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ANNUAL REPORT

AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

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

TABLE OF CONTENTS

ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS

BETA	Bottom Up Transformational Agenda
CEO	Chief Executive Officer
CSP	Corporate Strategic Plan
ERP	Enterprise Resource Planning
FY	Financial year
ICPAK	Institute of Certified Public Accountants of Kenya
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PFMA	Public Finance Management Act
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
QMS	Quality Management System
SC	State Corporations
SDG	Sustainable Development Goals
TS	Trust Secretary

CHAPTER

01

CORPORATE INFORMATION AND MANAGEMENT

CORPORATE INFORMATION

Legal framework

Kenya Accountant and Secretaries National Examinations Board (KASNEB) is a state corporation established under section 14 of the Accountants Act, No. 15 of 2008 which repealed and replaced the Accountants Act, Cap 531 of 1977.

The establishment and operations of KASNEB are also recognised under the Certified Public Secretaries of Kenya Act, Cap 534 of 1988 and the Investment and Financial Analysts Act No.13 of 2015. Pursuant to Section 17(2) of the Accountants Act, KASNEB consults with the Councils of the Institute of Certified Public Accountants of Kenya (ICPAK), Institute of Secretaries of Kenya (ICPSK), Institute of Certified Investment and Financial Analysts (ICIFA), as well as other stakeholders in executing its mandate.

Principal activities

The mandate of KASNEB is:

- the development of syllabuses;
- conduct of post professional, professional, diploma and certificate examinations
- certification of candidates in accountancy, finance, fraud investigation, credit, governance and management, information technology and related disciplines;
- promotion of its qualifications nationally, regionally and internationally and the accreditation of relevant training institutions in liaison with the ministry in charge of education.

Location and principal place of business

Kasneb Towers
Hospital Road, Upper Hill
P.O. Box 41362-00100
NAIROBI

Contact Details

Telephone: +254 020 4923000, 0722201214
Email: info@kasneb.or.ke
Website: www.kasneb.or.ke
Facebook: kasnebOfficial
X: @kasnebOfficial
Instagram: kasneb

Bankers

National Bank of Kenya Ltd.
Hill Plaza Branch
P. O. Box 45219-00100, NAIROBI

Absa Bank of Kenya Ltd.
Enterprise Road Branch
P. O. Box 18060-00500, NAIROBI

Equity Bank Ltd.
Community Branch
P. O. Box 8181-00100, NAIROBI

Co-operative Bank of Kenya Ltd.
Nairobi Business Centre
P. O. Box 48213-00100, NAIROBI

Kenya Commercial Bank Ltd.
Capital Hill Branch
P. O. Box 58233-00200, NAIROBI

Independent auditors

Auditor-General
Office of the Auditor General,
3rd Floor, Anniversary Towers, University Way
P. O. Box 30084-00100
NAIROBI

Principal legal adviser

The Attorney-General
Sheria House, Harambee Avenue
P.O. Box 40112-00100
NAIROBI

Parent Ministry

The National Treasury and Economic Planning
Treasury Building, Harambee Avenue
P.O. Box 30007-00100
NAIROBI

Fiduciary management

The day to day management of the organisation is under the following key management personnel who held office during the financial year ended 30 June 2025 and who had direct fiduciary responsibility.

No.	Designation	Name
1.	Secretary/Chief Executive Officer	Prof. Nicholas K. Letting' PhD.
2.	Director Corporate Services	FCPA Isaac M. Njuguna
3.	Ag. Director Strategy and Planning	Ms. Caroline W. Karia
4.	Ag. Director Curriculum Research and Development	CPA. Erasto M. Ng'ang'a
5.	Ag. Director Internal Audit and Risk Assurance	CPA Jason K. Mwangi
6.	Ag. Director Examinations Administration and Processing	Mr. Joseph N. Kariga
7.	Ag. Director Supply Chain Management	Mr. Francis A. Okubo
8.	Deputy Director Marketing and Communication	Ms. Hamida A. Mwilu
9.	Deputy Director Finance	CPA Sailot A. Keke
10.	Ag. Deputy Director Quality Assurance and Accreditation	Mr. Daniel N. Ngunyi
11.	Ag. Deputy Director, Legal Services	CPA CS Joyce M. Afanda

Fiduciary Oversight Arrangements

The Board through its Committees, Sub Committees, Trust and the Secretariat has put in place systems aimed at enhancing governance, transparency, and accountability. The Board has four standing committees, one technical sub committee, one Ad-hoc committee and two trusts. The Audit and Risk Committee of the Board provides oversight with respect to the management of affairs of KASNEB.

Board Committees

Examinations Committee

The Committee comprises all the members of the Board and Chief Examiners who are appointees of the Board. The Committee was chaired by Dr. Joseph M. Kanyi. The Committee oversees the overall mandate of the Board which is development of syllabuses, administration of examinations, accreditation of training institutions and certification of candidates.

Examinations Technical Sub Committee

The Committee comprises of five (5) members of the Board, Chief Examiners and Technical experts appointed by the Board. The committee was chaired by Prof. CPA Elizabeth N. Kalunda. The Examinations Technical Sub-Committee is a permanent Sub-Committee of the Examinations Committee. Its principal responsibility is dealing with technical issues on examination matters including syllabuses, accreditation training institutions, research and innovation as delegated by the Examinations Committee from time to time.

Finance and General Purposes Committee

The Committee comprises of six (6) members of the Board. The committee was chaired by FCS The Committee comprises of six (6) members of the Board. The committee was chaired by FCS Diana Sawe Tanui. The Committee has oversight on all financial issuesincludingbudgets,financial reporting process and controls and procurement, implementation of the finance strategy, human capital strategy and information communication technology stategy.

Planning and Business Development Committee

The Committee comprises of six (6) members of the Board. The committee was chaired by Dr. Percy Opio. This Committee spearheads the development of the corporate strategic plan, its implementation and monitoring. The committee also coordinates the performance contracting process.

Audit and Risk Committee

The Committee comprises of five (5) members of the Board. The Committee was chaired by FCS Nkirote Mworia untill her retirement in November 2023 when FCPA George M. Obiria took over. This committee provides assurance to the Board and management on the adequacy of procedures relating to risk management, control and governance. The Committee reviews the internal and external audit findings and recommendations.

Digitalization Steering Ad-Hoc Committee

The Committee consists of four (4) members of the Board. The committee was chaired by Eng. Stephen Ogenga. The Committee is an ad-hoc committee of the communication technology Board that was established to spearhead the digitilisation of the activities in KASNEB. The ad – hoc committee also provides oversight on the implementation of the KASNEB ERP.

Trusts Registered by the Board

KASNEB Staff Retirement Benefits and Life Assurance

KASNEB established KASNEB STAFF RETIREMENT BENEFITS AND LIFE ASSURANCE SCHEME under the irrevocble Trustees Perpetual Succession Act as an occupational present and future and for the employees of such other companies as may adhere to the Scheme under the KASNEB Staff Retirement Benefits and Life Assurance Scheme Trust Deed and Rules.

KASNEB Foundation

KASNEB established the KASNEB Foundation as an irrevocable Trust under the Trustees Perpetual Succession Act to provide financial assistance in the form of loans and bursaries to needy students who wish to pursue KASNEB qualifications.

Members of the Board

Dr Percy Opio PhD
Chairman, Board of Directors

Dr Percy Opio was appointed as the Chair of the Board of KASNEB effective from 13 December 2024.

He is a nominee of the Board of kasneb in accordance with Section 15(1)(h) of the Accountants Act, No. 15 of 2008.

He is a holder of Doctor of Strategic Leadership (Strategic Foresights concentrate) degree from Regent University, Virginia Beach, VA, USA, Master of Arts in Leadership degree from PAC University, Bachelor of Education (Arts) degree from Moi University, and Management Information Systems Diploma from the Institute of Management Information Systems (UK).

He is a practitioner-academic with experience in Leadership Development, Strategic Foresight, Innovation and Change and ICT. He serves as Chief Executive – Strategy and Innovation at The Leadership Group, and is co-founder of two digital tech companies in Education and Healthcare respectively.

He previously held the position of General Manager-ICT at Equity Bank Kenya where he played a key role in rolling out digitization and automation projects. His role also involved overseeing operational efficiency projects, leading the ICT Service Delivery team and chairing the Change Authorization Board.

Percy is proud to have successfully implemented the ITIL (Information Technology Infrastructure Library) framework – a best practices IT Service Management Framework – at Equity Bank. As an academic, Percy is an adjunct lecturer at PAC University, International University Kenya and is a Programme Leader at Beaulah Heights University, USA. He is a member of the Association of Professional Futurists and author of The Future of Banking in Kenya.

His consultancy engagements have covered ICT Audits, Leadership Development Programmes, Process Re-engineering, Design Thinking, Strategy Review and Formulation, ICT Advisory Services, Board Evaluations and Governance Audits. His experience cuts across several sectors that include Banking, Savings and Credit Cooperatives (SACCOs), Education, Manufacturing, Religious Sector and NGOs.

Dr. Joseph M. Kanyi PhD
Vice Chairman of The Board of Directors, Representing Ministry of Education

Dr Joseph M. Kanyi has 16+ years' experience of initiating and delivering sustained results and effective change in the Micro, Small and Medium Enterprises Development in Kenya.

Major experience lies in strategizing and leading cross-functional teams to bring about fundamental change and improvement in strategy, processes, andprofitability–bothasaleaderand expert consultant in the MSME world. Experienced Entrepreneurship and TVET expert also having held Senior Managerial positions in Government of Kenya in the Ministries of Labour, Trade, Industrialization & Enterprise Development.

He has a solid and first- hand experience in Management of Donor Funded Development Projects, with a background in strategy and 7+ years' experience in Developing and implementing mechanisms for sustainable development of TVETs, Project formulation, implementation and Evaluation.

Experienced strategist, entrepreneurship and start-up enthusiast with a passion for building businesses and challenging the status quo. 8+ year track-record of defining new business strategies, launching new ventures, and delivering operational impact, both as a project team lead and executor. A High school teacher by initiation in early stages of career growth, a Lecturer in Entrepreneurship Education, Building and Civil Engineering and Industrial Organization & Management in the TVET Sector.

Dr. Kanyi is an accomplished executive with experience in providing support to high-level boards. Currently serving as a Deputy Director of Technical Education at the State Department of Vocational and Technical Training, Ministry of Education.

Dr. Kanyi is a holder of MSc in Entrepreneurship from Kenyatta University and BSc in Entrepreneurship from Karatina University and a Diploma in Technical Education from Kenya Technical Trainers College.

CPA Jane W. Njogu-Macharia
Representing the National Treasury

CPA Jane W. Njogu – Macharia holds a Masters of Business Administration (Finance) from JKUAT, a Bachelor of Education degree from Moi University majoring in Math and Economics.

A certified Public Accountant of Kenya , CPA(K) and a Member of the Institute of Certified Public Accountants of Kenya (ICPAK), a Certified Information System Auditor (CISA) and a member of ISACA, well trained in public finance management in particular government liquidity and debt management. Currently a PhD student at JKUAT.

Has served in various positions in both private and public entities in the areas of auditing, accounting and finance management. Currently serving as a Deputy Accountant General in charge of Exchequer operations at The National Treasury.

CPA Philip Kakai
Representing Institute of Certified Public Accountants of Kenya (ICPAK)

CPA Philip Kakai was appointed as a member of the Board of KASNEB effective 13 December 2024. CPA Philip Kakai is the current Chairman of ICPAK following his election in September 2023. He joined the Council in 2020. He is the immediate former Vice Chairman, a position he held for two terms from 2021- 2023. He is a seasonedandaccomplishedCertified Public Accountant of Kenya, a member of the Institute in good standing and a Certified Professional Mediator.

He Convenes the Public Policy and Governance Committee and Diaspora Affairs Sub-Committee. He previously Co-convened the Public Policy and Governance Committee:, Convened the Special Events Sub-Committee:, the Human Resources & Governance Committee and has been a member of other ICPAK Council committees for over 10 years.

CPA Kakai currently represents the Institute in the International Federation of Accountants (IFAC) Council:, Pan African Federation of Accountants (PAFA) Board where he also serves in the Planning Human Capital and Finance Committee (PHCFC):,East Africa Community Institutes of Accountancy (EACIA) Board:, KCA University Board of Trustees (BOT),the Elections nominations committee of Harambee Sacco Society and he is a board member of the Kenya Accountants and Secretaries National examinations Board (KASNEB),where he also serves as the Chairman of the Audit and Risk Committee and serves in other policy Committees of the Board. CPA Kakai is also a member of the National Treasury steering Committee on transition from cash to accrual accounting in Kenya.

He has over 25 years' extensive and expansive experience in leadership, financial accounting and management, budget management, audit and project management gained locally and internationally from both the public and private sectors. For his great dedication, contribution and service to the Institute and the accountancy profession, ICPAK granted him a certificate of Commendation in December 2020.

CPA Philip Kakai is currently pursuing a PhD in Finance at Kenyatta University. He holds a Bachelor of Commerce (Accounting option) degree, a Master of Business administration(Finance) degree and an Executive Master of Business administration degree from Moi University and Mount Kenya University.

He has undertaken various courses and holds Certificates in Strategic Leadership Development Program (SLDP) from the Kenya School of Government:, Public Sector Financial Management from ESAMI:,Project Risk Management from ABB:,mediation and Corporate Governance from the Center for Corporate Governance in Kenya and other executive leadership and management courses globally.

CPA Kakai is currently an Assistant Director of Finance at the Judiciary in charge of Revenue and Deposits and serves in various Policy and administrative committees of the Judiciary. He previously served as an Ag. Director Finance and an Ag. Deputy Director Accounts in the same Institution. Prior to Joining the Judiciary in 2013,he served as the Finance Manager of Asea Brown Boveri (ABB) Limited for over 12 years, where he gained extensive International experience in Financial Management, Accounting and Reporting having risen from a position of a Senior Accountant. He started his career as an Accountant at Parklands Sports Club (1997- 1999) and has served the Accounting profession diligently since then.

He served as the pioneer Chairman of the Alumni Association of KCA University 2013-2017, where he remains a member and contributes to the KCA University endowment fund for needy students. He also served as a parent representative at Moi High School-Kabarak for the period 2012-2015. He is a full member of the Friends Church (Quakers) and fellowships at the Friends International Center, Ngong road, Nairobi

He is married to Dr Everlyne Namikoye Samita a lecturer of Entomology at Kenyatta University and they are blessed with four Children Kakai Allan Kakai, Christabel Nechesa Kakai, Mitchel Namalwa Kakai and Nicole Leah Kakai. CPA Kakai is keen on driving thought leadership, stakeholder engagement, advocacy, Public Policy, Public finance, governance and the legislative affairs of the Nation.

CPA Prof. Elizabeth N. Muvui-Kalunda

Representing Institute of Certified Public Accountants of Kenya (ICPAK)

Muvui was appointed as a member of the Board effective from 1 November 2021. She is a nominee of the Institute of Certified Public Accountants of Kenya in accordance with Section 15(1)(f) of the Accountants Act, No.15 of 2008.

She is a holder of Doctor of Philosophy, Business Administration, Banking Specialization, University of Nairobi, Masters in Business Administration (M.B.A) Accounting option, University of Nairobi, Bachelor of Education from Moi University and the Certified Public Accounting Profession.

Prof. Kalunda is a Professor at the United States International University-Africa (USIU-A), in the Chandaria School of Business in the area of Finance and Accounting. She previously served at the Institute of Certified Public Accountant of Kenya in various positions as, Training Manager, Head of Technical Training and Project Co-coordinator-World Bank-IDF. She has also served as the Associate.

Director at JMG Strategy Innovations Ltd in charge of Business Research. She has also worked at Dedan Kimathi University of Technology, Government Training Institute and Teachers Service Commission.

Prof. Kalunda is a seasoned consultant, facilitator and researcher andhasbeeninvolvedinresearch in the area of Corporate Finance, Corporate Governance, Women Economic Development and Banking Outreach. She has trained various groups in design thinking, business development, business plans and innovations.
Prof. Kalunda is a member of the Institute of Certified Public Accountants of Kenya (ICPAK), AuditCommitteeMemberofNairobi County Government and Board of Directors of Kasarani Technical and Vocational College and a Board member in a number of Secondary Schools in Kenya.

Ms. Lilian Abishai

Representing The Office of the Attorney General and Department of Justice

She is a member of the Board of kasneb and currently serves as a Deputy Chief State Counsel in the Office of the Attorney General and Department of Justice for fourteen (years). Prior to joining Government, she had worked in various capacities in several Civil Society Organisations. She joined kasneb Board on 2 November 2023.

She has expertise in a number of areas of law such as Contract Law, Private Public Partnerships, Public Procurement, International Procurement, Energy Law, Public Finance, Public Policy, Competition Law, Arbitrations both national and International, among others. She also has a robust skill set that includes legal advice, legal writing, contract drafting, legal research, negotiating contracts and financing, legal due diligence, legal audits, among others.

She is proficient in serving in public service having undertaken Senior Management Course (SMC) and Strategic Leadership Development Program (SLDP) at the Kenya School of Government. Further, she has served in various capacities in senior positions in Government for over ten (10) years.

She holds a Postgraduate diploma in Law (Advocates Training Program), Kenya School of Law, Bachelor of Laws (LLB) from the University of Nairobi and LLM in International Trade and Commercial Law from the University of Essex, UK.

FCS Joshua W. Wambua MBS
Representing the Institute of Certified Secretaries of Kenya (ICS)

He was appointed a member of the Board of KASNEB effective 13 December 2024. He is a Certified Secretary and a Fellow of the Institute of Certified Public Secretaries of Kenya. He holds a Master of Business Administration Degree with a major in Finance from the University of Nairobi and a degree in Business Administration in Finance.

He has served as a County Executive committee member in Makueni and also as County Secretary. He has also served and continues to serve in a number of Board of Management of schools.

In 2012, he was awarded the Moran of the Burning Spear (MBS) by the President of Kenya for his outstanding contribution to Nation building.

He has worked with Kenya Posts & Telecommunication, lectured at Multimedia University and is an examiner at KASNEB. He was party to the conceptualization of the framework that led to the formation of the International Federation of Company Secretaries (IFCS) in Delhi- India and served as a member of IFCS for five years.

He served as the Secretary and the Chief Executive of the Institute of Certified Public Secretaries of Kenya for a period of thirteen years and also served as a Board member of the Public Procurement Administrative Review Board. He also served as the Honorary Secretary of the Association of Professional Societies in East Africa (APSEA).

Mr. Yussuf M. Ibrahim
KASNEB Board Member

He was appointed as a Memberof KASNEB Board with effect from 2nd November 2023. He is a nominee of the Board of kasneb in accordance with Section 15(1)(d) of the Accountants Act, No. 15 of 2008.

He is in possession of MSc. (Human Resource Management), Bachelor of Arts, Higher Diploma in Human Resource Management. He is a member of the Institute of Human Resource Management (IHRM-K).

Mr. Ibrahim is a Human Resource Practitioner in the public sector with over 27 years experience.

CS Judy W. Omurwa
Representing the Institute of Certified Secretaries of Kenya (ICS)

She was appointed as a member of the Board of KASNEB effective 13 December 2024. She is a member of the Institute of Certified Secretaries, an experienced Corporate Secretary, accredited governance auditor, and Corporate Governance consultant. She has worked as an in-house corporate secretary where she advised the Board and Management on governance matters, risk and compliance, and adopted best Corporate Governance practices and procedures.

Currently, she is an independent legal and corporate governance consultant, trainer/facilitator, corporate secretary, and Board Member. She has led and participated in governance and legal audits for various state corporations and publicly listed companies and provides various corporate secretarial, legal, regulatory, and compliance services.

CS Judy has been involved in drafting Corporate Governance guidelines and Codes of Conduct, subsidiary legislation, board and board committee charters, policies, and guidelines for entities in diverse sectors. She has also facilitated several seminars and workshops in the areas of Corporate Governance, minute writing, meetings, board processes, and procedures.

She is a Member of the Board of Safaricom Investment Cooperative Limited (SIC) and chairs the Historic and Problematic Lands Board Committee.

CS Judy is also an Advocate of the High Court of Kenya, a Commissioner for Oaths, and a Notary Public. She holds a Law degree from the University of Nairobi, a postgraduate diploma in Law from the Kenya School of Law, and a Master of Business Administration (Strategic Management) from United States International University – Africa.

Ms. Samantha S. Kipury
Representing KASNEB Board

She was appointed as a member of the Board of KASNEB effective from 13 December 2024. She is the Founder and Group Head of Strategy & Media at Dentsu Kenya where she dedicated over 14 years to overseeing the strategic development and implementation of the business. Her leadership has propelled the company to achieve significant growth, expanding agency services and establishing Dentsu Kenya as a regional hub for multiple clients.

With a track record of guiding businesses through pivotal transformations and ensuring seamless client interactions, she has been recognized with numerous accolades, including being named one of the 50 Most Influential Women in Kenya by Africapitol Ventures in 2024, Future is Female Award by Adweek US (2023) In Johannesburg, South Africa among others.

Passionate about education, she has mentored and financially supported young women from the Maa community, advocating for their educational success. She is a graduate from Monash University and holds a Master's Degree in Strategic Management from Catholic University, and a Corporate Governance Course with Women on Boards.

Senior Management

FCPA Prof. Nicholas K. Letting' PhD, EBS
Secretary/Chief Executive Officer, KASNEB

He is the Secretary/Chief Executive Officer of KASNEB and the immediate past Vice Chancellor/Chief Executive Officer of the Management University of Africa (MUA). He is also an Adjunct Associate Professor at KCA University, Kenya. He is a triple alumnus of the University of Nairobi from where he acquired a Doctor of Philosophy (Ph.D) in Business Administration (Strategic Management), a Masters in Business Administration (MBA) and Bachelor of Commerce (Marketing option).

He is a holder of three (3) Professional Qualifications from KASNEB namely; Certified Public Accountant (CPA), Certified Public Secretary (CPS) and Certified Investments and Financial Analyst (CIFA). He has attended several leadership courses including The Effective Director Programme at Strathmore University Business School (SBS) and Strategic Leadership Development Programme from Kenya School of Government (KSG).

Prof. Letting' is a Fellow in four (4) professional bodies namely; the Institute of Certified Public Secretaries (ICPSK), the Institute of Certified Public Accountants of Kenya (ICPAK),) Institute of Certified Investments and Financial Analysts (ICIFA) and the Kenya Institute of Management (KIM). In addition, he is a member in good standing of the Institute of Directors (IoD) and the Institute of Human Resource Management (IHRM- K).

He has over twenty-five (25) years experience in industry and academia drawn from both the private and public sectors. For over ten (10) years as CEO he has provided top notch administrative, financial, strategic leadership and mentorship services in reputable organisations. He previously worked at British American Tobacco (BAT), Kenya, MUA and Kenya Institute of Management (KIM).

Prof. Letting' is a member of Multi – Agency Taskforces (MAT) in The National Treasury and Economic Planning for the drafting of the Accountants' Amendment Bill, 2024 which included developing regulations to the Accountants Act No.15 of 2008 and the drafting of the Certified Public Secretaries' Amendment Bill, 2023.

He is a member of the Councils of ICPAK, ICS and ICIFA where he chairs various Committees. He was the Chairman of the Institute of Certified Public Secretaries of Kenya (ICPSK) from the year 2014 to 2016 and was also a Council Member of the Kenya Institute of Curriculum Development (KICD) during the formulation of the Competency Based Curriculum for the Basic Education in Kenya.

Prof. Letting' is currently the Chairman of the Association of Professional Societies of East Africa (APSEA) where he previously served as Honorary Treasurer for four (4) years. He represents APSEA on the Board of Public Sector Accounting Standards Board (PSASB). He is also a volunteer in many societal development and humanitarian organisations such as the Kenya Red Cross Society (KRCS) where he serves as a Treasurer of the Lower Eastern Region (LER).

Heads of Directorates

FCPA Dr Isaac M. Njuguna PhD
Director, Corporate Services

is the Director of Corporate Services (DCS) at KASNEB, a position he has held since January 2023. He has previously served as the Director of Examinations at KASNEB for over ten years. His role as DCS principally involves coordinating and providing strategic direction in the finance, administration, marketing and communication and human resource management functions, which support the achievement of KASNEB's examination mandate.

Dr Njuguna is a member and fellow of the Institute of Certified Public Accountants of Kenya, member of the Institute of Certified Investment and Financial Analysts, Institute of Directors (IoD), Kenya Chapter and the Kenya Institute of Management. He holds a Doctor of Philosophy Degree in Finance from Kenyatta University in addition to a Masters Degree (Finance) and Bachelors Degree (Accounting), both from the University of Nairobi.

Dr Njuguna has served in various Boards and Committees, including as a Board member at the International Accounting Education Standards Board (IAESB) based in New York, USA. He currently serves in the Accountancy and Learning Development Committee of the Pan Africa Federation of Accountants and in the Technical Committee of the East Africa Community Institute of Accountants (EACIA). He has also been engaged in various capacity building projects, including in Burundi for the Ordre des Professionnels Comptable du Burundi, the local professional accountancy body, under a World Bank led project.

Dr Njuguna is passionate about professionalism and integrity in public service.

Caroline W. Karia
Deputy Director, Planning

She is the Acting Director, Strategy and Planning. She is also the Quality Management Representative. Caroline co-ordinates the functions of three Divisions in the Directorate namely; Planning and Performance Management, Quality Management System and Risk Management Co- ordination; and Corporate Research, Innovation and Consultancy Divisions respectively.

Caroline holds a Bachelor of Education (Arts) degree from Moi University and Master of Business Administration (MBA) from Deakin University, Melbourne, Australia, the compass guiding her global journey of professional stints in Swaziland, Australia, and Kenya. Each destination enriched her tapestry of experiences, culminating in a remarkable over 20-year legacy in strategic management, governance, quality management, consulting and management training.

Caroline is a Chartered Governance Professional and a Fellow of the Chartered Governance Institute (UK & Ireland). She is also a Chartered Marketer and a Fellow of the Chartered Institute of Marketing (UK); additionally, she is a Chartered Quality Professional and a member of the Chartered Quality Institute (UK) and also holds a Postgraduate Diploma in Project Planning and Management from Catholic University of Eastern Africa.

Caroline is a Lead Internal Quality AuditorandamemberoftheNational Quality Institute (NQI). Amidst her accomplishments, Caroline remains a student at heart. Nestled in the hallowed halls of the Edinburgh Business School at Heriot- Watt University, UK, she's presently sculpting her Doctorate in Business Administration (DBA).

CPA Erasto Mukuria Ng'ang'a
Acting Director Curriculum Research and Development

He is the Acting Director Curriculum Research and Development at KASNEB. He holds a Bachelor of Commerce (B. CoM) degree (Accounting and Finance Double Major, First Class Honours) and a Master of Commerce (M.CoM) degee in Forensic Accounting (Distinction) both from Strathmore University.

In addition, he holds a Diploma in Technical Education (Accounting and Mathematics Major) from the Kenya Technical Teachers College (KTTC) recently renamed the Kenya College of TVET. He is a Certified Public Accountant CPA (K) and is a member of the Institute of Certified Public Accountants of Kenya (ICPAK).

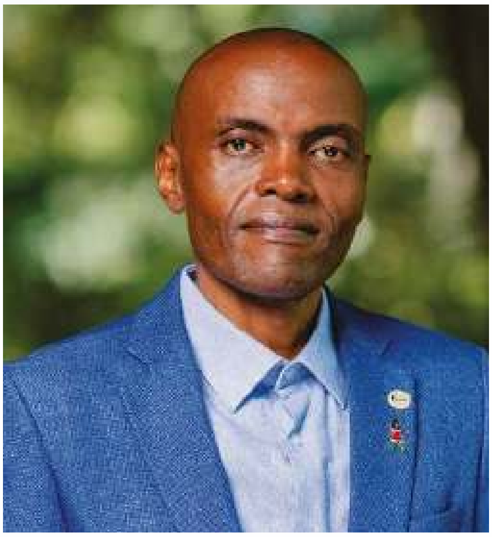
He is also a member of the Institute of Certified Investment and Financial Analysts (ICIFA). He has undertaken many short courses in the areas of Accounting, Finance, Communication, Governance, Strategic Management, Innovation as well as Transformational Leadership.
He boasts of vast experience in the areas of training, development of test instruments as well as curriculum research and development in Accounting, Finance and related disciplines.

Joseph N. Kariga
Ag. Director Examinations Administration and Processing

He is the Acting Director, Examinations Administration and Processing at KASNEB. He has over 28 years' experience in logistics and examinations management gained from the private and the public sector. He has previously served as Deputy Director, Examinations Administration as well as Manager Examinations Administration and Logistics at KASNEB. He has also served as a Procurement Officer in various public institutions in Kenya.

He holds a Master of Arts degree in Economic Geography and a Bachelor of Arts degree in Economics/Geography both from the University of Nairobi. He holds a Postgraduate Diploma in Purchasing and Supply Chain Management from the Chartered Institute of Purchasing and Supply (CIPS), UK, and is a member of this institute.Heisalsoamemberof the Kenya Institute of Supplies Management (KISM).

CPA Jason K. Mwangi
Ag. Director Internal Audit and Risk Assurance



is the Acting Director Internal Audit and Risk Assurance at kasneb. In this role, he provides independent and objective assurance to management and the Board on the effectiveness of risk management, internal controls, and governance processes.

He is an experienced audit and risk assurance professional with over 20 years of experience in both public and private sectors. He played a pivotal role in strengthening internal controls, setting up audit functions, and driving risk-based audit strategies in institutions such as, Women Enterprise Fund, UBA Kenya Bank, and Cooperative Bank of Kenya.

He holds a Master of Business Administration (MBA) from the Institute of Technology, Australia, and a Bachelor of Commerce (Accounting) from Kenyatta University. He is a Certified Public Accountant (CPA-K), Certified Internal Auditor (CIA), Certified Information Systems Auditor (CISA), and holds a Certificate in Risk Management Assurance(CRMA).

He is an active member of Institute of Certified Public Accountants of Kenya (ICPAK), Information Systems Audit & Control Association (ISACA), and the Institute of Internal Auditors (IIA).

Francis A. Okubo
Ag. Director, Supply Chain Management

He is the Ag. Director, Supply Chain Management. Francis is a licensed Supplies Practitioner with over 20 years' experience in managing Supply Chain Management functions in both the Public and Private Sector.

He holds a Bachelors of Education and a Masters in Business Administration Degrees both from the University of Nairobi. Mr. Okubo also holds a Diploma in Supply Chain Management from the Technical University of Kenya and is a Certified Procurement and Supply Professional of Kenya (CPSP-K).

He also holds an Advanced Certificate in Organizational Development(Germany);Strategic Leadership Development Programme Certification; Licensed Supplies Practitioner; Advanced Certificate in World Bank's Procurement Framework (Giz) and Executive Leadership in Supply Chain Management (Strathmore University). He is currently pursuing a PhD in Supply Chain Management (finalist) at JKUAT Mr Okubo has vast experience in Public Procurement, Project Management, Performance Contracting, Quality Management Systems, Knowledge Management, Policy Formulation and Analysis, Lecturing, Examinations Administration and Management including Publishing Articles, Co-authoring and Peer Reviewing of International Academic Journals. He is a full member of the Kenya Institute of Supplies Management (KISM) and National Quality Institute (NQI) and ISO 9001:2015 QMS Qualified Lead Auditor.

Daniel N. Ngunyi
Ag. Deputy Director Quality Assurance and Accreditation

He serves as the Acting Deputy Director of Accreditation at kasneb, where he is a key leader in advancing the institution's commitment to quality and digital transformation. With a robust background spanning education, technology, and quality management, Daniel brings a unique blend of expertise to his role.

He holds a Master of Science in Geospatial Information Systems and Remote Sensing and another Master of Science in Information Technology Management in addition to a Bachelor's Degree in Education. He is also a certified expert in information security and systems auditing, holding both Certified Information Security Manager (CISM) and Certified Information Systems Auditor (CISA) credentials. As a Lead Auditor for ISO 9001:2015 Quality Management Systems, he is dedicated to upholding the highest standards of quality and excellence.

Daniel's extensive experience is built on a foundation of examinations development, quality assurance, and accreditation, complemented by a deep understanding of information and communication technology (ICT). His core responsibilities include:

- Overseeing Examination Quality Assurance: Ensuring the integrity and quality of all examination processes and activities.
- Coordinating Institutional Accreditation: Driving Excellence and Innovation in Accreditation at kasneb by leading the accreditation of training institutions to maintain high educational standards.

In addition to his accreditation and quality assurance leadership, Daniel is a pivotal figure in kasneb's digital future, serving as the ERP Project Manager to spearhead the organization's digitalisation agenda. His leadership drives both operational excellence and strategic innovation, positioning kasneb for continued success.

CPA Sailot Keke
Deputy Director Finance and Accounts

She has over 15 years' experience in Finance and Auditing both in Public and private sector service. She currently serves as the Deputy Director, Finance and Accounts having previous served as Manager Internal Audit for over 7 years in kasneb. Before joining kasneb, she served as the Information systems auditor with IEBC and previously as a Regional Auditor with NGCDF Board.

She holds a Bachelor of Commerce Accounting Option and a Master of Business Administration degree in Finance. She is a holder of the CPA, CISA and CS qualifications. She is an active member of the Institute of Certified Public Accountants of Kenya (ICPAK), Information and Systems Audit and Control Association (ISACA) where she has actively participated as a member of the Audit Committee and served as a chair. She is also a member of the Institute of Internal Auditors (IIA) and Association of Women Accountants in Kenya (AWAK) where she is a member of the Training and Development Committee and served previously in the Audit Committee.

Hamida A. Mwilu
Deputy Director Business Development

She is the Deputy Director, Business Development at kasneb and is incharge of driving kasneb's Customer Experience, Brand management, Marketing and Communication. She is a transformational leader, brilliant in building first-class marketing and has a reputation as an "out-of-the-box" innovator with a customer- centric focus. She is a chartered and highly ambitious Marketing, PR, and Communications Professional, with a key eye for new market share. She offers a unique blend of leadership, vision, and knowledge of strategic planning, project management, and business development.

Ms Hamida's key competencies are in; Marketing, Corporate Communication, Stakeholder Management, Brand Management, Project Management, Strategic Management, Change Management, Customer Relationship Management, and People Management. Ms Hamida joined kasneb in August 2013, she holds a Bachelor's Degree in Marketing and Management from Edith Cowan University. She also holds a Professional Diploma in Marketing (HL) from the Chartered Institute of Marketing (CIM). She also holds a Master's Degree in Business Administration – MBA, Strategic Management from Kenyatta University. Hamida is a member of the Chartered Institute of Marketing (CIM), Public Relations Society of Kenya (PRSK) and the Institute of Customer Experience (ICX) Kenya.

CS CPA Joyce M. Afanda
Ag. Deputy Director, Legal Services

She serves as the Ag. Deputy Director, Legal Services at KASNEB. Shebrings to the institution over fifteen years of progressive experience in legal, governance, and audit matters within both the private and public sectors.

She is an Advocate of the High Court of Kenya, a Notary Public, and a Commissioner of Oaths. She is also a Certified Public Secretary, Certified Public Accountant, Certified Governance Auditor, and a Certified Governance, Ethics, Risk and Compliance Expert. In addition, she is a trained and certifiedNegotiatorandMediator by the University of Aberdeen, United Kingdom.

CS Afanda holds a Master of Laws (LL.M) degree in International Trade Law from the University of Aberdeen, a Master of Business Administration (MBA) in Human Resource Management from Kenyatta University, and a Bachelor of Laws (LL. B) degree from the University of Nairobi. She also holds a Postgraduate Diploma in Law from the Kenya School of Law. She is an active member of the Law Society of Kenya (LSK), the Institute of Certified Public Secretaries of Kenya (ICPSK), and the Institute of Certified Public Accountants of Kenya (ICPAK).

Her key responsibilities at KASNEB include the management of Board and Committee affairs, provision of legal and compliance advisory, contract negotiation and management, as well as oversight of governance audits and related matters. She oversees two core divisions: Legal Services and Board Services.

CHAIRMAN'S STATEMENT

Introduction

On behalf of the Board of KASNEB, it is my pleasure to present the annual report and financial statements for the financial year ended 30 June 2025, and the outlook for the financial year 2025/2026. The Board is responsible for providing oversight and strategic stewardship of KASNEB for sustainability.

Dr Percy Opio
Chairman of the Board,
KASNEB

KASNEB has continued to perform well over the years. The evaluation of the performance contract (2023/2024) was undertaken on Monday, 13 January 2025 with a score of 2.9449 (very good) compared with a score of 3.0432 (good) in the 2022/2023 financial year.

During the 2024/2025 financial year, the Board continued to ensure effective discharge of KASNEB's mandate. This was achieved amidst the backdrop of various uncertainties and disruptions which included the prolonged Russia – Ukraine and Israel – Palestine conflicts, stiff global competition, economic uncertainties, cybersecurity threats among other dynamics that affected growth projections.

The operations of KASNEB are governed by the Accountants Act, No. 15 of 2008 and the Accountants (Examinations) Rules, 2022; the Certified Public Secretaries Act. Cap. 534 of 1988 and the Investment and Financial Analysts Act, No. 13 of 2015. Section 15 (1) of the Accountants Act provides for the appointment by the Cabinet Secretary, National Treasury and Economic Planning of eleven (11) members to serve on the Board for a period of three years.

Under the provisions of the Accountants Act no.15 of 2008, the Board has been mandated to establish committees it considers necessary to help it realise efficient and effective execution of its functions. The various Committees and Trusts established by the Board, their leadership, membership and their respective responsibilities are indicated on page LI of the annual report and financial statements. The members of the Board and its committees are provided with adequate resources as well as relevant and timely information to enable them discharge their fiduciary responsibilities and maintain full and effective control over strategic, financial, operational and compliance issues.

Corporate Strategic Plan (2022-2027)

The implementation of the sixth Corporate Strategic Plan (2022-2027) was in its third year of implementation. The Corporate Strategic Plan is aligned with the national priorities amongst other emergent issues recognizing KASNEB's critical role as an enabler in job creation for economic development. The strategic plan is anchored on four (4) strategic themes modelled on the balanced scorecard namely: Growth; Sustainability; Business Process Re-engineering and Staffff Engagement and Enhanced Productivity. The Corporate Strategic Plan (2022-2027) provides robust strategies to facilitate the renewal of KASNEB for a sustainable growth trajectory.

A mid-term review of the Corporate Strategic Plan was undertaken during the fifinancial year to align with emergent issues in the business operating environment. The revised plan focused on digital transformation and was implemented from 1 July 2025. The annual performance contract (PC) is aligned to the Corporate Strategic Plan. KASNEB has continued to perform well over the years. The evaluation of the performance contract (2023/2024) was undertaken on Monday, 13 January 2025 with a score of 2.9449 (very good) compared with a score of 3.0432 (good) in the 2022/2023 fifinancial year. The improvement in performance was partly attributed to timely settlement of pending bills, enhanced sensitization of employers on KASNEB qualifications, enhanced compliance with AGPO requirements and increased promotion of local content in procurement opportunities.

Developments related to examinations

The core mandate of KASNEB is tied to the development and administration of examinations. During the year under review, three (3) examination sittings were successfully administered in August 2024, December 2024 and April 2025. Adequate measures were put in place to ensure that the examinations were administered in an environment of security and integrity. In addition, the Board continued to explore measures of improving effifficiency in the examinations processes, including merger of examination centres and simultaneous marking of examinations which reduced the waiting period for results by candidates. KASNEB continued to partner with the Ministry of Education, Ministry of Foreign Affffairs among other Government institutions in the administration of its examinations.

Computer-based examinations were administered to about 6,000 candidates spread across forty-six examination centres both in and outside Kenya. The CBE system was enhanced with additional security features to improve integrity and security of the examinations. Additional qualifications will be onboarded for delivery through the computer- based examination platform in the 2025/2026 fifinancial year.

The inaugural Kasneb International

Conference for Professionals (KICP) was held in July 2024. During the KICP, KASNEB launched two qualifications namely; the Certified Public Finance Manager (CPFM) qualifification and the Diploma in Quality Management (DQM) qualifification which was developed in partnership with the Kenya Bureau of Standards (KEBS). The fifirst graduation ceremony for the fifirst cohort of Certified Forensic Fraud Examiners (CFFE) was held during the inaugural conference.

KASNEB is committed to maintaining excellence and relevance in professional education and certification. In line with this commitment, we will be undertaking major syllabuses review to align them to emergent reforms in the education sector and best practices. The review will involve stakeholder engagement, benchmarking against leading international standards and incorporation of emerging trends and technologies. In addition, KASNEB will launch the centres of excellence in partnership with training institutions.

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Ongoing projects and initiatives

During the year under review, KASNEB commenced the following four (4) projects: Biometric registration of KASNEB students, upgrade of the data centre to Tier II, upgrade of the Local Area Network (LAN), repairs and renovations of KASNEB Towers I and II.

Upon completion, the project on biometric registration of students is expected to enhance the integrity of student biodata. The upgrade of the data centre to Tier II will enhance data storage and security to support the full roll out of computer- based examinations. The project on upgrade of local area network aims at enhancing the internet accessibility and security. The renovations and repairs of KASNEB Towers I and II are expected to enhance the working environment, safety and security of the buildings.

The occupancy rate in KASNEB Towers II for leased space was at 86%. Potential clients are expected to take up the remaining 14% of lettable space in the coming years.

In addition, a number of modules were operationalised in the Enterprise Resource Planning (ERP) system which translated into an estimated completion rate of 62%. It is envisaged that full implementation of the ERP system will be realized in the 2025/2026 fifinancial year which will lead to enhanced operational effifficiency.

ISO Quality Management System KASNEB continued to implement

the ISO 9001:2015 Quality Management System (QMS) which has signifficantly contributed to enhancing effifficiency in operations. Internal ISO audits continued to be undertaken to ensure compliance with set procedures and processes. The second surveillance audit by KEBS was undertaken in September 2024 during which KASNEB was recommended for continued certifification.

Digitalisation Strategy

The Board remains fully committed to supporting the Government's digitalisation agenda. To this end, a digitalisation strategy has been developed for implementation over a period of fifive (5) years from the fifinancial year 2025/2026. The implementation of this strategy is primed to enhance service delivery, improve operational effifficiency and enable the Board to effectively discharge its mandate. This strategic blueprint serves as a roadmap, guiding resource allocation and leveraging KASNEB's strengths to capitalize on opportunities and overcome challenges. The digitalisation strategy is aligned to the relevant national strategic blueprints, including the Kenya Vision 2030, the Bottom Up Economic Transformational Agenda (BETA), Digital Economy Blueprint (2019) and Kenya National Digital Masterplan (2022 -2032) amongst others.

Marketing, outreach and public communication

The marketing of KASNEB qualifiifications was a key agenda during the year. Various marketing, publicity, brand visibility, environmental, social, governance and customer service activities were undertaken to sensitise the public on the professional brand.

KASNEB also continued to undertake various sensitisations to potential students through career talks in universities, colleges and schools as well as participation in trade fairs. The Board employed digital marketing channels to expand its outreach activities particularly among the youth. During the year under review, a total of 15,760 new students registered for KASNEB qualifiificationsincomparisonwith 13,334 in the prior year. In addition, a competitor analysis survey was undertaken during the year which identifified the key strategies that would inform a competitive marketing and communication plan. The Board remains focused on expanding the marketing initiatives in the next fifinancial year and beyond with a view to increasing the students base.

Further, the KASNEB Foundation, in partnership with the Higher Education Loans Board (HELB) continued to extend loans and bursaries to needy students pursuing KASNEB qualifiifications. A total of 4,388 students had benefifited from loans bursaries disbursed by the Foundation as at 30 June 2025.

Appreciation

I wish to take this opportunity to express our sincere gratitude to our valued customers, training institutions and other stakeholders for their continued support, loyalty and confifidence in the qualifiifications of KASNEB. I am grateful to the members of the Board and its Committees for their continued commitment, advice and support in ensuring sustainability of KASNEB. I also wish to thank the management team for their leadership and members of staffff for their diligence and commitment in delivering quality service to our customers andstakeholders.

I further wish to appreciate the Government of Kenya and our parent Ministry, the National Treasury and Economic Planning for their continued support and guidance in fulfifilling the mandate of KASNEB. We remain committed in delivering on our mandate and ensuring sustainability of KASNEB.

Thank you and God bless you.

The Board remains fully committed to supporting the Government's digitalisation agenda. To this end, a digitalisation strategy has been developed for implementation over a period of five (5) years from the financial year 2025/2026. The implementation of this strategy is primed to enhance service delivery, improve operational efficiency and enable the Board to effectively discharge its mandate.

Dr Percy Opio
Chairman of the Board,
KASNEB

REPORT BY THE SECRETARY/CHIEF EXECUTIVE OFFICER

Prof. Nicholas K. Letting', PhD, EBS
Secretary/Chief Executive Officer, KASNEB

The financial year 2024/2025 has been one of transformation, resilience and renewed commitment to execution of our mandate of advancing professional certifification and education through research, innovation, accountability and service excellence. During the period under review, KASNEB continued to implement the Bottom Up Economic Transformation Agenda (BETA) initiatives.

However, KASNEB encountered several challenges that hampered effffective implementation of its mandate, key amongst them; persistent global inflflationary pressure, rapid technological advancements, frequent changes in legal and policy frameworks and inadequate resources. In spite of the challenges, KASNEB remained steadfast in implementing its mandate nationally and globally.

The Board and management continued to pursue a number of recovery strategies to boost productivity, contain costs and expand the revenue base. The average inflation rate in Kenya for financial year 2024-2025 was 4.5% as reported in the 2025-2026 budget. This was a signifificant decrease from the 7.7% recorded in 2023. The decline was attributed to factors like easing food and energy prices, exchange rate appreciation, and monetary policy interventions. The inflation rate impacted positively on operational costs and the projected revenue targets.

Performance outlook

The Board reported a surplus of Sh. 27,065,542 in the 2024/2025 financial year compared to a surplus of Sh. 248,176 in the 2023/2024 fifinancial year. This surplus was partly attributed to enhanced operational efficiency, automation initiatives and roll out of cost containment strategies. The initial budget for the fifinancial year 2024/2025 was rationalized and reduced by 30% as per Government directive on fiscal consolidation. Subsequently, requests to review the initial budget were submitted to the National Treasury and Economic Planning to ensure successful discharge of the core mandate of KASNEB and were approved. The projected growth in revenue was realised as the uptake of KASNEB qualifications increased both in new student registration and candidature. This was attributed to enhanced marketing initiatives and the increased purchasing power arising from the relatively lower inflflation rate in financial year 2024/2025 compared to the prior year.

We anticipate continued growth in surplus for the 2025/2026 financial year. The Board has implemented a series of measures in line with government policy, designed to optimize the cost structure and expand the revenue streams. Key among these initiatives is a robust marketing campaign aimed at driving higher new student enrollment and examination bookings for all KASNEB qualififications. This includes digitalisation of KASNEB services to improve operational efficiency and collaborative marketing efforts with training institutions.

During the financial year 2024/2025, the Board successfully administered three examination sittings, in August 2024, December 2024 and April 2025. This, coupled with increased new student registrations and candidature among other factors, contributed to a positive rise in revenue, with total income rising to Sh.947,549,717 from Sh. 863,056.260 in the previous fifinancial year. The budgeted income targets of Sh. 918,825,000 were realised. Total expenses decreased from Sh. 806,365,546 in the prior year to Sh.795,340,110 during the fifinancial year 2024/2025. Austerity measures continued to be instituted to meet capital and recurrent expenditure commitments from internally generated revenue and retained earnings without recourse to the Exchequer. KASNEB revenue base continued to be supplemented by other income sources including rent and investment income, which generated total revenue of Sh.213,065,903 compared to Sh.171,137,579 for the previous financial year.

During the period under review, KASNEB adhered to all the applicable provisions under the Public Finance Management Act, 2012, Public Procurement and Assets Disposal Act. No.33 of 2015, Treasury Circulars and related regulations issued by the Government from time to time.

Implementation of the revised syllabuses and administration of examinations

KASNEB continued to discharge its examinations mandate, successfully administering a total of sixteen (16) qualififications at vocational, certifificate, diploma, professional and post- professional levels to an estimated 70,651 candidates compared to 67,314 candidates in the previous financial year. It is envisaged that the diverse qualifications will continue to address the career progression needs of a cross- section of Kenyans, which should also result in an increase in new student registrations.

KASNEB also continued to expand its market base and recognition nationally, regionally and globally. To this end, the first CPA Burundi Examinations in French were also administered in February 2025. In addition, KASNEB continued to administer the fourth cohort of examinations for the CPA Burundi qualifification under a transition programme. KASNEB continued to be represented in the Accountancy Learning and Development Committee of the Pan African Federation of Accountants (PAFA). Efforts are also ongoing to translate the current syllabuses and brochures into French as part of the effforts to gain a foothold in the Francophone countries in Africa.

Strategic partnerships and collaborations

During the period, KASNEB broadened its outreach, partnership and collaboration base. Towards this end, KASNEB continued to implement the Service Level

Agreement with Huduma Kenya to enhance service delivery through the Huduma Centres. In addition, KASNEB sustained the collaborations with Kenya Institute of Supplies Examinations Board (KISEB) for the administration of Procurement and Supplies management professional examinations and also with Kenya Bureau of Standards (KEBS) for the administration of the quality management professional examinations.

Additionally, KASNEB collaborated with The National Treasury and Economic Planning in the development and launch of the Certified Public Finance Manager (CPFM) post-professional qualifiication. Other strategic partners with whom KASNEB engaged were the Commission for University Education (CUE) with regard to credit transfer arrangements with universities, Postal Corporation of Kenya on dispatch of certificates to KASNEB graduates across the country, Housing Finance Group on investment of surplus funds in collection accounts. Further, in May 2025, KASNEB was admitted by PAFA into a multi-stakeholder advisory group to support the operationalization of the Ethiopia Institute of Certified Public Accountants.

Operational achievements and improvements

During the financial year 2024/2025 the following key milestones were realized by the Board:

a. Enhanced integrity, quality, timely development and administration of examinations.
b. Timely marking and release of examination results over the three examination sittings.
c. Introduction of two (2) additional qualifiications namely; CPFM at post-professional level and DQM at Diploma level.
d. Assessment of fiifive (5) centres of excellence.
e. Increase in the number of newly accredited training institutions.
f. Cost optimization through business process reengineering in areas such as; printing and stationery, postage, telephone and sundry expenses.
g. Continued certiification of KASNEB under ISO 9001:2015 Quality Management System.
h. Compliance with statutory and regulatory requirements.
i. Mid-term Review of Corporate Strategic Plan (2022-2027) to align with emergent issues in the business operating environment.
j. Development and review of various policies and procedures. (k) Development of the digitalization strategy (2025/2026-2029/2030).
k. Successful marketing programmes undertaken in secondary schools and institutions of higher learning.
l. Enhanced digitalization of operations through investment in ICT infrastructure.
m. Development and approval of Human Resource Management instruments by the Public Service Commission.
n. Increase disbursements of loans and bursaries through KASNEB Foundation to 4,308 beneficiaries from 1,551 beneficiaries in the prior year.

Outlook for the financial year 2025/2026

The projected outlook for the next fiinancial year is expected to record a positive trajectory. However, to increase productivity, streamline operations and respond to customers' everchanging needs, KASNEB intends to undertake and continue with the following initiatives, among others in the next fiinancial year:

a. Innovative marketing campaigns to enhance new student registrations and candidature.
b. Continued implementation of the following eight (8) flagship projects in a phased approach:
   - Digitalisation of KASNEB operations.
   - Upgrade of the Primary Data Centre to Tier II Data Center.
   - Operationalise the Customer Experience Centre.
   - Biometric registration and identiification of students.
   - Roll out of Computer Based Examinations (CBE) for all qualifications.
   - Establishment of twenty (20) Centers of Excellence (CoEs).
   - Development and publishing of study packs for all qualifications.
   - Enhancement of the operationalisation of the research, innovation and consultancy function.
c. Major syllabuses review of KASNEB qualiifications to align to emergent issues.
d. Roll out of end to end e-government procurement system.
e. Implement the foreign markets policy.
f. Enhanced capacity building for staffff through continuous professional training and development.
g. Implementation of the approved Human Resource Management Instruments.
h. Affirmative action and diversity mainstreaming Initiatives to create employment opportunities for the youth, women and persons living with disabilities.
i. Strengthen internal control and risk management framework.

I would like to extend my heartfelt gratitude to the Board, Management, Members of Staff, Examiners, Invigilators and Training Institutions for their steadfast support and commitment. To our valued customers and stakeholders, we thank you for your continued engagement, feedback and trust in our services. We acknowledge with appreciation, the guidance and invaluable support from our parent Ministry, The National Treasury and Economic Planning and other Government agencies. We look forward to your continued support and engagement in the next financial year.

Prof. Nicholas K. Letting', PhD, EBS
Secretary/Chief Executive Officer,
KASNEB

KASNEB encountered several challenges that hampered effective implementation of its mandate, key amongst them; persistent global inflationary pressure, rapid technological advancements, frequent changes in legal and policy frameworks and inadequate resources. In spite of the challenges, KASNEB remained steadfast in implementing its mandate nationally and globally.

CHAPTER

02

STATEMENT OF PERFORMANCE AGAINST PREDETERMINE OBJECTIVES

STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FINANCIAL YEAR 2024/2025

The implementation of the sixth Corporate Strategic Plan (2022-2027) which was anchored on the theme, "Renewal of Aspirations" came into effect on 1 July 2022 following the successful implementation of the fifth Corporate Strategic Plan (2017-2022) which expired on 30 June 2022. The sixth corporate strategic plan (CSP) has to-date been implemented for three (3) years.

The mid-term review of the Corporate Strategic Plan (2022-2027) was slated to be undertaken in the financial year 2024/2025 to align to among others: emergent issues in the operating business environment, assess the extent to which planned results were on target and review any areas required for improvement. The theme of the mid-term review was: 'digital transformation'.

The sixth CSP (2022-2027) is aligned to the four perspectives of the Balanced Scorecard (BSC) model, namely:

i. Financial Perspective - Financial Sustainability
ii. Customer Perspective - Growth
iii. Internal Processes Perspective - Business Process Re-engineering
iv. Learning and Growth Perspective-Staff Engagement and enhanced Productivity

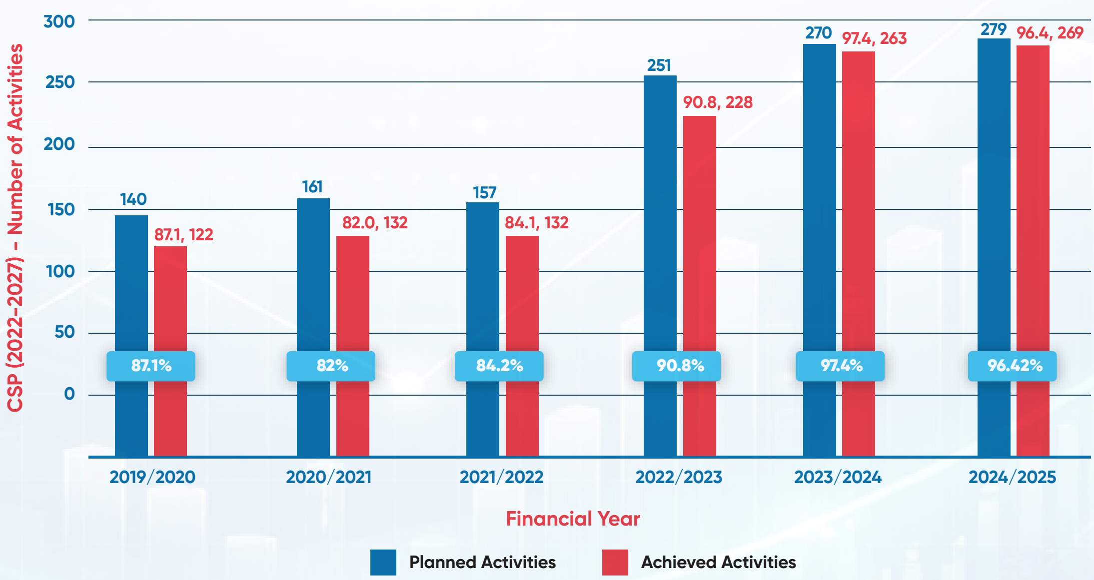
The sixth CSP (2022-2027) identified eight (8) key flagship projects to be achieved in a phased approach during the five-year implementation period (1 July 2022 - 30 June 2027), namely:

i. Digitilisation of KASNEB operations
ii. Upgrading of the Primary Data Centre to Tier II data Centre
iii. Operationalisation of Customer Experience Centre
iv. Biometricregistrationandidentificationofstudents
v. Rolling out of Computer Based Examinations (CBE) for all qualifications
vi. Establishment of twenty (20) Centers of Excellence (CoEs)
vii. Development and publishing of Study Packs for all qualifications
viii. Operationalisation of the Research, Innovation and Consultancy function

The CSP (2022-2027) was implemented through annual work plans which were monitored quarterly through progress reports to ensure that the implementation of the planned CSP activities was on track. The reports were thereafter presented to the Senior Management, Planning and Business Development Committee (a committee of the Board with oversight responsibilities on the implementation of the strategic plan) and the Board.

The trend analysis on the implementation of CSP activities is depicted in Figure 1 below. The figure depicts the comparative analysis of the annual implementation of the sixth CSP (2022-227) activities for the three (3) years of implementation of the plan.

Trend Analysis of CSP (2022-2027) Implementation



The performance review of four (4) strategic perspectives based on activity implementation during the financial year 2024/2025 is depicted in Figure 2 below.

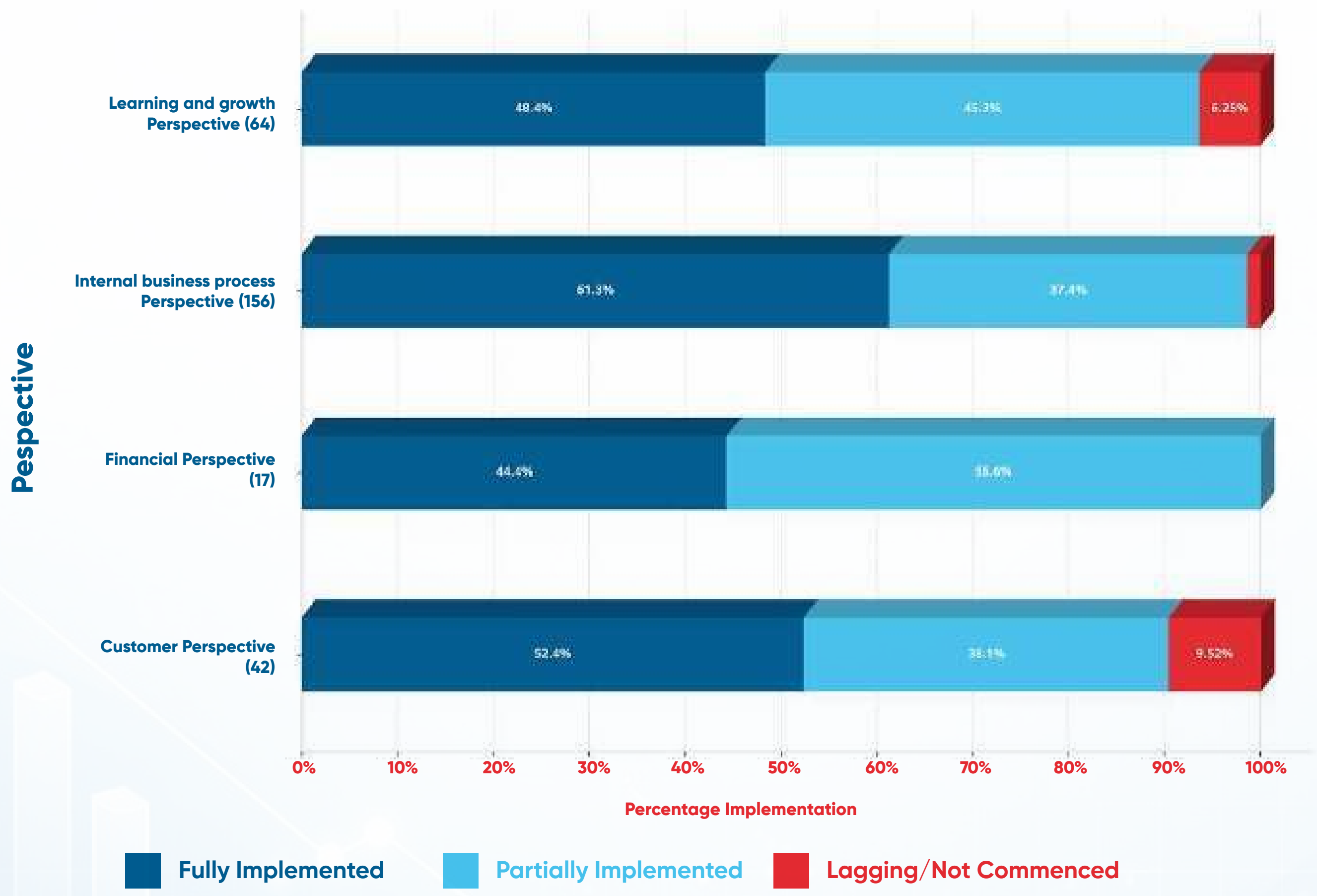
There were a total of two hundred and seventy-nine (279) activities planned for the financial year 2024/2025.

The planned activities during the financial year for customer perspective, financial perspective, internal business processes perspective and learning and growth perspective were 42, 18, 155 and 64 respectively.

Majority of the activities during the financial year 2024/2025 were under the internal business process perspective. It is worth noting that most of the activities under customer perspective and learning and growth perspectives had either gained some milestones or they were complete and therefore there were no activities that had not commenced in both perspectives. On the other hand, 9.5%, 1.3% and 6.25% of activities in customer perspective, internal business processes perspective and learning and growth perspective respectively were lagging.

Generally, majority of the planned activities across all perspectives were partially implemented.

Perfomance of Strategic Perspectives as at 30 June 2025



The Performance Contract for the financial year 2024/2025 was aligned to the targets outlined in the sixth Corporate Strategic Plan (2022-2027). The performance evaluation for the Performance Contract for the financial year 2023/2024 was undertaken on 13 January 2025. Following this evaluation, KASNEB attained an overall performance score of 2.9449, which falls within the "very good" category. This represents a positive improvement compared to the previous year's (2022/2023) score of 3.0432 which was rated as "good".

The enhanced score reflects significant progress in meeting and exceeding key performance indicators, driven by targeted interventions and effective implementation of strategic initiatives.

The enhanced score reflects significant progress in meeting and exceeding key performance indicators, driven by targeted interventions and effective implementation of strategic initiatives.

Major Achievements

The major achievements realised during the financial year 2024/2025 are tabulated here under:

Perspective	Major achievements
Customer	• The April 2025 examinations were thus successfully administered from Tuesday, 22 April 2025 to Friday, 25 April 2025 to about 24,000 candidates. • The December 2024 examinations were successfully administered from Monday, 2 December 2024 to Friday, 6 December 2024 to about 24,000 candidates. • The August 2024 examinations were successfully administered from Monday, 19 August to Thursday, 23 August 2024 to about 22,700 candidates in 80 examination centers in Kenya and 25 exam centers outside Kenya totaling to 105 examination centers. • The August 2024 examinations were marked in August/September 2024 and the results were released within fourteen (14) working days from the last date of examinations. The CBE examinations were released within seven (7) working days from the last date of examinations. • The December 2024 examinations were marked in December 2024 and examination results for CBE examinations were released on Friday, 20 December 2024. Results for paper-based examinations were released on Friday, 3 January 2025. This was within 14 working days from the last date of administration of examinations The CBE examinations were released within 8 working days from the last date of administration of examinations. • ThemarkingprocessfortheAugustandDecember2024examinationswerereengineered and innovations implemented leading to the reduction in the number of days utilized in marking from 18 to 14 days. • As at 30 June 2025, fifteen thousand two hundred (15,200) users were accessing the e-resources. • A total of sixteen thousand one hundred and nineteen 16,119) new students were registered against a target of 14,668 students as at the end of quarter four of the financial year 2024/2025. • A customer experience, satisfaction and brand awareness survey were carried out with an index of 82.83% which was an improvement from the previous index of 80.69%. • The Diploma in Quality Management (DQM) and Certified Public Finance Manager (CPFM) qualifications were launched on Wednesday, 24 July 2024. • Processed over 22,550 online exemptions applications. • Cleared exemption backlog of more than 2,000 applications to daily manageable levels. • Reduced number of days on release of exams from 45 days to less than 30 days. • Enhancement of the student portal to allow for application of confirmation letters and payment via e citizen payment platform. • Application of remarking online and payment via e-citizen Cleared exemption backlog of more than 2,000 applications to daily manageable levels. • Reduced number of days on release of exams from 45 days to less than 30 days • Enhancement of the student portal to allow for application of confirmation letters and payment via e citizen payment platform. • Application of remarking online and payment via e-citizen
Financial	• The total income as at 30 June 2025 was Sh.934,729,161 against a target Sh.918,825,000. • A total of Sh.200.326,248 was collected from income from other sources. • Compliance on implementation of 40% procurement for local content: Procurement of goods, works and services amounting to Sh.181,155.242.27 were procured against a target of Shs.53,480,000. • The rent collected amounted to Sh.104,615,151 during the period under review. • Atotaloftwomillion,twohundredandsixty-ninenonehundredandseventySh.2,269,170 shillings was realised from KASNEB e-Library Access Fees as at 30 June 2025. • There was efficient and prompt payment to service providers and internal customers in adherence to the service charter thus there were no Pending Bills. • The absorption rate of the budget was at 99.9% as at 30 June 2025. • There was progressive management of the employee cost to revenue.

Perspective	Major achievements
Internal business processes	• The Performance Contract for the financial year 2024/2025 was successfully vetted, approved and signed on 30 January 2025. • The Performance Contract for the financial year 2024/2025 was negotiated with the National Treasury and Economic Planning on Tuesday, 3 September 2024. The annual PC (2024/2025) implementation plan and reporting tools were prepared. • The second surveillance audit was undertaken by KEBS on 5 and 6 September 2024. A follow-up audit on the three (3) major nonconformities was undertaken by KEBS on 11 November 2024. All the three (3) nonconformities were closed out and KASNEB was recommended for continued ISO 9001 certification • Three (3) Quality Improvement team members were duly certified as Internal Quality Auditors following training undertaken in September 2024 and March 2025. • The following workshops were delivered as appropriate in line with syllabuses requirements: i. Ethics (CPA) ii. Work Simulation (CPA) iii. Research Methodology (CS/CQP) iv. Fraud Investigation and Reporting (CFFE) • The inaugural KASNEB International Conference for Professionals (KICP) was held in Mombasa between Monday, 22 July 2024 and Friday, 26 July 2024. • The foreign markets policy was approved and was being implemented with initial focus being the East Africa region. • The biometric project which was being implemented by Novel Technologies Ltd was in phase 2 of project implementation - System development and customization. Novel Technologies Ltd. conducted a demonstration of the biometric system prototype at KASNEB Towers I on Friday, 7 February 2025. • The marking process for the August 2024, December 2024 and April 2025 examinations were reengineered and innovations implemented leading to the reduction in the number of days utilised in marking from 18 to 14 days. • KASNEB registered students continued accessing the e-resources from the KASNEB e-library. • Three (3) members of staff attended 5th Annual Information Security Management System (ISMS) International Conference by Kenya Bureau of Standards (KEBS) held at Sarova Imperial Hotel in Kisumu from Monday, 9 June 2025 to 13 June 2025 in Kisumu. • Compliance on implementation of 40% procurement for local content: Procurement of goods, works and services amounting to Sh.181,155.242.27 were procured against a target of Shs.53,480,000. • Goods, works and services amounting to approximately Shs.52,632,304.98 were awarded to special group firms against a target of Shs.40,110,000. • The Governance Audit was undertaken and a score of 93% was attained. • KASNEB gave its comments on the Accountants (Amendment) Act and feedback was being awaited from the CS National Treasury. • The Occupancy rate for KASNEB lettable office space was 86% as at 30 June 2025. • Theprojectonbiometricregistrationandidentificationofstudentswasunderway.Phase 1 on Requirement gathering stage was completed in November 2024 and approved by the CIT for the project. Phase 2 on System customization stage commenced in December 2024. The Inception report on Biometric registration and identification system (BRIS) implementation was submitted. Phase 2 on System customization was also completed and User Testing was expected to be undertaken in July 2025. The project contract period was to be extended to 31 December 2025. • Reduced the turnaround for the accreditation process from application to certification from six (6) months to maximum of three (3) months. • Online application of accreditation through the accreditation portal was being undertaken. • There was Introduction of Programmed Accreditation. Full accreditation and Interim accreditation was awarded to 111 Training institutions.

Perspective	Major achievements
Internal business processes	• A framework to guide the establishment of the Centers of Excellence (CoE) was successfully developed. • There was efficient and prompt payment to service providers and internal customers in adherence to the service charter thus there were no Pending Bills. • There were increased automation levels with over 90% processes on boarded on ERP leading to increased efficiency levels. • There was progressive management of the employee cost to revenue. • There were high Compliance levels in as noted in the Legal and Governance audit. • Re-engineering of the marking process was undertaken to enhance efficiency, transparency and accountability. Key improvements included: i. Creation of a centralized database of examiners ii. System-based allocation of marking envelopes iii. Declaration and management of conflicts of interest iv. Recording attendance for markers and checkers v. Systematic allocation of scripts for marking vi. Electronic return and tracking of marked scripts vii. Automated generation of claims for markers and checkers viii. Efficient management of mark sheets ix. Issuance and tracking of checkers' work tickets x. Recording and reporting of detected disciplinary cases xi. Evaluation and performance tracking of checkers xii. Real-time monitoring of marking progress xiii. Completion of script marking within approximately two weeks • SignificantstridestomodernizeICTinfrastructuretosupportevolvingoperationalneeds were undertaken. Key initiatives include, Acquisition and Deployment of ICT Devices, Upgrade of IPBX to Host PBX Services, LAN/WAN Infrastructure Enhancement and IP CCTV System Upgrade for Towers II. • Enhanced ICT risk management to safeguard digital infrastructure, data integrity, and service continuity. • Implemented a comprehensive strategy to bolster information security at the user level through User Sensitization on Information Security, Data Privacy and Information Security Webinars and Public Sector Cybersecurity Training and Emerging Awareness. • The following policies were developed/reviewed and approved during the period under review: i. Environmental, Social Governance Policy ii. Legal Policy iii. Occupational Safety and Health Policy iv. Risk Management Policy and Risk Management Framework v. Intellectual Property Management Policy vi. Resource Centre Management Policy • Preparation of the annual Audit and Risk Committee Report as per the provisions of PFMR. • Development of the Internal Audit and the Audit and Risk Committee Charters. • Identification of the strategic risks and opportunities and quarterly reporting to the Board on the status of risk management. • Undertaking of risk-based audits and filing reports with recommendations where there were areas of improvement. • Co-ordinated the self-evaluation of the Audit and Risk Committee annually and preparation of the annual Audit and Risk Committee Report in line with the PFMR requirements. • Attainment of excellent score for Asset and Liability Management. • Reduction of printing and stationery costs • Enhanced supplier relationship and risk management. • A well-managed Pension Scheme (KSRBLAS) was in place for Members of Staff. • A Post-Retirement Medical Scheme was approved for implementation in 2025/2026.

Perspective	Major achievements
Internal business processes	• Summary of Key Survey Findings that had registered improvement: i. The Work Environment index was 79.1%, reflecting a 4.1% improvement from the previous survey. ii. The overall Competency Index for KASNEB stood at 85%, with strong performance in both core (84%) and managerial competencies (85%). • Drafted and reviewed all legal documents required, including contracts and MoUs. • mproved Compliance with Regulatory Obligations - Developing robust legal frameworks has allowed for better compliance with statutory obligations, ensuring that the organization adheres to relevant laws and regulations.
Learning and Growth	• Three (3) Quality Improvement team members were duly certified as Internal Quality Auditors following training undertaken in September 2024 and March 2025. • The Student Management Module was enhanced to include a dashboard for monitoring exemptions, enabling tracking of who approved each exemption and the corresponding approval date. • Developed appropriate pilot for DQM examination papers to support the rollout. • In the April 2025 examination sitting, the Safe Exam Browser (SEB) for administering multiplechoice (MCQ) papers under a controlled and secure environment was introduced. SEB creates a lockdown browser experience restricting access to other applications or websites during exams and ensuring a focused testing setup. • The Computer-Based Examination (CBE) system was successfully migrated from the UNES-hosted environment to the KASNEB Tower server room. • Ongoing Staff Capacity development through skills-based training as well as Valuable Group Trainings. • Board's Secretariat Services for Improved Efficiency - Fully implemented and trained users on E- convene that ensures timely and efficient dissemination of Board papers and conduct of Board meetings. • ContinuedsupportforKASNEBProfessionalsthroughLegalFrameworksbyestablishing legal instruments for Certified Credit Professionals and Information Technology Professionals, the Directorate aims to enhance the professional landscape within the community • ODPC registration of KASNEB as a Data Controller and Data Processor. By this registration as a data handler, KASNEB has enhanced safeguarding of Data of all stakeholders.

Looking into the Future

KASNEB will continue to implement eight (8) flagship projects in a phased approach in addition to other activities outlined in the sixth CSP (2022-2027) to realise its vision, mission and mandate for which it was established.

Besides, KASNEB shall continue to undertake environmental business scanning to address emerging issues in the operating environment in order to remain competitive and offer superior services to its customers.

I wish to thank the Government of Kenya through the National Treasury and Economic Planning for the support and policy guidance in facilitating KASNEB to deliver its mandate; the Board for their stewardship and visionary leadership; members of staff for their dedication and commitment in delivery of KASNEB programmes; students, trainers, partners, sponsors and various stakeholders from both the public and private sector for their continued contribution and trust in the KASNEB qualifications.

We look forward to steering KASNEB into greater heights in realization of our vision of 'Empowered and globally recognised business professionals'. We are optimistic that the financial year 2025/2026 will witness sustained business and economic growth.

CHAPTER

03

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE STATEMENT

Composition and Nomination of KASNEB Board Members

The composition of the Kenya Accountants and Secretaries National Examinations Board (KASNEB) is outlined in Section 15 of the Accountants Act No. 15 of 2008. The Board consists of eleven (11) members appointed by the Cabinet Secretary, The National Treasury and Economic Planning. The process of appointment of Board members is governed by Section 15 of the Accountants Act No. 15 of 2008, which provides that the Examinations Board shall consist of eleven members appointed by the Cabinet Secretary, The National Treasury and Economic Planning. On 31st October 2024, two (2) members of the KASNEB Board, including the then Chairman, retired following the lapse of their terms.

Subsequently, four (4) new members were appointed to the Board through the Kenya Gazette Notice Vol. CXXVI—No. 218 published on 13th December 2024. Among the appointees, Dr. Percy Opio was appointed as the new Chairman of the Board effective 13 December 2024, while Dr. Joseph Kanyi was re- appointed as the Vice Chairman to continue serving for the remainder of his term. The KASNEB Board currently comprises a diverse team of five (5) male and five (5) female members drawn from various professional, academic and public and private institutions to ensure broad representation and effective oversight.

The composition of KASNEB Board reflects a strong commitment to diversity and regional balance ensuring equitable representation across the country. Notably, no single community holds more than 30% of the Board membership which promotes inclusivity and prevents dominance by any one group. This approach aligns with principles of fair representation and national cohesion, fostering broad-based participation in the governance of the Board. The composition is summarised in the table below.

Table 1: Composition and Nomination of KASNEB Board Members

S/ No.	Category of Nominee	Nominating Authority	Names of Members	Gender
1.	A person responsible for guiding and advising on policy relating to accountancy and accountability in Government	The Cabinet Secretary, National Treasury and Economic Planning.	CPA Jane W. Njogu-Macharia	Female
2.	A person responsible for overseeing technical and business training matters in Government	Cabinet Secretary, Ministry of Education	Dr. Joseph M. Kanyi	Male
3.	A person engaged in industry or commerce	Federation of Kenya Employers	Awaiting nomination	-
4.	The Director of Personnel Management or a nominee	Cabinet Secretary, Ministry of Public Service, Performance and Delivery Management	Mr. Yussuf M. Ibrahim	Male
5.	A nominee from the Attorney-General	Attorney-General	Ms. Lilian Abishai	Female
6.	Representatives nominated by the Institute of Certified Public Accountants of Kenya (ICPAK)	Council of the Institute of Certified Public Accountants of Kenya (ICPAK)	• CPA Philip Kakai • Prof. CPA. Elizabeth N. Muvui- Kalunda	1 Male 1 Female
7.	Representatives nominated by the Council of the Institute of Certified Public Secretaries of Kenya (ICPSK)	Council of the Institute of Certified Public Secretaries of Kenya (ICS)	• FCS. Joshua W. Wambua • CS. Judy W. Omurwa	1 Male 1 Female

S/ No.	Category of Nominee	Nominating Authority	Names of Members	Gender
8.	Individuals with significant contributions to education in accountancy, secretarial, and related fields	Kenya Accountants and Secretaries National Examinations Board	Dr. Percy Opio Ms. Samantha S. Kipury	1 Male 1 Female
		TOTAL	**11**	**10**

Removal of a Board Member

A Board member may be removed from office under several circumstances, including failure to attend three consecutive meetings without the permission of the Chairperson. Additionally, removal may occur if the member is convicted and sentenced to imprisonment for a term exceeding six months or is fined more than Kenya Shillings twenty thousand. Incapacitation due to illness also constitutes grounds for removal, as does conduct deemed inappropriate or unfit by the appointing authority. Removal of a Board member may also be through revocation.

Board Charter

KASNEB has a Board Charter that affirms the Board's commitment to strong corporate governance as a critical factor in achieving the organisation's mission and vision. The Charter outlines the roles, responsibilities and structures of the Board, supporting members in effectively executing their strategic oversight functions.
The objectives of the Charter are to clarify the duties and expected standards of conduct for each Board member, guide the Board in discharging its constitutional and statutory mandate in a structured and informed manner and ensure the application of sound corporate governance principles in all Board activities.

Roles and Functions of the Board

The KASNEB Board plays a vital role in steering the organisation bydeterminingitsvision,mission, purpose, and core values, and by setting and overseeing the overall strategy and approving key policies. It ensures that the strategy aligns with KASNEB's purposeandreflectsthelegitimate interests and expectations of its shareholders and stakeholders.

The Board is also tasked with aligning the strategy to long-term sustainability goals, safeguarding the ability of future generations to meet their needs. Additionally, the Board approves the organizational structure and annual budget, monitors performance, ensures the availability of adequate resources, and safeguards the sustainability of KASNEB. It is responsible for enhancing the corporate image, hiring the Secretary/Chief Executive Officer under approved terms, approving the appointment of senior management staff, and ensuring effective communication with stakeholders.

Induction, Training and Development of the Board

The newly appointed KASNEB Board members underwent a one-week induction programme from 27 January 2025 to Friday 31 January 2025. This induction wasaimedatequippingthemwith a comprehensive understanding of their roles and responsibilities, as well as familiarising them with KASNEB's mandate, governance structures, and operational frameworks to ensure effective contribution to the Board's functions. The Board ensures that all new members undergo a structured induction to understand their legal responsibilities, governance principles and KASNEB operations, including strategy, finance, policies and ethics. The Board conducts regular skills assessments and develops annual training plans to address gaps. Members of the Board also participateincontinuousprofessional development programmes through their respective regulatory bodies to stay informed on sector trends, governance practices and relevant public sector issues.

Board Performance

The Board conducts an annual evaluation normally done in the month of July to assess its overall performance, identify strengths, skills gaps and areas for individual improvement. The process also includes a review of the performance of committees of the Board, each member of the Board, Secretary/ Chief Executive Officer, Corporation Secretary and Head of Internal Audit against their Terms of Reference. This performance evaluation is carried out by the State Corporations Advisory Committee (SCAC) using an official Board Evaluation Tool in line with applicable guidelines and governance standards. In the Financial Year the Board was evaluated on 11 July 2024, the Corporate Board acquired an overall score of 95.72% % which is over and above the threshold of 86% of SCAC. line with applicable guidelines and governance standards.

Board and Committee Meetings Attendance

BOARD

No.	Name of Board Member	Meetings	
		Eligible	Attended
1.	Dr Nancy N. Muriuki	4	7
2.	Dr Joseph M. Kanyi	6	11
3.	CPA Jane W. Njogu-Macharia	6	10
4.	FCPA George M. Obiria	4	7
5.	CPA Prof. Elizabeth Kalunda-Muvui	6	10
6.	Eng. Stephen Ogenga	6	10
7.	Dr Percy Opio	6	11
8.	Mr. Yussuf Ibrahim	6	10
9.	Ms. Lilian Abishai	6	11
10.	CPA Philip Kakai	6	5
11.	Ms. Samantha Kipury	6	4
12.	CS Judy O. Warui - Omurwa	6	5
13.	FCS Joshua W. Wambua	6	5

EXAMINATIONS COMMITTEE

No.	Name of Board Member	Meetings	
		Eligible	Attended
1.	Dr Nancy N. Muriuki	4	3
2.	Dr Joseph M. Kanyi	6	7
3.	CPA Jane W. Njogu-Macharia	6	5
4.	FCPA George M. Obiria	4	3
5.	CPA Prof. Elizabeth Kalunda-Muvui	6	7
6.	Eng. Stephen Ogenga	6	5
7.	Dr Percy Opio	6	7
8.	Mr. Yussuf Ibrahim	6	6
9.	Ms. Lilian Abishai	6	5
10.	CPA Philip Kakai	6	4
11.	Ms. Samantha Kipury	6	2
12.	CS Judy O. Warui - Omurwa	6	4
13.	FCS Joshua W. Wambua	6	4
14.	Geoffrey I. Injeni	6	7
15.	Ismail A. Lukandu	6	7
16.	Mary Reba Chabeda-Ouko	6	6
17.	Jonah K. Aiyabei	6	7
18.	Pius M. Kyambi	6	7
19.	Donald O. Otieno	6	6

EXAMINATIONS TECHNICAL SUB COMMITTEE

No.	Name of Board Member	Meetings	
		Eligible	Attended
1.	Dr Percy Opio	2	0
2.	Eng. Stephen Ogenga	6	1
3.	CPA Prof Elizabeth N. Kalunda-Muvui	6	4
4.	Dr Joseph M. Kanyi	6	2
5.	Mr. Yussuf M. Ibrahim	6	3
6.	Ms. Lillian Abishai	6	3
7.	FCS Joshua W. Wambua	6	2
8.	FCPA Dr Geoffrey I. Injeni	6	4
9.	Prof. Ismail A. Lukandu	6	4
10.	CS Mary Reba Chabeda-Ouko	6	4
11.	FA Dr Jonah K. Aiyabei	6	3
12.	CCP Pius M. Kyambi	6	4
13.	Prof. Donald O. Otieno	6	4
14.	Dr Samuel Omondi Obudho	6	4
15.	Dr Benson K. Murgor	6	4
16.	Dr Wilfred Owalla (Deceased)	6	1*
17.	Ms. Sylvia Akoto	6	2
18.	Prof. Solomon T. Ngahu	6	4

PLANNING AND GENERAL PURPOSES COMMITTEE

No.	Name of Board Member	Meetings	
		Eligible	Attended
1.	CPA Jane W. Njogu-Macharia	6	6
2.	FCPA George M. Obiria	4	2
3.	CPA Prof. Elizabeth Kalunda-Muvui	6	4
4.	Dr Percy Opio	6	2
5.	Ms. Lilian Abishai	6	4
6.	Ms. Samantha Kipury	6	4
7.	FCS Joshua W. Wambua	6	4
8.	CPA Philip Kakai	6	3

Finance And General Purposes Committee

No.	Name of Board Member	Meetings	
		Eligible	Attended
1.	Dr Joseph M. Kanyi	6	4
2.	CPA Jane W. Njogu-Macharia	6	5
3.	CPA Prof. Elizabeth Kalunda-Muvui	6	5
4.	Eng. Stephen Ogenga	6	7
5.	Mr. Yussuf Ibrahim	6	9
6.	Ms. Lilian Abishai	6	4
7.	FCS Joshua Wambua	6	4
8.	Ms. Samantha Kipury	6	3

Audit And Risk Meeting

No.	Name of Board Member	Meetings	
		Eligible	Attended
1.	CPA Jane W. Njogu-Macharia	6	4
2.	FCPA George M. Obiria	4	2
3.	Ms. Lilian Abishai	6	4
4.	Dr Percy Opio	6	2
5.	CPA Philip Kakai	6	2
6.	CS Judy O. Warui - Omurwa	6	2
7.	Dr Joseph M. Kanyi	6	2

Digitilization Ad Hoc Steering Committee

No.	Name of Board Member	Meetings	
		Eligible	Attended
1.	Eng. Stephen Ogenga	6	3
2.	Dr Percy Opio	6	1
3.	Dr Joseph M. Kanyi	6	2
4.	FCPA George M. Obiria	4	2
5.	CPA Philip Kakai	6	2
6.	Ms. Samantha Kipury	6	2

Kasneb Staff Retirement Benefits And Life Assuarance Scheme

No.	Name of Board Member	Meetings	
		Eligible	Attended
1.	FCPA George M. Obiria	4	4
2.	Mr. Yussuf Ibrahim	6	5
3.	Ms. Lilian Abishai	6	5
4.	CS Judy O . Warui - Omurwa	6	5
5.	Prof. Nicholas Letting'	6	5
6.	CPA/FA Joseph Ndung'u	6	5
7.	FCS Catherine Maringa	6	5
8.	CPA Raymond Ochieng'	6	5
9.	Ms. Felistas Kyuli	6	5

Kasneb Foundation

No.	Name of Board Member	Meetings	
		Eligible	Attended
1.	Dr Nancy N. Muriuki	4	3
2.	CPA Prof. Elizabeth Kalunda	6	2
3.	Dr. Percy Opio	6	5
4.	FCPA Charles Ringera	6	4
5.	Mr. Geoffrey Monari	6	1
6.	FCPA Julius Mwatu	6	5
7.	CPA Sailot Keke	6	5
8.	CPA Dauglas Muhati	6	1

Audit And Risk Committee Kasneb Retirement Scheme

No.	Name of Board Member	Meetings	
		Eligible	Attended
1.	Ms. Lilian Abishai	6	5
2.	Ms. Felistas Kyuli	6	6
3.	CPA Sailot Keke	6	4

Administration And Communication Committee Kasneb Retirement Scheme

No.	Name of Board Member	Meetings	
		Eligible	Attended
1.	Mr. Yussuf Ibrahim	6	3
2.	Prof. Nicholas K. Letting'	6	2
3.	FCS Catherine Maringa	6	5
4.	CPA Raymond Ochieng'	6	5
5.	CS Judy O. Warui - Omurwa	6	2

Administration And Communication Committee Kasneb Retirement Scheme

No.	Name of Board Member	Meetings	
		Eligible	Attended
1.	Ms. Lilian Abishai	6	5
2.	Ms. Felistas Kyuli	6	6
3.	CPA Sailot Keke	6	4

Succession Plan

The Board of KASNEB recognises the importance of effective leadership continuity and has established a structured Succession Plan to ensure sustained organizational performance and stability. In line with good governance practices, the Board is responsible for putting in place and regularly reviewing a succession plan for both the Board members and the senior management team. This includes identifying, developing, and retaining key talent to fill critical leadership roles when vacancies arise, whether planned or unexpected. The Board also plays an active role in supporting the Chief Executive Officer (CEO) in the selection and development of the senior management team. In collaboration with the Secretary/ Chief Executive Officer, the Board ensures that there is a clear and well-documented succession strategy for both the Secretary/ Chief Executive Officer position and other key management roles to safeguard business continuity and institutional knowledge. This plan is reviewed periodically to align with evolving organisational needs, talent dynamics and strategic goals.

Conflict of Interest

Board members act in good faith and avoid both actual and perceived conflicts between KASNEB's interests and their personal, professional or business interests. A conflict may arise where a Board member or their close family has private interests that could improperly influence their official duties or where a member uses their position for personal gain. Members deal at arm's length in matters involving KASNEB and disclose any actual or potential conflict, including those involving close relatives. Upon disclosure, the member abstains from participating in related decisions. The Secretary/ Chief Executive Officer maintains a register of all declared conflicts where members make disclosures.

Board Remuneration

The remuneration of the Chairperson and Board Members of KASNEB is guided by the State Corporations Act and implemented in line with policy directives from the Salaries and Remuneration Commission (SRC) and the State Corporations Advisory Committee (SCAC). Specifically, KASNE adheres to the provisions of SRC Circular Ref. SRC/ ADM/CIR/1/13 Vol. III/126 dated 10 December 2014 which outlines the structure of board compensation, including sitting allowances, monthly retainers, travel reimbursements, communication facilitation and medical cover. Additionally, KASNEB follows the SCAC Guidelines on Terms and Conditions of Service for State Corporations (2023), which categorise state corporations and provide a framework for standardising board benefits based on their mandates and functions.

Ethics and Conduct

Board members are bound by Code of Conduct and Ethics contained in the Board Charter as envisaged in the Constitution of Kenya, 2010 and Part III of the Public Officer Act No. 4 of 2003. Similarly, staff members are bound by the same principles which are embedded in internal policies. The Board is tasked with developing and continuously reviewing the Code of Conduct and Ethics, ensuring that all members subscribe to it thus promoting ethical behaviour and sanctioning misconduct.

Governance Audit

KASNEB is committed to upholding the highest standards of good governance and, to this end, the Board ensures that a governance audit is undertaken on a biannual basis. The purpose of this audit is to assess and confirm KASNEB's compliance with established principles and practices of sound corporate governance. The governance audit covers a wide range of parameters, including leadership and strategic management, transparency and disclosure, compliance with applicable laws and regulations, communication with stakeholders, independence and effectiveness of the Board. It also evaluates the robustness of Board systems and procedures, the consistency of shareholder and stakeholder value enhancement, as well as KASNEB's commitment to corporate social responsibility and investment. Through this structured approach, KASNEB continually strengthens its governance framework and ensures accountability, integrity and stakeholder trust in its operations.

Communication Policy

The Board of KASNEB is committed to ensuring effective communication that fosters transparency, accountability and active stakeholder engagement. The Secretary/Chief Executive Officer provides regular and prompt communication to the Board on key technical, financial and administrative matters to support informed decisionmaking. Communication on behalf of KASNEB with the government, media, stakeholders and the general public is made exclusively by the Chairman of the Board and/or the Secretary/Chief Executive Officer.

Terms of Reference for Board Committees

Terms of Reference for Board Committees are summarised in the table below:

S/ No.	Board Committee	Terms of Reference
1.	Examinations Committee	• Oversee development of syllabuses. • Advise on and oversee implementation of examinations strategies. • Consider the implication of examiners reports. • Guide on the release of results. • Accredit training institutions. • Monitor market needs and incorporate them into the planning process.
2.	Examinations Technical Sub-Committee	• Deals with technical issues on examination matters. • Deals with technical issues on syllabuses. • Other roles delegated by the Examinations Committee.
3.	Finance and General Purposes Committee	• Advise and oversee implementation on finance, financial reporting and investment matters. • Consider and approve human capital and administration matters. • Consider and approve ICT matters. • Oversee the implementation of the budget and procurement matters
4.		• Advise and oversee the implementation of the business development policy of the Board. • Advise the Board on topical and potential business growth opportunities. • Oversee the development and implementation of the corporate strategic plan and operational plans. • Oversee the implementation of the performance contracting process. • Monitor the implementation of the ISO Quality Management System. • Advise committees on issues incidental to their respective mandates.

S/ No.	Board Committee	Terms of Reference
5.	Audit and Risk Committee	• Evaluate the adequacy of management procedures related to risk management. • Review and approve the audit charter and the internal audit annual work plans. • Review audit findings and recommendations and propose corrective and preventive actions. • Review established systems to ensure sound public financial management, internal controls and compliance with applicable. laws. • Initiate special audit/investigation on any allegations, concerns and complaints on integrity issues in consultation with the Secretary/Chief Executive Officer
6.	Board of Trustees of KASNEB Staff Retirement Benefits and Life Assurance Scheme	• Some of the Trustees of the Scheme are nominated from the Board of KASNEB. • The operations of the Board of Trustees are regulated by the Retirement Benefits Authority Act and Regulations.
7.	Board of Trustees of the KASNEB Foundation	• Provide bursary funds to students from poor backgrounds who wish to obtain KASNEB qualifications. • Administer a loan fund in partnership with service providers to provide loans to needy students who wish to obtain KASNEB qualifications. • Undertake corporate social investment.

NB:
In addition to the above committees, the Board may constitute Ad-hoc committees and task forces for specific purposes as need arises.

CHAPTER 04

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

SECTION A

Operational and Financial Performance

The financial performance for the Financial Year 2024/2025 significantly improved compared to the Financial Year 2023/2024. During the Financial Year 2024/2025, a total income of KSh.947,549,717 was generated while the aggregate income for the Financial Year 2023/2024 from exchange and other exchange transactions was Ksh. 863,056,260. This translates to 9.8% income growth. A surplus of Sh.27,065,542 was reported. This was occasioned by the increase in the total income and decrease in actual expenditure before depreciation from KSh.806,365,546 in the Financial Year 2023/2024 to KSh.795,340,110 in the Financial Year 2024/2025 translating to 7.9% decrease. The decrease in total expenditure was also tied to the high rationalisation of the budget for the Financial Year 2024/2025.

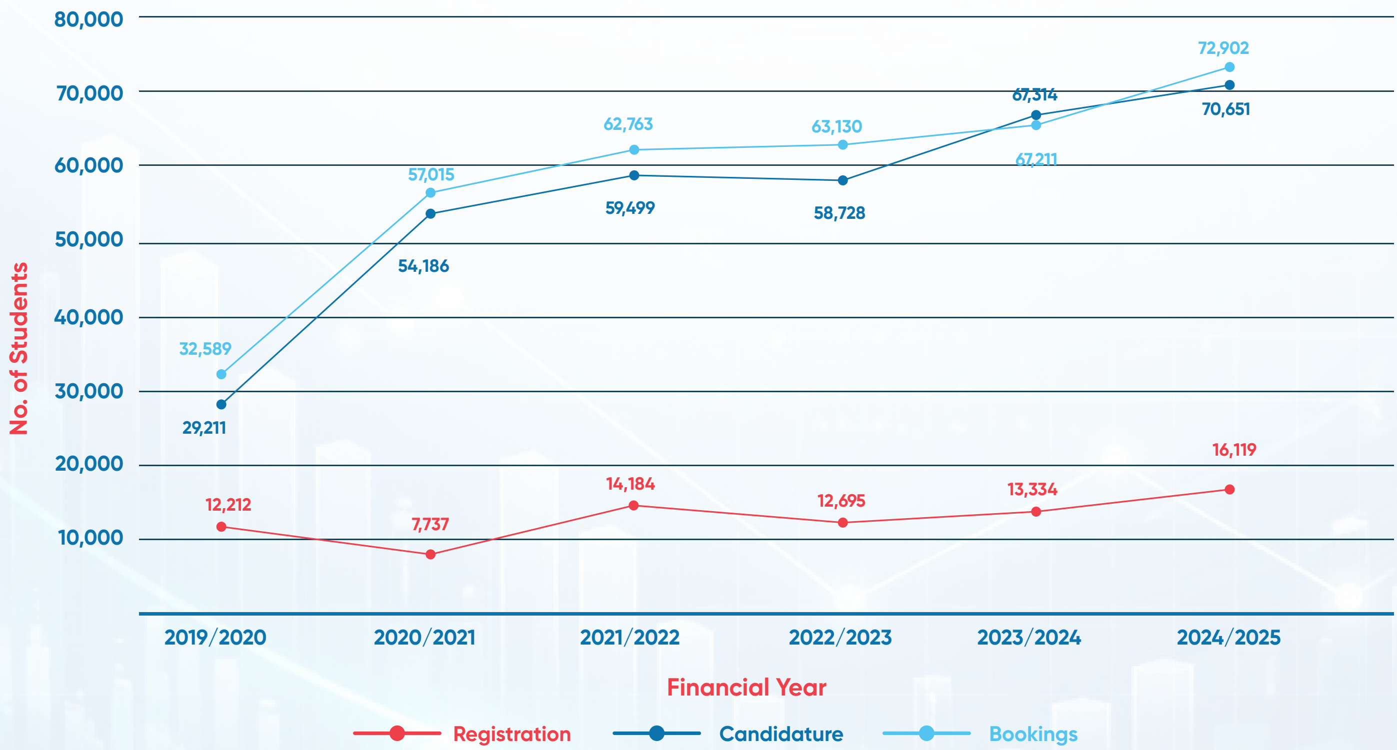
Equally, income from other exchange transactions grew from KSh.171,137,579 in the Financial Year 2023/2024 to KSh.213,065,903 in the Financial Year 2024/2025 translating to 24.5% growth. The main driver of the increase in other exchange transactions was interests earned which grew by 41.1% (increase from KSh. 55,879,037 to KSh. 78,694,081) and rental income by 14.2% (increase from KSh.91,556,965 to 104,615,151. However, miscellaneous income increased by 25.5% (Increased from KSh. 23,701,577 to KSh.29,756,665).

The main driver of the increase in exchange transactions income was income from exemptions being increase from KSh.77,299,646 to KSh. 100,644,181 and new student registration increase from KSh.97,444,774 to KSh.116,230,334. The annual registration renewal also increase from KSh.42,807,907 to KSh. 52,101,986.

Five-year Trend Analysis on Candidature, Student Registration and Booking

The trend analysis (2019/2020 - 2024/2025) in examinations bookings, candidature and new student registrations indicates a steady recovery following a dip in the financial year 2019/2020 occasioned by the COVID-19 pandemic. A comparative trend analysis for the financial years 2019/2020 to 2024/2025 for new examinations booking, candidature and student registrations is shown in Figure I below:

Trends on Student Booking, Candidature & Registrations 2019/2020 - 2024/2025



A continuous year-on-year growth in examinations bookings recorded 8.5% increase in the financial year 2024/2025.
Candidature increased gradually by 5% in the financial year 2024/2025. In the financial year 2024/2025, there was a notable 21% growth in student registrations from the previous year.

The sustained growth trajectory in examinations bookings, candidature and registrations denotes successful engagement strategies and growing demand. The following are some of the global and national factors that contributed to the financial performance of kasneb during the Financial Year 2024/2025:

a. Kenya's economic growth rate stabilised from 5.6% in the year 2024 to 5.6% in the Year 2025.

During the first quarter of the year 2024 the economic growth rate of 5% was recorded. The growth rate may have contributed to the improved income.

b. In particular, some of the reasons attributed to the reported operational expenditure include:
- Continued conflict between Israel and Hamas that led to among other things high fuel prices leading to general high prices of goods required in KASNEB operations.
- Adverse impact of climate change that led to refocussing of government expenditure towards mitigation and adaptation.

At the institutional level, kasneb sustained the implementation of the following strategies to improve financial performance, in both medium and long-term:

a. Digital transformation and digitalization of KASNEB through implementation of the digitalization strategy.
b. Full roll out of CBE examinations on a phased approach by fastracking onboarding of the remaining qualifications.
c. Partnering with universities towards alignment of syllabuses which will facilitate cross-transfers of exemptions and credits. This is expected to increase uptake of KASNEB qualifications by university graduates.
d. Increase in the number of candidates taking Computer-Based Examination (CBE) which is undertaken through a partnership with the University of Nairobi Enterprises and Services Ltd (UNES). ComputerBased Examinations were administered for all levels of Certificate in Accounting and Management Skills (CAMS); Accounting Technician Diploma (ATD); Certified Forensic Fraud Examiner (CFFE); Data Analytics Paper for Certified Public Accountants.
e. Revision of examination policies to address stakeholder needs and requirements.
f. Continued administration of three examination sittings per year to reduce the time lag in completion of kasneb qualifications. This provided more examination sitting opportunities for candidates in the course of the year.
g. Continued disbursement of loans and bursaries to deserving students aspiring to pursue/ pursuing kasneb qualifications through the KASNEB Foundation. This impacted positively on student registration and candidature.
h. Enhancement of online delivery of services allowed students to register and book examination from diverse locations at their convenience.
i. Continued collaboration with Kenya Universities and College Central Placement Service (KUCCPS), Technical and Vocational Education and Training Authority (TVETA), and Higher Education Loans Board (HELB) to recognise kasneb's qualifications in KUCCPS to facilitate kasneb students undertaking tuition in TVET institutions benefit from HELB loans and bursaries.
j. Sensitisation of candidates on undertaking Computer-Based Examinations to improve adoption
k. Review the partnership with Strathmore University, complete review of the published study materials and develop and agree on the revenue management
l. FastTrack the operationalization of the consultancy arm to generate revenue
m. Use of social media platforms for marketing as opposed to mainstream media to save costs.
n. Provision of e-resources to students and examiners through the kasneb Resource Centre.
o. Enhanced digital marketing
p. Digital transformation and digitalization of KASNEB through the development of the digitalization strategy.
q. Fastrack operationalisation of Centres of Excellence that have been identified

In a view to improve financial performance, kasneb sustained the implementation of the following measures to manage operational costs, improve savings and enhance efficiency and effectiveness:

a. Enhanced integrity, quality, timely development and administration of examinations.
b. Timely marking and release of examination results over the three examination sittings.
c. Introduction of two (2) additional qualifications namely; CPFM at post-professional level and DQM at Diploma level.
d. Assessment of five (5) centres of excellence.
e. Increase in the number of newly accredited training institutions.
f. Cost optimization through business process reengineering in areas such as; printing and stationery, postage, telephone and sundry expenses.
g. Continued certification of

KASNEB under ISO 9001:2015 Quality Management System.

h. Compliance with statutory and regulatory requirements.
i. Mid-term Review of Corporate Strategic Plan (2022-2027) to align with emergent issues in the business operating environment.
j. Development and review of various policies and procedures.
k. Development of the digitalization strategy (2025/2026 - 2029/2030).
l. Successful marketing programmes undertaken in secondary schools and institutions of higher learning.
m. Enhanced digitalization of operations through investment in ICT infrastructure.
n. Development and approval of Human Resource Management instruments by the Public Service Commission.
o. Increase disbursements of loans and bursaries through KASNEB Foundation to 4,308 beneficiaries from 1,551 beneficiaries in the prior year.

SECTION B

Compliance with regulatory requirements

During the year ended 30 June 2025, KASNEB complied with all the statutory and regulatory requirements

SECTION C

Key projects and investment decisions

The entity is planning to continue with data centre upgrade, major renovations of the investment property and upgrade of Local Area Network.

SECTION D

Major risks facing the entity

Financial risk management

kasneb seeks to minimise its exposure to financial risk by investing only in secure government treasury bills and bonds. There are no financial liabilities like loans and overdrafts other than suppliers liabilities.

Currency risk

kasneb bank accounts are denominated in Kenyan shillings except for Kenya Commercial Bank (KCB) Dollar Account which is domiciled at KCB, Capital Hill Branch. Income and expenses are settled in Kenya shilling hence there is minimal or no exposure to currency risk. As at 30 June 2025, kasneb held US dollars 164,338 in KCB dollar account. If the currency rate were to fall by 5%, the impact on the kasneb performance will be minimal.

Interest rate risk

Interest rate risk arises from possible impact of changes in interest rates on the value of financial instruments. By investing only in government treasury bills and bonds, kasneb has minimal exposure to interest rate risk.

Credit risk

Credit risk is the risk that a party to financial instrument transaction will fail to discharge an obligation and cause the other party to incur a financial loss. kasneb is exposed to minimal credit risk on the debtor account. The risk is minimised since students fees is paid in advance. Mortgage and car loans advanced to members of staff are fully secured on the property.

SECTION E

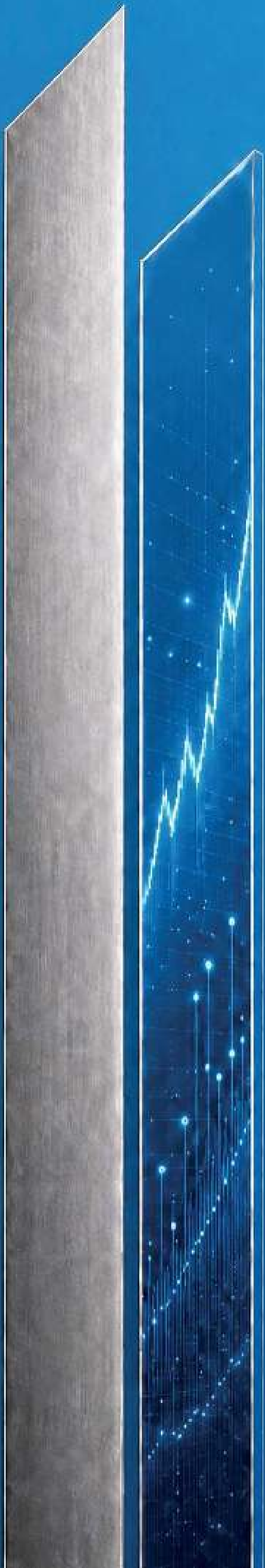
Major arrears in statutory/financial obligations

There were no major arrears in statutory or other financial obligations.

SECTION F

Financial probity and serious governance issues

There were no financial impropriety or serious government issues reported by internal audit/Audit and Risk Committee of the Board , external auditors, or other National Government Agencies. No governance issues among the Board or members of the Board and top management including conflict of interest were reported.



CHAPTER

05

ENVIRONMENTAL AND SUSTAINABILITY REPORT

ENVIRONMENTAL AND SUSTAINABILITY REPORT

1. Sustainability Strategy and Profile

KASNEB recognizes that its sustainability agenda must be shaped not only by local priorities but also by global political, economic, and environmental shifts. Global challenges such as climate change, geopolitical instability, economic volatility, and rapid technological advancement continue to influence the demand for new skills, the structure of labor markets, and the expectations of stakeholders regarding environmental, social, and governance (ESG) performance. These factors necessitate that KASNEB evolves its training, examination, and service delivery approaches to remain relevant and responsive.

KASNEB's sustainability strategy is aligned to global frameworks, particularly the United Nations Sustainable Development Goals (SDGs), with special focus on: SDG 4 – Quality Education, SDG 5 – Gender Equality and SDG 17 – Partnerships for the Goals. The organization also adheres to international best practices such as the ISO 9001:2015 Quality Management System, which ensures continuous improvement and accountability across service delivery processes.

Sustainability Priorities and Institutional Framework

KASNEB's sustainability priorities are guided by its Strategic Plan, Environmental Social and Governance (ESG) Policy, and internal Quality Management Systems (QMS). Key focus areas include the development of market-driven and future-ready qualifications; promotion of environmental stewardship through initiatives such as paper reduction and
recycling; advancement of gender equity and inclusivity; digital transformation to enhance service delivery; and strengthening of stakeholder engagement and strategic partnerships.

Key Achievements in 2024/2025

- Launched the Diploma in Quality Management qualification in partnership with KEBS.
- Rolled out the Certified Public Finance Manager (CPFM) qualification.
- Sustained partnerships with CLE, MSK, KISEB, OPC Burundi, and KIPPRA for capacity building and joint research.
- Enhanced use of digital platforms including the self-service portal and ERP system, significantly reducing paper usage and operational inefficiencies.
- Expanded administration of Computer-Based Examinations (CBE) and increased usage of electronic learning resources from 11,614 in FY 2023/2024 to 15,200 in FY 2024/2025.
- Maintained ISO 9001:2015 certification through successful internal and external audits.
- Promoted environmental sustainability through tree planting initiatives and recycling of exam scripts via Chandaria Industries.

Challenges and Mitigation Measures

ICT infrastructure gaps in some training institutions limited the full implementation of Computer-Based Examinations (CBE), while limited internet access for students in remote areas hindered the uptake of digital services. To address these challenges, KASNEB is exploring new partnerships and outreach initiatives aimed at expanding infrastructure support and improving accessibility in underserved regions.

Service Delivery Charter and Contract Management

- **Service Delivery Charter**

KASNEB's Service Delivery Charter outlines clear service standards, timelines, and stakeholder expectations. It is regularly reviewed to ensure responsiveness and accountability. An updated complaint handling mechanism were also implemented to enhance service delivery.

In compliance with government procurement policies and its own supplier diversity framework, KASNEB set aside a portion of tenders for special groups including Youth, Women, and Persons with Disabilities (PWDs). During the reporting period

- **Contract Management**

In order to promote Diversity, Equity and Inclusion some tenders were set aside and advertised to the special groups' category including Youth, Women and Persons Living with Disability. During the period under review 30 %of the procurement budget equivalent to Sh.40 million was allocated to special group firms. Contracts worth Sh.62 million
were awarded to special groups against a target of shs.40million resulting to a positive variance of Sh. 22 million.

2. Environmental Performance

KASNEB reaffirmed its compliance with the Environmental Management and Coordination Act (2015) and associated National Environment and Management (NEMA) regulations. The Environmental Sustainability Policy was further refined to address climate change adaptation, green procurement, and circular economy principles.

Environmental Initiatives in 2024/2025:
Waste Reduction and Management

KASNEB continued to uphold structured and environmentally responsible waste disposal practices during the financial year 2024/2025. Waste was managed through certified channels by engaging National Environment Management Authority (NEMA) registered waste handlers. Additionally, used examination scripts and other paper waste were recycled through Chandaria Industries, supporting the circular economy and reducing the institution's environmental footprint. In addition, there was reduction of paper use, reuse of office supplies such as envelopes, and implementation of water and energy conservation measures.

Climate Action and Partnerships
- KASNEB participated in the Global call for action to halt and reverse deforestation and land degradation activity scheduled on Friday, 8 November 2024 at Sorget Forest Station in Kericho. Where KASNEB sponsored 1,500
- Indigenous seedlings (Fraxinus pensylvanica, Pinus patula, and Cupressus lusitanica) among other species during the planting.
- KASNEB members of staff collaborated with Kenya Forestry Service, National Environment Management, and the National Treasury and Economic Planning and participated tree planting exercise in Muumandu Forest in Machakos County.
- During the Board Retreat held from 27January to 31 January 2025, 50 tree seedlings were planted at Sawela Lodge, Naivasha.

3. Employee Welfare

KASNEB is committed to promoting fairness, inclusivity and a conducive working environment for all its staff. The organization's hiring process is governed by the Human Resource (HR) Instruments which are aligned with Public Service Commission guidelines, the Constitution of Kenya (2010), the Employment Act (2007), the Persons with Disabilities Act, and other relevant laws. These policies are reviewed every three to five years, with annual updates to address emerging issues undertaken when necessary to reflect strategic changes, labor market shifts, and Government directives.

KASNEB's recruitment process promotes gender balance, youth inclusion, and non-discrimination. During the year under review, the organization maintained a gender ratio of 52% female and 48% male, demonstrating its commitment to equity. All job advertisements and selection criteria are structured to ensure equal opportunity and are free from any form of gender-based discrimination. Stakeholder engagement is also integrated in policy development and review processes to ensure the perspectives of staff, clients, and partners are reflected in human resource strategies.

To improve employee capacity, KASNEB has in place a comprehensive skills development and career management framework. This includes onboarding programmes, role-specific training, access to e-learning platforms, external certifications, workshops, and mentorship arrangements to guide career progression and build institutional knowledge. Career development is further supported through structured career pathing, allowing employees to understand opportunities for advancement within the organization. The performance management system is robust, with biannual appraisals, quarterly reviews, and continuous feedback mechanisms. Employees are evaluated based on pre-set targets, competencies, and behavioral indicators. High-performing staff are recognized through formal recognition mechanisms such as commendation letters, long service awards, and opportunities for promotion and assignment to high-impact projects, in line with organizational goals.

In terms of safety and health, KASNEB has a well-established Occupational Safety and Health (OSH) Management System. This includes an OSH Policy, Fire Safety Policy, and a Security Policy, all implemented in full compliance with the Occupational Safety and Health Act (OSHA), 2007. The organization has functional OSH and Security Mainstreaming Committees, and regularly conducts annual OSH audits.

During the financial year 2024/2025, no major workrelated injuries were reported. However, minor incidents were addressed promptly with corrective and preventive actions taken to mitigate recurrence. KASNEB continues to invest in maintaining a safe and healthy working environment through training, policy enforcement, and regular workplace inspections.

Through these deliberate efforts, KASNEB fosters a productive, inclusive, and safe work environment that supports employee wellbeing and organizational performance.

4. Market Place Practices

(a) Responsible Competition Practice

KASNEB promotes responsible competition through transparency, accountability, and ethical service delivery. It enforces a strong AntiCorruption Policy, supported by regular staff sensitization and an anonymous whistleblowing mechanism. Procurement is conducted fairly and competitively. Service delivery has improved through automation via ERP systems, self-service portals, and eCitizen integration, along with an updated Customer Service Charter. All payments are cashless to enhance financial transparency. KASNEB also strengthened public awareness and brand protection through outreach, ethical advertising, and stakeholder.

(b) Responsible Supply Chain and Supplier Relations

KASNEB maintains ethical and responsible supply chain practices by adhering to procurement laws, treating suppliers fairly, and ensuring transparency. It honors contract terms and pays suppliers within the stipulated 10-day period as per the service charter. The procurement process is open, competitive, and designed to eliminate bias. Periodic supplier performance appraisal promotes quality and accountability. To support inclusivity, at least 30% of the procurement budget is allocated to Youth, Women, and Persons with Disabilities under the AGPO framework.

(c) Responsible Marketing and Advertising

As part of implementing its mandate of promoting qualifications nationally,regionally and internationally, KASNEB carried out various marketing and advertising initiatives. A total of 93 direct marketing activities were undertaken during the period. In addition, the print and digital media were also utilized for advertising where a total of five (5) print, one (1) article was published on the Citizen Digital platform and three hundred and sixtyeight (368) digital advertisements were placed in various media. Email marketing was also utilized to promote seamless academic progression across the different qualification levels.

(d) Product Stewardship

The following initiatives were undertaken in order to ensure customers interests and rights were considered:

- The Certified Public Financial Manager (CPFM) and Diploma in Quality Management (DQM) were launched. The first examinations for the CPFM qualification was administered in April 2025 examination session.
- The inaugural KASNEB International Conference for Professionals (KICP) was held.
- A complaint handling mechanism was implemented and availed to KASNEB stakeholders through the website. The complaints handling mechanism safeguards stakeholders' interest by offering complaints redress mechanisms and ways of harnessing suggestions for service improvements.
- Members of staff were sensitised on the revised customer service charter and complaints handling mechanism so as to promote efficient services within the organization.
- Ensured compliance with the Data Protection Act, 2019, to safeguard stakeholder data and privacy on digital platforms

5. Corporate Social Responsibility/ Community Engagement

During the financial year 2024/2025, KASNEB continued to fulfill its Corporate Social Responsibility (CSR) obligations in alignment with its mandate. Guided by its Environmental, Social, and Governance (ESG) policy, the institution implemented various community-focused initiatives under the three ESG pillars as follows:

(a) Environmental Pillar

KASNEB participated in tree-planting initiatives in Nyandarua and Kericho Counties, in collaboration with environmental authorities and aligned to the National Tree Growing Restoration Campaign, which aims to increase Kenya's tree cover to 30% by 2032. These efforts supported national climate action goals and raised awareness on environmental stewardship among communities. Additionally, KASNEB enhanced its internal

waste management practices and promoted resource efficiency in line with its commitment to mitigate environmental impact as stipulated in the ESG Policy.

(b) Social Pillar

KASNEB undertook several initiatives aimed at improving community well-being and promoting equitable access to opportunities. Through the KASNEB Foundation, KASNEB supported the loan and bursary scheme established to offer financial assistance to needy students pursuing KASNEB qualifications in accredited universities, colleges, and training institutions across Kenya. This initiative played a key role in reducing financial barriers to education and empowering deserving students. Additionally, KASNEB sponsored and participated in charitable events such as the StanChart Marathon 2024 and the Mater Heart Run 2025, both aimed at raising funds for children in need of heart surgeries. Staff were also actively involved in these community engagements, fostering a culture of volunteerism and social responsibility within the organization.

(c) Governance Pillar

KASNEB strengthened its governance commitments by upholding transparency, accountability, and ethical conduct in all operations. The institution conducted stakeholder sensitization forums, aligned with its constitutional duty under public service, to promote understanding of its qualifications and services. It also complied with ISO 9001:2015 Quality Management System standards and maintained a complaint handling mechanism accessible through its website. Incompliance with the Data Protection Act, 2019, KASNEB ensured the protection of personal data and privacy. The governance practices reflect the ESG Policy' provisions focusing on ethical leadership, stakeholder inclusion, and responsible management. In total, KASNEB allocated Sh.664,895 toward ESGrelated CSR activities during the year, supported by active staff participation and collaborative partnerships.

The strategic alignment of these initiatives with the ESG Policy framework and the impactful work of the KASNEB Foundation underscore its commitment to inclusive growth, sustainability, and community empowerment. Kasneb participated in the Global call for action to halt and reverse deforestation and land degradation activity on Friday, 8 November 2024 at Sorget Forest Station in Kericho where Kasneb sponsored 1,500 Indigenous seedlings (Fraxinus pensylvanica, Pinus patula, and Cupressus lusitanica) among other species.

REPORT OF MEMBERS OF THE BOARD

The members of the Board submit their report together with the audited financial statements for the year ended June 30 2025 which disclose the state of affairs of KASNEB

PRINCIPAL ACTIVITIES

The principal activities of KASNEB are the development of syllabuses, conduct of professional, diploma and technician examinations and certification of candidates in accountancy, finance, credit, governance and management, information technology and related disciplines, the promotion of its qualifications nationally and internationally and the accreditation of relevant training institutions.

RESULTS

The results for the year are set out on pages 1 to 22.

MEMBERS OF THE BOARD

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

AUDITORS

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

By order of the Board

Prof. Nicholas K. Letting', PhD., EBS, HSC,
Secretary/Chief Executive Officer

STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES

The members of the Board are responsible for preparing financial statements which give a true and fair view of the state of affairs of KASNEB as at the end of each financial year and of the operating results for that year. The members of the Board are also required to ensure that the Board keeps proper accounting records which disclose with reasonable accuracy the financial position of KASNEB. The members and management are also responsible for safeguarding the assets of KASNEB.

The members of the Board accept responsibility for the financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates and in conformity with the International Public Sector Accounting Standards, Section 81 of the Public Finance Management Act, 2012 and the State Corporations Act, Cap 446. The members are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of KASNEB as at June 30 2025 and the financial performance for the year then ended. The members and management further accept responsibility for the maintenance of accurate and complete accounting records which have been relied upon in the preparation of the financial statements as well as on the adequacy of the systems of internal finance controls.

Nothing has come to the attention of the members of the Board to indicate that KASNEB will not remain a going concern for the next twelve months from the date of this statement.

Approval of the Financial Statements

The financial statements were approved by the Board on 31 July 2024 and signed on its behalf by:

Dr Percy Opio
Chairman

CHAPTER

06

REPORT OF THE INDEPENDENT AUDITOR

REPUBLIC OF KENYA

(18)

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

KENYA ACCOUNTANTS AND SECRETARIES NATIONAL EXAMINATIONS BOARD

FOR THE YEAR ENDED 30 JUNE, 2025

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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OAG
OFFICE OF THE AUDITOR-GENERAL
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA ACCOUNTANTS AND SECRETARIES NATIONAL EXAMINATIONS BOARD FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;

B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

The three parts of the report 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 Accountants and Secretaries National Examinations Board set out on pages 1 to 27, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and 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 Accountants and Secretaries National Examinations Board as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Accountants Act, 2008 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 Accountants and Secretaries National Examinations Board Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final income budget and actual on comparable basis of Kshs.918,825,000 and Kshs.947,549,717, respectively resulting to an over-collection of Kshs.28,724,717. Similarly, the statement reflects budgeted expenditure and actual on comparable basis of Kshs.763,400,000 and Kshs.795,340,111 resulting in over-expenditure of Kshs.31,940,111.

The over-expenditure could be an indication of weaknesses in budget making and implementation at the Board.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

Management is responsible for the Other Information set out on page (iii) to (liii) which comprise of Corporate Information, Chairman's Statements, Report by the

Secretary/Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Members of the Board and Statement of Board Members' Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Idle Mortgage Funds

The statement of financial position reflects a balance of Kshs.395,837,587 in respect of cash and bank balances as disclosed in Note 13 to the financial statements. The balance includes Kshs.228,989,566 (2024 – Kshs.206,412,346) in relation to mortgage deposits held in KCB Mortgage account. This amount remained unutilized for the twelve (12) months under review implying idle funds in the account. Further, the staff mortgage uptake for the year was observed to be low with only two (2) new loan applications during the year.

In the circumstances, the continued holding of substantial unutilized funds raises concerns regarding efficient resource utilization and the effectiveness of the Staff Mortgage Scheme.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Long Outstanding Reconciliation Items

As reported in the previous year, the statement of financial position reflects a balance of Kshs.395,837,587 in respect of cash and bank balances, as disclosed in Note 13 to the financial statements. However, review of bank reconciliation statements revealed long outstanding uncredited cheques of Kshs.4,307,353. Management attributed the non-clearance of the items to the reconciliation module of the ERP system adopted by the Board which was unable to clear the same and that efforts were ongoing to have the matter resolved.

In the circumstances, the effectiveness of the automated bank reconciliation process could not be confirmed.

2. Weaknesses in Management of Unclaimed Receipts

As reported in the previous year, the statement of financial position reflects a balance of Kshs.136,446,411 in respect of trade and other payables which, as disclosed in Note 19 to the financial statements, includes an amount of Kshs.16,399,291 (2024-Kshs.89,381,182) that relates to unapplied/unclaimed receipts that have accrued over the periods and have not been allocated to any revenue stream. Management indicated that it is working on a policy to address and account for all the unapplied receipts going forward.

In the circumstances, the effectiveness of the Board's controls over unclaimed receipts could not be confirmed.

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

Responsibilities of the Management and Board of Directors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

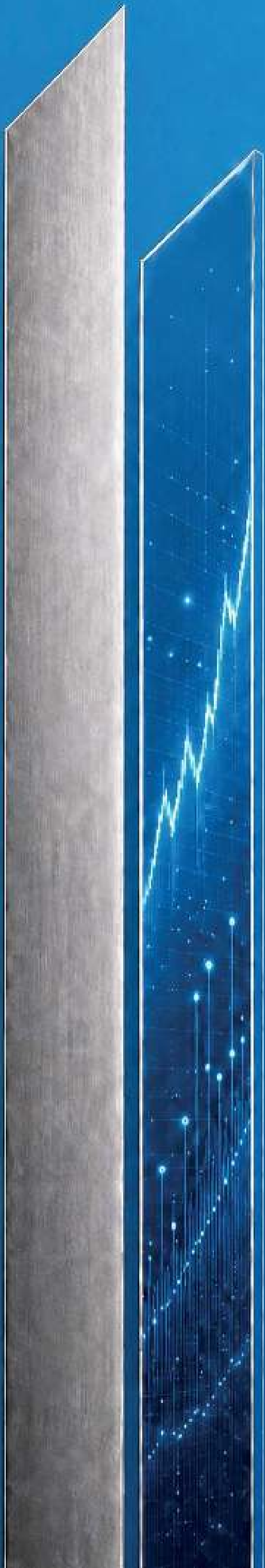
Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

10 December, 2025



CHAPTER

07

FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 30, 2025

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED JUNE 30, 2025

	Note	2024/2025	2023/2024
ASSETS		**Sh.**	**Sh.**
Revenue from exchange transactions			
Income from exchange transactions	4	734,483,814	691,918,681
Income from other exchange transactions	5	213,065,903	171,137,579
		947,549,717	**863,056,260**
Expenses			
Operating expenses	6	296,991,532	300,453,922
Employee costs	7	402,703,267	385,159,041
Board expenses	8	28,470,148	22,234,795
Administration costs	9	32,507,631	67,004,022
Repairs and maintenance	10	1,049,250	3,003,659
Contracted services	11	33,618,283	28,510,107
Depreciation and amortisation	12	125,144,065	56,442,537
		920,484,175	**862,808,083**
Surplus/(Deficit) for the period		**27,065,542**	**248,176**

The financial statements and notes set out on pages 1 to 23 were signed by:

Dr Percy Opio
Chairman

Prof. Nicholas K. Letting',PhD., EBS, HSC
Secretary/Chief Executive Officer

FCPA Dr. Isaac M. Njuguna
Director Corporate Services
ICPAK No. 3810

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2025

	Note	2024/2025	2023/2024
ASSETS		**Sh.**	**Sh.**
Current assets			
Cash and bank balances	13	395,837,587	344,518,762
Held to maturity investments	14.1	284,971,980	131,702,951
Trade and other receivables	16	88,811,984	94,175,808
		769,621,552	**570,397,521**
Non current assets			
Property, plant and equipment	15(b)	1,368,178,894	1,164,258,870
Leasehold land	15(c)	450,000,000	365,000,000
Intangible assets	17	102,437,610	133,404,875
Held to maturity investments	18	104,346,984	123,497,900
		2,024,963,488	1,786,161,644
Total assets		**2,794,585,040**	**2,356,559,165**
LIABILITIES			
Current liabilities			
Trade and other payables	19	136,446,411	74,639,697(R)
Provisions	20	16,501,504	16,237,184(R)
Prepayments received in advance	21	47,389,700	35,455,731
Total liabilities		**200,337,615**	**126,332,612**
Net assets		**2,594,247,425**	**2,230,226,553**
Revaluation reserve		716,839,645	379,884,314
Accumulated surplus		1,877,407,781	1,850,342,239(R)
		2,594,247,425	**2,230,226,533**
Total net assets and liabilities		**2,794,585,040**	**2,356,559,165**

The financial statements on pages 1 to 6 were approved by the Board on 30 July 2025 and were signed on its behalf by:

Dr Percy Opio
Chairman

Prof. Nicholas K. Letting',
PhD., EBS, HSC
Secretary/Chief Executive Officer

FCPA Dr. Isaac M. Njuguna
Director Corporate Services
ICPAK No. 3810

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2025

	Note	Revaluation reserves	Accumulated surplus	Total
			Sh.	Sh.
Balance as at 30 June 2023		**383,759,314**	**734,483,814**	**691,918,681**
DepreciationAmortisation charge for the year		(3,875,000)	-	(3,875,000)
Surplus/(Deficit) for the period		-	248,176	248,176
Balance as at 30 June 2024		**379,884,314**	**1,850,342,239**	**2,230,226,553**
Addition for the period		336,955,331	-	336,955,331
Surplus/(Deficit) for the period		-	27,065,542	27,065,542
Balance as at June 30, 2025		**716,839,645**	**1,877,407,781(R)**	**2,594,247,425**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2025

	Note	2024/2025	2023/2024
		Sh.	Sh.
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Income from exchange transactions	4	734,483,814	691,918,681
Interest income	5	78,694,081	55,879,037
Income from other exchange transactions		134,371,822	115,258,542
Total receipts		**947,549,717**	**863,056,260**
Payments			
Operating expenses	6	(296,991,532)	(300,453,922)
Employee costs	7	(402,703,267)	(385,159,041)
Board expenses	8	(28,470,147)	(22,234,795)
Administration costs	9	(32,507,629)	(67,004,022)
Repairs and maintenance	10	(1,049,250)	(3,003,659)
Contracted services	11	(33,618,283)	(28,510,107)
Decrease in trade and other receivables		5,363,823	(43,709,317)
Increase/(Decrease) in payables, provisions and prepayments		74,005,003	(16,442,351)
Total payments		**(715,971,282)**	**(866,517,214)**
Net cash flows from operating activities	**24**	**231,578,435**	**(3,460,954)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	15 (b)	(39,224,595)	(18,443,371)
Purchase of intangible assets	17	(6,916,900)	(14,048,806)
Decrease/(Increase) in investments		19,150,917	(26,132,100)
Net cash utilised in investing activities		**(26,990,579)**	**(58,624,277)**
Cash flows from financing activities:		**-**	**-**
Dividends paid to the Government			
Net increase /(decrease) in cash and cash equivalents		**204,587,856**	**(62,085,232)**
Cash and cash equivalent at 1 July 2024	14	476,221,712	538,306,944
Cash and cash equivalent at 30 June 2025	**14**	**680,809,568**	**476,221,713**

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

ASSETS	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2024/2025	2024/2025	2024/2025	2024/2025	2024/2025.
	Sh.	Sh.	Sh.	Sh.	Sh.
INCOME FROM EXCHANGE TRANSACTIONS					
Examinations booking fees	576,500,000	(91,500,000)	485,000,000	465,507,312	19,492,688
Registration fees	118,860,000	-	118,860,000	116,230,334	2,629,666
Annual registration renewal fees	53,340,000	-	53,340,000	52,101,986	1,238,014
Exemption fees	86,625,000	-	86,625,000	100,644,181	(14,019,181)
Sale of publications	5,000,000	-	5,000,000	-	5,000,000
Sub-Total	**840,325,000**	**(91,500,000)**	**748,825,000**	**734,483,814**	**14,341,186**
INCOME FROM NON-EXCHANGE TRANSACTIONS					
Interest earned	50,000,000	-	50,000,000	78,694,081	(28,694,081)
Rental income	95,000,000	-	95,000,000	104,615,151	(9,615,151)
Gain on foreign exchange	-	-	-	9,068,369	(9,068,369)
Gain on disposal of assets	-	-	-	-	-
Miscellaneous income	25,000,000	-	25,000,000	20,688,302	4,311,698
Sub-total	**170,000,000**	**-**	**170,000,000**	**213,065,903**	**(43,065,903)**
Total income	**1,010,325,000**	**(91,500,000)**	**918,825,000**	**947,549,717**	**(28,724,717)**
EXPENDITURE ON OPERATIONS					
Examinations and invigilation	80,000,000	48,800,000	128,800,000	141,250,439	(12,450,439)
Examination prizes	-	-	-	-	-
Hire of examination halls	4,200,000	5,000,000	9,200,000	11,835,879	(2,635,879)
Data processing	24,000,000	(11,200,000)	12,800,000	18,880,766	(6,080,766)
Printing and stationery	12,000,000	-	12,000,000	14,712,146	(2,712,146)
Local travelling and transport	3,000,000	-	3,000,000	6,103,504	(3,103,504)
Long distance travel and transport	3,000,000	-	3,000,000	6,803,454	(3,803,454)
Postage and telephone	2,200,000	-	2,200,000	5,704,316	(3,504,316)
Salaries and wages	330,000,000	10,000,000	340,000,000	333,667,746	6,332,254
Pensions and benefits	57,800,000	-	57,800,000	41,097,377	16,702,623
Education and training	8,000,000	12,000,000	20,000,000	27,938,144	(7,938,144)
Repairs and maintenance	1,200,000	-	1,200,000	1,049,250	150,750
Audit fees	1,000,000	4,000,000	5,000,000	2,691,580	2,308,420
Insurance	2,000,000	-	2,000,000	2,718,503	(718,503)
Sundry expenses	3,000,000	-	3,000,000	8,564,534	(5,564,534)
Bank charges	2,000,000	-	2,000,000	4,080,368	(2,080,368)
Board expenses	9,000,000	21,000,000	30,000,000	28,470,148	1,529,852
Marketing and communication	29,000,000	21,000,000	50,000,000	58,841,322	(8,841,322)

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

ASSETS	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2024/2025	2024/2025	2024/2025	2024/2025	2024/2025.
	Sh.	Sh.	Sh.	Sh.	Sh.
Students' journal- KASNEB Newsline	-	-	-	-	-
Legal expenses	800,000	-	800,000	434,300	365,700
Rent and rates	700,000	-	700,000	531,330	168,670
Office provisions	2,800,000	-	2,800,000	4,320,726	(1,520,726)
Resource and Innovation	2,000,000	-	2,000,000	2,681,333	(681,333)
Examinations research and development	11,500,000	-	11,500,000	6,837,033	4,662,967
Impairment of receivables	1,000,000	-	1,000,000	-	1,000,000
Sub-Total	**590,200,000**	**110,600,000**	**700,800,000**	**729,214,197**	**(28,414,197)**
EXPENDITURE ON OTHER ITEMS					
Interest earned	50,000,000	-	50,000,000	78,694,081	(28,694,081)
Rental income	95,000,000	-	95,000,000	104,615,151	(9,615,151)
Gain on foreign exchange	-	-	-	9,068,369	(9,068,369)
Gain on disposal of assets	-	-	-	-	-
Miscellaneous income	25,000,000	-	25,000,000	20,688,302	4,311,698
Sub-total	170,000,000	-	170,000,000	213,065,903	(43,065,903)
Total income	**1,010,325,000**	**(91,500,000)**	**918,825,000**	**947,549,717**	**(28,724,717)**
EXPENDITURE ON OPERATIONS					
Insurance and maintenance of office premises	11,000,000	-	11,000,000	12,104,165	(1,104,165)
Contracted services	15,800,000	21,200,000	37,000,000	33,618,283	3,381,717
Social responsibility	1,000,000	-	1,000,000	1,104,490	(104,490)
KASNEB Foundation Bursary	2,000,000	-	2,000,000	2,000,000	-
Strategic planning expenses	1,000,000	-	1,000,000	730,600	269,400
Website development and maintenance	3,000,000	2,200,000	5,200,000	4,110,524	1,089,476
Miscellaneous expenses	400,000	-	400,000	385,372	14,628
Consultancies, Surveys and ISO expenses	5,000,000	-	5,000,000	12,072,480	(7,072,480)
Sub-total	**39,200,000**	**23,400,000**	**62,600,000**	**66,125,914**	**(3,525,914)**
Total expenditure	**629,400,000**	**134,000,000**	**763,400,000**	**795,340,111**	**(31,940,111)**
Surplus from operations	**250,125,000**	**(202,100,000)**	**48,025,000**	**5,269,617**	**42,755,383**
Surplus from other sources	130,800,000	(23,400,000)	107,400,000	146,939,989	(39,539,989)
Surplus before depreciation and amortisation	380,925,000	(225,500,000)	155,425,000	152,209,607	3,215,393
Depreciation and amortisation expenses	42,500,000	-	42,500,000	125,144,065	(82,644,065)
Surplus/(Deficit) for the year	**338,425,000**	**225,500,000**	**112,925,000**	**27,065,543**	**85,859,458**

EXPLANATORY NOTES ON VARIANCES IN FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

The following are explanations on some variances in the financial statements.

1. INCOME FROM EXCHANGE AND NON EXCHANGE TRANSACTIONS

The reported total income from exchange transactions of Sh.947.5 million for the financial year ended 30June 2025 was higher than the budgeted income of Sh.918.8 million by Sh.28.7 million representing a positive variance of 3%. The reported income was also higher than the previous financial year 2023/2024 of Sh.863 million by 10%.

The following is a brief analysis of the major sources of income.

1.1 Examination entry fees

The reported income of Sh.465.5 million was lower than the budgeted income of Sh.485 million by Sh.19.5 million representing a negative variance of 4%. This is attributable to decrease in the number of candidates who entered for the examinations compared to the projected numbers.

1.2 Registration fees

The reported income of Sh.116.6 million was lower than the budgeted income of Sh.118.9 million by Sh.2.3 million representing a negative variance of 2%. This is attributable to lower number of students who registered as new students compared to the projected numbers.

1.3 Annual registration renewal fees

The reported income of Sh.52.1 million was lower than the budgeted income of Sh.53.3 million by Sh.1.2 million representing a negative variance of 2%. The variance is attributed to the discount for reactivating the dormant students.

1.4 Exemption fees

The reported income of Sh.100.6 million was higher than the projected amount of Sh. 86.6 million by Sh.14 million representing a positive variance of 16%. This was attributable to the higher number of students who sought exemptions.

1.5 Sale of publications

The budgeted income amount of Sh.5 million was not realized. The development of the study packs and reading materials was ongoing and there were no sales during the financial year.

1.6 Interest earned

The reported income of Sh.78.7 million was higher than the budgeted income of Sh.50 million by Sh.28.7 million. This was attributable to favourable interest rate and surplus funds to invest in treasurybills and bonds.

1.7 Rental income

The reported income of Sh.104.6 million was higher than the budgeted income of Sh.95 million. The positive variance of 10% was as a result of lease space to new tenants and hire of multipurpose hall.

1.8 Miscellaneous income

The reported income of Sh.20.7 million was lower than the budgeted income of Sh.25 million by Sh.4.3 million representing a negative variance of 17.2%. The variance is attributed to sale of water pump that had been earmarked for disposal but the offer prices were far much lower than the reserve price.

2. EXPENDITURE

The Government through the National Treasury Circular No. 2/2024, letter reference number DGIPE/A/1/10 dated 27 March 2024 directed 70% rationalization of the proposed budget for the financial year 2024/2025.

The 30% budget cut implementation on the recurrent expenditure for the financial year from Sh.995 million to the approved recurrent budget of Sh.795 million had a huge impact on the mandate and operations of KASNEB. It is worthwhile to note that, KASNEB uses a zero based budgeting model on the actual programs and activities in projecting expenses to achieve its core mandate and commitments. To this end, budgetary provisions for some key vote items were not adequate to meet the costs of the planned programs and activities.

The reported total expenditure for the financial year 2024/2025 before depreciation was Sh.775.5 million. The expenditure was lower than the budgeted expenditure of Sh.763.4 million by Sh.12.1 million representing a negative variance of 0.2%. The financial performance was also lower than the expenditure for the year ended 2023/2024 financial year that totaled 806.4 million. The following was a brief analysis of some of the main items of expenditure.

2.1 Examinations and invigilation

The reported expenditure of Sh.141.3 million was higher than the approved budget of Sh.128.8 million by Sh.12.5 representing a negative variance of 9.7%. The amount was in relation to setting examinations, moderation, invigilation, marking, checking and accreditation of the training institutions as per the mandate of KASNEB. The negative variance was as a result of the mandatory 30% budget cut.

2.2 Hire of examination halls

KASNEB hires examination halls to administer the examinations. The cost of hire of the examination halls and computer labs are in related to the number of candidates in a particular sitting. During the year, additional examination centres were hired for administration of the online and physical examinations. The reported expenditure of Sh.11.8 million was higher than the approved budget of Sh.9.2 million by Sh.2.6 million representing a negative variance of 28.3%.

2.3 Data processing expenses

These expenses relate to the costs associated with computer and software licenses and maintenance as well as purchase of computer stationery used in printing students registers.

The reported expenditure of Sh.18.8 million was higher than the approved budget of Sh.12.8 million by Sh.6 million representing a negative variance of 46.8%. The variance was as a result of fixed costs related to number of students sitting examinations. The expenditure was lower than for previous FY2023/2024 which was Sh.19.3 million.

2.4 Printing and stationery

This cost is incurred in general printing, printing examination answer booklets, printing examination question papers, certificates and assorted general stationery.

The reported expenditure of Sh.14.7 million was higher than the approved budget of Sh.12 million by Sh.2.7 million representing a negative variance of 22.6%. The expenditure was lower than for previous FY2023/2024 which was Sh.18.5 million representing a major drop in the cost of printing and stationery.

2.5 Postage and telephone

The major component of this item relates to postage of examination materials and students' certificates. The expenditure also includes cost of landline, ISDN line, contact centre, monthly Huduma Services linkage expenses and mobile telephone expenses.

The reported expenditure of Sh.5.7 million was higher than the approved budget of Sh.2.2 million by Sh.3.5 million representing a negative variance of 157%. A new telephony system was implemented to enhance communication with students leading to a wide reach of students on need basis.

2.6 Pensions and benefits

The reported expenditure of Sh.41 million was lower than the approved budget of Sh.57.8 million by Sh.16.7 million representing a positive variance of 29%. This was attributable to planned recruitment for vacant positions, promotions that were not undertaken awaiting approval of the new human resources instruments. The positive variance was also attributed to change of pension scheme administrators who were engaged at a lower rate than the previous firm.

2.7 Education and training

This item of expenditure relates to costs of education and training, training levy, seminars and workshops which are intended to equip members of staff with new and additional skills to deliver the core mandate.

The reported expenditure of Sh.27.9 million was higher than the approved budget of Sh.20 million by Sh.8.2 million representing a negative variance of 41.2%. The training cost incurred was critical part of delivery of mandate of KASNEB to develop examinations including training on administration of online examinations.

2.8 Insurance

The reported expenditure of Sh.2.7 million was higher than the approved budget of Sh.2 million by Sh.0.7 million representing a negative variance of 35%. The increase in insurance cost was related to the assets acquired during the year.

2.9 Repairs and maintenance of office premises

These costs relate to repairs and maintenance of furniture, equipment and maintenance of KASNEB buildings. The reported expenditure of Sh.13.1 million was higher than the approved budget of Sh.12.2 million by Sh.0.9 million representing a negative variance of 7%.

2.10 Website development and maintenance

Key information relating to the operations of KASNEB are posted on the website on a continuous basis and are empowered through cloud computing and virtual private Network services. The syllabuses and the examination timetables are also posted to the website to enhance service delivery to students.

The reported expenditure of Sh.4.1 million was within the budgeted amount of Sh.5.2 million.

2.11 Consultancy, surveys and ISO expenses

These are expenses relating to activities and programmes of a special nature which are not expected to take place on a recurring basis including consultancies, market surveys, Performance Contracting mandatory compliance surveys, revaluation and tagging of assets, development and review of policies, legal and compliance audit and ISO related expenses.

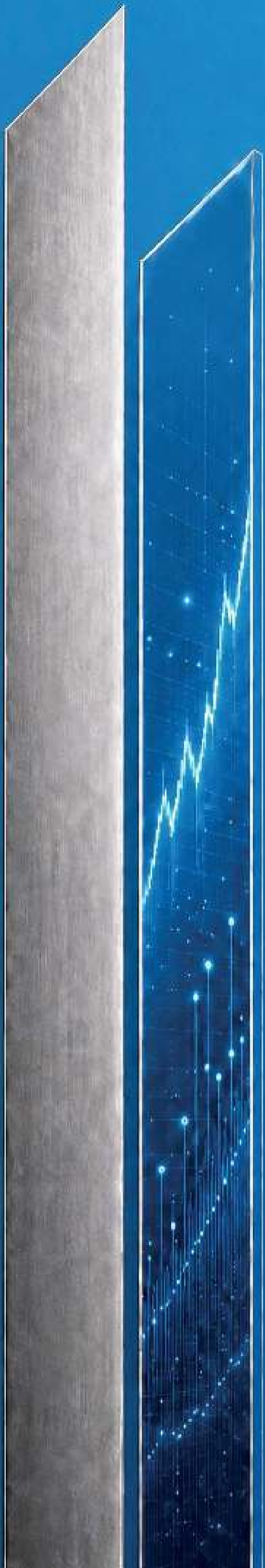
The reported expenditure of Sh.12 million was higher than the approved budget of Sh.5 million. This is attributable to:

a. Tender development and evaluations for change of service providers in order to realise value for money on the goods and services offered to KASNEB.
b. Implementation of 20th cycle of Performance Contracting targets which related to productivity mainstreaming and re-engineering of processes.
c. Consultancy services for legal and compliance audits, development of Research, innovation, knowledge management policies and strategies.

CHAPTER

08

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

1. GENERAL INFORMATION

KASNEB is established by and derives its authority from the Accountants Act No. 15 of 2008 which repealed and replaced the Accountants Act Cap 531 of 1977. The entity is wholly owned by the Government of Kenya and domiciled in Kenya.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The Public Finance Management (PFM) Act, 2012 Section 192 provided the setting up of the Public Sector Accounting Standards Board (PSASB). The Cabinet Secretary, National Treasury gazetted members of the Board through Gazette Notice No. 1199 of 28 February 2014. Following the Board's approval on the adoption of the International Financial Reporting Standards (IFRS) for state organs operating as Commercial Business Entities and The International Public Sector Accounting Standards (IPSAS) for non-commercial entities, KASNEB adopted the pronouncements made by the IPSAS Board in preparation of the financial statements effective from the financial year 2013/2014. The financial statements are presented in Kenya Shillings.

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

3(A) 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

IPSAS 43 - Leases
Applicable 1st January 2025

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.

IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations
Applicable 1st January 2025

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.

IPSAS 45- Property Plant and Equipment
Applicable 1st January 2025

The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.

IPSAS 46 Measurement
Applicable 1st January 2025

The objective of this standard was to improve measurement guidance across IPSAS by:

- Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.
- Clarifying transaction costs guidance to enhance consistency across IPSAS;
- Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.
- The standard also introduces a public sector specific measurement bases called the current operational value.

IPSAS 47- Revenue
Applicable 1st January 2026

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.

IPSAS 49- Retirement Benefit Plans
Applicable 1st January 2026

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

iii. Early adoption of standards

KASNEB did not early - adopt any new or amended standards in the financial year.

3(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
Revenue recognition

Revenue from exchange transactions

Examination fees is accounted for in the financial year in which the relevant examination takes place. No value is placed on stocks of examination stationery and past examination papers. Other fees income is accounted for when received. Examination fees refunded to students and candiadates are accounted for in the year in which the refunds are made.

Interest income

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

Budget information

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

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.

Depreciation

Depreciation is calculated on a reducing balance to write off property, plant and equipment over their estimated useful lives. Non- current assets acquired during the financial year are depreciated using full year depreciation in the year of purchase while no depreciation is provided in the year of disposal. Construction work in progress is not depreciated.

The annual rates of depreciation in use are:

- Buildings - **2.5%**
- Buildings- Construction in progress - **Nil**
- Information communication technology equipment - **33.3%**
- Furniture and fittings - **20%**
- Machinery and office equipment - **20%**
- Motor vehicles - **20%**

Intangible assets

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding 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 intangible assets is assessed as finite and cost amortised over three year period.

Leasehold land

KASNEB owns leasehold land (LR.209/522/1) in Upper Hill area, Nairobi, on which stands its office premises. The lease on the land expires in the year 2097.

Financial instruments

Financial assets

- **Initial recognition and measurement**

Financial instruments are contracts that give rise to both financial assets and financial liabilities. The financial assets comprise government securities in form of Treasury bills and bonds and are held to maturity. Financial assets within the scope of IPSAS 29: Recognition and Measurement are classified as financial assets and are held to maturity and recognised in the financial statements at cost taking into account any discount or premium on acquisition.

- **Impairment of financial assets**

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

i. The debtors or a entity of debtors are experiencing significant financial difficulty.
ii. Default or delinquency in interest or principal payments.
iii. The probability that debtors will enter bankruptcy or other financial reorganization.
iv. Observable data indicates a measurable decrease in estimated future cash flows (such as changes in arrears or economic conditions that correlate with defaults).

Financial liabilities

- **Initial recognition and measurement**

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. KASNEB determines the classification of its financial liabilities at initial recognition. KASNEB currently has no financial liabilities.

- **Provisions**

These are recognized accordance with the provisions of IPSAS 19: Provisions; where 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. Expenses relating to any provision are presented in the statement of financial performance net of any reimbursement. Additional disclosure of the estimated provisions is included in Note 22.

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. Where KASNEB 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.

- **Contingent assets**

KASNEB does not recognise 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 KASNEB 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.

- **Contingent liabilites**

KASNEB recognizes 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. As disclosed on note 16 KASNEB has entered into major capital commitments that would entail large cash flow commitments in the future.

Changes in accounting policies and estimates

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

Employee benefits

- **Retirement benefits**

KASNEB operates a staff retirement benefits scheme for its employees. The scheme, which was established on 1 January 1980 , operates according to the provisions of the Retirement Benefits Act, 1997. The assets of this scheme are held in a separate trustee administered fund that is funded by contributions from both the employees and KASNEB as the sponsor. The scheme was converted from a defined benefits scheme to a defined contribution scheme with effect from 1 July 2011 in compliance with Treasury circular No. 18/2010 and the Retirements Benefits Act.

KASNEB has 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. KASNEB and all its employees also contribute to a statutory defined contribution scheme, the National Social Security Fund (NSSF). The contributions are determined by the National Social Security (NSSF) Act, 2013.

- **Related parties**

KASNEB 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 KASNEB, or vice versa. Members of key management are regarded as related parties and comprise the members of the Board, the Chief Executive and heads of divisions and units.

- **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank and highly liquid investments in Treasury bills which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to members of staff which were not surrendered or accounted for at the end of the financial year.

Comparative figures

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

Significant judgments and sources of estimation uncertainty

The preparation of the 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. KASNEB 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 KASNEB. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

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

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

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 30 June 2025.

	Note	2024/2025	2023/2024
		Sh.	Sh.
4. INCOME FROM EXCHANGE TRANSACTIONS			
Examination booking fees		465,507,312	691,918,681
Registration fees		116,230,334	55,879,037
Annual registration renewal fees		52,101,986	115,258,542
Exemption fees		100,644,181	863,056,260
		734,483,814	**691,918,681**
5. INCOME FROM OTHER EXCHANGE TRANSACTIONS			
Rental income		(296,991,532)	(300,453,922)
Interest income		(402,703,267)	(385,159,041)
Gain on disposal of assets		(28,470,147)	(22,234,795)
Foreign exchange gain/loss		(32,507,629)	(67,004,022)
Miscellaneous income		(1,049,250)	(3,003,659)
		213,065,903	**171,137,579**
5.1 Interest Income			
Interest income breakdown			
Interest from government securities		51,876,671	46,535,483
Interest received from mortgage deposit		22,577,220	4,453,005
Interest earned from bank balances		4,129,388	4,688,437
Interest earned from advances to staff		110,852	202,112
		78,694,081	**55,879,037**
6. EXPENDITURE ON OPERATIONS			
Examinations and invigilation		141,250,439	130,179,925
Examination prizes		-	2,328,486
Hire of examination halls		11,835,879	8,725,517
Data processing		18,880,766	19,252,719
Printing and stationery		14,712,146	18,511,227
Local travel and transport		6,103,504	7,620,305
Long distance travel and transport		6,803,454	5,394,875
Postage and telephone		5,704,316	2,787,574
Audit fees		2,691,580	1,100,000
Insurance		2,718,503	1,980,647
Sundry expenses		8,564,534	6,837,121
Bank charges		4,080,368	3,176,214
Marketing and communication		58,841,322	55,886,160
KASNEB Newsline		-	499,960
Legal expenses		434,300	1,692,794

	Note	2024/2025	2023/2024
		Sh.	Sh.
Office Provisions		4,320,726	4,307,361
Research and Innovation Centre		2,681,333	6,959,762
Examinations development and Research		6,837,033	15,081,803
Impairment of receivables		-	7,600,142
		296,991,537	**300,453,922**
6.1 Sundry Expenses			
Year end and KASNEB's annual anniversary expenses		3,259,050	1,041,500
Staff uniforms,floral and laundry expenses		943,313	451,837
Other expenses		4,362,171	5,343,784
		8,564,534	**6,837,121**
7. EMPLOYEE COSTS			
Salaries and wages		185,935,471	174,551,007
Contributions to pension		41,097,377	38,986,106
Contributions to medical aid and benefits		28,918,182	28,873,130
Casual labour		4,877,796	6,064,257
Leave allowances		6,172,178	8,469,446
Commuter allowances		17,819,374	17,130,153
Education and training		27,938,144	19,856,332
Housing benefits and allowances		44,114,276	42,603,505
Entertainment allowance		7,628,551	8,553,022
Examinations security allowance		28,009,869	29,353,903
Extraneous allowances		4,019,548	4,179,703
Telephone allowances		6,172,501	6,538,476
		402,703,267	**385,159,042**
8. BOARD EXPENSES			
Chairman's honoraria		960,000	880,000
Board and committees attendance allowances		21,872,293	16,431,315
Board and committees workshops expenses		5,637,855	4,923,480
		28,470,148	**4,923,480**
9. ADMINISTRATION COSTS			
Insurance and maintenance of office premises		12,104,165	12,198,073
Social responsibility	9.1	1,104,490	6,286,440
KASNEB Foundation-Bursary		2,000,000	7,500,000
Strategic planning expenses		730,600	1,382,150
Website development and maintenance		4,110,524	5,879,777
Miscellaneous expenses		385,372	1,195,569

	Note	2024/2025	2023/2024
		Sh.	Sh.
		32,507,631	**67,004,021**
9.1 Social Responsibility			
Donations to other institutions and other Social responsibility activities		1,104,490	6,286,440
		1,104,490	**6,286,440**

	Note	2024/2025	2023/2024
10. REPAIRS AND MAINTENANCE			
Machinery and office equipment		-	511,501
Motor vehicles		912,540	2,051,658
ICT Equipment		136,710	-
Building repairs		-	440,500
		1,049,250	**3,003,659**

	Note	2024/2025	2023/2024
11. CONTRACTED SERVICES			
Building management and maintenance		20,318,482	13,998,098
Security services		5,642,295	5,658,650
Lift service and maintenance		2,034,394	1,387,841
Sanitary services		502,142	710,311
Property Management fee		4,307,955	6,110,946
Provision of bottled water		813,015	644,260
		33,618,283	**28,510,106**

	Note	2024/2025	2023/2024
12. DEPRECIATION AND AMORTISATION			
Depreciation - Property, plant and equipment	15(b)	87,259,900	48,083,529
Amortisation - Intangible assets	17	37,884,165	8,359,008
		125,144,065	**56,442,537**

12.1 Depreciation Computation

Depreciation of property, plant and equipment has been computed based on remaining useful life of the revalued assets.

	Note	2024/2025	2023/2024
13. CASH AND BANK BALANCES			
Bank balances	13.1	166,423,970	137,119,904
Cash-on-hand and in transit		424,052	986,512
Mortgage deposit		228,989,566	206,412,346
		395,837,587	**344,518,763**
13.1 Bank Balances			
National Bank of Kenya Ltd. - Main account - A/C No. 01001031572600		18,800,128	14,094,225

	Note	2024/2025	2023/2024
		Sh.	Sh.
Absa Bank of Kenya Ltd. - A/C No. 0708004502		32,058,465	(9,243,781)
Equity Bank Ltd.- A/C No. 0170299238025		72,100	1,102,184
Kenya Commercial Bank Ltd.- Ksh. Account - A/C No. 1203681194		54,683,777	38,719,683
Kenya Commercial Bank Ltd.- Dollar Account - A/C No. 1123096465		21,582,290	80,413,879
HFC Bank		32,464,980	-
		166,423,970	**137,119,904**

14. CASH AND CASH EQUIVALENT		
Cash and bank balances	395,837,587	344,518,763
Cash and bank balances	284,971,980	131,702,951
	680,809,568	**476,221,714**
14.1 Treasury Bills/Bonds Maturing Within One Year		
Treasury Bills/Bonds maturing within one year	284,971,980	131,702,951
	284,971,980	**131,702,951**

15(A) Property, Plant And Equipment (Net Book Values)		
Building	458,250,000	222,410,248
Investment property	812,572,670	918,841,654
Information communication technology equipment	68,684,755	9,100,339
Furniture and fittings	10,262,207	763,846
Machinery and office equipment	9,142,596	13,142,782
Motor vehicles	9,266,667	-
	1,368,178,894	**1,164,258,870**

15(B) Schedule Of Non Current Assets

Property, Plant And Equipment - 2024/2025

	Building	Investment property	Information Communica-tion Technology Equipmen	Furniture and Fittings	Machinery and Office Equipmen	Motor Vehicles	Total
COST/ VALUA-TION	**Sh.**	**Sh.**	**Sh.**	**Sh.**	**Sh.**	**Sh.**	**Sh.**
At 1 July 2024	222,410,248	918,841,654	9,100,339	763,846	13,142,782	-	1,164,258,869
Additions/ Addition on revaluation	247,589,752	(88,841,654)	63,409,912	13,639,465	2,557,856	13,600,000	251,955,331
Adjusted Opening bal-ances	470,000,000	830,000,000	72,510,251	14,403,311	15,700,638	13,600,000	1,416,214,200
Additions during the year	-	-	237,069	120,000	2,327,446	-	2,684,515
WIP		3,322,679	32,311,095	580,000	326,315		36,540,089
At June 30, 2025	**470,000,000**	**833,323,670**	**105,058,415**	**15,103,311**	**18,354,399**	**13,600,000**	**1,455,438,795**
DEPRECIATION							
At 1 July 2024	57,907,816	135,151,403	97,172,263	56,238,101	58,445,193	31,126,278	436,041,054
Charge for the year	11,750,000	20,750,000	36,373,660	4,841,104	9,211,804	4,333,333	87,259,901
Eliminated on disposal	-	-	-	-	-	-	-
Eliminated on Revaluation	(69,455,534)	(161,404,022)	(106,165,561)	(57,030,860)	(62,817,327)	(27,686,278)	(484,559,582)
At June 30, 2025	**11,750,000**	**20,750,000**	**36,373,660**	**4,841,104**	**9,211,803**	**4,333,333**	**87,259,901**
NET BOOK VALUE							
At June 30, 2025	**458,250,000**	**812,572,670**	**68,684,755**	**10,262,207**	**9,142,596**	**9,266,667**	**1,368,178,894**

15(B) Schedule Of Non Current Assets

Property, Plant And Equipment - 2023/2024

COST/ VALUATION	Building	Investment property	Information Communication Technology Equipmen	Furniture and Fittings	Machinery and Office Equipmen	Motor Vehicles	Total
	Sh.	Sh.	Sh.	Sh.	Sh.	Sh.	Sh.
At 1 July 2023	291,865,782	1,080,245,676	103,903,308	57,794,706	68,879,331	31,126,278	1,633,815,081
Additions	-	-	11,362,592	-	7,080,779	-	18,443,371
Disposal	-	-	-	-	-	(3,440,000)	(3,440,000)
At June 30, 2024	**291,865,782**	**1,080,245,676**	**115,265,900**	**57,794,706**	**75,960,110**	**27,686,278**	**1,648,818,452**
DEPRECIATION							
At 1 July 2023	57,907,816	135,151,403	97,172,263	56,238,101	58,445,193	31,126,278	436,041,054
Charge for the year	7,672,719	26,252,619	8,993,297	792,759	4,372,135	-	48,083,529
Eliminated on disposal	-	-	-	-	-	(3,440,000)	(3,440,000)
Revaluation	3,875,000	-	-	-	-	-	3,875,000
At June 30, 2024	**69,455,535**	**161,404,022**	**106,165,561**	**57,030,860**	**62,817,327**	**27,686,278**	**484,559,582**
NET BOOK VALUE							
At June 30, 2024	**222,410,248**	**918,841,654**	**9,100,339**	**763,846**	**13,142,782**	**-**	**1,164,258,870**

	Note	2024/2025	2023/2024
		Sh.	Sh.
15(C) Leasehold Land			
Cost/valuation		365,000,000	365,000,000
Additions - Revaluation		85,000,000	-
Net book value as at 30 June		**450,000,000**	**365,000,000**
16. TRADE AND OTHER RECEIVABLES			
Prepayments		-	5,618,455
Interest receivable		12,822,812	28,708,842
Rental Income receivable		18,753,104	30,335,645
Other receivables		50,344,186	25,554,509
Staff receivables		6,891,882	3,958,356
		88,811,984	**94,175,807**

16(A) Aging Analysis For Trade And Other Receivables

	0-60 days	61-120 days	Over 121 days	Total cumm
Trade and Other Receivables	61,828,968	513,110	26,469,906	88,811,984
	61,828,968	**513,110**	**26,469,906**	**88,811,984**

	2024/2025	2023/2024
17 INTANGIBLE ASSETS		
Cost/valuation	182,503,923	168,455,116
Additions - WIP	6,916,900	14,048,806
As at 30 June	**189,420,822**	**182,503,922**
Amortization and impairment		
At 1 July	49,099,048	40,740,039
Amortisation	37,884,165	8,359,009
As at 30 June	**86,983,213**	**49,099,048**
Net book value as at 30 June	**102,437,610**	**133,404,874**

18 FINANCIAL INSTRUMENTS

The financial instruments in which KASNEB has contracted are held to maturity as indicated in note 3 (f) and include Treasury bills and bonds. They are included in the financial statements under current and non-current investments and will mature as follows:

	2024/2025	2023/2024
Treasury bonds maturing after one year		
Maturing after one year	104,346,983	123,497,900
19 TRADE AND OTHER PAYABLES		
Statutory Creditors	7,976,697	7,260,448
Unapplied receipts	16,399,291	65,316,649
Welfare payables	2,524,100	2,062,600
Other Accruals	109,546,323	-(R)
	136,446,411	**746,639,697**

		Note	2024/2025	2023/2024
			Sh.	Sh.
	0-60 days	61-120 days	Over 121 days	Total cumm
Trade and Other Receivables	103,962,680	2,235,940	30,247,791	136,446,411
	103,962,680	**2,235,940**	**30,247,791**	**136,446,411**

20 PROVISIONS

Gratuity	10,055,902	11,415,180
Audit fee	1,000,000	1,000,000
Leave days	5,445,602	3,722,004
Other provisions	-	-(R)
Total	**16,501,504**	**16,237,184**

21 PAYMENTS RECEIVED IN ADVANCE

Prepaid examination fees	47,389,700	35,455,731

22 REVALUATION RESERVES

The revaluation reserves arose from a revaluation of PPE and Land by NW Realite Limited effective from 1 July 2024.

Opening balance - Revaluation Reserves	379,884,314	383,759,314
Addition during the year	336,955,331	-
Depreciation charge for the year	-	(3,875,000)
Closing balance	**716,839,645**	**379,884,314**

23 ACCUMULATED SURPLUS

Balance as at 1 July	1,850,342,239	1,850,094,063(R)
Prior year adjustment		
Surplus/(Deficit) for the year	27,065,542	248,176
	1,877,407,781	**1,850,342,239**

23.1 Prior Year Adjustments

The prior year adjustments relates to adjustments of payables and provisions in conformity with IPSAS standards requirements.

24 RECONCILIATION OF NET INCOME TO CASH GENERATED FROM OPERATING ACTIVITIES:

Total Revenue	947,549,717	863,056,260
Total Expenditure	(920,484,175)	(862,808,083)
Surplus/(Deficit) for the year	**27,065,542**	**248,176**
	-	-
Adjusted for:		
Depreciation and amortisation	125,144,065	56,442,537
Prior year adjustment	-	-

	Note	2024/2025	2023/2024
Increase in payables, provisions and prepayments			**Sh.**
Increase/Decrease in receivables		5,363,823	(43,709,317)
Increase/Decrease in payables, provisions and pre-payments		74,005,003	(16,442,351)(R)
Net cash flow from operating activities		**231,578,433**	**(3,460,954)**

MORTGAGE DEPOSIT

Kasneb operates a staff mortgage scheme. The staff mortgage scheme is administered by Kenya Commercial Bank Ltd. A revolving fund is maintained with Kenya Commercial Bank Ltd. for the purpose of advancing mortgage loans to members of staff. An interest rate of 3.5% per annum on reducing balance basis is charged on the mortgage loans.

TAXATION

The income of Kasneb is exempt from income tax by virtue of Legal Notice No. 116/1975.

CURRENCY

The financial statements are presented in Kenya Shilings (Ksh.)

APPENDIX

Progress on follow up of auditor recommendations

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

Reference No. on the external auditor Report	Issue/Observations from Auditor	Management comments	Status (Resolved/ Not Resolved)	Time frame
Budgetary Control and performance	The statement of comparison of budget and actual amounts reflects final income budget and actual on comparable basis of Shs. 986,200,000.00 and Shs. 863,056,260 respectively resulting to an under collection of Shs. 123,143,740 or 12% of the budget. The underfunding affected implementation of the planned activities and may have impacted negatively on service delivery to the public	The total revenue collected was more than the total amount expended hence there was no underfunding and there were no activities whose implementation was affected or deferred due to lack of funding. Management however acknowledges the shortfall in revenue collected as compared to the budget which was caused by several factors including dynamics in the operating environment which affected students	Revenue collection for the current Financial year under review grew from 863M to 947M. The total revenue collected exceeded budget by 28.7 Million resulting into a positive variance of 3%	N/A
Long outstanding rental income receivable	The statement of Financial Position reflects a balance of Sh.94,175,808 in respect of trade and other receivables which as disclosed in Note 16 to the Financial Statements includes a balance of Sh.30,335,645 in respect of rental income receivable. However, the balance includes 7,600,141 that have been outstanding for over three (3) years. Management has however explained that approval to write off the amount was received in November 2024.	Management wrote a letter Reference No.53/BM/ XLIII/30 dated 14 May 2024 to the National Treasury seeking authority to write off rent arrears amounting to Sh.7.5 million relating to three former tenants. Approval was granted vide letter Reference No: AG/8/03/Vol.XVIII/(12) dated 6 November 2024. See Appendix 2 (a) (b)	Resolved	N/A

Reference No. on the external auditor Report	Issue/Observations from Auditor	Management comments	Status (Resolved/ Not Resolved)	Time frame
Delayed completion of Enterprise Resource Planning project	The Statement of financial position reflects a balance of Shs. 133,404,875 in respect of intangible assets which, as disclosed in Note 17 to the Financial Statements, includes a balance of Shs. 14,048,806 in respect to Work in Progress for an Enterprise Resource Planning System. Review of records revealed that the Board entered into a contract agreement with a contractor for the Supply, Development, Commissioning and Support of the System on 9 September 2019 at a contract sum of SHS.49,918,280 for a period of six months. The contract has had several extensions with management indicating that the project is currently in the final stages of the warranty period which is set to expire in 31 March 2025. Review of the Project Status implementation report as at 30 April 2024 revealed that the project was only at 75% complete. Although no extra project costs have been incurred so far, it is clear that the project has taken unduly long to complete and the Board has not obtained value for money invested in the project	The recommendation is noted. Management has worked round the clock to ensure project completion within the initial cost of the project. The implementation of the ERP project was significantly affected by the COVID-19 pandemic. To mitigate the impact, the Contract Implementation Team (CIT) and the ERP Steering Committee explored alternative methods, including leveraging an online platform provided by the client for user engagement. While this approach was slower than traditional methods, it allowed the project to continue. In addition, the following also slowed the implementation of the system: The contract extension periods were done in line with provisions of relevant laws and regulations including conformity with clause 17 in which Covid 19 Pandemic was considered as an event of Force Majeure To ensure ongoing optimization, KASNEB has conducted two independent ICTA audits at the management's request. These audits have identified areas for improvement and informed the continuous enhancement of the ERP system.	The Enterprise Resource Planning (ERP) project's warranty period ended on March 31, 2025, and the handover process has begun, pending the finalization of a Service Level Agreement (SLA). Despite significant delays from the original six-month timeline, the implementation of the was completed within the original budget, with no additional costs incurred.	31 January 2026

Reference No. on the external auditor Report	Issue/Observations from Auditor	Management comments	Status (Resolved/ Not Resolved)	Time frame
	The statement of financial position reflects a balance of Sh.113,429,497 in respect of trade and other payables as disclosed in note 19 of the Financial Statements. Included in this balance is Sh.89,381,182 in respect of unapplied receipts that have accrued over the period. And have not been allocated to any revenue stream. Although management indicated that that it is working on a policy to address and account for all the unapplied receipts going forward, the unclaimed receipts continue to accumulate. In the circumstances, the effectiveness of the Boards controls over unclaimed receipts could not be confirmed.	The need to enhance management of the unapplied receipts has been noted, the revised Finance Policy and Procedures manual whose effective implementation date is July 2024 has policy provision in section 4.4 on management of fees paid in advance. Further, management has put in place measures for full integration of the system with e-citizen and KCB fee collection account to enhance real time payment processing against approved invoices. This would ensure payments received are only for the services to be rendered within a period of six (6) months that would eliminate unclaimed receipts	The volume of unapplied receipts has been managed considerably as measures towards onboarding all students on eCitizen are implemented	31 March 2026
Long Outstanding system	The statement of Financial position reflects a balance of sh.344,518,762 in respect of Cash and Bank Balances, as disclosed in Note 13 to the Financial Statements. However, review of Bank Reconciliation statements revealed long outstanding uncredited cheques and unpresented cheques of sh.126,376,536 and 142,844,783 respectively with some reconciling items relating to 2021. Although the review of bank statements and the cah book revealed that the reconciling items are actually cleared, it was however noted that the reconciliation module of the ERP system adopted by the Board was unable to clear the same and the service provider	The reconciliation submodule has technical challenges especially on the functionality for closing out outstanding reconciling items. The service provider has been engaged to provide a technical solution to the challenge. Two experts on ERP have been engaged on contract basis to assist in providing a technical solution to the reconciliation module noting the challenges faced by the current service provider.	A technical solution to solve outstanding items was found in is currently being implemented.	31 March 2026

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kasneb

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