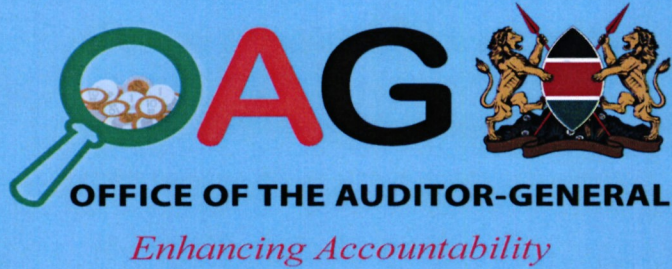


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

**HUMAN RESOURCE MANAGEMENT
PROFESSIONALS EXAMINATION BOARD**

**FOR THE YEAR ENDED
30 JUNE, 2020**

THE NATIONAL ASSEMBLY	
DATE: 06 JUL 2023	Day: Thursday
TABLED BY: Hon. Samuel Chepkonga, MP	
CLERK AT THE TABLE: Joyce Kempele	





**International Public Sector Accounting Standards (IPSAS)
Annual Financial Reporting Template for
Regulatory and Other Non – Commercial Government Owned Entities**

**HUMAN RESOURCE MANAGEMENT PROFESSIONALS
EXAMINATION BOARD (HRMPEB)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDING
JUNE 30, 2020**

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

**HUMAN RESOURCE MANAGEMENT
PROFESSIONALS EXAMINATION BOARD
Annual Report and Financial Statements
For the year ended June 30, 2020**

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HUMAN RESOURCE MANAGEMENT PROFESSIONALS EXAMINATION BOARD

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KEY ENTITY INFORMATION AND MANAGEMENT

a. Establishment of the Entity

Established under Section 16 of the Human Resource Management Professionals (HRMP) Act No. 52 of 2012, the Human Resource Management Professionals Examinations Board (HRMPEB) is mandated to certify HR professionals in Kenya. Its functions include preparing syllabuses for HR examinations; making rules with respect to the examinations; issuing certificates to candidates who have satisfied examination requirements; and promoting recognition of its examinations locally and internationally.

b. Principal Activities

The board's principal activities include the development of syllabuses for HR examinations, the formulation of rules and regulations governing the administration of these exams, the issuance of certificates to candidates who have successfully met the examination requirements, and the promotion of recognition of its examinations both domestically and internationally.

c. Key Management

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

- Board of Directors
- Accounting officer/ CEO
- Management

d. Fiduciary Management

The key management personnel who held office during the financial period ended June 2020 and who had direct fiduciary responsibility were:

- | | |
|--|-----------------------|
| i. Chief Executive Officer/ CEO | Dr. Douglas Ogolla |
| ii. Manager, Examinations Administration | Mrs. Jane Njenga |
| iii. Senior Human Resource & Admin Officer | Mrs. Rebecca Mureithi |
| iv. Senior ICT Officer | Mr. Fredrick Laiboni |
| v. Accountant | CPA Vincent Koech |

e. Fiduciary Oversight Arrangements

The Board of Directors has established an Audit Committee to provide independent oversight of the management of the affairs of the HRMPEB. The committee's purpose is to ensure that the organization is managed effectively, efficiently, and in compliance with relevant laws and regulations. The Audit Committee is responsible for reviewing financial reports, monitoring internal controls and risk management processes, and ensuring that the organization is following relevant laws and regulations. It works closely with management to address any concerns or issues that arise and is composed of independent directors with the necessary skills and experience to carry out their responsibilities effectively. Overall, the Audit Committee plays a critical role in maintaining the integrity and transparency of the HRMPEB's operations, and ensures that the organization operates in a manner consistent with its mission, values, and strategic objectives.

**HUMAN RESOURCE MANAGEMENT
PROFESSIONALS EXAMINATION BOARD**

Annual Report and Financial Statements

For the year ended June 30, 2020

f. Headquarters

Mwalimu Towers 1st Floor
Hill Lane, Off Mara Road – Upper hill
P.O. Box 23733-00100
NAIROBI, KENYA

g. Contacts

Telephone: (254) 799016630/0710 560 560
Email: info@hrmpeb.or.ke
Website: www.hrmpeb.or.ke

h. Bankers

NCBA Bank Kenya PLC Kenyatta Avenue
P.O. Box 44599-00100
Nairobi, Kenya

i. Independent Auditors

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

j. Principal Legal Advisor

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

**HUMAN RESOURCE MANAGEMENT
PROFESSIONALS EXAMINATION BOARD
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2. THE BOARD OF DIRECTORS



CS Sharon Kisire- Chairperson

Commissioner C.S. Sharon Kisire FIHRM, HSC holds a Bachelor's degree and a Master's degree in Sociology. She is an ongoing doctorate student. She is a Certified Public Secretary (CPS-K) and the chief examiner for KASNEB, CPS examinations. She has authored several HR and motivational books.

Commissioner C.S. Sharon Kisire is an experienced Organizational behaviour and HR Professional with a wealth of knowledge and experience in all aspects of Organizational management.

C.S Sharon holds several awards on Excellency in Human Capital Management. Sharon started her HR career at Mater Hospital as Deputy HR Manager and later transited to National Oil Corporation (NOCK) in the position of HR & Administration Manager. From there she moved on to Kenya Wildlife Service (KWS) in the position of Director, Human Capital.

Her last employment was with Safaricom as Director Resources from where she left to run her consultancy firm offering Human Resources solutions.



Mr. Nicholas Kanisa- Board Member

Mr. Kanisa earned his MSc in HRM degree from JKUAT, BSc. in HRM degree from Moi University, HND in HRM from Cambridge, Dip. In HRM from Moi University and is a serious Practicing Member of Institute of Human Resource Management in good standing.

He is currently serving as Principal Human Resource Officer with Teachers Service Commission at TSC HQS and previously served since 2008 as Sub County HR Officer in these sub counties; Trans Nzoia East, Kwanza and Central Pokot.

Mr. Kanisa is also a director in charge of Training and Advocacy in TEVIRA (Television and Radio listeners Association of Kenya) a not for profit media consumer protection body. Member, Kenya Red Cross and he have also worked for Madison Insurance Company Limited in Sales and Rona Insurance Agency as Marketing Manager.

Mr. Nicholas Kanisa is an independent director representing the Institute of Human Resource Management (IHRM). He also the chair of the Finance, HR, and Strategy Committee of HRMPEB.

**HUMAN RESOURCE MANAGEMENT
PROFESSIONALS EXAMINATION BOARD
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For the year ended June 30, 2020**

THE BOARD OF DIRECTORS (Continued)



Mr. Samwel Kaumba- Board Member

Mr. Samwel Odiwuor Kaumba is an Advocate of the High Court of Kenya with over 12 years' experience in the practice of law in Kenya, regionally and internationally. Mr. Kaumba holds LLB (Hons) from the University of Nairobi and MPPA from Kenyatta University. He currently serves as a Senior State Counsel in the Office of the Attorney-General and Department of Justice.

His key areas of practice and application of law include: Constitutional and Administrative Law; Commercial Litigation and Arbitration; Public Law and Governance; Public Procurement Law, Public Private Partnerships; Regulatory compliance; Government related transactions advice; Bilateral and Multi-lateral agreements; Negotiating and drafting of regional integration instruments; and consideration of project implementation arrangements.

Mr. Samwel Kaumba is an independent director appointed by the office of the Attorney General. He is a member of the Audit and Risk committee of HRMPEB.



Prof. Hazel Gachunga- Board Member

Prof. Hazel Gachunga is specialized in Human Resource, Performance Management, Organizational Behaviour and Change Management. She teaches and consults extensively both nationally and internationally in the areas listed and especially change management. Prof Hazel Gachunga has been appointed as a visiting lecturer in the University of Western Australia and the Strathmore University Business School.

Prof Hazel is a holder of a split site Doctorate in Business Administration from the University of Nairobi/University of Sheffield and has undertaken the International Faculty Development Programme at the IESE Business School in Spain. She has also conducted extensive research and published in the areas of organizational change, performance management, work life balance, organizational justice, organizational commitment, organizational politics and leadership from the University of Sheffield, United Kingdom.

Hazel has been a lead consultant in the evaluation of companies for the Company of Year Awards (COYA/OPI) hosted by the Kenya Institute of Management. This has given her a wealth of exposure on leadership and change dynamics of winning companies in the East and Central African Region. She has been a key assessor for the Manager of the Year Awards (MOYA) and Chief Executive Officer CEO Award.

Prof. Hazel is an independent director appointed by the Institute of Human Resource Professionals (IHRM). She is the chairperson of the Examinations and Quality Assurance committee of HRMPEB. She is also a member of the Audit and Risk committee of HRMPEB.

**HUMAN RESOURCE MANAGEMENT
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For the year ended June 30, 2020**

THE BOARD OF DIRECTORS (Continued)



Dr. Gladys Asuga, Ph.D.- Board Member

Dr Asuga is a holder of a PhD in Education leadership from the University of Newcastle in Australia, A Master's degree in Education Studies, A Master's degree in Curriculum Development and a higher Diploma in Human Resource Management. She has attended a number of courses in public service administration organized both locally and internationally. She has also conducted research in the field of leadership development and published a number of papers in international refereed journals.

Dr Gladys Asuga is an experienced organizational design and development human resource professional, a researcher and educationist with a wealth of knowledge in all aspects of strategic organization management and education leadership development. Her aim is to ensure that organizations are properly structured, employ the right balance of staff in terms of skill and experience, and that training and development opportunities are available to staff to enhance their performance and that of the organization.

Having worked in the public service for a number of years providing guidance to public service institutions in the area of public service transformation, Dr Asuga has a wealth of experience in Public Service Administration. Her other interests are in Educational leadership and management and the preparation and professional development of educational leaders.

Dr. Asuga is independent director representing the State Department of Public Service She is a member of HR and Strategy committee of the HRMPEB. She is also a member of the Examinations committee of the HRMPEB.



Mr. Mohamed Abdi- Board Member

CHRP Mohamed Aden is an astute Human Resources Executive with over 14 years of experience. He earned his Master's Degree from the University of Nairobi and a Bachelor's Degree in Business Management from Moi University. He is a Certified Human Resource Professional (CHRP-K) with higher national diploma as well as a diploma in human resource Management.

CHRP Mohamed Aden is a certified Human Resource Consultant with a focus on developing organizations, leaders and individuals. He has diverse HR background developed through experience in private companies, various industries and HR positions. A visionary with the unique ability to apply a range of technical and non-technical skills to any HR situation.

CHRP Mohamed Aden is currently the Head of Human Resources at Soliton Telmec Limited, a dynamic and reputable telecommunication engineering firm based in Nairobi with branches in Uganda, Rwanda and Djibouti. His expertise is in both operational and strategic talent

Mr. Mohamed Abdi is an independent director nominated by the Institute of Human Resource Management (IHRM). He is the chair of the Audit and Risk committee of the HRMPEB.

**HUMAN RESOURCE MANAGEMENT
PROFESSIONALS EXAMINATION BOARD
Annual Report and Financial Statements
For the year ended June 30, 2020**

THE BOARD OF DIRECTORS (Continued)



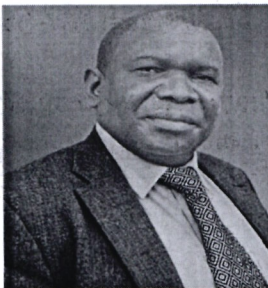
Mr. Emmanuel Mulwa- Board Member

Mr. Emmanuel Mulwa is currently the Head of Human Resource Management and Development at the Kenya Institute of Curriculum Development.

He holds a Master's degree in Human Resource Management (University of Manchester) and a Bachelor's (Honours') Geography and Government from University of Nairobi.

He has had extensive professional training and exposure to local and international training in the field of Human Resource Management. He is a seasoned HR practitioner in the Public Service and a full member of the Institute of Human Resource Management (IHRM).

Mr. Emmanuel Mulwa is an independent director representing the Kenya Institute of Curriculum Development (KICD). He is a member of the HR committee of the HRMPEB.



Mr. Jacob Omulo- Board Member

Jacob Omulo holds a Bachelor's Degree in Education from Egerton University. He is a senior practitioner in Education having taught English as a Second Language at Secondary School level for 15 years and examined the subject at National Level for 8 years. He is widely experienced in Field logistics and Management of examinations.

He is also versed in Governance, having sat in the Boards of various Organizations and Charities in Kenya. He brings to HRMPEB useful experience in Management of Examinations.

Mr. Jacob Omulo is an independent director representing the Kenya National Examinations Council (KNEC). He is a member of the Examinations and Quality Assurance committee of HRMPEB.

**HUMAN RESOURCE MANAGEMENT
PROFESSIONALS EXAMINATION BOARD
Annual Report and Financial Statements
For the year ended June 30, 2020**

THE BOARD OF DIRECTORS (Continued)



Dr. Douglas Ogolla, PhD, MHIM- CEO

Dr. Douglas Ogolla is a seasoned HR professional and practitioner registered with Institute of Human Resource Management (IHRM) as a Full Member with reg. no. 00439 and practicing certificate holder. He has over 20 years' experience as HR consultant, Researcher and Curriculum Development expert. Dr Ogolla joined Human Resource Management Professionals Examinations Board (HRMPEB) as Secretary/Chief Executive Officer in May 2020.

Previously, he served as a Lecturer at Catholic University of Eastern Africa between the years 1995 to 2000 and lately Senior Lecturer at Kenya Methodist University where he held the position of Chairman of Department, Business Administration, Deputy Director, Directorate of Post Graduate Studies and Program Leader (Business Administration).

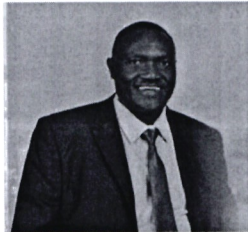
In 2016, Dr Ogolla was seconded by the Inter-University Council of East Africa (IUCEA) as a visiting Lecturer at International Leadership University (ILU) in Bujumbura, Burundi where he taught Post Graduate programs in Business Administration. He served as an examiner with Kenya National Examination Council (KNEC), the Kenya Accountants Secretaries National Examinations Board (KASNEB), and HRMPEB for over 15 years.

Additionally, he participated in the panel that developed Certified Human Resource Management Professionals (CHRP) curriculum in 2012. He holds B. Com (HRM), P.G Diploma (HRM), M.A., M.Phil. And PhD in Business Administration (Human Resource Management).

**HUMAN RESOURCE MANAGEMENT
PROFESSIONALS EXAMINATION
BOARD**

**Annual Report and Financial Statements
For the year ended June 30, 2020**

3. MANAGEMENT TEAM



**Dr. Douglas Ogolla
CEO**

Dr. Douglas Ogolla Holds PhD in Business Administration (Human Resource Management, M.A., and M.Phil. B. Com (HRM), P.G Diploma (HRM)



**Mrs. Jane Wanyoike
Manager, Examinations Administration**

Mrs. Jane Wanyoike Holds MBA-HRM (UON), B.Ed. (arts)-KU, DIP-BA- KNEC, Member, IHRM, Doctorate Student in Human Resource (JKUAT)



**CHRP Rebeccah Mureithi
Senior Human Resource & Admin Officer**

CHRP Rebeccah Mureithi holds CHRP (K), IHRM Member, and BHRM Masters (Corporate Management) ongoing KCA University. Membership No.07373



**Mr. Fredrick Laiboni, CISA
Snr. ICT Officer**

Mr. Fredrick Laiboni, CISA holds MSc. Data Communications (Finalist), BSc. Information Technology (Software Engineering), CISA, - ISACA Associate Member



**CPA Vincent Koech
Accountant**

CPA Vincent Koech holds B.COM (Accounting Option), CPA (K),ICPAK Member No.26934

**HUMAN RESOURCE MANAGEMENT
PROFESSIONALS EXAMINATION BOARD
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For the year ended June 30, 2020**

4. CHAIRPERSON'S REPORT



Introduction

On behalf of the Board of Human Resource Management Professionals Examinations Board (HRMPEB), I am glad to present to our stakeholders the quarterly report and financial statements for the financial period ended 30 June 2020.

The Board is responsible for the strategic direction and oversight of HRMPEB. In this respect, the Board ensured that the mandate of HRMPEB was efficiently and effectively executed during the year as evidenced by the successful administration of examinations in December 2019 and June 2020 both within Kenya.

Governance

The operations of HRMPEB are governed by the Human Resource Professionals Act, 2012 laws of Kenya, which outlines the mandate of the Examination Board to develop curriculum, conduct examinations and certify Human Resource Professionals.

Under the provisions of the HR Act of 2012, the Board has authority to establish committees as it considers necessary for effective and efficient of its function. The Board has three committees which are provided with appropriate and timely information to enable them discharge their responsibilities and maintain full and effective control over strategic, financial, operational and compliance issues.

The members of the Board comprise (8) eight members, four are independent members appointed by IHRM and four are representatives from KNEC, KICD, State Department of Public Service and Attorney general's office.

Corporate Strategic Plan (2020-2025)

Being its first year, the Board initiated the process of developing a strategic plan. The plan was to be effected in the current financial year.

Marketing and promotion

In line with the Kenya Vision 2030 and the performance contract with the Government, HRMPEB will continue outreach and public awareness of its programs to the students.

**HUMAN RESOURCE MANAGEMENT
PROFESSIONALS EXAMINATION BOARD
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For the year ended June 30, 2020**

Way forward

The Board is committed to have the organizational structure filled in line with the strategic plan and in implementation of its policies, to deliver its vision and mission and achieve its objectives.

HRMPEB will leverage on the opportunities presented by Information, Communication and Technology (ICT) to enhance product and service offerings and create value for our customers. Towards this end, digitalization, research and innovation, process re-engineering will be key strategies to be implemented. HRMPEB will continue collaborating with key partners to enhance access and increase the clientele base for online exams.

The Board is committed to have ERP implemented in line with the user requirements to achieve effectiveness and efficiency in its operations and improved service delivery to the customers.

Appreciation

On behalf of the Board, I wish to thank our stakeholders for their confidence in the qualifications of HRMPEB and their continued support. In the same vein, I wish to express my sincere gratitude to the HRMPEB members of staff for their diligence and commitment.



**CS Sharon J. Kisire
CHAIRPERSON OF THE BOARD**

16.05.2023
Date

**HUMAN RESOURCE MANAGEMENT
PROFESSIONALS EXAMINATION BODY
Annual Report and Financial Statements
For the year ended June 30, 2020**

5. CEO'S REPORT



The Financial year 2019/2020 was both Transformative and successful to HRMPEB. The year witnessed the appointment and induction of Board Members. The CEO was also hired in this same year. The Board put in place a committee of experts and a taskforce to review the CHRP curricula and develop new CBET Programs. In this year the Board held its first ever Certification ceremony at KICC where over 700 candidates were certified.

The following are some of the Key highlights of the financial year:

1. Financial performance

With regards to financial performance this financial year 2019/2020, HRMPEB has continued to finance its operations from internally generated sources. The financial performance for the year 2019/2020 was a bit lower than previous year due to the outbreak of the Covid-19 pandemic which affected income streams of the Board.

2. Administration of examinations

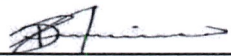
CHRP Examinations were successfully administered in November 2019 and June 2020 Examinations series. In order to enhance customer satisfaction, we successfully released the results for both series in January 2020 and August 2020. The early release of results gives training institutions and candidates adequate time for tuition and preparation for the

The board appreciates all partners including IHRM, KNQA, Public Service and Gender Ministry, Stakeholders, Management team and Staff of HRMPEB who contributed significantly for realization of the Boards achievement

Conclusion

The above initiatives, among others, are all geared towards enhancing the sustainability of HRMPEB. Moving forward, management remains committed to further exploring additional initiatives and measures to have HRMPEB's position as a financially stable and sustainable organization.

Thank you all and God bless



**Dr. Douglas Ogolla, Ph. D,
ACCOUNTING OFFICER/ C. O**

16.05.2023

Date

**HUMAN RESOURCE MANAGEMENT
PROFESSIONALS EXAMINATION
BOARD**

**Annual Report and Financial Statements
For the year ended June 30, 2020**

6. REVIEW OF HRMPEB'S PERFORMANCE FOR FY 2019/2020

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

HRMPEB has seven (7) strategic pillars and objectives within its Strategic Plan for the FY 2018/2019- 2022/2023. These strategic pillars are as follows:

- 1 Best practices corporate governance
- 2 Curriculum Development
- 3 Customer Focus
- 4 Examination Regulation & Certification
- 5 Accreditation
- 6 Institutional Capacity Development & Financial Sustainability
- 7 Recognition of CHRP examinations locally and internationally

HRMPEB develops its annual work plans based on the above 7 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. HRMPEB achieved its performance targets set for the FY 2019/2020 period for its 5 strategic pillars, as indicated in the diagram below:

	Strategic pillar	Objective	Key performance indicated	Activities	Achievements
1	Adopt best practice of corporate governance	Best practice corporate governance	Training Report	Capacity building of the board members through retreats and training to ensure convergence of purpose and deeper organizational understanding	First governance training undertaken
			Visit Reports	Identify and visit of other institutions regulating and examining professionals, possibly locally and internationally	Benchmark against other institutions on corporate governance- Australian HR Institute, KASNEB

**HUMAN RESOURCE MANAGEMENT
PROFESSIONALS EXAMINATION
BOARD**

**Annual Report and Financial Statements
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**REVIEW OF HRMPEB KENYA REGULATORY & NON - COMMERCIAL
ENTERPRISE 'S PERFORMACE FOR FY 2019/2020 (continued)**

	Strategic pillar	Objective	Key performance indicated	Activities	Achievements
2	Develop curricula and syllabi for CHRP training	Curriculum Development	Curricula documents according to professional levels	Review CHRP curricula to align with current trends of HR practice and the market demands	The Board is under the process of reviewing and setting up task forces to carry out the exercise.
			Syllabi documents for each subject	Review of CHRP syllabi to align with curriculum of the CHRP training	Work in progress
3	Attract and grow HRMPEB clientele base	Customer Focus	A well standardized service	Develop service charter	Service charters is the process of being developed reviewed
			Implement and Review service charters	Implementation and service charter review reports	Service charters is the process of being developed reviewed
4	Deliver CHRP certification	Examination Regulation & Certification	Records of date of release of exam results and release of	Following release of examinations, release certificates within one (1) month.	1st certification done in Feb 2020.756 candidates certified.
			Examinations procedure document	Develop/ Review examination procedure to ensure efficiency and timely delivery	Examinations procedure developed/reviewed and policy documents are in the process of being
5	Standardize accreditation requirements	Accreditation	Accreditation criteria document	Develop accreditation criteria	Internal document is in the process of being developed

**HUMAN RESOURCE MANAGEMENT
PROFESSIONALS EXAMINATION BOARD
Annual Report and Financial Statements
For the year ended June 30, 2020**

7. CORPORATE GOVERNANCE STATEMENT

Good corporate governance is a fundamental part of the culture and practices by which an organization is operated, regulated and controlled so as to fulfill its goals and objectives in a manner that adds value and benefits all its stakeholders.

The HRMPEB board is responsible for organization's governance. Both the Board and senior management of the organization are committed to the highest levels of corporate governance, which it considers critical in achieving the Organization's mandate. Accordingly, HRMPEB therefore fosters a culture that values and rewards the highest ethical standards and personal and corporate integrity. The Board also has a charter that is reviewed from time to time within a period not exceeding five years.

The Role of the Board

The Board's responsibilities are broadly set out in the State Corporations Act, Cap.446 Laws of Kenya as well as the Human Resource Management Professionals Act No. 52 of 2012 that constitutes the HRMPEB as a state corporation. Specifically, the Board defines HRMPEB's strategies, objectives and values and ensures that its procedures and practices are in tandem to ensure effective control over strategic, financial, operational and compliance issues.

The Directors bring a wealth of experience and knowledge to the Board's deliberations. Except for direction and guidance on general policy, the Board delegates authority of its day-to-day activities to the Management through the Chief Executive Officer. The Board nonetheless is responsible for the overall stewardship of HRMPEB and assumes

Composition and removal of the Board

The Board comprises nine members including the CEO. Four of the Board members are independent non-executive members, including the Chairperson. All non-executive board members retire after a term of three (3) years from the date of appointment and are eligible for re- appointment for one more term. With the exception of CEO, the remaining four Board members are institutional representatives bringing on board closely-knit interests, experiences and balance from and by key stakeholders.

The Board members above shall cease to be members if they become bankrupt, incapacitated, resigns in writing or is criminally convicted.

Board Meetings

The Board schedule of meetings is prepared annually in advance. The Board holds its regular meetings at least once every three months and special meetings may be called when necessary.

**HUMAN RESOURCE MANAGEMENT
PROFESSIONALS EXAMINATION BOARD
Annual Report and Financial Statements
For the year ended June 30, 2020**

Below is the attendance of the meetings by the Board Members:

	Board Member	No. of meetings held in the year	No. of meetings attended	% of attendance
1.	CS Sharon Kisire	15	15	100%
2.	Mr Samwel Kaumba	15	15	100%
3.	Prof Hazel Gachunga	15	15	100%
4.	Mr. Nicholas Kanisa	15	15	100%
5.	Dr. Gladys Asuga	15	15	100%
6.	Mr. Emmanuel Mulwa	15	15	100%
7.	Mr. Jacob Omulo	15	15	100%
8.	Mr. Mohammed Aden	15	15	100%

Audit and Risk Committee Attendance Register

	Board Member	No. of meetings held in the year	No. of meetings attended	% of attendance
1.				
2.				
3.				

HR, Strategy, and Finance Committee Attendance

	Board Member	No. of meetings held in the year	No. of meetings attended	% of attendance
1.				
2.				
3.				

Examinations and Quality Assurance Committee Attendance Register Annually

	Board Member	No. of meetings held in the year	No. of meetings attended	% of attendance
1.				
2.				
3.				
4.				

**HUMAN RESOURCE MANAGEMENT
PROFESSIONALS EXAMINATION BOARD
Annual Report and Financial Statements
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8. MANAGEMENT DISCUSSION AND ANALYSIS

1 Operational and financial performance

The Human Resource Management Professional Examination Board (HRMPEB) realized total revenue of Ksh. 47,706,096 as at period ended 30th June, 2020. The major revenue streams included exception fees of Kshs. 24,051,022, examination fees amounting to Kshs. 14,865,250, and student registration fees of 5,826,421.

The expenditure of the organization period ended 30th June, 2020 was Ksh. 44,482,934. Our major expenditure for the period ended 30th June, 2020 was Examination costs of Kshs. 14,924,012, Admin costs of Kshs. 13,456,592, and Employee Costs of Ksh. 12,574,289.

2 Compliance with statutory requirements

HRMPEB has continued to comply with the various statutory requirements applicable for Kenyan government agencies during the 14-month period ending June 30, 2019. This includes making regular contributions to the National Social Security Fund (NSSF) and the National Health Insurance Fund (NHIF) for its employees, as well as deducting and remitting Pay As You Earn (PAYE) taxes to the Kenya Revenue Authority (KRA). Additionally, HRMPEB has ensured compliance with the Pension Fund requirements by contributing a percentage of its employees' gross salaries to the pension fund. These actions demonstrate HRMPEB's commitment to upholding its legal obligations as an employer and contributing to the growth and development of the Kenyan economy.

3 Major risks facing HRMPEB

Compliance Risk: HRMPEB is exposed to compliance risk regarding its legal duties. The board is entrusted with the responsibility of ensuring adherence to various legal, regulatory, and contractual obligations, which include making contributions to the National Social Security Fund (NSSF) and the National Health Insurance Fund (NHIF). Failure to comply with these obligations could result in harm to the agency's reputation, legal sanctions, and financial losses. To reduce this risk, HRMPEB should create and uphold robust compliance management policies and procedures, which entail constant monitoring, reporting, and corrective measures.

Operational Risk: The effective implementation of HRMPEB's tasks, such as administering exams, certifying professionals, and supervising the industry, is fraught with operational risk. Furthermore, the board is entrusted with collecting and safeguarding confidential personal information, which presents an additional security hazard. Inadequate management of operational risk can result in monetary losses, legal responsibilities, and harm to the organization's image. To reduce this risk, HRMPEB should adopt effective operational management policies and procedures, which include regular monitoring, internal controls, and continual training of employees.

**HUMAN RESOURCE MANAGEMENT
PROFESSIONALS EXAMINATION BOARD
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Financial Risk: HRMPEB is exposed to financial risk in its management of financial resources, which could impede the board's capability to attain its goals. The agency carries the responsibility of ensuring that financial resources are adequately allocated and managed in line with industry best practices and regulatory requirements. Failure to effectively handle financial risk could result in monetary losses, dwindling funding, and harm to the agency's image. To address this, HRMPEB should establish and uphold robust financial management policies and procedures, which entail regular financial reporting, internal controls, and continuous staff training.

Security Risk: HRMPEB is exposed to security risk associated with the safeguarding of confidential personal data, which could be illicitly accessed or disclosed. The agency is entrusted with the collection and management of personal data, which may encompass personally identifiable information, financial data, and other sensitive information. An instance of data breach could result in damage to the agency's reputation, legal responsibilities, and monetary losses. To minimize this risk, HRMPEB should institute and uphold a comprehensive information security management program, which includes regular risk assessments, security controls, and continual employee training.

It is essential to note that HRMPEB faces numerous potential risks that could impede its ability to deliver on its mandate and protect the interests of its stakeholders. These risks include compliance risk, operational risk, financial risk, and security risk related to the management of sensitive personal data.

However, by implementing proactive measures, HRMPEB can identify, assess, and mitigate these risks to ensure the effective management of its programs and services. This includes creating and upholding sound risk management policies and procedures, which entail regular monitoring, internal controls, and continuous training of employees.

The benefits of effective risk management include safeguarding the agency's reputation, reducing the likelihood of legal liabilities, and minimizing financial losses. By proactively identifying and addressing potential risks, HRMPEB can instill confidence in its stakeholders and enhance its ability to deliver quality services. As such, risk management should be a critical component of HRMPEB's operations, with a focus on promoting a risk-aware culture throughout the organization.

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9. CORPORATE SOCIAL RESPONSIBILITY/ SUSTAINABILITY REPORTING

HRMPEB gives recognition to the invaluable role played by communities in which it operates. A vibrant Corporate Social Responsibility (CSR) policy is continually being implemented. The policy takes into consideration the need for sustainable practices and the social governance values which HRMPEB has committed to uphold. This is in recognition of the vital role played by the society in which HRMPEB goals and aspirations are centered.

1 Sustainability strategy and profile

Our sustainability is anchored on our vision, statement of purpose and core values which determine the strategic objectives of the Board. Our role is to ensure that our business and by extension our various stakeholders are able to grow in a sustainable manner and not in the short term. Our aim is to create value for shareholders and the society alike.

2 Environmental performance

In the year ended 30th June 2020, HRMPEB had no environmental policy guiding the organization. As such, there were no reports on successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organization's products.

3 Employee welfare

The Board is undertaking measures of ensuring that the gender ratio is observed during recruitment as well as ensuring employee skills are undertaken through training.

4 Market place practices

a) Responsible competition practice: In order to ensure responsible competition practices with issues like anti-corruption, HRMPEB has been ensuring that it undertakes all its activities within the laws of Kenya. Also, in order to ensure fair competition and respect for competitors HRMPEB has continued to engage the Government for assistance that they may require.

b) Responsible supply chain and supplier relations:

c) Responsible marketing and advertisement: HRMPEB has been carrying out advertisements on public dailies as well as on its website for new and existing programs.

d) Product stewardship:

5. Community Engagements

During the year ended 30th June 2020, HRMPEB didn't have any community engagement including charitable giving (cash & material), Community Social Investment and any other forms of community engagements.

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10. REPORT OF THE DIRECTORS

The Board submit their report together with the financial statements of the Human Resource Management Professionals Examination Board for the year ended June 30, 2020 which show the state of the entity's affairs.

Principal activities

The Human Resource Management Professional Examinations Board (HRMPEB) is primarily engaged in the development of syllabuses, the administration of professional, diploma, and technician examinations, and the certification of candidates in the fields of human resource management and related disciplines. Additionally, the board is actively involved in promoting its qualifications both nationally and internationally, as well as accrediting relevant training

Results

The results of the board for the year ended June 30, 2020 are set out on page 1 of this report. Below is a summary of the board's performance during the year, with comparison for the previous year.

	2020	2019
	Kshs	Kshs
Total Revenue	47,706,096	60,500,246
Total Expenditure	(44,482,934)	(31,647,660)
Surplus for the year	3,223,162	28,852,586

Board Members

The members of the Board of HRMPEB who served during the year and to the date of this report are disclosed on page II.

Auditors

The Auditor-General is responsible for the statutory audit of HRMPEB financial statements in accordance with the provisions of Article 229 of the Constitution of Kenya, 2010 and Section 7 and 35 of the Public Audit Act, No. 34 of 2015

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11. STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, - (entities should quote the applicable legislation under which they are regulated)) require the Directors to prepare financial statements in respect of HRMPEB, which give a true and fair view of the state of affairs of HRMPEB at the end of the financial year/period and the operating results of the entity for that year/period. The Directors are also required to ensure that HRMPEB keeps proper accounting records which disclose with reasonable accuracy the financial position of HRMPEB. The Directors are also responsible for safeguarding the assets of HRMPEB.

The Directors are responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year ended June 30, 2020. 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 entity; (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 entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for HRMPEB's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Directors are of the opinion that HRMPEB's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of HRMPEB'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 HRMPEB 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 Entity's financial statements were approved by the Board on **16.05.2023** and signed on its behalf by:



CS Sharon Kisire
Chairperson of the Board



Dr. Douglas Ogolla
Chief Executive Officer

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON HUMAN RESOURCE MANAGEMENT PROFESSIONALS EXAMINATION BOARD FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Human Resource Management Professionals Examination Board set out on pages 1 to 18, which comprise of the statement of financial position as at 30 June, 2020, and the statement of financial performance, the statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Human Resource Management Professionals Examination Board as at 30 June, 2020, 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 do not comply with the Public Finance Management Act, 2012 and the Human Resource Management Professionals Act, 2012.

Basis for Adverse Opinion

1. Presentation and Disclosures of Financial Statements

A review of the financial statements revealed the following anomalies:

- i. Corporate governance report was not dated and approved.
- ii. The statement of comparison of Budget and actual amounts reflects budgeted revenues and expenses amounting to Kshs.71,019,175 and Kshs.33,996,142 respectively. However, the approved budget in support of the statement was not provided for audit review.

In the circumstances, the financial statements as presented, do not adhere to the Public Sector Accounting Standards Board reporting template.

2. Variance between the Financial Statements and Trial Balance

Analysis of the financial statements revealed variances with trial balance as shown below:

Item	Financial Statement Amount (Kshs)	Trial Balance Amount (Kshs)	Variance (Kshs)
Retained Earnings	44,678,221	44,521,025	(157,196)
Office Equipment	1,404,142	1,980,891	(576,749)
Intangible Asset	646,000	792,011	(146,011)
Computers & Networks	810,116	1,922,036	(1,111,920)
Furniture & Fittings	1,140,756	3,075,946	(1,935,190)
Account Receivables	3,457,002	3,577,872	(120,870)
Consultancy/Facilitation Fees	2,223,693	1,595,628	628,065
Task Force Expense	-	5,033,004	(5,033,004)
Meal and Refreshment	-	1,069,960	(1,069,960)
Travel Accommodation	674,440	-	674,440

The variances have not been explained or reconciled.

In the circumstances, the accuracy of the financial statements could not be confirmed.

3. Unsupported Examination Expenses

The statement of financial performance reflects examination expenses amounting to Kshs.14,924,012. However, payment vouchers in support of the expenditure were not provided for audit review.

In the circumstance, the accuracy and propriety of the examination expenses amounting Kshs.14,924,012 could not be confirmed.

4. Inaccuracy of Staff costs

The statement of financial performance reflects staff costs amounting to Kshs.12,574,289. The amount includes salaries expenditure totalling to Kshs.9,272,529 as disclosed in Note 10 to the financial statements. However, the salaries expenditure differs with the payroll amount of Kshs.8,727,752 resulting to unexplained variance of Kshs.544,773. Further, payment vouchers in support of the staff costs were not provided for audit verification.

In addition, review of the senior staff appointment letters indicates that a gratuity amount of 31% was to be paid upon expiry of contract period. However, no provisions have been

made for the expected liability and the same has not been disclosed in the financial statements.

In the circumstances, the accuracy of staff costs amounting to Kshs.12,574,289 could not be confirmed.

5. Unsupported Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalents amounting to Kshs.36,230,779. However, the cashbooks, bank reconciliation statements and bank balance confirmation certificates in support of the balance were not provided for audit review.

In the circumstances, the accuracy, completeness and existence of the cash and cash equivalents amounting to Kshs.36,230,779 could not be confirmed.

6. Unsupported Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment amounting to Kshs.4,348,034. As previously reported, the assets were inherited from the Institute of Human Resource Management. However, the assets have not been revalued and the basis of their carrying amount has not been disclosed. Further, the assets register was not provided for audit verification.

In the circumstances, accuracy, presentation and disclosure of the property, plant and equipment amounting to Kshs.4,348,034 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the report on Adverse Opinion, Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However,

Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of Financial Statements

The financial statements for the year under review were submitted to the Auditor-General on 24 February, 2023, two years five months after the statutory deadline of 30 September, 2020. This is contrary to Section 81(4) of the Public Finance Management Act, 2012 which requires the accounting officer for an entity to submit the entity's financial statements to the Auditor-General not later than three months after the end of each financial year.

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

2. Lack of Value for Money of Software

The statement of financial position reflects property, plant and equipment amounting to Kshs.4,348,034. The amount includes software balance of Kshs.646,000 as disclosed in Note 13 to the financial statements. Review of documents revealed that the software was inherited from the Institute of Human Resource Management (IHRM). However, ownership documents for the software were not provided. Further, the software produces conflicting ledgers and trial balance.

In the circumstance, the value for money has not been achieved.

3. Failure to Remit Revenue

The statement of financial performance reflects total revenue amounting to Kshs.47,706,096. However, revenue amounting to at least Kshs.14,311,829 or 30% of the revenue collected was not remitted to the Institute of Human Resource Management. This is contrary to Section 17(J) of the Human Resource Management Professionals Examinations Board Act, 2012 which requires the Board to remit at least 30% of the total revenue collected to the Institute of Human Resource Management.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis of the Conclusion

1. Corporate Governance Assessment

Review of corporate governance assessment revealed the following:

- i) The Board did not have a substantive Internal Auditor thus the board functions as anchored in Regulation 162 (2) (a) of the Public Financial Management Regulation, 2015 was not achieved
- ii) The Audit Committee did not hold any meeting during the year under review
- iii) The Board does not have a Corporate Secretary as required by Section 5.5 of the Human Resource Management Professionals Examination Board Management Charter, 2020. The functions of the Corporate secretary are carried out by the Chief Executive Officer
- iv) The Audit Committee comprises of three (3) Members. However, none of the members had qualifications on audit, financial management or risk management
- v) Details and qualifications of the Board members were not kept in their personal files.

In the circumstances, the governance system is weak.

2. Internal Control Assessment Report

The following internal control assessment weaknesses were noted:

- i. The Board has no approved salary structure, staff establishment plan, human resource policy nor a career progression guide.

- ii. The Board did not have a finance policy or any means of identification of bad and doubtful debts, and therefore verification debts cannot be ascertained.
- iii. The Board did not maintain imprest warrant system to track down amounts issued for execution of official duties and responsibilities provided for in Regulation 92(2) of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, the effectiveness of the internal controls of the Board could not be relied on.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Board's financial reporting process, reviewing the effectiveness of how the 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 controls environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error,

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

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

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

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

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

12 June, 2023

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13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

		2020	2019
		Kshs.	Kshs.
Revenue from exchange transactions	Note		
Examination fees		14,865,250	18,666,716
Exemption fees		24,051,022	31,383,066
Student Registration fees		5,826,421	8,506,324
Student Registration renewal fees		437,500	877,500
Graduation, Penalties, and Sponsorship		1,343,421	-
Other Income	7	337,800	877,278
Bank Interest		844,682	189,362
TOTAL REVENUE		47,706,096	60,500,246
Expenditure			
Examination Expenses	8	14,924,012	10,846,518
Admin Expenses	9	13,456,592	8,366,495
Staff Costs	10	12,574,289	10,236,184
Repairs & Maintenance	11	249,700	451,395
Board expenses	12	2,387,827	78,000
Depreciation	13	890,514	1,669,068
TOTAL EXPENDITURE		44,482,934	31,647,660
Net surplus for the period		3,223,162	28,852,586

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14. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

		2020	2019
Non- current assets	Note	Kshs.	Kshs.
Property plant & equipment	13	4,348,034	4,785,009
Current assets			
Prepaid Rent	14	1,425,156	1,425,156
Cash and cash equivalents	15	36,230,779	32,254,892
Account Receivables	16	3,457,002	2,990,002
Total Assets		<u>45,460,971</u>	<u>41,455,059</u>
Liabilities			
Overpayments	17	782,750	-
Net Assets			
Retained Earnings	18	44,678,221	41,455,059
Net Assets and Liabilities		<u>45,460,971</u>	<u>41,455,059</u>

The Financial Statements were signed on behalf of the Board by:

Ag Chief Executive Officer

Name: CHRP Margaret Nguu



Date: 16.05.2023

Head of Finance

Name: Loenard Korir



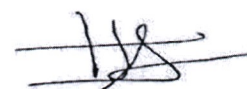
Date: 16.05.2023

ICPAK Member No.:

25611

Chairman of the Board

Name: CS. Sharon Kisire



Date: 16.05.2023

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15. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2020

	Retained Earnings	Recurrent Grant	Total
	Kshs	Kshs	Kshs
At May 1, 2018	12,602,474	-	12,602,474
Surplus for the year	28,852,586	-	28,852,586
Additions	-	-	-
At June, 30 2019	41,455,060	-	41,455,060
At July 1, 2019	41,455,059	-	41,455,059
Surplus for the year	3,223,162	-	3,223,162
Additions	-	-	-
At June 30, 2020	44,678,221	-	44,678,221

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16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

		2020	2019
	Note	Kshs	Kshs
Operating surplus		3,223,162	28,852,586
Depreciation	15	890,514	1,669,068
(Increase)/ decrease in A/C receivables		(467,000)	(1,564,846)
(Increase)/ decrease in payables		782,750	
Cash generated from operations		4,429,426	28,956,808
INVESTING ACTIVITIES			
Purchase of property, plant & equipment	15	(453,539)	(1,420,277)
		(453,539)	(1,420,277)
FINANCING ACTIVITIES			
Grant from donors		-	-
Net cash generated from financing activities		-	-
Increase/ (decrease) in cash and cash equivalent		3,975,887	27,536,531
Cash and cash equivalent at the beginning		32,254,892	4,718,361
Cash and cash equivalent at end of the year	16	36,230,779	32,254,892

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17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020

	Original Budget		Adjustments		Final Budget		Actual on comparable		Performance difference	
	2019-2020	Kshs	2019-2020	Kshs	2019-2020	Kshs	2019-2020	Ksh	2019-2020	Kshs.
Revenue										
Examination fees	29,662,250		-		29,662,250		14,865,250		(14,797,000)	
Exemption fees	31,174,966		-		31,174,966		24,051,022		(7,123,944)	
Student Registration fees	7,091,532		-		7,091,532		5,826,421		(1,265,111)	
Student Registration renewal fees	388,000		-		388,000		437,500		49,500	
Graduation, Penalties, and Sponsorship	-		-		-		1,343,421		1,343,421	
Other Income	1,984,104		-		1,984,104		337,800		(1,646,304)	
Bank Interest & other Incomes	718,323		-		718,323		844,682		126,359	
Total Income	71,019,175		-		71,019,175		47,706,096		(23,313,079)	
Expenses										
Examination Expenses	18,179,101		-		18,179,101		14,924,012		3,255,089	
Admin Expenses	12,690,554		-		12,690,554		13,456,592		(766,038)	
Staff Costs	32,053		-		32,053		12,574,289		(12,542,236)	
Repairs & Maintenance	222,500		-		222,500		249,700		(27,200)	
Board expenses	2,240,625		-		2,240,625		2,387,827		(147,202)	
Depreciation	631,309		-		631,309		890,514		(259,205)	
Total expenditure	33,996,142		-		33,996,142		44,482,934		(10,486,792)	
Surplus/ (deficit) for the year	37,023,033		-		37,023,033		3,223,162			

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18. NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

HRMPEB is established by and derives its authority and accountability from the Human Resource Professionals Act, 2012. HRMPEB is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is administration of Professional Human Resource Examinations and Certification.

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 entity'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.

The financial statements have been prepared on a historical cost as required by the guidelines. IPSAS allows the use of assumptions and exercise judgement in the process of applying the entity's accounting policies. In the course of preparation of these reports, assumptions requiring high degree of judgement was exercised, whereby the related party transactions with IHRM, which involved recurrent expenses, purchase and transfer of assets was treated as a grant.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the entity.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act the Human Resource Professionals Act, 2012, and International Public Sector

3 ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2020.

Standard	Impact
IPSAS 40: Public Sector Combinations	<p>Applicable: 1st January 2019</p> <p>The Standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations. <i>This standard is not applicable to HRMPEB as it did not acquire any business during the year.</i></p>

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ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020.

Standard/ Amendment to a	Effective date and impact
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2022</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>This standard is not applicable to HRMPEB as it does not hedge its financial instruments</i></p>
<p>IPSAS 42: Social benefits</p>	<p>Applicable: 1st January 2022.</p> <p>The objective of this standard is to improve the relevancy, faithful representatives and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purposes financial reports assess:</p> <ol style="list-style-type: none"> a.) The nature of such social benefits provided by the entity; b.) The key features of the operation of those social benefit schemes; c.) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. <p><i>This standard is not applicable to HRMPEB as it does not offer social benefit</i></p>

<p>Amendments to other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <p>a.) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b.) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c.) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements on IPSAS</p>	<p>Applicable: 1st January 2021</p> <p>a.) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment in place of the current references to other international and/ or national accounting frameworks.</p> <p>b.) IPSAS 13, Leases and IPSAS 17, Property, Plant and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c.) IPSAS 21, Impairment of Non-Cash Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant and Equipment and IPSAS 31, Intangible Assets.</p> <p>d.) IPSAS 33, First time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the standard.</p>

iii. Early adoption of standards

HRMPEB did not adopt early any new or amended standards in year 2019-2020.

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4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a. Revenue recognition

i. Revenue from non-exchange transactions

The entity recognises revenues from fees when the event occurs to the extent that would give rise to a liability to repay the amount. Other non-exchange revenues are recognised when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity 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 recognised 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 entity and can be measured reliably. Recurrent grants are recognised in the statement of comprehensive income. Development/ capital grants are recognised in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets

ii. Revenue from exchange transactions

1) Rendering of services

The sale of services is recognised in the year in which HRMPEB delivers the service to the customer, the customer has accepted the service and collectability of the related receivables is reasonably assured.

2) Sale of goods

Revenue from the sale of goods is recognised 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 entity.

3.) 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 is applied to the principal outstanding amount to determine interest income each period.

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b. Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Costs includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised 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 recognised in statement of financial performance 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. Depreciation is provided on the cost/valuation of the assets on straight line basis at rates designed to write down the cost of each asset or revalued amount to its residual values over their estimated useful life. The annual rates in use are:

	Rate
Furniture & fitting:	12.50%
Computers	30.00%
Softwares	20.00%
Office Equipment	12.50%
Library books	5.00%

A full year's depreciation is recognised in the year of purchase and none in the year of disposal.

c. Leases

Finance lease are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to HRMPEB. Assets held under a finance lease are capitalised 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. HRMPEB also recognises the associated lease liability at the inception of the lease. The liability recognised is measured as the present value of the future minimum lease payments at initial recognition.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that HRMPEB 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.

d. Nature and purpose of reserves

HRMPEB does not create or maintains reserves.

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e. Cash and cash equivalent

Cash and cash equivalents comprise cash on hand and cash at bank, short term deposits, on call deposits and highly liquid investments within original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

f. Retirement benefit obligation

HRMPEB and the employees also contribute to the National Social Security Fund (NSSF), a national defined contribution scheme. HRMPEB's contributions obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 200 per employee per month.

g. Budget information

The original budget for the FY 2019-2020 was approved by the Board in January 2019. 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 entity upon receiving the respective approvals in order to conclude the final budget.

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts as per the statement of financial performance has been presented on page 26 of these financial statements.

h. Intangible asset

Intangible assets acquired separately are initially recognised 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 amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in statement of financial performance in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

i. Subsequent events

Subsequent to the conclusion of the 2019/20 cut-off period, the Board composed a formal correspondence addressed to the National Treasury, wherein they sought the requisite approval to continue the operation of their NCBA account. Furthermore, the Board also initiated correspondence with the Institute of Human Resource Management, pertaining to the remittance of 30% of the Board's revenue. To date, responses to both aforementioned letters are still pending.

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j. Currency

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

k. Taxes

Current income tax

HRMPEB has not provided for taxation as it is exempted from income tax.

l. Comparative figures

HRMPEB prepared the 2019-2020 financial reports with comparison to the previous year's financials as indicated in the financials.

m. Related party disclosures

Nature of related party relationships

HRMPEB regards a related party as a person or an entity with the ability to exert control individually or jointly or to exercise significant influence over HRMPEB or vice versa. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of HRMPEB, holding 100% of the HRMPEB's equity interest. Other

- i. The parent ministry- Ministry of Public Service & Gender
- ii. The National Treasury
- iii. Key Management
- iv. Board of Directors

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINT

The preparation of HRMPEB's financial statements in conformity with IPSAS requires management to make judgements, 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 year. 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.

a.) Estimates and assumptions

HRMPEB based its assumptions and estimates on parameters available when the 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 HRMPEB. Such changes are reflected in the assumptions when

b.) Useful lives and residual values

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

- i.) The condition of the asset based on the assessment of experts employed by HRMPEB;
- ii.) The nature of the asset, its susceptibility and adaptability to changes in technology and processes;
- iii.) The nature of the processes in which the asset is deployed;
- iv.) Availability of funding to replace the asset;
- v.) Changes in the market in relation to the asset.

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6 FINANCIAL RISK MANAGEMENT

HRMPEB's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. HRMPEB's overall risk management policies are set out by the Board and implemented by the management, and focus on the unpredictability of changes in the business environment and seeks to minimise the potential adverse effects of such risks on its performance by setting acceptable levels of risk. HRMPEB, however, does not hedge any risks and that credit is only extended to customers with an established credit history.

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

i. Market risk

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

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

HRMPEB's finance department is responsible for development of detailed risk management policies and for the day to day implementation of those policies.

ii. Credit Risk

HRMPEB has exposure to credit risk, which is the risk that a customer will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables.

iii. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the HRMPEB's Board. HRMPEB manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

iv. Foreign Currency Risk

HRMPEB does not have transactional currency exposures which arises through purchase of goods and services that are done in currencies other than local currency. Therefore, HRMPEB doesn't transact in other currencies except the Kenya Shilling.

v. Interest rate risk

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

vi. Capital Risk Management

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

	2020	2019
	Kshs.	Kshs.
Accumulated surplus	<u>3,223,162</u>	<u>41,455,059</u>
	<u>3,223,162</u>	<u>41,455,059</u>

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	2020	2019
	Kshs.	Kshs.
7. Other Income		
Sale of Syllabus	118,000	176,000
Student ID Cards Replacement fees	14,800	8,500
Graduation, Penalties and Sponsorship	-	71,890
Accreditation Application Fees	25,000	460,888
Accreditation Renewal Fees	180,000	160,000
	<u>337,800</u>	<u>877,278</u>
8. Examination Expenses		
Test Item Development	1,828,612	1,046,445
Exam Moderation & Quality Checking	445,075	72,950
Printing of Examination Scripts, Answer Booklets & Envelopes	1,056,121	2,309,108
Examination Administration, Invigilation & Supervision	3,689,004	4,915,562
Examination Marking	2,291,548	804,885
Printing of Registration & Exemption Forms	40,000	194,805
Printing of Transcripts & Result Slips	-	-
Hospitality Expenses	596,145	286,030
Certificates Award Cost	4,415,487	327,918
Printing of Certificates	562,020	286,000
		602,815
	<u>14,924,012</u>	<u>10,846,518</u>
9. Admin Expenses		
Water	67,963	31,668
Internet Charges	430,997	387,154
Telephone Charges	29,700	63,395
Electricity	143,969	138,592
Rent and Parking Fees	4,443,811	4,465,252
Licences, Fines & Penalties	35,000	342,995
Office Expenses and Consumables	568,099	168,325
Corporate Social Responsibility and Donations	-	78,200
Postage Charges	9,450	12,200
Stationery	833,324	874,036
Publicity, Advertising, Marketing & Communication	3,167,016	117,450
Sundry Expenses	65,002	-
Hire of Facilities	342,140	46,400
Bank Charges	357,012	116,062
Conference and Hotel Charges	546,275	260,000
Accommodation Fees	-	90,920
Audit (Accounting) Fees	193,141	100,500
Consultancy/ Facilitation Fees	2,223,693	1,063,346
Legal Fees	-	10,000
	<u>13,456,592</u>	<u>8,366,495</u>

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	2020	2019
	Kshs.	Kshs.
10. Staff Costs		
Salaries	9,272,529	7,762,083
Medical Expenses	9,000	-
Casual Wages	778,210	380,868
Travel and Accomodation Costs	674,440	945,585
Staff Membership and Subscriptions	12,000	12,000
Staff Medical Insurance	1,479,958	-
Staff Welfare	341,100	711,381
Staff Uniforms	7,052	18,918
Staff Training	-	405,349
Internship Exepnses	-	-
	-	-
	<u>12,574,289</u>	<u>10,236,184</u>
11. Repairs & Maintenance		
Software Maintenance	222,500	53,700
General Office and Equipment Repairs and Maintenance	27,200	9,300
Repairs and Maintenance	-	388,395
	<u>249,700</u>	<u>451,395</u>
12. Board Expenses		
Sitting Allowance	1,575,000	78,000
Travel & Accomodation	812,827	-
	<u>2,387,827</u>	<u>78,000</u>

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13. Property Plant and Equipment

	Software	Computers & Networking	Office Equipment	Library Books	Furniture, Fittings & Fixtures	Total
Takeover at cost as at 01/07/2018	972,000	2,356,533	1,919,529	344,078	1,719,470	7,311,610
Revaluation	-	-	-	-	-	-
Additions	388,000	531,564	54,800	53,715	392,198	1,420,277
Disposal	-	-	-	-	-	-
Cost As at 30th June 2019	1,360,000	2,888,097	1,974,329	397,793	2,111,668	8,731,887
Depreciation						
As at 01/07/2018	280,500	1,022,819	326,797	18,620	629,074	2,277,810
Charge for the year	272,000	866,429	246,791	19,890	263,959	1,669,068
Acc Dep As at 30th June 2019	552,500	1,889,248	573,588	38,510	893,033	3,946,878
NBV as at 30th June 2019	807,500	998,849	1,400,741	359,284	1,218,635	4,785,009
Cost as at 01/07/2019	807,500	998,849	1,400,741	359,284	1,218,635	4,785,009
Revaluation	-	-	-	-	-	-
Additions	-	158,460	203,993	6,000	85,086	453,539
Depreciation for the year	(161,500)	(347,193)	(200,592)	(18,264)	(162,965)	(890,514)
Netbook value As at 30th June 2020	646,000	810,116	1,404,142	347,019	1,140,756	4,348,034.00

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	2020 Kshs.	2019 Kshs.
14. Prepaid Rent		
Prepaid rent refers to the rent initially paid out for the premises HRMPEB occupied during the year.		
15. Cash and Bank Balances		
NCBA	36,222,361	32,254,892
Petty Cash	8,418	-
	<u>36,230,779</u>	<u>32,254,892</u>
16. Acc Receivables		
As at July 1, 2019	2,990,002	
IHRM	341,000	1,078,473
BARCLAYS	126,000	1,911,530
	<u>3,457,002</u>	<u>2,990,002</u>
17. Overpayments		
Overpayments relate the fees paid in excess of the applicable by the relevant party during the year.		
18. Retained Earnings		
Retained Earnings comprises of balance from the previous year and surplus/ (deficit) for the current year.		
		Kshs.
Balance as at 1 July 2019		41,455,059
Surplus for the year		3,223,162
Additions		-
Balance as at 30 June 2020		<u>44,678,221</u>

19. EVENTS AFTER REPORTING PERIOD

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

20. CURRENCY

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

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APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

Prior period's audit has not been done

