issue to be resolved)
Ba3i3 for Qualified Opinion					
1. Cash and Cash Equivalents	<p>The statement of financial position reflects cash and cash equivalent balance of Kshs.1,101.80 for the Kenya Commercial Bank (KCB) current account cashbook. The reconciliation statement for this account reflects balance as per bank statement of Kshs.910,351.80 as at 30 June 2019. However, management did not avail bank confirmation certificate for the balance of Kshs.910,351.80 reflected in the bank reconciliation statement.</p> <p>In the circumstances, the accuracy and validity of cash and cash equivalent balance of Kshs.1,101.80 as at 30 June 2019 could not be confirmed.</p>	<p><i>We have a bank certificate as at 30th June 2019 as requested. The delay was so because the bank required both signatories to sign the request. This was availed to the Auditor.</i></p>	<p>Chairman , Hon. Peter Gesora/ Secretary Hon. Kenneth Cheruiyot</p>	Resolved	Immediately

<p>2. Back Log of Cases</p>	<p>As highlighted in the management discussion and analysis report at page xvii of the annual report, the Board had a total of 123 cases pending determination as at 30 June 2019, out of which 72 were brought forward from 2017/2018 and earlier years. Since these cases involve members of the Public, Auctioneers and Businesses, delay in resolving the cases may result in economic consequences to the parties involved. No adequate action seems to have been taken to clear the back log of the cases</p>	<p>Article 159 of the Constitution of Kenya 2010 avers that every person has the right to a fair hearing. The Auctioneers Licensing Board is required to deliver justice to all irrespective of status without delay. The right to speedy trial and delivery of justice is one of the major facets of the general right to a fair hearing, however, today's case backlog is one of the greatest challenges facing the Auctioneers Licensing Board. In Auctioneers Licensing Board, case backlog and delays in delivery of justice have been one of the main indictments against the Auctioneers Licensing Board because cases keep on piling up between the time of filing and the time of determination of the cases.</p> <p>The Auctioneers Licensing Board is a Quasi-judicial entity created under the Auctioneers Act. It falls under the same structure as any other tribunal. Decisions made at the Board are appealed at the High court. Due to such structure, the Board has a case backlog that has resulted from non-representation of parties, adjournment and straining orders from superior courts.</p>	<p>Hon. Anthony Mwicigi</p>	<p>All cases have so far been resolved</p>	<p>30th June 2023</p>
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<p>3. Lack of Segregation of Duties</p>	<p>The Board has four (4) staff seconded from the Judiciary. Among the four (4) is an Accountant who manages the finance unit in a sole capacity and performs all the duties including vote book control (budget) voucher preparation, examination and authorization, cashbook maintenance and bank reconciliations. This poses risk of errors and misstatements in the accounting records and contravenes Section 23 (1) (c) of the Public Financial Management (National Government) Regulation 2015 which require the Accounting Officer to maintain effective systems of internal controls and put measures to ensure that they are effective.</p>	<p>The executive order 1 of 2018 transferred the Board from the Judiciary where it was treated as a court station/ tribunal/an office within Milimani Commercial. Upon transfer, we expected the State Law Office to provide their staff who would take charge of various responsibilities within the board. This did not materialize as we were advised that they didn't have the staff to be deployed to the Board. We are in the process of finding more staff from the mother ministry or possibly employ staff for the Board since the current ones are from the Judiciary and few others from State Law office.</p>	<p>Chairman , Hon. Felix Kombo/ Hon. A. Mwicigi/Hon. Njeri Thuku</p>	<p>Not resolved</p>	<p>July 2026</p>
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N. Thuku

Hon. Njeri Thuku

Chairman of the Board

Date.....*4.12.2025*

Appendix 2 : Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/ Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/ recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be 3pecific	
Office of the Attorney, State Law office and Department of Justice	06-Aug-24	Recurrent	2,457,500	2,457,500					2,457,500
	30-Aug-24	Recurrent	2,457,500	2,457,500					2,457,500
	02-Oct-24	Recurrent	2,457,500	2,457,500					2,457,500
	31-Oct-24	Recurrent	2,457,500	2,457,500					2,457,500
	29-Nov-24	Recurrent	2,457,500	2,457,500					2,457,500
	03-Jan-25	Recurrent	2,457,500	2,457,500					2,457,500
	07-Feb-25	Recurrent	2,457,500	2,457,500					2,457,500
	13-Mar-25	Recurrent	2,457,500	2,457,500					2,457,500
	08-Apr-25	Recurrent	2,457,500	2,457,500					2,457,500
	29-Apr-25	Recurrent	2,457,500	2,457,500					2,457,500
	09-Jun-25	Recurrent	2,457,500	2,457,500					2,457,500
	27-Jun-25	Recurrent	2,457,500	2,457,500					2,457,500
Total			29,490,000	29,490,000					29,490,000

Appendix 3- Inter-Board Confirmation Letter

Name of Transferring State Law Office and Department of Justice

Name of Beneficiary Board...Auctioneers Licen3ing Board.

Confirmation of amount3 received by Auctioneer3 Licen3ing Board a3 at 30th June 2025

Reference Number	Date Di3bur3ed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remark3
July 2024	06-Aug-24	2,457,500		2,457,500	
August 2024	30-Aug-24	2,457,500		2,457,500	
September 2024	02-Oct-24	2,457,500		2,457,500	
October 2024	31-Oct-24	2,457,500		2,457,500	
November 2024	29-Nov-24	2,457,500		2,457,500	
December 2024	03-Jan-25	2,457,500		2,457,500	
January 2025	07-Feb-25	2,457,500		2,457,500	
February 2025	13-Mar-25	2,457,500		2,457,500	
March 2025	08-Apr-25	2,457,500		2,457,500	
April 2025	29-Apr-25	2,457,500		2,457,500	
May 2025	09-Jun-25	2,457,500		2,457,500	
June 2025	27-Jun-25	2,457,500		2,457,500	
Total		29,490,000		29,490,000	

I confirm that the amounts shown above are correct as of the date indicated.

Head of Accounts Department – Auctioneers Licensing Board:

Name ...CPA Malanga Isaiah..... Sign *[Signature]* Date... *4/12/2025*



