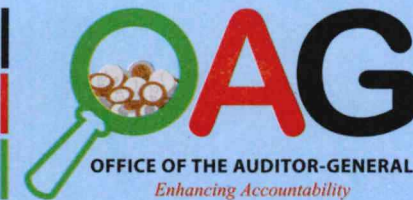


REPUBLIC OF KENYA



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**REPORT**

 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
<b>DATE:</b> 05 NOV 2025	<b>DAY:</b> WEDNESDAY
<b>TABLED BY:</b>	DEPUTY MAJORITY WHIP
<b>CLERK-AT THE-TABLE:</b>	FINLAY

**THE AUDITOR-GENERAL**

**ON**

**KENYA NATIONAL QUALIFICATIONS  
AUTHORITY**

**FOR THE YEAR ENDED**

**30 JUNE, 2025**

OFFICE OF THE AUDITOR GENERAL  
P.O. BOX 42809 - 00102, NAIROBI  
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17 SEP 2025  
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REPUBLIC OF KENYA



KENYA NATIONAL QUALIFICATIONS AUTHORITY

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KENYA NATIONAL QUALIFICATIONS AUTHORITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30<sup>TH</sup> JUNE 2025

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

**KENYA NATIONAL QUALIFICATIONS AUTHORITY**  
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**1. Acronyms and Definition of Key Terms**

**A: Acronyms**

CEO	Chief Executive Officer
DG	Director General
KNQA	Kenya National Qualifications Authority
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
OAG	Office of the Auditor General
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

**B: Definition of Key Terms**

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

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**2. Key Entity Information and Management**

**(a) Background information**

Kenya National Qualifications Authority was established under the Kenya National Qualifications Framework Act Chapter 214 in 2014. The entity is domiciled in Kenya and has no branches.

**(b) Principal Activities**

The principal mandate of Kenya National Qualifications Authority as set out in the Kenya National Qualifications Framework (KNQF) Act Chapter 214 is to coordinate and harmonize the various levels of education; and to create a database of all qualifications in the country.

**Vision:**

Globally Recognized and Competitive Qualifications Transforming Kenya

**Mission Statement:**

To establish and manage the KNQF aimed at promoting globally recognized and competitive qualifications for sustainable development

**Core Objectives:**

- To harmonize policies on National Qualifications
- To increase registration of Qualification Awarding Institutions and Qualifications
  - To strengthen the Kenya National Qualifications Database
- To increase learner mobility and career progressions through diverse pathways
  - To strengthen Institutional Capacity

**(c) Key Management**

The *Entity's* day-to-day management is under the following key organs:

No.	Designation	Name
1.	DG/CEO	Dr. Alice Kande, PhD
2.	Ag. Director, National Qualifications Framework- Standards, Alignment & Validation	Dr. Bulimo Anne Winnie, PhD
3.	Ag. Deputy Director, National Qualifications Framework-National Qualifications Research & Policy	Dr. Peter Wekesa. PhD
4.	Deputy Director, Alignment & Validation of Qualifications	Mr. James Onyango

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No.	Designation	Name
5.	Deputy Director, Registration & Accreditation	Mr. James Tegeret
6.	Deputy Director, National Qualification Database	Mr. Vincent Koech
7.	Senior Qualifications Framework officer- Standards & Quality Assurance	Ms. Agneta Wangui Waigwa
8.	Deputy Director, Human Resource and Development	CHRP Anne Rita Mwaniki
9.	Ag. Deputy Director, Finance & Accounts	CPA Martin Mwangi
10.	Senior Internal Auditor	CPA Michael Njogu
11.	Head of Procurement	Ms. Mary Thiiru
12.	Senior Qualifications Framework officer- Registration & Accreditation	Ms. Ivey Koin
13.	Senior Planning and Strategy Officer	Mr. Alfrick Biegon
14.	Senior Qualifications Framework officer- Registration & Accreditation	Ms. Rita Mudza Mwahunga

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	DG/CEO	Dr. Alice Kande, PhD
2.	Ag. Director, National Qualifications Framework- Standards, Alignment & Validation	Dr. Bulimo Anne Winnie, PhD
3.	Head of Procurement	Ms. Mary Thiiru
4.	Ag. Deputy Director, Finance & Accounts	CPA Martin Mwangi
5.	Accountant	Stephen Oure
6.	Senior Internal Auditor	CPA Michael Njogu

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**Key Entity Information and Management (continued)**

**(e) Fiduciary Oversight Arrangements**

Fiduciary Oversight of the authority is exercised through Council Committees namely;

- Planning, Research, Outreach and Policy (PROP)
- Human Resource, Administration and Finance (HRAF)
- Technical Committee (TC)
- Audit Risk and Compliance (ARC)

**(f) Entity Headquarters**

NACOSTI Building, 4th Floor,  
Off Waiyaki Way, Upper Kabete,  
P.O Box 72635-00200, Nairobi, Kenya  
Phone: +254-020-2100272  
Email: [info@knqa.go.ke](mailto:info@knqa.go.ke)

**(g) Entity Contacts**

Telephone: +254-020-2100272; +254 721-624-977

E-mail: [info@knqa.go.ke](mailto:info@knqa.go.ke)

Website: [www.knqa.go.ke](http://www.knqa.go.ke)

Portals: Alignment and Validation: <https://qa.knqa.go.ke/>

National Qualifications Database: <https://knqd.knqa.go.ke/>

**(h) Entity Bankers**

Kenya Commercial Bank  
Moi Avenue, Kencom House  
P.O Box 48400, GPO-00100  
Nairobi, Kenya

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**Key Entity Information and Management (continued)**

**(i) Independent Auditor**




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

**(j) Principal Legal Adviser**




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

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**3. Council**

 <p><b>1. Hon. Stanley Kiptis,</b>  <b>EBS</b>  Council Chairperson</p>	<p>Hon. Kiptis, EBS is the Council Chairperson of the Authority. He holds a Masters of Business Management (Strategic Management) 2009-2013 from Kenya Methodist University, Bachelor of Education (Arts) from Catholic University of East Africa. He is the former governor of Baringo County (2017-2022). He served as Kenya National Union of Teachers (Knut) Eldama Ravine Executive Secretary (2001-2017). He also served as a member of the National Executive Council (Knut) between 2006 and 2017 and Treasurer (Knut) Baringo from 1996- 2001.</p>
 <p><b>2. Ms. Jacqueline Mugo, EBS</b>  Vice Chairperson</p>	<p>Mrs. Jacqueline Mugo, EBS is an Independent Member and the Vice Chairperson of the Council. She is a member of the HRAF &amp; Technical committee of the Council. She is the Chief Executive Officer, of the Federation of Kenya Employers. She holds a Bachelor of Laws (University of Nairobi) and a Higher Diploma in HRM, from the Institute of Personnel Management. Her key expertise lies in employee relations and human resources management. She has worked in different capacities including being the resident magistrate, judicial department, Regional Human Resources Operations Manager at Unilever Kenya Limited, and head of human resources at Kenya Airways Limited. She serves as a Board member of the Governing Body, ILO, Council Member, Pan-African Employers' Confederation (PEC), Trustee, National Social Security Fund (NSSF) Board of Trustees, Higher Education Loans Board, Labor Advisory Board, National Industrial Training Council and Productivity Centre of Kenya</p>
 <p><b>3. Joseph Njau</b>  Member</p>	<p>Mr. Joseph Njau; is the Alternate Council Member representing the Principal Secretary of Technical Vocational Education and Training. He is a member of the PROP &amp; HRAF Committees of the Council. He holds a Master of Arts - MA focused in Project Planning and Management from University of Nairobi. Currently serving as the Acting Secretary TVET and was the Policy, Strategy Director at the State Department of Vocational and Technical Training, Ministry of Education.</p>



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 <p><b>4. Prof. Mike Kuria</b> Member</p>	<p>Prof. Mike Kuria is the Council Member representing the Commission for University Education and a member of the PROP and Technical Committees of the Council. He is the Commission Secretary of the Commission for University Education. He holds a PhD in English from the University of Leeds, UK. Mike Kuria was formally the Deputy Executive Secretary of the Inter-University Council for East Africa (IUCEA), also served as Director of the Centre for Quality Assurance at Daystar University for 10 years from 2011 to 2015. He was the founding Secretary General of the East African Quality Assurance Network (EAQAN).</p>
 <p><b>5. Dr. Kipkirui Langat</b> Member</p>	<p>Dr Langat is Council Member representing the Technical and Vocational Education and Training Authority (TVETA). He is a member of the Technical and Audit &amp; Risk Committee of the Council. He serves as TVETA Director General. He holds Doctor of Philosophy in Engineering Systems and Management from Egerton University. Master of Philosophy in Technology Education (Automotive Technology) and Master of Business Administration (Strategic Management) and Bachelor of Education in Technology Education all from Moi University. He exited the council in April 2025</p>
 <p><b>6. Beatrice Cherotich Bii</b> Member</p>	<p>CHRP. Bii is an independent member of the council representing Association of Professional Society of East Africa (APSEA). She is a member of the HRAF &amp; Audit Risk Committee of the Council. She is currently the Vice Chairperson of Institute of Human Resource Management (IHRM). She holds a Bachelor of Business Management-Human Resource Management from University of Kabianga and a Certified Human Resource Practitioner of Kenya (CHRP-K)</p>

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 <p><b>7. Mr. Collins Oyuu</b> Member</p>	<p>Mr. Collins Oyuu is an independent member Representing the Workers Union. He is a member of the HRAF &amp; PROP committees of the Council. He is the Secretary General of the Kenya National Union of Teachers (KNUT). Prior to his appointment as SG, he worked as the Acting KNUT National Chairman. Mr. Collins was a teacher at Ruma Primary School in Siaya County. His long-standing affair with union leadership started in 1996 when he was elected branch executive committee member in the same county. His star continued to rise and in 2002 he was elected the chair of the Bondo Branch. Six years later (2008) he became secretary of the Rarieda branch and in 2013 joined the Knut National Steering Committee.</p>
 <p><b>8. Ms. Theresa Wasike</b> Member</p>	<p>Ms. Wasike is the Alternate Council Member representing the PS, Ministry of Labor. She is a member of the PROP &amp; Technical Committee of the Council. She is currently the Acting Director General, National Industrial Training Authority (NITA).</p>
 <p><b>9. Isaiah Ochelle Odiwour</b> Member</p>	<p>Mr. Ochelle is an Alternate Council Member representing the PS National Treasury. He is a member of the Audit &amp; Risk and HRAF Committees of the Council. He holds Master's Degree in Public Policy (MPP) from University of Erfurt, Germany and a Bachelor's Degree in B. A Economics (First Class Honours) from the University of Nairobi. He is currently a Senior Deputy Director Budget at the National Treasury.</p>

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 <p><b>10. Evelyne Owoko</b> Member</p>	<p>Ms. Owoko is the Alternate Council Member representing the Ministry of Education Directorate of Standards and Quality Assurance. She is a member of the Technical and Audit &amp; Risk Committees of the Council. Ms. Evelyne Owoko is the Director Quality Assurance and standards. She holds a Masters in Educational Administration and Planning. She joined the Ministry of Education in 1998 as Inspector of Schools and served in Eastern and Nairobi Provinces before being transferred to the Headquarters in 2003. In March 2022 she was deployed as Director Policy Partnership and East African Community Affairs where she served for 5 months until September 2022 when she was appointed the Director Quality Assurance &amp; Standards. She represents the Ministry at the Kenya Institute of Curriculum Development, Kenya National Examinations Council and Kenya National Qualifications Authority as a Board Member.</p>
 <p><b>11. Dr Alice Kande, PhD</b> Council Secretary</p>	<p>Dr. Alice Kande, PhD is KNQA Director General. She was appointed to the position in December 2022 in acting Capacity and Substantively in April 2024. She is the former Deputy Director in charge of Planning, Research, Outreach and Policy at KNQA. She holds a doctorate degree in Business Administration (Strategic Management) from Jomo Kenyatta University of Agriculture and Technology; a Master's in Business Administration and Bachelor of Education both from Kenyatta University. Alice is a member of the Kenya Institute of Management and Academy of International Business – SSA Chapter.</p>

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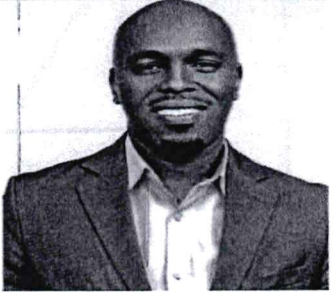
**4. Key Management Team**

	<b>MANAGEMENT</b>		<b>DETAILS</b>
1	 <p><b>Dr. Alice Kande, PhD</b></p>	<p>She holds a doctorate degree in Business Administration (Strategic Management) from Jomo Kenyatta University of Agriculture and Technology; a Master's in Business Administration and Bachelor of Education both from Kenyatta University. Alice is a member of the Kenya Institute of Management and Academy of International Business – SSA Chapter.</p>	<p>Director General/ CEO</p>
2	 <p><b>Dr. Winnie Bulimo, PhD</b></p>	<p>She holds Doctorate of Philosophy Degree in Educational Planning and Management from Masinde Muliro University of Science and Technology (MMUST) and a Masters in Educational Planning and Management.</p>	<p>Ag. Director, Qualifications Framework- Standards, Alignment &amp; Validation</p>
3	 <p><b>Mr. Vincent Koech</b></p>	<p>He holds an MSc. in Computer from University of Nairobi and BSc. ICT from JKUAT. He is also certified in MCITP, CCNA, QMS, ISMS, M&amp;E &amp; ToT. He is a member of the Institution of Engineering &amp; Technology.</p>	<p>Deputy Director, Qualifications Framework- National Qualifications Database</p>
4	 <p><b>Mr. James Tegeret</b></p>	<p>He holds a Bachelor Degree in Technology Education from Moi University. He is a member of the Institution of Engineering &amp; Technology.</p>	<p>Deputy Director, Qualifications Framework- Registration &amp; Accreditation</p>


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5	 <b>Dr. Peter Wekesa, PhD</b>	<p>He holds PhD in Curriculum &amp; Instruction, Master of Education in Curriculum &amp; Instruction, Bachelor of Education (Science). He successfully completed a Senior Management Course from Kenya School of Government, trained and certified by National Quality Institute in QMS Lead Auditors Course.</p>	<p>Ag. Deputy Director, Qualifications Framework-National Qualifications Research &amp; Policy</p>
6	 <b>CPA Martin Mwangi</b>	<p>He holds a Master of Commerce in Finance from Strathmore University, Bachelor's degree in Business Administration (Accounting Option) from Kampala International University and is a Certified Public Accountant of Kenya. He is a member of ICPAK and Institute of Internal Auditors (IIA) in good standing and a graduate of Senior Management Course (KSG).</p>	<p>Ag. Deputy Director, Finance &amp; Accounts</p>
7	 <b>CHRP Anne Rita Mwaniki</b>	<p>She holds a Master of Science in Human Resource Development, Bachelor of Business Management in Human Resource Management, Certified Human Resource Professional Course (CHRP-K), Higher Diploma in Human Resources Management, Diploma in Personnel Management. She is a member of Institute of Human Resource Management (IHRM).</p>	<p>Deputy Director, Human Resource and Development</p>
8	 <b>CPA Michael Muriuki Njogu</b>	<p>He holds a Bachelors of Commerce in Finance, Certified Public Accountant (CPA) and a Certified Fraud Examiner (CFE). He is also a member of the Institute of Certified Public Accountants of Kenya (ICPAK) and Institute of Internal Auditors (IIA). He is a graduate of Senior Management Course (KSG)</p>	<p>Senior Internal Auditor</p>

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9	 <b>Ms. Mary Waithira Thiiru</b>	<p>She holds a Diploma in Supplies Chain Management and Advanced Certificate in Supplies management. She is a member of the Kenya Institute of Supplies Management.</p>	<p>Procurement &amp; Supplies Officer</p>
10	 <b>Ms. Ivey Koin</b>	<p>She holds a Master's degree in Digital Journalism from The Aga Khan University and a Bachelor's in Communication and Journalism from Moi University. Ivey is registered and accredited by the Media Council of Kenya (MCK) and is a member of the Public Relations Society of Kenya (PRSK).</p>	<p>Senior Qualifications Framework Officer-Registration &amp; Accreditation</p>
11	 <b>Ms. Agneta Waigwa</b>	<p>She is currently pursuing a Master of Education (Educational Policies &amp; Curriculum Development) at KCA University. She holds a Bachelors of Education, Arts English Literature from Moi University. She successfully completed the Supervisory Skills Course from Kenya School of Government.</p>	<p>Senior Qualifications Framework Officer, Standards &amp; Quality Assurance</p>
12	 <b>Mr. Alfrik Biegon</b>	<p>He is currently pursuing his Master of Science in Project Management at Jomo Kenyatta University of Agriculture and Technology (JKUAT) and holds a Bachelor of Arts in Economics from Maasai Mara University. He successfully completed the Supervisory Skills Course from Kenya School of Government.</p>	<p>Senior Planning &amp; Strategy Officer</p>

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13	 <p><b>Mr. John Paul Aketch Ngeso</b></p>	<p>He is currently pursuing PhD in Educational Administration and Planning at the Catholic University of Eastern Africa. He holds a Master's degree in Educational Administration and Planning (M.Ed.) from The Catholic University of Eastern Africa, and Bachelor of Education – (B.Ed.) Saint Mary's University of Minnesota, Tangaza University. He successfully completed a Senior Management Course at Kenya School of Government</p>	<p>Principal Administration Officer</p>
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5. Chairman’s Statement

It is with great pride that I present this annual report on behalf of the council of Kenya National Qualifications Authority. This financial year 2024/2025 has been marked by substantial progress in strengthening our country’s qualifications framework, refining education policy, and reinforcing our commitment to quality and equitable learning outcomes for all citizens.

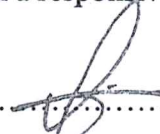
At the heart of our mandate lies the responsibility to develop, review, and oversee policies that underpin the national qualifications system. This year, the Authority undertook a comprehensive review of the National Qualifications Framework (NQF) and the KNQF Regulations 2025, aligning them more closely with regional standards and emerging global best practices. This revision emphasizes greater transparency, portability of qualifications, and responsiveness to both industry needs and lifelong learning pathways.

A significant achievement was the development of new policies: National Policy Framework on Kenya Credit Accumulation and Transfer System; The National Standards-Requirements and guidelines for Kenya Credit Accumulation and Transfer System; Kenya National Qualifications Classification Standards; and the digitization of credential verification processes. These initiatives aim to enhance access, efficiency, and integrity within the education system, ensuring that learning—formal or informal—is appropriately recognized and valued.

Oversight remains a core focus. In collaboration with key stakeholders, we strengthened monitoring mechanisms for accreditation and institutional compliance. Our policy oversight efforts have emphasized inclusivity, ensuring that quality assurance is not only robust but also adaptive to the realities of marginalized communities and emerging educational technologies.

The Authority’s work this year has laid a stronger foundation for coherent, transparent, and inclusive policy development that will benefit learners, educators, and employers alike. I extend sincere appreciation to the Board, staff, and partners whose dedication and collaboration have made these advancements possible.

Looking forward, we will continue to drive strategic reforms that support national development goals through a responsive and future-ready qualifications system.

Sign  .....

**Hon. Stanley Kiptis, EBS**  
**Chairperson**

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

I am honoured to present the Chief Executive Officer's Report for the 2024/2025 financial year. This report highlights the strides made by the Kenya National Qualifications Authority (KNQA) in strengthening the National Qualifications Framework, enhancing regulatory oversight in the education sector, and maintaining financial accountability and sustainability.

This year has been pivotal in aligning Kenya's qualifications system with the goals of Vision 2030, the Bottom-Up Economic Transformation Agenda (BETA), and the continued implementation of the Competency-Based Curriculum (CBC). Our work remains central to building a skilled, competitive, and inclusive workforce for a globally integrated economy.

### **1. Policy Development and Strategic Alignment**

As part of our mandate under the Kenya National Qualifications Framework Act Cap. 214, KNQA made significant progress in policy formulation, revision, and implementation:

- **Review of the Kenya National Qualifications Framework (KNQF):** We concluded a comprehensive review of the KNQF to streamline qualification levels and descriptors, making them more responsive to the CBC, Technical and Vocational Education and Training (TVET) reforms, and evolving industry demands.
- **Review of the Kenya National Qualifications Framework Regulations 2025:** We concluded a comprehensive review and publishing of the KNQF Regulations 2025 which will aid in the operationalization of the KNQF Act Cap.214.
- **Kenya Credit Accumulation and Transfer System (KCATS):** The finalisation of the policy & Standards and guidelines now enables learners to transfer credits seamlessly across institutions and levels, supporting academic mobility and lifelong learning..
- **National Qualifications Database:** We upgraded the credentialing system, which will enhance transparency, prevent fraud, and ease verification of qualifications locally and internationally.

All policy developments were informed by rigorous stakeholder consultations across counties, ensuring inclusivity and national ownership.

### **2. Oversight of Education and Quality Assurance**

KNQA continued its oversight and coordination role to safeguard the credibility and quality of Kenya's qualifications. Key achievements include:

- **Accreditation and Registration:** We have registered 36 Qualification Awarding Bodies, 1560 Qualifications and Over 235,000 graduates into the National Qualifications Database.
- **Monitoring and Evaluation:** A revamped monitoring framework was introduced, allowing for quarterly reporting on qualification outcomes and institutional adherence to the KNQF.
- **Stakeholder Engagement:** We convened three national forums with quality assurance agencies, curriculum developers (KICD), and regulators (TVETA, CUE, NITA) to harmonise standards and avoid duplication.

- **CBC Alignment:** KNQA supported the Presidential Working Party’s recommendations by aligning qualifications policy to CBC exit pathways, especially for Senior School and post-secondary vocational tracks.

These efforts are integral to building public trust in Kenyan qualifications and ensuring alignment with regional and international benchmarks such as the African Continental Qualifications Framework (ACQF).

### 3. Financial Performance and Resource Utilization

KNQA maintained strong financial management and accountability throughout the 2024/2025 financial year:

- **Revenue Performance:** Total income stood at KES 271.799 million, a 21% decrease from the previous year, attributed to decline in government subvention and increased revenue from registration and alignment and validation of qualifications.
- **Expenditure and Budget Utilisation:** Total expenditure reached KES 296.77 million, of which 100% was directed toward core programmatic activities, including policy development, stakeholder engagement, and ICT system enhancement.
- **Audit and Governance:** The Authority received a clean (unqualified) audit opinion from the Office of the Auditor-General for the 7<sup>th</sup> consecutive year. Internal controls were further strengthened through automation of procurement and financial reporting systems.
- **Sustainability Efforts:** We initiated discussions with development partners and private sector stakeholders to diversify funding and support RPL rollout, regional integration, and digital transformation.

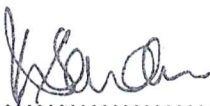
### 4. Outlook and Strategic Priorities

Looking ahead to the 2025/2026 financial year, KNQA’s priorities will include:

- Finalising and implementing the national digital qualifications registry;
- Enhancing cross-border recognition of Kenyan qualifications under the EAQFHE and African Continental Qualifications Framework;
- Strengthening financial sustainability through revenue generation and donor engagement.

### Conclusion

KNQA’s progress this year would not have been possible without the support of the council, our dedicated staff, the Ministry of Education, and our partners across government, academia, industry, and civil society. Together, we continue to build a qualifications system that is inclusive, credible, and aligned with Kenya’s development goals.

Sign.....  
Dr. Alice Kande, PhD  
DIRECTOR GENERAL/CEO

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

*KNQA* has 5 *Key Result Areas* and Strategic objectives within the current Strategic Plan for the FY 2023/24-2027/28. These strategic pillars/ themes/ issues are as follows:

Key Result Area 1: Research and Policies on National Qualifications

Key Result Area 2: Registration of Qualifications Awarding Bodies and Qualifications

Key Result Area 3: National Qualifications Database

Key Result Area 4: Mobility and Progression of Learners

Key Result Area 5: Institutional Capacity Development

*KNQA* develops its annual work plans based on the above 5 Key result areas. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Authority achieved its performance targets set for the FY 2024-2025 period for its 5 Key result Areas, as indicated in the table below:

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Key Result Areas	Strategic Objective	Key Performance Indicators	Activities	Achievements
KRA 1: Research and Policies on National Qualifications	To harmonize policies on National Qualifications	No of Policies developed	Coordinate and supervise the development of National Policies, Standards and Guidelines to implement the KNQF	The KNQA Council has approved Four national policies: 1. Kenya Credit Accumulation and Transfer System 2. Kenya National Occupational Classification Standards on National Qualifications 3. National Policy on Accreditation of QAIs and Registration of Qualifications. 4. National Policy and Standards for Quality Assurance of Qualifications These policies have been submitted for Cabinet approval.
			Align Legal Provisions	Review & Publishing of KNQF Regulations Legal Notice No.94
			Promote Research & Outreach	Conducted tracer study on RPL Beneficiaries.
KRA 2: Registration of QABs and Qualifications	To Increase Registration of QAB's and Qualifications	No of QAB's and Qualifications registered	Enhance Registration of QAB's and Qualifications	A total of 34 QABs were registered on to KNQF
			Enhance Registration of Qualifications	A total of 915 Qualifications were registered on to KNQF
KRA3: National Qualifications Database	To strengthen Kenya National Qualifications database	No of Learners Registered into the Database	To Improve ICT Infrastructure	Upgraded and maintained NAQMIS, KNLRD & QAV portal.
			Enhance registration of learners into the National Qualifications Database	A total of 160,018 Graduates Registered on NQD during the period.
KRA 4: Mobility and Progression of Learners	To increase learner mobility and career progression	No of RPL accessed Graduates	Promote Recognition of Prior Learning	A total of 76,790 candidates were assessed through RPL awarded Qualifications

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	through diverse pathways	Policy and Standards Developed	Promote Credit Transfer and Accumulation	1.Council approved credit transfer and accumulation 2. The Authority conducted sensitization on Credit and Transfer System during the period.
		No. of Qualifications Aligned and Validated	Alignment and Validation of Qualifications	A total of 2667 applications were aligned and validated during the period.
KRA 5. Institutional Capacity Development	To strengthen Institutional Capacity	Favorable Opinion	Enhance financial sustainability, Transparency and accountability	The Authority received an Unqualified Audit Report for the FY2023-2024 conducted within the year
		Percentage Achievement in AIA	Diversify revenue sources	The Authority recorded a 105% achievement in AIA collections against the set target in FY2024/2025
		Council Evaluation Score	Strengthen Corporate governance	The corporate council score was 4.5 translating to 89.96%.

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At the Kenya National Qualifications Authority (KNQA), achievement of targets is closely tied to individual and departmental performance contracts to promote accountability, efficiency, and alignment with the Authority's strategic objectives. These contracts are based on the Annual Work Plan (AWP), which outlines priority activities, timelines, and expected outputs aligned with KNQA's mandate to manage and harmonize the National Qualifications Framework.

Targets within performance contracts are SMART (Specific, Measurable, Achievable, Relevant, and Time-bound) and derived directly from the AWP. This ensures that each staff member's deliverables contribute meaningfully to institutional goals such as quality assurance of qualifications, recognition of prior learning, and stakeholder engagement.

Performance is monitored through regular reviews, with progress measured against indicators in the AWP. High-performing staff are recognized in line with public service reward frameworks, while underperformance is addressed through coaching, capacity building, or corrective measures.

Continuous feedback and performance dialogue are integral to KNQA's performance management approach, ensuring adaptability to changing priorities. By linking target achievement to performance contracts through the AWP, KNQA strengthens operational efficiency, promotes a results-based culture, and ensures delivery of its mandate in a transparent and accountable manner.

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**8. Corporate Governance Statement**

The management of the Authority shall vest in a Council. The council was fully constituted as per the requirements of the Section 10 of the KNQF act Cap. 214 and its operations guided by the Approved Council and Committee Charters.

**8.1 Composition of the Council**

The Council comprises of 11 members as follows; a Chairperson appointed by the Cabinet Secretary; the Principal Secretary responsible for matters relating to education; the Principal Secretary responsible for matters relating to labour; the Principal Secretary responsible for matters relating to finance; Representatives from Commission for University Education; Technical and Vocational Education and Training Authority; Education Standards and Quality Assurance Council; Organization representing professional associations in Kenya; Federation of Kenya Employers; Organization representing workers unions; and KNQA Director-General who shall be the secretary.

**8.2 Appointment to the Council**

Appointment of members to the Board commences with the nomination of members from institutions listed under KNQF Act Cap. 214 section 10. The nominees are then vetted to ensure they have the requisite capabilities to carry out their responsibilities. They are then gazetted by the Cabinet Secretary, Ministry of Education. The chairman of the council is appointed by the Cabinet Secretary. The current Board was appointed and Inducted in the FY2023/2024.

**8.3 Diversity, and demographics of the Council**

The Council is constituted by members who have experience in Education, Policy, accountancy, auditing, corporate governance and public finance management. The Council's mandate to coordinate and harmonize the various levels of education; and to create a database of all qualifications in the country. Therefore, the members are required to have technical knowledge in education and policy formulation. The diversity of the Board members also encapsulates the gender distribution shown below;

### Council Gender Diversity



■ Male ■ Female

#### 8.4 Roles and functions of the council

The roles and responsibilities of members are outlined in council Charter. New members, once appointed, are given these documents to familiarize themselves with the roles and responsibilities. An induction training is also held for new Board members. The KNQA is comprised of the following committees with the respective terms of reference as outlined in the committee charters; Audit & Risk (ARC); Human Resource, Administration & Finance (HRAF); Planning, Research, Outreach and Policy (PROP) and Technical Committees.

#### 8.5 Council Transactions/Attendance in the Financial Year

*During the year, the council held five (5) meetings, as summarised in the annual attendance sheet, as shown below;*

	Name	No of Meetings	Total Attended	Attendance Rate
1	Hon. Stanley Kiptis, EBS	5	5	100%
2	Ms. Jacqueline Mugo, EBS, MBS, OGW	5	4	80%
3	Bro. Collins Oyuu	5	5	100%
4	Dr. Kipkirui Lang'at, PhD *	5	4	80%
5	Prof. Mike Kuria, PhD	5	3	60%
6	CHRP Ms. Beatrice Bii	5	5	100%
7	Ms. Evelyne Owoko	5	2	40%
8	Ms. Theresa Khakasa Wasike	5	4	80%
9	Mr. Joseph N. Njau	5	4	80%
10	Mr. Isaiah Ochelle	5	4	80%
	* Exited in April 2025			

*During the year, the human Resource, Administration and Finance committee held five (4) meetings, as summarised in the annual attendance sheet, as shown below.*

Name	No of Meetings	15th Meeting	16th Meeting	17th Meeting	18th Meeting	Total	Attendance Rate

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1	Bro. Collins Oyuu	4	1	1	1	1	4	100%
2	Ms. Jacqueline Mugo, EBS, MBS, OGW	4	1	1	1	1	4	100%
3	CHRP Ms. Beatrice Bii	4	1	1	1	1	4	100%
4	Mr. Joseph N. Njau	4	-	1	1	1	3	75%
5	Mr. Isaiah Ochelle	4	1	1	1	1	4	100%
			<b>4</b>	<b>5</b>	<b>5</b>	<b>5</b>		

During the year, the Planning, Research, Outreach and Policy Committee committee held five (4) meetings, as summarised in the annual attendance sheet, as shown below

	Name	No of Meetings	13th Meeting	14th Meeting	15th Meeting	16th Meeting	Total	Attendance rate
1	Ms. Theresa Khakasa Wasike	4	1	-	1	1	3	75%
2	Bro. Collins Oyuu	4	1	1	-	-	2	50%
3	Prof. Mike Kuria, PhD	4	1	1	1	1	4	100%
4	Mr. Joseph N. Njau	4	1	1	1	1	4	100%
		<b>Totals</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>3</b>		
	* Exited in April 2025							

During the year, the Technical Committee held five (4) meetings, as summarised in the annual attendance sheet, as shown below

	Name	No of Meetings	15th Meeting	16th Meeting	17th Meeting	18th Meeting	Total	Attendance rate
1	Dr. Kipkirui Lang'at, PhD *	4	1	1	1	1	4	100%
2	Ms. Jacqueline Mugo, EBS, MBS, OGW	4	1	1	1	-	3	75%
3	Prof. Mike Kuria, PhD	4	-	1	1	1	3	75%
4	Ms. Evelyne Owoko	4	1	1	1	1	4	100%
5	Ms. Theresa Khakasa Wasike	4	-	-	1	1	2	50%
		<b>Totals</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>4</b>		
	* Exited in April 2025							

During the year, the Audit & Risk Committee held five (4) meetings, as summarised in the annual attendance sheet, as shown below

	Name	No of Meetings	13th Meeting	14th Meeting	15th Meeting	16th Meeting	Total	Attendance rate
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1	CHRP Ms. Beatrice Bii	4	1	1	1	1	4	100%
2	Dr. Kipkirui Lang'at, PhD *	4	1	1	1	1	4	100%
3	Ms. Evelyne Owoko	4	1	1	1	1	4	100%
4	Mr. Isaiah Ochelle	4	1	1	1	1	4	100%
	<b>Totals</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>		
	* Exited in April 2025							

### 8.6 Board remuneration

The allowances payable to Council Members are aligned to the various guidelines and circulars issued by government. The allowances include sitting allowance pegged at Kshs 20,000 per sitting, Per diem at a rate of 18,200 per day. Chairperson Honoraria at Kshs 80,000 per month and airtime at Kshs 5,000 per month. Total council expenses amounted to Kshs 20,044,890 as shown in note 10 on the financial statements.

### 8.7 Policies to enhance governance and accountability

The council undertook the legal and governance for the governance audit for the FY2023-2024 with the report disseminated to management for implementation., whistle blowing policy was developed in the FY 2023-2024 and the communication policy was developed and approved for implementation by the management. There is also an approved code of ethics that governs the authority's performance.

### 8.8 Training & Development of the Council

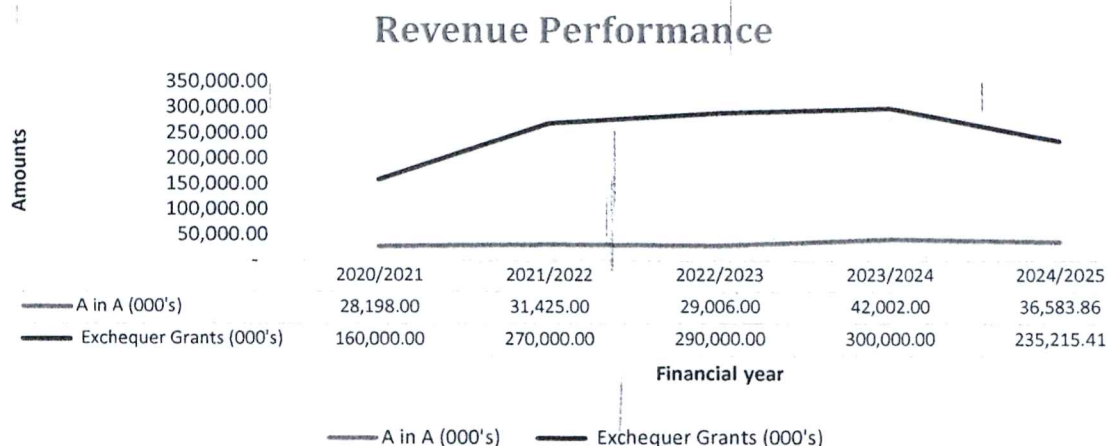
The council was trained and development on various aspects of the Authority & Governance; The council was trained on Council Charter Development, Legal Governance audit Report findings and areas of improvement, Asset management Policy and guidelines aligned to the National Treasury National Policy and Guidelines.

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**9. Management Discussion and Analysis**

*a) Revenue Performance*

The revenue performance over the five-year period shows a steady increase in both Appropriations-in-Aid (A-in-A) and Exchequer Grants until 2023/2024, followed by a slight decline in 2024/2025. A-in-A rose from KES 28,198,000 in 2020/2021 to a peak of KES 42,002,000 in 2023/2024, then dropped to KES 36,583,860 in 2024/2025. Exchequer Grants experienced a more pronounced increase, from KES 160,000,000 in 2020/2021 to KES 300,000,000 in 2023/2024, before decreasing to KES 235,215,410 in 2024/2025. The trend indicates improved revenue mobilization and government support up to 2023/2024, with a slight contraction in 2024/2025, possibly due to fiscal adjustments or policy changes.



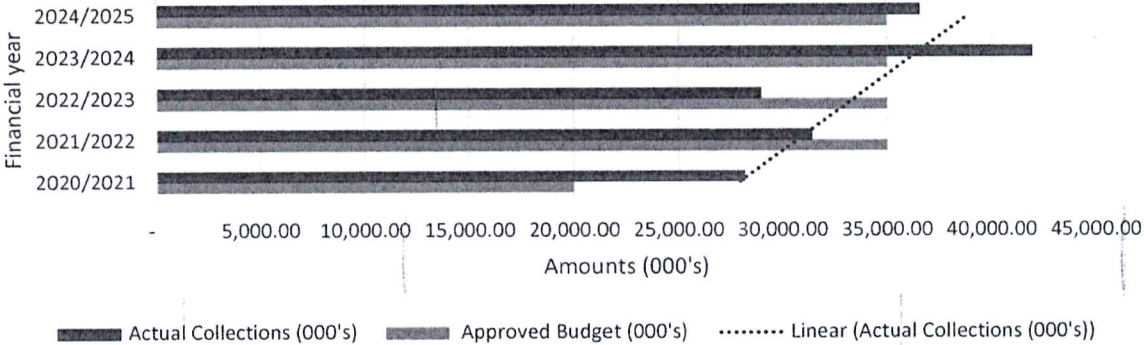
The Authority registered mixed yearly performance against set targets of AIA with an achievement of targets in three out of the 5-years as shown below.

AIA ABSORPTION RATE					
Financial year	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Approved Budget (000's)	20,000.00	35,000.00	35,000.00	35,000.00	35,000.00
Actual Collections (000's)	28,198.00	31,425.00	29,006.00	42,002.00	36,583.86
%age Absorption	141%	90%	83%	120%	105%

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The trend analysis shows a general increase in the Appropriations in Aid collected by the Authority in service provision to members of the public.

**Appropriation in Aid 5-Year Performance**



**b) Statutory Compliance**

KNQA has registered increased compliance with all with statutory requirements in relation to customer and suppliers. The Authority has registered compliance with all statutory deductions for employees in relation to Pay as You Earn (PAYE) tax, National Social Security Fund (NSSF), National Hospital Insurance Fund (NHIF), Pension Plans, Higher Education Loans Board (HELB). The Authority confirms that there are no material arrears in statutory and other financial obligations that pose major risks facing the organisation.

**c) Entity's key projects or investments decision implemented or ongoing**

KNQA has been allocated a 1.2ha (2.963 Acres) of Land Parcel L.R. No 21708, via letter dated 23<sup>rd</sup> February, 2022 ref. MLD/EDU/31/1VOL.1 (15), to construct the KNQA headquarters. Management is in the process of acquiring the title deed for the Parcel to enable for the valuation and subsequent recognition in the books of account.

## **10. Environmental and Sustainability Reporting**

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

At the Kenya National Qualifications Authority (KNQA), our core purpose is to transform lives through a credible, inclusive, and dynamic national qualifications framework. This mission drives our long-term vision of delivering relevant services, improving operational efficiency, and ensuring customer-centric service delivery. Our sustainability strategy outlines how we aim to achieve operational and financial independence, environmental stewardship, and social impact, aligning with national development goals and international best practices.

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### **Strategic Pillars of Sustainability**

#### **1. Financial and Operational Sustainability**

To reduce reliance on government funding and secure long-term operational resilience, KNQA is proactively developing partnerships and revenue-generating mechanisms, including:

**Strategic Collaborations:** Strengthening ties with international organizations and local Non-Governmental Organizations (NGOs), which serve as key partners, donors, and grantors in support of KNQA programs.

**Partnership Policy:** Adoption of a formalized **Partnership Policy** that governs transparent, accountable, and mutually beneficial relationships with all external stakeholders.

**Monetization of Services:** Leveraging the **National Qualifications Database (NQD)** by introducing a fee-based model for certificate authentication and verification services offered to institutions and individuals.

#### **2. Regulatory and Policy Innovation**

Sustainability for KNQA also involves strengthening governance, regulatory compliance, and quality assurance within Kenya's qualifications ecosystem:

**Regulatory Amendments:** Ongoing reforms to the Kenya National Qualifications Framework (KNQF) regulations to empower the Authority with inspection and enforcement capabilities, including the ability to impose penalties and fines on non-compliant Qualifications Awarding Bodies (QABs).

**Enhanced Compliance Mechanisms:** Implementing stricter oversight and compliance protocols to ensure only registered and authorized institutions operate within the framework.

### **3. Diversified Revenue Streams**

To ensure financial stability, KNQA is expanding its service offerings and associated fees, which include:

**Recognition of Prior Learning (RPL) Program:** Introducing fees for registration of qualifications earned through the RPL program into the National Qualifications Database.

**Non-Compliance Penalties:** Imposing structured fines and penalties on QAIs that fail to meet KNQA compliance standards.

**Verification Services:** Charging verification fees for certificate authentication services delivered through the NQD.

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KNQA's sustainability strategy is centered on **resilience, accountability, and value creation**. By pursuing diversified funding sources, strengthening regulatory mechanisms, and optimizing service delivery, the Authority is building a robust qualifications framework that stands the test of time. Our strategy supports Kenya's broader education and development agenda, empowering citizens and institutions through recognized and trusted qualifications.

#### **ii) *Environmental performance***

The Authority actively participates in enhancing biodiversity by organizing and participating in tree planting exercises within and beyond its geographical environment.

##### **Successes in Environmental performance**

The Authority is in compliance with the PC requirement to plant 55 trees per staff. The Authority has planted over 1650 trees within the country. The exercise was held in Dagoretti High School.



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**Shortcomings in Environmental performance**

Limited budget allocation due to the austerity measures given by government hampered the frequent visits to tend and care for the trees planted and the Authority has to rely on the goodwill of the partnering organizations to take care of the planted trees to maturity.

**iii) Corporate Social Responsibility/community engagements**

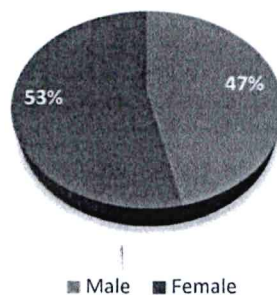
The Authority undertook community engagements across 8 regions in the country in pursuit of the approval and publishing of the KNQF regulations in the year under review. The public participation forums were held in Nairobi region (Thika), Eastern Region (Meru), Coast Region (Mombasa), Nyanza Region (Kisumu), Rift Valley region (Nakuru), North Eastern (Garissa), Western Region (Kakamega) and Central Region (Nyeri).

**iv) Employee welfare**

**Policies on Hiring Process**

The Kenya National Qualifications Authority's policy on recruitment is aligned to the Public Service Guidelines (2015) on Recruitment as well as to the provisions of the Constitution of Kenya (2010) under Article 11 on inclusivity and diversity. The Authority has complied with the Constitutional requirement that no more than two-thirds of either gender hold appointive office with 53% of the employees being female and 47% being male.

**Staff Gender Diversity**



**Efforts in improving Skills**

The Authority has committed to improving the skills of the employees by undertaking training needs analysis that informs the training calendar. The Authority's Management has also set aside a vote on training in the annual Budget and staff with Continuous Professional Development obligations being funded.

The Authority has embraced and implemented the Public Service Performance Appraisal System (PAS). The target Setting exercise at the end of every evaluation period which informs the appraisals at the end of the planned period.

**Compliance with OSHA (2007)**

The Authority has enhanced its compliance to the Occupational Safety and Health Act of 2007, (OSHA.). KNQA registered as a workplace as required by the Act and has enhanced compliance by ensuring that the fire exits are clearly labelled. There's consistent supply of clean drinking water in all offices as well as separate clean washing facilities for both genders well labelled. All staff have been provided with adequate working space and facilities for sitting.

v) *Market place practices-*

Kenya National Qualifications Authority being a SAGA under Ministry of Education State Department of Technical, Vocational Education & Training is guided by The Public Procurement and Asset Disposal Act Cap. 412C and The Public Procurement and Asset Disposal Regulations of 2020; in carrying out procurement of goods works and services as prescribed.

a) **Responsible competition practice.**

The Authority ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors. The Authority advertises its prequalification requirements as required to give opportunities to a wide array of suppliers to compete for opportunities. The Authority sets aside 30% of its procurement plan to AGPO program.

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

KNQA maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices. The Authority has been able to honour all contractual obligations for the financial year under review as per contract and the Authority does not have any pending bills nor litigation from suppliers on contract breach or delayed payments.

c) ***Responsible marketing and advertisement***

To maintain ethical marketing practises, the organisation when handling large amount tenders, we carry out advertisements of the same on the available Government portals to the public, organisations website and local dailies of country wide circulation.

d) ***Product stewardship***

The Authority has developed and published the service charter detailing the charges payable and the timelines for service delivery in order to safeguard consumer rights and interests.

**11. Report of the Directors**

The Council submits their report together with the audited financial statements for the year ended 30 June 2025, which show the state of Kenya National Qualifications Authority affairs.

**i) Principal activities**

The principal mandate of Kenya National Qualifications Authority as set out in the Kenya National Qualifications Framework (KNQF) Act Chapter 214 is to coordinate and harmonize the various levels of education; and to create a database of all qualifications in the country.

**ii) Results**

The results of the entity for the year ended 30 June, 2025, are set out on page 1 to 6.

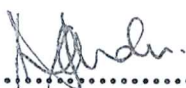
**iii) Council**

The members of the Council who served during the year are shown on page viii to xi. The previous council term ended on 7<sup>th</sup> August 2023 having served for a period of three years. Reconstitution of the council took place with financial year with the current Council Members being appointed on 19<sup>th</sup> October 2023.

**iv) Auditors**

The Auditor General is responsible for the statutory audit of the Kenya National Qualifications Authority in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of the entity for the year/period ended 30<sup>th</sup> June 2025 in accordance to section 23 of the Public Audit Act, 2015.

By Order of the Council

  
.....

**Dr. Alice Kande, PhD**  
**Secretary to the Council**

## 12. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act Cap. 412A, section 14 of the State Corporations Act Cap 446 and the KNQF Act Cap 214 Section 22 requires the Council to prepare financial statement in respect of that KNQA, which give a true and fair view of the state of affairs of the entity at the end of the financial year. The Council is required to ensure that the entity keeps proper accounting records which discloses with reasonable accuracy the financial position of the entity. The Council is responsible for safeguarding the assets of the entity.

The Council is responsible for the preparation and presentation of the entity's financial statement, which gives a true and fair view of the state of affairs of the entity for and as at the end of the financial year ended on 30<sup>th</sup> June 2025.

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 Council accepts the responsibility for the entity's financial statement, which has 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 Cap. 412A. The KNQF Act Cap. 214 and (the State Corporations Act Cap. 446). The Council is of the opinion that the entity's financial statement gives a true and fair view of the state of entity's transactions during the year ended 30th June 2025, and of the entity's financial position as at that date. The Council further confirms the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statement as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Council to indicate that Kenya National Qualifications Authority 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 Authority's financial statements were approved by the Council on 16<sup>TH</sup> JULY 2025 and signed on its behalf by:

Sign:  .....

Hon. Stanley Kiptis, EBS  
Council Chairperson

Sign:  .....

Dr. Alice Kande, PhD  
DG/CEO

# REPUBLIC OF KENYA

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Anniversary Towers  
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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON KENYA NATIONAL QUALIFICATIONS AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2025

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### 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 aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of Kenya National Qualifications Authority set out on pages 1 to 33, which comprise 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 Kenya National Qualifications Authority 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 Kenya National Qualifications Authority Framework Act, 2014 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 Kenya National Qualifications Authority 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 opinion.

### **Emphasis of Matter**

#### **Uncertainty Related to Going Concern**

The statement of financial performance reflects deficit for the year of Kshs.25,056,328 reflecting an increase of Kshs.11,224,541 or 81% of the prior year deficit of Kshs.13,831,787. Further, the statement of financial position reflects current liabilities balance of Kshs.27,659,207 which exceeds the current assets balance of Kshs.7,960,932 by Kshs.19,698,275 resulting in negative working capital. This is indicative of material uncertainty on the going concern of the Authority.

The Authority's sustainability and ability to provide services on a going concern basis is doubtful.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Information**

#### **Conclusion**

The Directors are responsible for the Other Information set out on pages iv to xxxv which comprise of Key Entity Information and Management, The Council, Key Management Team, Chairman's Statement, Report of the Chief Executive Officer,

Statement of Performance Against Predetermined Objectives for the FY 2024/2025, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and the Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

### **Basis of Conclusion**

In connection with my audit on the Authority'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.

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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that Internal Controls, Risk Management and Governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and 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 The Council**

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

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

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give

an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

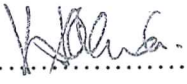
08 October, 2025


KENYA NATIONAL QUALIFICATIONS AUTHORITY  
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14. Statement of Financial Performance for the year ended 30 June 2025

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6	235,215,406	300,000,000
Revenue from exchange transactions			
Rendering of services	7	36,583,860	42,002,242
<b>Total revenue</b>		<b>271,799,266</b>	<b>342,002,242</b>
Expenses			
Use of goods and services	8	172,388,130	224,303,545
Employee costs	9	66,329,304	66,666,162
Council expenses	10	20,044,890	23,750,139
Depreciation and amortization expense	11	32,599,747	32,337,825
Repairs and maintenance	12	5,160,648	8,426,834
Finance costs	13	82,874	99,524
Provision for Audit Fees	18	250,000	250,000
<b>Total expenses</b>		<b>296,855,593</b>	<b>355,834,029</b>
<b>Net Surplus (deficit) for the year</b>		<b>-25,056,328</b>	<b>-13,831,787</b>

The notes set out on pages 6 to 36 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Council by:

Sign.   
Director General/C.E. O  
Dr. Alice Kande, PhD

Sign.   
Head of Accounts  
CPA Martin Mwangi  
ICPAK Member No. 14030

Sign.   
Council Chairperson  
Hon. Stanley Kiptis, EBS

Date. 21/7/25

Date. 21/7/25

Date. 21/7/25

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15 Statement of Financial Position as at 30 June 2025

	Notes	2024-2025	2023-2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	14	7,276,173	3,099,962
Receivables	15	684,758	545,875
<b>Total Current Assets</b>		<b>7,960,932</b>	<b>3,645,837</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	16	96,580,291	111,013,710
Intangible assets	17	53,032,353	63,039,142
<b>Total Non- Current Assets</b>		<b>149,612,643</b>	<b>174,052,852</b>
<b>Total Assets</b>		<b>157,573,576</b>	<b>177,698,689</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	18	27,409,206	22,477,993
Current Provision	19	250,000	250,000
<b>Total Current Liabilities</b>		<b>27,659,207</b>	<b>22,727,993</b>
<b>Total Liabilities</b>		<b>27,659,207</b>	<b>22,727,993</b>
<b>Net assets</b>		<b>129,914,369</b>	<b>154,970,696</b>
<b>Represented by:</b>			
<b>Reserves</b>			
Accumulated surplus		129,914,369	154,970,697
<b>Net assets</b>		<b>129,914,369</b>	<b>154,970,697</b>

The financial statements set out on pages 1 to 5 were signed on behalf of the Council by:

Sign.....

Director General/C.E. O

Dr. Alice Kande, PhD

Sign.....

Head of Accounts

CPA Martin Mwangi

ICPAK Member No. 14030

Sign.....

Council Chairperson

Hon. Stanley Kiptis, EBS

Date.....21.07.2025

Date.....21/7/25

Date.....21/7/25

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

	Retained earnings	Total
As at July 1, 2023	168,802,483	168,802,483
Surplus/ (deficit) for the year	(13,831,787)	(13,831,787)
As at June 30, 2024	154,970,696	154,970,696
As at July 1, 2024	154,970,696	154,970,696
Surplus/ (deficit) for the year	(25,056,328)	(25,056,328)
As at June 30, 2025	129,914,369	129,914,369

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

		<b>2024-2025</b>	<b>2023-2024</b>
	<b>Notes</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other governments entities	6	235,215,406	300,000,000
Rendering of services	7	36,583,860	42,002,242
<b>Total Receipts</b>		<b>271,799,266</b>	<b>342,002,242</b>
<b>Payments</b>			
Use of goods and services	8	172,388,130	224,303,545
Employee costs	9	66,329,302	66,666,162
Council Expenses	10	20,044,890	23,750,139
Repairs and maintenance	12	5,160,648	8,426,834
Audit Fees	18	250,000	500,000
Finance costs	13	82,874	99,524
<b>Total Payments</b>		<b>264,255,844</b>	<b>323,746,204</b>
<b>Surplus from/(used in) operating activities</b>		<b>7,543,422</b>	<b>18,256,038</b>
(Increase)/Decrease in Debtors & Other receivables	15	(138,883)	4,926,390
Increase/(Decrease) in Payables & Other Payables	18	4,931,213	(5,190,066)
<b>Net cash flows from/(used in) operating activities</b>		<b>12,335,751</b>	<b>17,992,362</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment	16	(5,558,500)	(22,709,925)
Purchase of intangible assets	17	(2,601,040)	-
<b>Net cash flows from/(used in) investing activities</b>		<b>(8,159,540)</b>	<b>(22,709,925)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
<b>Net cash flows from /(used in) financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>4,176,211</b>	<b>(4,717,563)</b>
Cash and cash equivalents at 1 July 2024	14	3,099,962	7,817,525
<b>Cash and cash equivalents at 30<sup>th</sup> June 2025</b>	<b>14</b>	<b>7,276,173</b>	<b>3,099,962</b>

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

	Annual Original budget	Adjustments	Final Annual Budget	Actual Cumulative to Date	% of utilization
	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=d/c%
<b>Revenue</b>					
Transfers from other governments entities	195,215,406	40,000,000 <sup>1</sup>	235,215,406	235,215,406	100%
Rendering of services	35,000,000		35,000,000	36,583,860	105%
<b>Total income</b>	<b>230,215,406</b>	<b>40,000,000</b>	<b>270,215,406</b>	<b>271,799,266</b>	<b>101%</b>
<b>Expenses</b>					
Use of goods and services	122,052,000	36,401,226 <sup>2</sup>	158,453,226	172,388,130	109%
Employee costs	82,763,406	(16,551,226) <sup>3</sup>	66,212,180	66,329,304	100%
Council Expenses	18,030,000	2,000,000 <sup>4</sup>	20,030,000	20,044,890	100%
Repairs and maintenance	4,500,000	650,000 <sup>5</sup>	5,150,000	5,160,648	100%
Finance Costs	120,000	-	120,000	82,874	69%
<b>Total expenditure</b>	<b>227,465,406</b>	<b>22,500,000</b>	<b>249,965,406</b>	<b>264,005,846</b>	<b>106%</b>
<b>Surplus for the period</b>	<b>2,750,000</b>	<b>17,500,000</b>	<b>20,250,000</b>	<b>7,793,419</b>	
Capital Expenditure	2,750,000	17,500,000 <sup>6</sup>	20,250,000	18,563,771	92%
<b>Total Budgeted Expenditure</b>	<b>230,215,406</b>	<b>40,000,000</b>	<b>270,215,406</b>	<b>282,569,617</b>	<b>105%</b>

<sup>1</sup> The Authority's budget was enhanced by 40,000,000 in supplementary II for the as per National Treasury Warrant

<sup>2</sup> Allocation made to fund KNQF regulations 2025 development & public participation exercise facilitating approval

<sup>3</sup> The National treasury suspended recruitment of staff through letter Ref. DGIPE/A/1/85 A"(54). This necessitated the virement to allocate resources to activities related to Core Mandate of the Authority.

<sup>4</sup> Additional Allocation made to fund KNQF regulations 2025 development & approval by the Council

<sup>5</sup> Additional Allocation made to fund the Maintenance of the National Qualifications Database, A key deliverable under core mandate for the Authority

<sup>6</sup> The Allocation made to facilitate implementation of Phase 2 of the Enterprise Resource Planning System Administration, HR and ICT modules

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**19. Notes to the Financial Statements**

**1. General Information**

KNQA is established in 2014 by and derives its authority and accountability from KNQF Act Cap.214. The Entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The Entity's principal activity is to coordinate and harmonize the various levels of education; and to create a database of all qualifications in the country.

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

- a) The financial statements have been prepared on a historical cost basis.
- b) The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) Accrual allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying KNQA'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.
- c) The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of KNQA.
- d) *The* financial statements have been prepared in accordance with the PFM Act Cap 412A, the State Corporations Act Cap 446, KNQF Act Cap 214, and International Public Sector Accounting Standards (IPSAS) Accrual.
- e) The accounting policies adopted have been consistently applied to all the years presented.
- f) The financial statement has been prepared for a period of one year starting from 1<sup>st</sup> July 2024. This is in accordance to IPSAS 1 (69)

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

**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*

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43: Leases	<i>Applicable 1<sup>st</sup> January 2025</i> 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 an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.  <i>The improvements of IPSAS 43, Leases will not have any significant impact to the financial statements for the FY 2024/2025</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1<sup>st</sup> January 2025</i> 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: 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.  <i>The improvements of IPSAS 44, Non- Current Assets Held for Sale and Discontinued Operations will not have any significant impact to the financial statements for the FY 2024/2025</i>
IPSAS 45: Property Plant and Equipment	<i>Applicable 1<sup>st</sup> January 2025</i> 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

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	<p>existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>The improvements of IPSAS 45: Property Plant and Equipment will not have any significant impact to the financial statements for the FY 2024/2025</i></p>
IPSAS 46: Measurement	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ol> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>The improvements of IPSAS 46: Measurement will not have any significant impact to the financial statements for the FY 2024/2025</i></p>
IPSAS 47: Revenue	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>The improvements of IPSAS 47: Revenue will not have any significant impact to the financial statements for the FY 2024/2025</i></p>
IPSAS 48: Transfer Expenses	<p><b>Applicable 1<sup>st</sup> January 2026</b></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> <p><i>The improvements of IPSAS 48: Transfers will not have any significant impact to the financial statements for the FY 2024/2025</i></p>

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<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1<sup>st</sup> January 2026</i></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> <p><i>The improvements of IPSAS 49: Retirement Benefit Plans will not have any significant impact to the financial statements for the FY 2024/2025</i></p>
<p>IPSAS 50: Exploration For &amp; Evaluation of Mineral Resources</p>	<p><i>Applicable 1<sup>st</sup> January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul> <p><i>The improvements of IPSAS 50: Exploration For &amp; Evaluation of Mineral Resources will not have any significant impact to the financial statements for the FY 2024/2025</i></p>

**iii. Early adoption of standards**

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)*

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**Notes to the financial statements (continued)**

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

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

**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 KNQA 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**

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

**b) Budget information**

The original budget for the FY2024-2025 was approved by the National Assembly on 30<sup>th</sup> June 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 KNQA upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations of *forty million* on the FY 2024-2025 budget following the governing body's approval. The Addition allocation was to fund the acquisition of the ERP phase 2 modules for HR, Administration and ICT. Additional funding was also allocated to the conclusion of the KNQF regulations 2025 public Participation exercise and subsequent approval by the Council and the delegated Committee on Legislation by Parliament. Additional resources were allocated for the Upgrade and Maintenance of the National Qualifications Database, a Key deliverable for the Authority.

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

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

**Budget information (continued)**

KNQA's budget is prepared on the same 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 an accrual basis. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. 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 cash flows has been presented under section xxx of these financial statements.

**c) 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 Entity 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.

KNQA depreciates its assets on a reducing basis at the following rates;

- Furniture, fixtures fittings and equipment at 12.50% per annum.
- Computers and printers at 33.33% per annum
- Motor Vehicles at 25%

**d) Leases**

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

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

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

**e) 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 indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date. Intangible Assets are depreciated at a rate as follows

- Software/Intangible Assets at 20%

**f) 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 entity 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 entity and a financial liability or equity instrument of another entity. At initial recognition, the entity 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.

**a) Financial assets**

**Classification of financial assets**

The entity 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 entity'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

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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 entity has made irrevocable election at initial recognition for particular investments in equity instruments.

**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.

**g) Provisions**

Provisions are recognized when the *Entity* 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 *Entity* 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.

**h) Contingent liabilities**

KNQA 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.

**i) Contingent assets**

KNQA 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 Entity 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.

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

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

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

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

**k) Employee benefits**

**Retirement benefit plans**

KNQA provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which KNQA pays fixed contributions into a separate ICEA Lion Pension Umbrella fund and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

**l) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

**m) Related parties**

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

**n) 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 various commercial banks at the end of the financial year.

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

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

**o) Comparative figures**

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

**p) 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.

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

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

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

**Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity 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 Entity. 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 Entity.
- 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 19. 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.

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

**6. Transfers from Other Government entities**

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Unconditional grants</b>		
Operational grant	235,215,406	300,000,000
Other grants	-	-
	<b>235,215,406</b>	<b>300,000,000</b>
<b>Conditional grants</b>		
Other organizational grants		-
<b>Total government grants and subsidies</b>	<b>235,215,406</b>	<b>300,000,000</b>

The transfers from government are to aid Kenya National Qualifications Authority to undertake its principal mandate as set out in the Kenya National Qualifications Framework (KNQF) Act Chapter 214 of coordinating and harmonizing the various levels of education; and to create a database of all qualifications in the country.

**b) Transfers from Ministries, Departments and Agencies (MDAs)**

Name of the Entity sending the grant	Amount recognized to Statement of Financial Performance Kshs	Amount deferred under deferred income Kshs	Amount recognized in capital fund.	Total grant income during the period	2023-2024
			Kshs	Kshs	Kshs
Ministry of Education /State Department Technical Vocational Education & Training	235,215,406	0	0	235,215,406	300,000,000
<b>Total</b>	<b>235,215,406</b>	<b>0</b>	<b>0</b>	<b>235,215,406</b>	<b>300,000,000</b>

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

**7. Rendering Of Services**

<b>Description</b>	<b>2024-2025</b>	<b>2023-2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Service fees	36,583,860	42,002,242
<b>Total revenue from the rendering of services</b>	<b>36,583,860</b>	<b>42,002,242</b>

Kenya National Qualifications Authority offers registration, Alignment and Validation of qualifications as well as registration of Qualification awarding institutions and Qualifications at a fee.

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

**8. Use of Goods and Services**

<b>Description</b>	<b>2024-2025</b>	<b>2023-2024</b>
Internet Connections	5,197,071	5,457,198
Courier and Postal Services	15,255	175,009
Contracted Consultancy Services	3,016,000	3,042,640
Legal Fees and Arbitration	-	250,000
Publishing and Printing Services	-	40,789,555
Advertising Awareness and Publicity Campaign	3,722,976	12,580,614
Payment of Rents and Rates - Residential	12,110,400	12,110,760
Utilities-Electricity	1,042,905	659,716
Catering Services & Conferences	10,265,757	13,430,670
Motor Vehicle Insurance	864,332	956,284
Supply and accessories for computers and printers	7,973,460	5,987,380
Medical Insurance	9,675,982	9,469,579
General office supplies	8,170,134	6,087,427
Sanitary and Cleaning Materials, Supplies and Services	4,498,580	4,907,500
Refined Fuels and Lubricants for Transport	2,300,000	3,176,887
Contracted Guards and Cleaning Services	2,007,456	1,744,169
Membership Fees, Dues and Subscriptions to Professional Bodies	-	296,110
Development of Policy Documents	12,978,450	3,441,750
Telecommunication	2,327,000	2,394,000
Staff Uniforms	416,095	499,880
Staff Training & Development	4,021,220	6,376,760
Travel, accommodation, subsistence and other allowances	80,725,058	89,049,657
Remuneration of Resource Persons	1,060,000	1,420,000
<b>Totals</b>	<b>172,388,130</b>	<b>224,303,545</b>

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**9. Employee Costs**

	2024-2025	2023-2024
	Kshs	Kshs
Basic Salary	30,311,529	35,531,196
House Allowances	13,865,000	13,904,000
Commuter /Transport Allowances	3,485,943	3,286,000
Acting/ Other Remunerative Allowances	1,031,397	6,612,216
Entertainment Allowance	1,200,000	1,100,000
Extraneous Duty Allowance	1,328,000	1,172,000
Leave Allowances	846,925	746,551
Employers Contributions to National Social Security Fund	1,173,627	779,040
Employers Contributions to staff pension scheme	3,313,886	2,766,148
Employers Contributions to NITA	25,150	33,250
Employers Contributions to Housing Levy	786,028	731,122
Gratuity	8,953,321	-
Others	8,496	4,640
<b>Employee costs</b>	<b>66,329,304</b>	<b>66,666,162</b>

**10. Council Expenses**

Description	2024-2025	2023-2024
	Kshs	Kshs
Chairman's Honoraria	1,035,900	994,803
Sitting allowances	8,488,450	10,133,200
Travel and accommodation	8,663,575	10,880,936
Training	278,400	1,472,200
Others	1,578,565	269,000
<b>Total</b>	<b>20,044,890</b>	<b>23,750,139</b>

*(The council expenditure declines as a result of the reduction in budget allocation for fy2024-2025 as compared to Fy 2023-2024)*

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

**11. Depreciation and Amortization Expense**

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	19,991,919	16,578,039
Intangible assets	12,607,828	15,759,785
<b>Total depreciation and amortization</b>	<b>32,599,747</b>	<b>32,337,825</b>

**12. Repairs and Maintenance**

Description	2024-2025	2023-2024
	Kshs	Kshs
Maintenance Expenses - Motor Vehicles	1,898,888	2,525,506
Maintenance of Computers, Software, and Networks	3,261,760	4,469,988
Maintenance of Office Furniture and Equipment	-	1,431,340
<b>Total repairs and maintenance</b>	<b>5,160,648</b>	<b>8,426,834</b>

*(The repairs and maintenance expenditure declines as a result of the reduction in budget allocation for fy2024-2025 as compared to Fy 2023-2024 and no maintenance of furniture & equipment)*

**13. Finance Costs**

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank Services Commission and Charges	82,874	99,524
<b>Total Finance costs</b>	<b>82,874</b>	<b>99,524</b>

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

**14. Cash and Cash Equivalents**

Description	2024-2025	2023-2024
	Kshs	Kshs
Current account	7,276,173	3,099,962
<b>Total cash and cash equivalents</b>	<b>7,276,173</b>	<b>3,099,962</b>

**Detailed Analysis of the Cash and Cash Equivalents**

Financial institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
<b>a) Current account</b>			
Kenya Commercial bank	1208626828	7,276,173	3,099,962
<b>Sub- total</b>		<b>7,276,173</b>	<b>3,099,962</b>
<b>b) Others(specify)</b>			
Cash in transit		-	-
Cash in hand		-	-
Mobile money accounts		-	-
<b>Sub- total</b>		<b>-</b>	<b>-</b>
<b>Grand total</b>		<b>7,276,173</b>	<b>3,099,962</b>

**15. Receivables from Exchange Transactions**

**(a) Receivables from Exchange Transactions (Current)**

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Current receivables</b>		
Service debtors	446,000	391,000
Other exchange debtors	154,875	154,875
Employee Advance	83,883	-
Less: impairment allowance	0	0
<b>Total current receivables</b>	<b>684,758</b>	<b>545,875</b>

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

**(c) Ageing analysis for Receivables from exchange transactions**

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	684,758	100%	545,875	100%
Between 1- 2 years	0	%	0	%
Between 2-3 years	0	%	0	%
Over 3 years	0	%	0	%
<b>Total (a+b)</b>	<b>684,758</b>	<b>100%</b>	<b>545,875</b>	<b>100%</b>

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**16. Property, Plant and Equipment**

	Motor vehicles	Furniture and fittings	Computers & Office Equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs
As at 30th June 2023	36,309,308	105,230,619	38,153,886	179,693,813
Additions during the period	-	15,367,925	7,342,000	22,709,925
Disposals during the period				
Transfer/adjustments				
<b>As at 30th June 2024</b>	<b>36,309,308</b>	<b>120,598,544</b>	<b>45,495,886</b>	<b>202,403,738</b>
Additions during the period	-	-	5,558,500	5,558,500.00
Disposals during the period	-	-	-	-
Transfer/adjustments	-	-	-	-
<b>As at 30th June 2025</b>	<b>36,309,308</b>	<b>120,598,544</b>	<b>51,054,386</b>	<b>207,962,238</b>
<b>Depreciation and impairment</b>				
As at 30th June 2023	21,698,268	30,588,217	22,525,504	74,811,989
Depreciation for the period	3,652,760	7,987,697	4,937,583	16,578,039
Disposals for the period				
Impairment for the period				
<b>As at 30th June 2024</b>	<b>25,351,028</b>	<b>38,575,914</b>	<b>27,463,087</b>	<b>91,390,028</b>
Depreciation for the period	2,739,570	10,252,829	6,999,520	19,991,919
Disposals for the period				
Impairment for the period				
<b>As at 30th June 2025</b>	<b>28,090,598</b>	<b>48,828,742</b>	<b>34,462,607</b>	<b>111,381,947</b>
<b>Net book values</b>				
<b>As at 30th June 2025</b>	<b>8,218,710</b>	<b>71,769,802</b>	<b>16,591,779</b>	<b>96,580,291</b>
As at 30th June 2024	10,958,280	82,022,630	18,032,799	111,013,710

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

Property plant and Equipment includes the following assets that are fully depreciated:

Description	Cost or valuation	Normal annual depreciation charge
Motor Vehicles including Motorcycles	0	0
Computers and Related Equipment	8,999,805	2,996,935
Office Equipment, Furniture and Fittings	0	0
<b>Total</b>	<b>8,999,805</b>	<b>2,996,935</b>

**17. Intangible Assets**

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Cost</b>		
At beginning of the year	93,362,858	93,362,858
Additions	-	-
At end of the year	<b>93,362,858</b>	<b>93,362,858</b>
<b>Work In Progress</b>		
At beginning of the year	2,601,040	-
Additions	-	-
At end of the year	<b>2,601,040</b>	-
<b>Totals</b>	<b>95,963,898</b>	<b>93,362,858</b>
<b>Amortization and impairment</b>		
At beginning of the year	30,323,716	14,563,931
Amortization	12,607,828	15,759,785
At end of the year	<b>42,931,545</b>	<b>30,323,716</b>
<b>NBV</b>	<b>53,032,353</b>	<b>63,039,142</b>

*The WIP is for phase 2 of the ERP for HR Module, Administration module and ICT module with a contract value of 13,005,199.*

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

**18. Trade and Other Payables**

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	20,765,692		20,352,041	
Payments received in advance	-		-	
Employee payables	6,640,914		2,089,831	
Third-party payments	2,600		36,121	
Other payables				
<b>Total trade and other payables</b>	<b>27,409,206</b>		<b>22,477,993</b>	
<b>Ageing analysis: (Trade and other payables)</b>	<b>2024-2025</b>	<b>% of the Total</b>	<b>2023-2024</b>	<b>% of the Total</b>
Under one year	27,409,206	100%	22,477,993	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	<b>27,409,206</b>	<b>100%</b>	<b>22,477,993</b>	<b>100%</b>

**19. Current Provisions**

Description	Other provision	Total
	Kshs	Kshs
<b>Balance at 1<sup>st</sup> July 2024</b>	250,000	250,000
Additional Provisions for the period	250,000	250,000
Provision utilised during the period	(250,000)	(250,000)
Change due to discount and time value for money		
Transfers from non-current provisions		
<b>Total provisions as at 30<sup>th</sup> June 2025</b>	<b>250,000</b>	<b>250,000</b>

**20. Employee Benefit Obligations**

The Entity contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently as per the NSSF Act prescribed rates employee per month. Other than NSSF the Entity also has a defined contribution scheme operated by ICEA Lion Umbrella Pension Fund. Employees contribute 10% while employers contribute 20% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

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

**21. Cash Generated from Operations**

	Period ended 30th June 2025	Period ended 30th June 2024
	Kshs	Kshs
<b>Surplus for the year before tax</b>	<b>(25,056,327)</b>	<b>(13,831,787)</b>
<b>Adjusted for:</b>		
Depreciation	32,599,747	32,337,825
Finance cost	-	-
<b>Working Capital adjustments</b>		
Increase in inventory	-	-
Decrease in Provisions		(250,000)
Increase in receivables	(138,883)	4,926,390
Increase in payables	4,931,213	(5,190,066)
<b>Net cash flow from operating activities</b>	<b>12,335,751</b>	<b>17,992,362</b>

**22. Financial Risk Management**

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

**i) Credit risk**

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

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

**Financial Risk Management**

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

	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>As at 30th June 2025</b>				
Receivables from exchange transactions	684,758	684,758	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	7,276,173	7,276,173	-	-
<b>Total</b>	<b>7,960,932</b>	<b>7,960,932</b>	-	-
<b>As at 30 June 2024</b>				
Receivables from exchange transactions	545,875	545,875	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	3,099,962	3,099,962	-	-
<b>Total</b>	<b>3,645,837</b>	<b>3,645,837</b>	-	-

**Financial Risk Management**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

**ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the KNQA's council, who have built an appropriate liquidity risk management framework for the management of the KNQA short, medium and long-term funding and liquidity management requirements. The KNQA manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the KNQA under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed

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in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2025</b>				
Trade payables	1,043,726	19,721,966	0	20,765,692
Provisions	250,000	0	0	250,000
Employee Payables-gratuity	6,640,914	0	0	6,640,914
Third party Payments	2,600	0	0	2,600.00
<b>Total</b>	<b>7,937,240</b>	<b>19,721,966</b>	<b>0</b>	<b>27,659,206</b>
<b>As at 30<sup>th</sup> June 2024</b>				
Trade payables	00	20,352,041		20,352,041
Provisions	0	0	250,000	250,000
Employee Payables	2,089,831	0	0	2,089,831
Third party Payments	36,121	0	0	36,121
<b>Total</b>	<b>2,125,952</b>	<b>20,352,041</b>	<b>250,000</b>	<b>22,727,993</b>

**Financial Risk Management**

**iii) Market risk**

KNQA has put in place an internal audit function to assist it in assessing the risk faced by KNQA on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the KNQA's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. KNQA's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to KNQA's exposure to market risks or the way it manages and measures the risk.

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

**a) Foreign currency risk**

KNQA has limited transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. KNQA manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

**b) Interest rate risk**

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

**iv) Capital Risk Management**

The objective of the Kenya National Qualifications Authority capital risk management is to safeguard KNQA's ability to continue as a going concern. The KNQA capital structure comprises of the following funds:

	2024-2025	2023-2024
	Kshs	Kshs
Revaluation reserve	-	-
Retained earnings	129,914,369	154,970,697
Capital reserve		
<b>Total funds</b>	<b>129,914,369</b>	<b>154,970,697</b>
Total borrowings	-	-
Less: cash and bank balances	7,276,173	3,099,962
Net debt/(excess cash and cash equivalents)	-	-
<b>Gearing</b>	<b>0%</b>	<b>0%</b>

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

**23. Related Party Disclosures**

**Nature of related party relationships**

Entities and other parties related to the KNQA 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 Kenya National Qualifications Authority, holding 100% of the Authority's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of KNQA, both domestic and external.

**Other related parties include:**

- i) The Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of directors.

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Sales to related parties</b>		
Rent income from govt. Agencies	-	-
Water sales to govt. Agencies	-	-
Others (specify) e.g. interest and bank charges	-	-
<b>Total</b>	-	-
<b>B) purchases from related parties</b>		
Purchases of electricity from KPLC	0	0
Purchase of water from govt service providers	0	0
Rent expenses paid to govt agencies	13,153,304	12,770,476
Training and conference fees paid to govt. Agencies	1,121,030	3,956,424
Others (specify)	0	0
<b>Total</b>	<b>14,274,334</b>	<b>16,726,900</b>
<b>b) Grants /transfers from the government</b>		
Grants from national govt	<b>235,215,405</b>	300,000,000
Grants from county government	-	-
Donations in kind	-	-

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Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Total</b>	<b>235,215,405</b>	<b>300,000,000</b>
<b>c) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for employees	-	-
Payments for goods and services for	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>d) Key management compensation</b>		
Council emoluments	20,044,890	23,750,139
Compensation to key management	30,198,567	25,030,146
<b>Total</b>	<b>50,243,457</b>	<b>48,780,285</b>

**24. Events after the Reporting Period**

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

**25. Ultimate And Holding Entity**

The Entity is a State Corporation under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**26. Currency**

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

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**20. Appendices**

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

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
<b>1</b>	Failure to surrender excess appropriation in Aid	Resource Mobilization efforts towards the launch of Recognition of Prior Learning Policy and graduation of RPL candidates generated 7,935,600 from sponsors. Conditions of sponsorship for the Sponsors required for the funds to pay for specific expenditure as captured in the sponsorship agreement and hence the funds were utilized on the exercise RPL Graduation Exercise and as per the sponsorship agreement	<b>Resolved</b>	<b>30<sup>th</sup> June 2025</b>

.....  
**Director General/C.E. O**

**Kenya National Qualifications Authority**

**Date:**

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**Appendix II: Transfers from Other Government Entities**

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/ Others	Total Amount - KES	Where Recorded/recognized					Total Transfers
	As per bank statement			Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Education State Department of TVET	19 <sup>th</sup> August 2024	Recurrent	16,267,950.50	16,267,950.50	-	-	-	-	16,267,950.50
Ministry of Education State Department of TVET	24 <sup>th</sup> September 2024	Recurrent	16,267,951.00	16,267,951.00	-	-	-	-	16,267,951.00
Ministry of Education State Department of TVET	24 <sup>th</sup> October 2024	Recurrent	16,267,950.00	16,267,950.00					16,267,950.00
Ministry of Education State Department of TVET	26 <sup>th</sup> November 2024	Recurrent	16,267,950.50	16,267,950.50					16,267,950.50
Ministry of Education State Department of TVET	26 <sup>th</sup> November 2024	Recurrent	16,267,950.65	16,267,950.65					16,267,950.65
Ministry of Education State Department of TVET	26 <sup>th</sup> November 2024	Recurrent	16,267,949.50	16,267,949.50					16,267,949.50
Ministry of Education State Department of TVET	3 <sup>rd</sup> February 2025	Recurrent	16,267,950.50	16,267,950.50					16,267,950.50

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Ministry of Education State Department of TVET	18 <sup>th</sup> March 2025	Recurrent	16,267,950.50	16,267,950.50					16,267,950.50
Ministry of Education State Department of TVET	2 <sup>nd</sup> April 2025	Recurrent	16,267,951.00	16,267,951.00					16,267,951.00
Ministry of Education State Department of TVET	28 <sup>TH</sup> May 2025	Recurrent	29,601,283.80	29,601,283.80					29,601,283.80
Ministry of Education State Department of TVET	4 <sup>th</sup> June 2025	Recurrent	29,601,284.00	29,601,284.00					29,601,284.00
Ministry of Education State Department of TVET	4 <sup>th</sup> June 2025	Recurrent	29,601,284.00	29,601,284.00					29,601,284.00
<b>Total</b>			<b>235,215,405.95</b>	<b>235,215,405.95</b>					<b>235,215,405.95</b>

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**Appendix III- Inter-Entity Confirmation Letter**

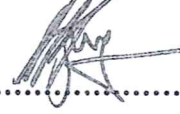
Name of Transferring entity. State Department of Technical, Vocational Education and Training

Name of Beneficiary entity. Kenya National Qualifications Authority

Confirmation of amounts received by Kenya National Qualifications Authority as at 30 <sup>th</sup> June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
FT242320TR31	19 <sup>th</sup> August 2024	16,267,950.50	0	16,267,950.5	
FT24268QMBTG	24 <sup>th</sup> September 2024	16,267,951.00	0	16,267,951	
FT242987DVVW	24 <sup>th</sup> October 2024	16,267,950.00	0	16,267,950	
FT24331LRH52	26 <sup>th</sup> November 2024	16,267,950.50	0	16,267,950.5	
FT24331NRTB5	26 <sup>th</sup> November 2024	16,267,950.65	0	16,267,950.65	
FT24331HX96Z	26 <sup>th</sup> November 2024	16,267,949.50	0	16,267,949.5	
FT25034QHDPH	3 <sup>rd</sup> February 2025	16,267,950.50	0	16,267,950.5	
FT25077SNTYQ	18 <sup>th</sup> March 2025	16,267,950.50	0	16,267,950.5	
FT25092JQKCV	2 <sup>nd</sup> April 2025	16,267,951.00	0	16,267,951	
FT251484LS78	28 <sup>th</sup> May 2025	29,601,283.80	0	29,601,283.8	
FT25155Z3PJH	4 <sup>th</sup> June 2025	29,601,284.00	0	29,601,284	
FT25155HNZTY	4 <sup>th</sup> June 2025	29,601,284.00	0	29,601,284	
Total				235,215,405.95	

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

Head of Accounts Department - Disbursing Entity:

Name Benson M. Kimani Sign  Date 23/7/2025

Head of Accounts Department - Beneficiary Entity:

Name MAREN MWANGI Sign  Date 21/7/25

