

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 06 JUN 2024

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TABLED
BY:

Hon. Naomi Wago, MP
Deputy Majority Whip

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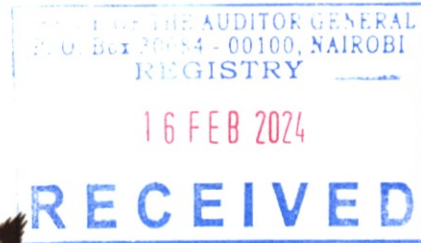
THE AUDITOR-GENERAL

ON

**KENYA ENGINEERING TECHNOLOGY
REGISTRATION BOARD**

**FOR THE YEAR ENDED
30 JUNE, 2023**

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KENYA ENGINEERING TECHNOLOGY REGISTRATION BOARD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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

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1. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KETR	Kenya Engineering Technology Registration Board
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
VC	Vice Chancellor

B: Glossary of Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

KETRIB moved by the Executive Order No.1 of January 2023 from Ministry of Education, State Department of TVET to the Ministry of Roads and Transport, State Department of Roads. Our undertakings were guided by the Engineering Technology Act, 2016. Our expenditures while we were under State Department of TVET were being handled by them as they took KETRIB as just a department under their organization. All our accounting records were audited under them. Which under use of goods of Ksh, 16,694,417 and under license, fees and permits where its our AIA of Kshs. 31,419,134 relates to prior year. Currently, KETRIB is domiciled State Department of Roads, Ministry of Roads and Transport.

(b) Principal Activities

Vision Statement

To be a renowned regulatory body for advancement of the engineering technology profession

Mission Statement

To set and enforce standards that promote the engineering technology profession and ensure provision of quality works and services by the stakeholders

Strategic Objectives

The Authority is currently operationalizing its 2023-2027 strategic plan which outlines the following strategic objectives:

- i) To register engineering technologists, technicians, craft-persons and artisans (engineering technology professionals) and engineering technology firms.
- ii) To issue licenses to engineering technology professionals and engineering technology firms
- iii) To regulate engineering technology professional services.
- iv) To develop and enforce engineering technology standards.
- v) To conduct professional examinations for engineering technologists and technicians.
- vi) To coordinate continuing professional development for engineering technologists and technicians

Section 5 of the Engineering Technology Act, 2016 gives the functions of the Board. The Board's functions are therefore to:

- a) Issue licenses to qualified persons;
- b) Take disciplinary measures;

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- c) Enter and inspect sites where construction, installation, erection, alteration, renovation, maintenance, processing or manufacturing works are in progress for the purpose of verifying that-
 - i. engineering professional services and works are undertaken by persons registered under this Act;
 - ii. standards and professional ethics and relevant health and safety aspects are observed, in line with Occupational Safety and Health Act, 2007;
- d) Assess, approve or reject engineering technology qualifications of foreign persons intending to offer engineering technology professional services or works in Kenya;
- e) Enter and inspect business premises for verification purposes or for monitoring works, services and goods rendered by professional engineering technologists;
- f) Recommend for the suspension of any engineering technology professional services, works, projects, installation process or any other engineering technology works, which are done without meeting the standards;
- g) Participate, as a stakeholder in formulating engineering technology programme in public and private universities and other tertiary level educational institutions offering education in engineering technology for the purposes of registration of engineering technologists;
- h) Set standards for engineering technologists in management, marketing, professional ethics, environmental issues, safety, legal matters or any other relevant field;
- i) Conduct professional examinations for the purposes of registration where applicable;
- j) Plan, arrange, co-ordinate and oversee professional training and facilitate internship of engineering technologists;
- k) Collaborate with engineering technology training institutions and organisations, professional associations and other relevant bodies in matters relating to training and professional development of engineering technologists;
- l) Determine the fees to be charged by engineering technologists and firms for professional services rendered from time to time;
- m) Hear and determine such disputes relating to the professional conduct or ethics of engineering technologists;
- n) Issue, maintain and enforce the code of ethics for engineering technologists and technicians and regulate the conduct and ethics of the engineering technology profession in general;
- o) Determine disciplines of engineering technology under this Act; and

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p) Do anything incidental or conducive to the performance of any of the preceding functions.

(c) Key Management

KETRB's day-to-day management is under the following key organs:

- The Board of Directors
- The Registrar/ Chief Executive Officer
- Heads of Departments

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CEO	Alice Mutai
2.	Compliance and Standard Officer	Patrick K Ronoh
3.	Partnership professional development officer	David Nyambuti Ndubi
4.	Registration and licensing officer	Peter k Ngetich
5.	Supply Chain management officer	Nelson Kande
6.	Human resource Management officer	Betty J Kipyegon
7	ICT officer	Francisca Murkomen
8	Finance Officer	Hadija Wako

Key Entity Information and Management (continued)

(e) Fiduciary Oversight Arrangements

The Board has 3 Board Committees:

- Technical Committee
- Finance and General-Purpose Committee
- Audit and Risk Committee

i. Technical Committee

The Technical Committee reviews plans and guidelines for the effective implementation of the provisions of the Engineering Technology Act No 23 of 2016, Engineering Technology

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regulations, standards and guidelines, recommends for approval of applicants for registration and licensing.

ii. Finance and General-Purpose Committee

The Finance and General-Purpose Committee has direct oversight on the financial activities of the Board. The Committee reviews the long term and annual plans, budget, finance reports, human capital reports, procurement plans, workplace policies, performance contracting and ICT reports.

iii. Audit and Risk Committee

The Audit and Risk Committee evaluates adequacy of management procedures with regard to issues relating to risk management, control and governance, reviews and assesses the adequacy and compliance of the Boards's policies and procedures for identifying, assessing and managing risks (financial, legal, ethical, safety, reputational or other). For the purposes of this paragraph, 'risk' is defined as the possibility of any circumstance that may prevent the Board from achieving its objectives.

(f) Entity Headquarters

P.O. Box 37046-00200
11th Floor National Bank Building
Harambee Avenue
Nairobi, KENYA

(g) Entity Contacts

Telephone: (254) 0740137877
E-mail: info@ketrb.go.ke
Website: www.ketrb.go.ke

(h) Entity Bankers

Kenya commercial Bank
Haile Selassie Avenue
P.O. Box 58992
City Square 00200
NAIROBI, KENYA

(i) Independent Auditor

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



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(j) Principal Legal Adviser

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

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3. The Board of Directors

	<p>Mr. Nicholas Temoet (Chairperson)</p> <p>Mr. Nicholas Temoet was appointed KETRB Board Chairperson on 23rd June 2023. He holds a B.Sc. Electrical Engineering from the University of Nairobi with over 16 years' experience working in Transmission and Distribution functions in Power Utility business. He was a lead Consultant in a USAID project in Afghanistan and developed the first Kabul City T&D network preventive maintenance program under the USAID sponsored Kesip Project. He was involved in the Implementation of Rural Electrification projects in Western Kenya constructing over 300 projects, 11 and 33kV grid extension schemes. Designed and implemented the Gaalkayo city 11kV distribution power network in Puntland Somalia that had over 100 kilometers of 11kV line, 1X 7.5MVA 415/11kV S/S, 200 kilometers of low voltage and 50 secondary substations. Developed successful proposal for the smart metering power and water solutions to the 6 million customers of Kurdistan in Northern Iraq. (The JV by Skycom, Ubitronix and MHI bid was for about US \$ 250 million and was successful but was deferred due to escalation of the war). Installed and commissioned a DISAMATIC 9010 foundry plant at the Kenya Railways Workshop with a multi-disciplinary team.</p>
	<p>Prof. George Thumbi (Independent Director-Chair Technical Committee) from 23rd June 2023</p> <p>From 1974 to 1979 Prof. Thumbi was Inspector of Water Supply Construction at Ministry of Water Development and an Instructor at Ministry of Water development Training School between 1981 – 1983. Prof. Thumbi joined JKUAT under TSC in January 1984 to August 1990. He transferred to JKUAT from TSC in August 1991 to March 2010 as an Assistant Lecturer and was promoted to Lecturer in August 1994 then to Senior Lecturer in September 1996. He then transferred to Kenya Polytechnic University College (the present Technical University of Kenya) in March 2010 as an Associate Professor in the department of Civil and Environmental Engineering. He was promoted to become a full Professor of Civil Engineering Technology in December 2014. He has supervised many students at Masters and PhD level. He has also published many research journals. Prof. Thumbi was appointed Board Member for Gatamaiyu Home for mentally challenged children in 2010. He was a Council member of the Technical and Vocational</p>

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	<p>Education and Training Curriculum Development Assessment and Certification Council (TVET CDACC) in accordance to Article 44 (1) of the Technical and Vocational Education and Training (TVET) Act No.29 of 2013 until 2020.</p>
	<p>Mr. Fred Oanda (Independent Director -Chair Finance General-Purpose Committee) from 23rd June 2023 Mr. Fred Oanda is the Director of Accreditation and Outreach services at TVET Authority. He holds a M.Sc in Management and Information Systems (University of Manchester), BSc. Agricultural Engineering (Egerton University) and Diploma in Technical Education (KTTC). He heads the accreditation and outreach services and is in charge of policies and Strategies for accreditation and Outreach, he coordinates inspection, accreditation and approval of trainers, assessors, verifiers, training centres, Institutions and Programmes at TVET Authority. Prior to his current appointment at the TVET Authority, Mr. Oanda served as Senior Assistant Director of Technical Education at Ministry of Education and Assistant Director of Industries at Ministry of Industrialization.</p>
	<p>Mr. Charles Majani (Independent Director-Chair Audit & Risk Committee) from 23rd June 2023 Mr. Charles Majani is the Director of TVET Institute at the Technical University of Mombasa and also serves as an Assistant Lecturer. He holds a MSc. Electronics (Cape Peninsula University of Technology), BTech. Electrical Engineering (Cape Peninsula University of Technology), Higher Diploma in Electrical Engineering (Mombasa Polytechnic), Diploma in Technical Teacher Training (KTTC) and Diploma in Telecommunication Engineering (K.I.M.C). Previously he has served as the Dean, Faculty of Engineering and Technology as well as Director Performance Contracting & Quality Management Systems at the Technical University of Mombasa.</p>
	<p>Mrs. Linda Ayuku (Independent Director) from 23rd June 2023 Ms. Linda Ayuku is the Principal Rarieda Technical and Vocational College. She holds a B.Ed. Technology Education (Moi University), Higher National Diploma in Electrical (Electronics) Engineering (KTTC), (Diploma in Technical Education) Diploma in Electrical Engineering (NYS Engineering institute). She has an experience of over 28 years in the TVET sector having served in various capacities in TVET institutions.</p>

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Mr. Peter Kariuki (Independent Director)
from 23rd June 2023

Mr. Peter Kariuki is a Senior Rig Maintenance Engineer at the Geothermal Development Company. He holds a Bachelor of Industrial Technology (Egerton University) and a Diploma in Mechanical Engineering (Jomo Kenyatta University of Agriculture and Technology). He has over 14 years' experience in the renewable energy sector with interests in Design, Installation and testing of drilling rig, water pumps and maintenance.



Mrs. Alice Mutai (Registrar/ Chief Executive Officer)

Madam Alice is currently undertaking her PhD studies at Murang'a University of Technology. She holds a Master of Science degree in Engineering Systems and Management from Egerton University in Materials Engineering and a B.Ed Technology Education Mechanical Technology from Moi University.


She graduated from Kenya Technical Teachers' College with a Diploma in Technical Education in March 1985. She completed her 'A' studies in 1980 at Moi Girls, Eldoret and her 'O' levels in 1978 at Alliance Girls' High School.

Madam Mutai started her teaching career in May 1985 at the Rift Valley Institute of Science and Technology and rose to the position of Deputy Principal in 2008. In 2014 she transferred her services to the Technical University of Kenya as Assistant Registrar and later changed her designation to Assistant Lecturer in 2016.

She was appointed Registrar/CEO of the Kenya Engineering Technology Registration Board in October 2016.

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4. Key Management Team

Management	Details
 <p data-bbox="316 640 560 674">Mrs. Alice J Mutai</p>	<p data-bbox="842 309 1331 376">Mrs. Alice Mutai (Registrar/ Chief Executive Officer)/ secretary to Board</p> <p data-bbox="842 421 1406 674">The Registrar is the Chief Executive Officer overseeing the day-to-day operations of KETRB. Provides visionary leadership in the management of KETRB and is responsible for the operations of the Board in accordance with the policies specified by the Board.</p>
Patrick K Ronoh	Compliance and Standard Officer
David Nyambuti Ndubi	Partnership Professional Development Officer
Peter k Ngetich	Registration and Licensing Officer
Nelson Kande	Supply Chain Management Officer
Betty J Kipyegon	Human resource Management Officer
Francisca Murkomen	ICT Officer
Hadija Wako	Finance Officer

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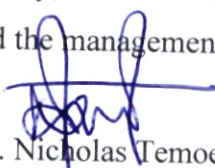
5. Chairman's Statement

It is gratifying to demonstrate KETRB's accountability through preparation and submission of this annual report. Having embraced results-based management, KETRB's undertakings in the year were guided by the Engineering Technology Act, 2016.

Key activity undertaken during the year included issuance of licenses to registered engineering technologists and technicians. The wealth of knowledge generated through the Board's Day to day activities provides an appropriate entry point during engagement with our stakeholders. We celebrate our achievements in the reporting period against the backdrop of delayed and non-remittance of quarter four exchequer.

As envisaged in our Draft Strategic Plan 2023 - 2027, the Board shall endeavour to align it with the Bottom-up Economic Transformation Agenda (BETA) and MTP IV. The Board shall put in place compliance and enforcement initiatives, increase stakeholder engagement, implement human resource instruments, and enhance resource mobilisation efforts through partnerships.

Finally, I wish to acknowledge my colleagues in the Board, our successor management committee and the management team led by the Registrar for ensuring achievement of the performance targets.



Mr. Nicholas Temoet

Chairperson, KETRB BOARD OF DIRECTORS

6. Report of the Chief Executive Officer

The year ended 30th June 2023 confirms KETRB's focus to regulate and set standards of practice for engineering technologist and technicians in Kenya. KETRB moved by the Executive Order No.1 of January 2023 from Ministry of Education, State Department of TVET to the Ministry of Roads and Transport, State Department of Roads. Our undertakings were guided by the Engineering Technology Act, 2016

I wish to take the earliest opportunity to appreciate support from the Ministry of Education, State Department of TVET through which the Board received Kshs 40.5 million from the exchequer. The amount was complemented by Kshs 4.8 million collected as A-I-A. The total budget for the year was Kshs 60 million. However, the Board did not receive its allocation for quarter four (4).

The management was able to develop a draft human resource instruments in accordance with guidelines from State Corporations Advisory Committee (SCAC).

Other key activities undertaken during the year included holding four (4) capacity building workshops for engineering technology professionals in collaborations with the Institution of Engineering Technologist and Technicians of Kenya (IET-K)

However, the Board's efforts were affected by a few challenges including increased cost of operations and delayed exchequer remittance and non-receipt of quarter four exchequer.

Going forward, the Board shall align the Draft SP 2023-2027 to the Bottom-up Economic Transformation Agenda (BETA) and MTP IV. The Board shall endeavour to expand its resource base by increasing resource mobilization strategies.

Lastly, I wish to thank the Board for their continued support and confirm my commitment to drive the Board to greater heights.



Mrs. Alice Mutai, P. Eng. Tech, MIETK
Registrar/ Chief Executive Officer

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7. Statement of Performance against Predetermined Objectives for FY 2022/2023-1

KETR B has 3 strategic pillars within the Performance Contract Strategic for the FY 2022/2023. These strategic pillars are as follows:

Strategic Pillar 1: Registration of engineering technologists and technicians

Strategic Pillar 2: Issuance of licenses

Strategic Pillar 3: Certification of engineering technology programs

KETR B developed its annual work plans based on the above 3 pillars and performance contract targets. Assessment of the Board's performance against its annual work plan is done on a quarterly basis and annually by the Public Service Performance Management Unit (PSPMU). KETR B achieved some its performance targets set for the *FY 2022/23* period for its 3 strategic pillars, as indicated in the following table:

Key Performance Indicators	Activities	Achievements
Strategic Pillar 1: Registration of engineering technologists and technicians		
Strategic Objective: To register engineering technology professionals and engineering technology firms		
Number of registered; - Engineering Technologist - Engineering Technicians - Engineering Technology Consulting Firms	- Approval of received applications	- The applications received could not be approved due to absence of an active Board during the period under review. - Board members appointed vide gazette notice No. 8245 dated 23th June 2023
Strategic Pillar 2: Issuance of licenses		
Strategic Objective: To issue licenses to engineering technology professionals and engineering technology firms		
Number of licensed; - Engineering Technologists - Engineering Technicians	- Issuance of licenses upon payment of annual subscription - Gazettement of licensed professionals	- Gazettement of Engineering Technology professionals vide gazette notice No. 5788 dated 5th May 2023
Strategic Pillar 3: Certification of engineering technology programs		
Number of engineering Technology curricula certified	- Participation during development of engineering	- The received curricula was not approved due to absence of an active Board

	technology curricular in universities and tertiary institutions - Certification of curricula	- Board members appointed vide gazette notice No. 8245 dated 23th June 2023
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8. Corporate Governance Statement

The Board of KETRB is committed to good corporate governance and understands its oversight and foresight roles in leading the Authority by providing strategic direction, the necessary support and advice to Management. In this regard, the Board has adopted corporate governance practices that are in line with the principles and standards set out under the State Corporations Act and the Mwongozo Code Governance for State Corporations. The Board has defined the mission, vision and values of the Authority and is committed to high standards of ethical behaviour characterised by integrity, professionalism, accountability, efficiency, public participation and teamwork. Further, the Board has formulated appropriate strategies and policies for the delivery of the Authority’s strategic plan. At the same time, the Board is keen on ensuring that Management is focused on the achievement of targets while fostering a culture that values ethical behaviour, integrity and respect and the need to conduct the business and operations of the Board in accordance with generally accepted corporate practices.

The Role of the Board

The Board provides leadership and strategic direction of KETRB. The main responsibilities of the Board are:

- i. Setting the vision, strategy, values and purpose, and in doing so, setting the corporate culture, and maintaining oversight of it.
- ii. Approval and review of annual budgets.
- iii. Ensuring adequate systems of internal controls are in place in relation to risk management strategy and framework, risk appetite, financial adequacy, financial management as well as technology risk management and information security.
- iv. Oversight of stakeholder feedback and insights.
- v. Review of financial performance, expenditure and commitments
- vi. Setting and periodically reviewing organizational key performance indicators as well as management performance.

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Board Size, Composition and Appointment

The constitution of the KETRB Board is stipulated by Section 4(1) of the Engineering Technology Act No. 23 of 2016. It comprises nine [9] members; the Chairperson, six [6] independent directors as per section 4(1)(c) of the Engineering Technology Act No. 23 of 2016 and One [1] director representing the and PS State Department for Roads as well as the Registrar. Since 25th October 2019 KETRB has been operating without Board Members after the expiry of the term of the first Board. KETRB has been operating with a Management Committee appointed by the Principal Secretary, State Department for Vocational and Technical Training. The Current Board Members were appointed by the Cabinet Secretary, Ministry of Roads and Transport vide gazette notice No. 8245 dated 23th June 2023.

Board Charter

The Board Charter is the policy document that clearly defines the respective roles, responsibilities, and authority of the Board of Directors in setting the direction, and control of the Authority. It's the commitment by the members of the Board to discharge their mandate and outlines the rules that shall guide them. Each Director subscribes to the Charter and in doing so acknowledges the Authority's values and commits to upholding them. The Charter also sets out the powers of the Board Committees, the separation of roles between the Board and Management, as well as policies and practices of the Board in respect to corporate governance matters. The Charter compliments and does not change or interpret any statute, law, or regulation. The Charter is continuously reviewed for continuity and relevance.

Board Meetings

The Board as per the Annual Work Plan meets quarterly or additionally when necessary to consider matters relating to the overall control of the Board. During the period under review there were no Board meetings held since there was lack of an active Board. The Current Board Members were appointed on 23rd June 2023 vide Gazette notice No. 8245.

Board Committees

The Board has three standing Committees that play an important role in assisting the Board perform its role and discharge its responsibilities. As at the date of this statement, the following Committees assist the Board by focussing in more detail on specific areas of the Authorities operations and governance framework:

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i. Technical Committee

Prof. George M Thumbi	Chairperson	
Charles Chore Majani	Member	
Peter N Kariuki	Member	
Fred N Oanda	Member	

ii. Finance and General-Purpose Committee

Fred N Oanda	Chairperson	
Prof. George M Thumbi	Member	
Chimwaga Mongo	Member	

iii Audit and Risk Committee

Charles Chore Majani	Chairperson	
Samuel Muthondu	Member	
Linda Ayuku	Member	
Peter N Kariuki	Member	
Jackson Barngetuny	Member	Internal Auditor

The Board Committees, generally, review matters on behalf of the Board and refer matters to the Board for decision with a recommendation from the Committee. The Committee papers are circulated to the Board members

Board Remuneration

During every Board meeting, present Board members are entitled to a sitting allowance, lunch allowance (in lieu of lunch being provided), airtime allowance (for virtual meetings) accommodation allowance and transport allowance where applicable within government set limits for State Corporations. Members are also paid such taxable allowance as approved by the Cabinet Secretary for Education, State Corporations Advisory Committee (SCAC) and the Salaries and Remuneration Commission (SRC) when on official duty in and outside the country. In addition, the Chairman is paid a monthly honorarium.

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During the period under review there was remuneration of the board incurred since there was no Board in place.

Board Evaluation and Performance

Every year, the Board undergoes a rigorous performance evaluation conducted by the State Corporations Advisory Committee to assess its effectiveness in discharging its mandate. The process entails a self-evaluation for each director, evaluation of the Chairman to the Board on the overall Board interactions and conduct of business meetings and evaluation of the Chief Executive Officer. The outcome of this evaluation is used to create remedial development and training programs for the Board. The Board evaluation was undertaken since there was absence of Board members during the period under review.

Succession Planning

The Board had developed a draft human resource instruments which provides a path for succession management for staff. However, the Board members were appointed at the same time hence no succession plan in place.

Conflict of Interest

At the start of all meetings of the Board meeting, the Directors are required to declare any conflict issues or any interest they may have in the business under discussion. The Director is obligated to exclude himself/herself from the quorum, and the vote in respect of any matters in which they have an interest. No material conflicts were reported by Directors in the year under review.

Ethics and Code of Conduct

KETRB recognizes the important role ethical standards plays in organizational growth and development. Directors and employees are expected to act with honesty, integrity and fairness in all their dealings with one another and with stakeholders. The ongoing implementation of the Mwongozo Code of Governance for State Corporations is a significant step towards deepening corporate governance, professionalism, ethics and integrity in management of KETRB affairs.

Board Induction and Training

Upon appointment, individual Board members are taken through an induction process organized by the State Corporations Advisory Council (SCAC). Further the Board undergoes regular training and capacity building to effectively carry out their roles. During the Financial year there was no induction and training undertaken since there was no Board in place.

Governance Audit

A Governance Audit is an independent assessment of an organization with a view to expressing an opinion on the adequacy and effectiveness of the organization's policies, systems and practices within the legal and regulatory framework and in line with global best practices on corporate governance for

the interest of the stakeholders. Governance Audit will be carried out in the financial year 2023/2024 and thereafter will be conducted bi-annually.

9. Management Discussion and Analysis

9.1 Introduction

This section gives the management's report on the operational and financial performance of the Authority during the report period. It includes the Board's compliance with statutory requirements, major risks facing the organization, material arrears in statutory and other financial obligations, review of the economy, review of the sector and future developments and any other information considered relevant to the users of the financial statements.

9.2 Management Report on Operational and Financial Performance.

The FY 2022/23 marked the first year the Board received the Exchequer. The Board is in the process of developing its five-year strategic plan (SP) 2023-2027.

9.3 Compliance with Statutory Requirements

In discharging its mandate, the Board complied with all the statutory requirements, regulations, and rules established by the government and other relevant regulatory bodies. This compliance is crucial to ensure that the Board and all its officers operate within the confines of the law and uphold ethical and legal standards. The Board is cognizant of the fact that non-compliance may lead to serious consequences, including legal actions, fines, penalties, loss of licences or permits, reputational damage, and even imprisonment in some cases.

During the year under review the Board timely prepared and submitted the annual budget, quarterly financial reports and statements to the State Department of Roads and the National Treasury.

9.4 Risk Management

The Board has an established risk management structure consisting of the Board Risk and Audit Committee.

10. Environmental and Sustainability Reporting

10.1 Introduction

The national goals of development, and the legislative and policy framework provide overarching guidance to the Board in delivering its mandate through implementation of strategies founded on the following core values: Integrity, Professionalism, Accountability, Public participation, Teamwork and Efficiency. Below is a brief highlight of the Board's achievements in the following four sustainability pillars: sustainability strategy and profile, environmental sustainability and employee welfare.

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10.2 Sustainability strategy and profile

To ensure sustainability and optimal performance, the Board continues to strengthen its resource mobilization and utilization strategies by lobbying for increased exchequer funding, strengthening development partner engagement, strengthening engagement with government, industry and other stakeholders.

10.3 Environmental performance

The Authority is alive to climate change initiatives as outlined in the BETA plan and HE the president's rally calling to the nation to grow 15 billion trees by 2032. Subsequently KETRБ is keen to be part of this national green revolution and has initiated programmes to ensure environmental sustainability in liaison with Ministry of Roads and Transport providers. In the FY 2022/23 the Authority planted trees in Eldoret National Polytechnic.



Figure 1: Eng. Joseph Mbugua, PS State Department of Roads, Planting a tree at the Eldoret National Polytechnic. Looking on is HE. Governor Jonathan Bii, Governor Uasin Gishu County and Mrs. Alice Mutai, Registrar & CEO KETRБ

Internally we are operationalizing environmentally friendly processes through economical use of printing paper- print if you must approach and printing on both sides of paper documents, exchange of e-documents (soft copies), minimizing disposal of electronic waste, pooling of water dispensers and applying Just In Time philosophy for the replenishment of stores to minimise storage of large stocks. In addition, the Board continues to digitize its processes. In order to substantially reduce the use of paper- based processes in FY 2023/24 the board will automate processes by acquiring an ERP system.

10.4 Employee welfare

Currently the staff are deployed from the State Department of TVET, State Department of Roads and the Technical University of Kenya. The Board has draft Human Resource Policy and Procedures Manual that guides on all aspects including hiring process in line with Public Service Commission HR policies. The draft manual is awaiting approval by SCAC and PSC. The Board has endeavoured to continuously develop and improve staff skills and competences through training. In the FY 2022/23, with the support from World Bank trained 25 staff and Management Committee members. KETRB has complied with the OSH Act of 2007 through incorporating the Act in the Draft Human Resource Manual which has a provision of a Safety and Health Committee which will oversee and ensure that the organization complies with all the health and safety measures required in the Act. A workplace occupational safety and health policy will be developed. Further, all staff will be on GPA/WIBA and Group Accident cover. KETRB is in the process of registering its workplace with the Directorate of Occupational Safety and Health.

10.5 Corporate Social Responsibility / Community Engagements

KETRB's engagement in corporate social responsibility (CSR) has been borne out of the realization that we must integrate social and environmental concerns into our operations in order to remain relevant to not only our employees, but also to our clients, community, partners and the society at large. In the FY 2022/23 the planted trees at the Eldoret National Polytechnic.

11. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the *Board's* affairs.

i) Principal activities

The principal activities of the Board continue to be: -

- (a) issue licences to qualified persons under the provisions of the Act;
- (b) take disciplinary measures in accordance with the provisions of the Act;
- (c) enter and inspect sites where construction, installation, erection, alteration, renovation, maintenance, processing or manufacturing works are in progress for the purpose of verifying that-
 - (i) engineering professional services and works are undertaken by persons registered under the Act;
 - (ii) standards and professional ethics and relevant health and safety aspects are observed, in line with Occupational Safety and Health Act, (No. 15 of 2007);

KENYA ENGINEERING TECHNOLOGY REGISTRATION BOARD
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- (d) assess, approve or reject engineering technology qualifications of foreign persons intending to offer engineering technology professional services or works in Kenya;
- (e) enter and inspect business premises for verification purposes or for monitoring works, services and goods rendered by professional engineering technologists;
- (f) recommend for the suspension of any engineering technology professional services, works, projects, installation process or and other engineering technology works, which are done without meeting the standards;
- (g) participate, as a stakeholder in formulating engineering technology programmes in public and private universities and other tertiary level educational institutions offering education in engineering technology for the purposes of registration of engineering technologists and technicians;
- (h) set standards for engineering technologists in management marketing, professional ethics, environmental issues, safety, legal matters or any other relevant field;
- (i) conduct professional examinations for the purposes of registration where applicable;
- (j) plan, arrange, co-ordinate and oversee professional training and facilitate internship of engineering technologists and technicians;
- (k) collaborate with engineering technology training institutions and organisations, professional associations and other relevant bodies in matters relating to training and professional development of engineering technologists and technicians;
- (l) determine the fees to be charged by engineering technologists and firms for professional services rendered from time to time; Engineering Technology No. 23 of 2016
- (m) hear and determine such disputes relating to the professional conduct or ethics of engineering technologists and technicians;
- (n) issue, maintain and enforce the code of ethics for engineering technologists and technicians and regulate the conduct and ethics of the engineering technology profession in general;
- (o) determine disciplines of engineering technology; and
- (p) do anything incidental or conducive to the performance of any of the preceding functions.

ii) Results

The results of the KETRB for the year ended June 30, 2023, are set out on page 1 to 5

iii) Directors

The members of the Board who served during the year are shown on page 8-10. The board members were appointed on 23rd June 2023 under Gazette Notice N. 8245.

iv) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year.

v) Auditors

The Auditor-General is responsible for the statutory audit of the Kenya Engineering Technology Registration Board in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30th 2023.

By Order of the Board


.....

ALICE J MUTAI
REGISTRAR/CEO

KENYA ENGINEERING TECHNOLOGY REGISTRATION BOARD
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12. Statement of Directors Responsibilities

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

The Directors are responsible for the preparation and presentation of the Kenya Engineering Technology Registration Board's financial statements, which give a true and fair view of the state of affairs of the Kenya Engineering Technology Registration Board for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Entity; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the Entity; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for KETRB's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Directors are of the opinion that the Entity's financial statements give a true and fair view of the state of Entity's transactions during the financial year ended June 30, 2023, and of the Kenya Engineering Technology Registration Board's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the Board, which have been relied upon in the preparation of the Board's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Board's financial statements were approved by the Board on 27th Sept, 2023 and signed on its behalf by:



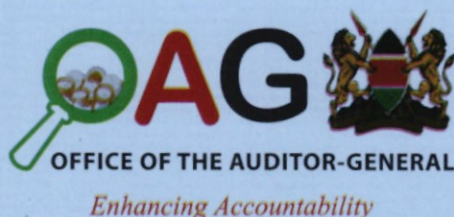
.....
NICHOLAS K. TEMOET
CHAIR OF THE BOARD



.....
ALICE J. MUTAI
REGISTRAR/CEO

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KENYA ENGINEERING TECHNOLOGY REGISTRATION BOARD FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Engineering Technology Registration Board set out on pages 1 to 25, which comprise of the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget

Report of the Auditor-General on Kenya Engineering Technology Registration Board for the year ended 30 June, 2023

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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kenya Engineering Technology Registration Board as at 30 June, 2023 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 Engineering Technology Act, 2016 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Use of Goods and Services Expenditure

The statement of financial performance reflects use of goods and services expenditure of Kshs.45,585,018 which as disclosed in Note 8 to the financial statements includes an amount of Kshs.16,694,417 in respect of other payments (prior year expenses). However, Management did not provide the supporting documents including the payment vouchers for the amount of Kshs.16,694,417.

In the circumstances, the accuracy and completeness of the other payments (prior year expenses) amount of Kshs.16,694,417 could not be confirmed.

2. Unsupported Revenue from Annual Subscriptions

The statement of financial performance reflects revenue from licenses, fees and permits amounting to Kshs.36,219,479 as disclosed in Note 7 to the financial statements. However, Management did not provide the list of all applicants and annual subscribers by category per financial year and the list of registered members in arrears on annual renewal fees and amounts owed. It was therefore not possible to confirm how much revenue was expected by the Board in relation to annual subscriptions, licenses and permits fees and the authenticity of the revenue received during the year.

In the circumstances, the accuracy and completeness of the revenue from licenses, fees and permits totalling Kshs.36,219,479 could not be confirmed.

3. Unsupported Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.14,411,014 which, as disclosed in Note 14 to the financial statements Includes an amount of Kshs.5,144,800 in respect of a motor vehicle acquired in July, 2022. However, the log book of the vehicle, pre-delivery inspection report, procurement plan and the requisition to initiate the procurement process were not provided for audit verification.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs. 14,411,014 could not be confirmed.

4. Lack of Approved Budget

The statement of comparison between the budget and actual amounts reflects final expenditure budget and actual on comparable basis of Kshs.60,000,000 and Kshs.48,864,234. However, Management did not provide an itemized budget (original and/or revised) showing the detailed budget items for which the expenditure of Kshs.48,864,234 was intended to finance. No reason or justification was provided for incurring expenditure without an itemized approved budget and annual work plan as required.

In the circumstances, the regularity of the total expenditure of Kshs.48,864,234 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison between the budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.60,000,000 and Kshs.76,719,479 respectively resulting to an over-collection of Kshs.16,719,479 or 28% of the budget. Further, the statement reflects final expenditure budget and actual on comparable basis of Kshs.60,000,000 and Kshs.48,864,234 respectively resulting to an under expenditure of Kshs.11,135,766 or 19% of the budget. Management did not provide an explanation on underutilization of use of goods and services contrary to the Public Sector Accounting Standards Board prescribed reporting template of June, 2023.

The under-expenditure affected the activities of the Board and may have negatively impacted service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in 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

Non-Compliance with Public Procurement and Asset Disposal Act, 2015

The statement of financial performance reflects a balance of Kshs.512,380 in respect repairs and maintenance, which as disclosed in Note 10 to the financial statements includes an amount of Kshs.350,000 in respect to rehabilitation of the reception area. However, review of records revealed that the Board did not have a budget for repairs and maintenance of buildings. Further, the expenditure was not included in the procurement plan. This was contrary to Section 45(3)(a) of the Public Procurement and Asset Disposal Act, 2015 which stipulates that all procurement processes shall be within the approved budget of the procuring entity and shall be planned by the procuring entity concerned through an annual procurement plan.

In addition, the procurement process was not initiated with a requisition stating the nature and scope of rehabilitation of reception office and the supplier was sourced through direct procurement. This was contrary to Section 103(1) and (2) of the Public Procurement and Asset Disposal Act, 2015 which provides for the situation when direct procurement may be used by a procuring entity.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of a Substantive Board of Directors and Committees

During the year under review, the Board did not have a functional Board of Directors and its requisite committees to provide strategic guidance to the Board on Public Finance Management and technical matters. Review of records revealed that from October, 2019 up to 23 June, 2023, the Institution operated without a Board of Directors after the expiry of the term of the first Board as provided by Sections 4 and 5 of the Engineering Technology Act, 2016 which sets out the composition and the functions of the Board of Directors.

In the circumstances, the Board was not functional and the Institution did not benefit from the Board of Director's oversight role during the year under review.

2. Lack of Internal Audit Function and Audit Committee

During the year under review, it was observed that the Board did not have an Internal Audit Function and an Audit Committee as provided in Section 73(1)(a) of the Public Finance Management Act, 2012 which requires every National Government entity to have appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board. Further, Section 73(5) requires every National Government public entity to establish an Audit Committee whose composition and functions shall be as prescribed by the regulations. As such, the Board did not benefit from the assurance and advisory services from the internal audit function as well as oversight from the Audit Committee.

In the circumstances, the effectiveness of the internal controls in respect of risk management, control and governance within the Board could not be confirmed.

3. Lack of Risk Management Policy

During the year under review, the Board did not have a Risk Management Policy in place as required by Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015 which requires the Accounting Officer shall ensure that the National Government entity develops risk management strategies, which include fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations.

In the circumstances, the existence of an effective risk management mechanism could not be ascertained.

4. Lack of Human Resource Department

During the year under review, the Board did not have a Human Resource Department, as a result there were no Human Resource Policy, Scheme of Service and an approved Staff Establishment to guide on administrative and personnel matters as provided in Section 11 of the Engineering Technology Act, 2016 that the Board may appoint such officers and other staff through a competitive process as are necessary for the proper

discharge of its functions under the Act, upon such terms and conditions of service as it may determine.

In the circumstances, the existence of an effective Human Resource Management processes could not be ascertained.

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

Responsibilities of Management and 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 to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Board or to cease operations.

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

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

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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with

Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Board to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Board to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

15 April, 2024

KENYA ENGINEERING TECHNOLOGY REGISTRATION BOARD
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14. Statement of Financial Performance for the year ended 30 June 2023

Description	Notes	Period to 2023
		Kshs
Revenue from non-exchange transactions		
Transfers from other Governments entities	6	40,500,000
Revenue from exchange transactions		
Licences, Fees and permits	7	36,219,479
Total revenue		76,719,479
Expenses		
Use of goods and services	8	45,585,018
Employee costs	9	608,200
Repairs & Maintenance	10	512,380
Depreciation	11	2,158,636
Total expenses		48,864,234
Surplus/(Deficit)		27,855,245

The notes set out on pages 17 to 21 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:



Registrar/CEO
ALICE J MUTAI
PET 00008
September, 2023



Finance Officer
CPA WAKO HADIJA
ICPAK No:21963
September, 2023



Chairperson of the Board
Nicholas K Temoet
PET
September, 2023

KENYA ENGINEERING TECHNOLOGY REGISTRATION BOARD
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15. Statement of Financial Position as at 30 June 2023

	Notes	Period to 2023
		Kshs
ASSETS		
Current Assets		
Cash and cash equivalents	12	23,817,680
Total Current Assets		23,817,680
Non-Current Assets		
Property Plant and Equipment	14	14,411,014
Total Non- Current Assets		14,411,014
TOTAL ASSETS		38,228,694
LIABILITIES		
Trade and Other Payables		-
TOTAL LIABILITIES		-
NET ASSETS		
Capital Funds	16	9,016,020
Accumulated Surplus	16	29,212,674
Total Net Assets and Liabilities		38,228,694

The Board's financial statements were approved by the Board on 27th Sept, 2023 and signed on its behalf by:



ALICE J MUTAI
Registrar/CEO
 September, 2023



CPA Wako Hadija
Finance Officer
 ICPAK No. 21963
 September, 2023



Nicholas K Temoet
Chairperson of the Board
 September, 2023

KENYA ENGINEERING TECHNOLOGY REGISTRATION BOARD
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16. Statement of Changes in Net Assets for the year ended 30 June 2023

Description	Accumulated Surplus	Capital/ Development Grants/Fund	Total
	Kshs.	Kshs.	Kshs.
As at July 1,2022			
Revaluation gain			
Transfer of excess depreciation on revaluation			
Surplus/(deficit) for the period	27,855,245	-	27,855,245
Fair Value of Donated Assets received during the year		10,373,450	10,373,450
Transfer of depreciation/amortisation from capital fund to retained earnings	1,357,429	(1,357,429)	0
As at June 30, 2023	29,212,674	9,016,021	38,228,695

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17. Statement of Cash Flows for the year ended 30 June 2023

		Period to 2023
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from other government entities	6	40,500,000
Licences, Fees and permits	7	36,219,479
Total Receipts		76,719,479
Payments		
Use of goods and services	8	45,585,018
Employee costs	9	608,200
Repairs and maintenance	10	512,380
Total Payments		46,705,598
Net cash flows from operating activities		30,013,880
Cash flows from investing activities		
Purchase of Property Plant and Equipment&	14	(6,196,200)
Net cash flows from investing activities		(6,196,200)
Cash flows from financing activities		
Net increase/(decrease) in cash and cash equivalents	13	23,817,680
Cash and cash equivalents at 1 July 2022		-
Cash and cash equivalents at 30 June 2023		23,817,680

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2023

	NOTES	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
		Kshs	Kshs	Kshs	Kshs	Kshs	
		a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Revenue							
Transfers from Other Governments entities	8	54,000,000	-	54,000,000	40,500,000	13,500,000	75%
Annual Subscription		5,290,000	-	5,290,000	4,011,505	1,278,495	76%
Curriculum Certification		385,000	-	385,000	-	385,000	0%
Application Fees		325,000	-	325,000	788,840	(463,840)	243%
Other receipts (prior year)		-		-	31,419,134	-	0%
Total Income		60,000,000	-	60,000,000	76,719,479	(16,719,479)	128%
Expenses							
Use of Goods and Services	8	60,000,000	-	60,000,000	45,585,018	14,414,982	76 %
Employee costs					608,200	(608,200)	
Depreciation					2,158,850	(2,158,850)	
Repairs and Maintenance					512,380	(512,380)	
Total Expenditure		60,000,000		60,000,000	48,864,234	11,135,766	81%

1. 4th quarter was not disbursed to the Board resulting to underutilization of transfers from other government entities.
2. the underutilization of annual subscription relates to Board Members not in place since 2019
3. The inclusion of Other Receipts which relates to prior years from when our account reads zero (0) balances

KENYA ENGINEERING TECHNOLOGY REGISTRATION BOARD
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19. Notes to the Financial Statements

1. General Information

Kenya Engineering Technology Registration Board is established by and derives its authority and accountability from Engineering Technology Act No. 23 of 2016. The KETRB is wholly owned by the Government of Kenya and is domiciled in Kenya. The Board's principal activity is to provide regulation, practice and standards of engineering technologists and technicians and for the connected purpose.

2. Statement of Compliance and Basis of Preparation

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

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

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Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>The Board does not have financial instruments/investments thus this standard does not apply</i></p>

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<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of</p>
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Standard	Effective date and impact:
	<p>the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. <p><i>The Board does not offer any social benefit schemes; however, it engages in corporate social responsibility including implementation of presidential directives on tree planting which is embedded its annual activities</i></p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.

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Other improvements to IPSAS	<p><i>Applicable 1st January 2023</i></p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS.
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Standard	Effective date and impact:
	<ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023. <p><i>The above amendments have no impact on the financial statements</i></p>

New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>

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IPSAS 44:	<i>Applicable 1st January 2025</i>
Non- Current Assets Held for Sale and Discontinued Operations	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.

ii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

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

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

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b) Budget information

The original budget for the period under review was approved by the management committee. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Board upon receiving the respective approvals in order to conclude the final budget.

c) Taxes

The Board is non-commercial state corporation and is therefore not subject to the corporate tax regime. No corporate tax therefore provided in these accounts. However, the Board remit all other applicable taxes as and when they fall due which include;

- Value Added Tax

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Board recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Additionally, depreciation on assets during the financial year is calculated on reducing balance at the following rates:

Asset	Rate
Motor Vehicles	25%
Office Furniture and Equipment	12.5%
Computers and printers	33.3%

e) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Board. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Board also

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

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

f) Research and development costs

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

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

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

g) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Board does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial

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instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Trade and other receivables

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

Fair value through surplus or deficit

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

a) Financial liabilities

Classification

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

b) Inventories

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale,

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exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

i) Provisions

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

j) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

k) Contingent liabilities

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

l) Contingent assets

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

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m) Changes in accounting policies and estimates

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

n) Employee benefits

Retirement benefit plans

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

The board does not remit any statutory deductions since the board does not have its staff but under deployment from different Ministries.

o) Foreign currency transactions

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

p) Related parties

The *Board* regards a related party as a person or a Board with the ability to exert control individually or jointly, or to exercise significant influence over the Board, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Chief Executive Officer and senior managers

q) Cash and cash equivalents

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

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statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

r) Comparative figures

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

s) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

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Provisions

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

6. Transfers from Ministries, Departments and Agencies (MDAs)

The Board receives budgetary support from Government in form of recurrent grants through State Department of TVET. The board only received for the first three (3) quarters. Fourth quarter was never disbursed.

	Amount recognized to of Financial performance. *	Amount deferred under deferred income.	Amount recognised in capital fund.	Total transfers FY 2022/2023	Insert Comparative FY 2021/2022
	KShs	KShs	KShs	KShs	KShs
State Department of TVET	40,500,000	-	-	40,500,000	-
Total	40,500,000	-	-	40,500,000	-

7. Licenses, Fees and Permits

Description	Period to 2023
	788,840
Application fees	4,011,505
Annual Subscription	31,419,134
Other receipts from prior years	36,219,479
Total	

The Licenses, Fees and Permits include amount for other receipts from prior years when KETRB was under MOE state department of TVET

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Notes to the Financial Statements (Continued)

8. Use of Goods and Services

Description	Period to 2023
	Kshs
Subscriptions	61,500
Advertising & Printing	963,770
Fuel and Oil	1,500,000
Hospitality services	521,553
Rent expenses	4,209,408
Communication, Supplies and Services	472,454
Training	981,018
Travel, Subsistence & Other Allowances*	16,670,711
Conferences	1,759,920
Bank charges	18,770
Other General Expenses	1,731,497
Other payments (prior year expenses)	16,694,417
Total	45,585,018

The expenditure constitutes administrative and operational costs in the daily running of the Board in discharging its mandates.

On the use of goods on Other payments of Kshs. 16,694,417 relates to prior years transactions since the Board Inception.

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9. Employee costs

Description	Period to 2023
	Kshs
Casual wages	231,200
Other employee related costs	377,000
Total	608,200

On employee costs, includes casual wages used to pay a casual staff who does the cleaning around our office. Other employee related costs relate to allowances paid to CEO and other staff (ICT intern & Finance Officer).KETRB has not employed any staff all are in post not on payroll.

10. Repairs and Maintenance

Description	Period to 2023
	Kshs
Vehicles	162,380
Building	350,000
Total Repairs and Maintenance	512,380

11. Depreciation and Amortization Expense

Description	Period to 2023
	Kshs
Motor Vehicles	643,100
Furniture and fittings	227,082
Computers and ICT Equipment's	1,283,141
Office Equipment's	5,313
Total depreciation and amortization	2,158,636

12. Cash and Cash Equivalents

Description	Period to 2023
	Kshs
Current Account	23,817,680.00
Total Cash and Cash Equivalents	23,817,680.00

13. Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2022/2023 Kshs
a) Current Account		
Kenya Commercial Bank	1204751641	23,817,680
Sub- Total		23,817,680
Grand Total		23,817,680

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14. Property, Plant and Equipment at Cost

	Motor vehicles	Furniture and fittings	Computers	Office equipments	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Cost					
As At 1 July (2022)					
Additions-Exchequer	5,144,800	78,000	888,400	85,000	6,196,200
Additions- Donations	-	3,555,300	6,818,150	-	10,373,450
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
As at 30th June 2023	5,144,800	3,633,300	7,706,550	85,000	16,569,650
Depreciation					
As at 1st July 2022	-	-	-	-	-
Period charged	643,100	227,082	1,283,141	5,313	2,158,636
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-
As at 30th June 2023	643,100	227,082	1,283,141	5,313	2,158,636
Net Book Values					
As at 30th June 2023	4,501,700	3,406,218	6,423,409	79,687	14,411,014
As at 30th June 2022	-	-	-	-	-

Annual depreciation rate in use is:

Motor vehicles	- 25%
Computers and Printers	- 33.3%
Office Furniture & Equipment	- 12.5%

15. Other important disclosure

The balance carried forward from the previous year activities is Ksh. 14,724,716 and Ksh.31,419,134 was received from annual subscription and application fees, while Kshs. 16,694,417 relates to prior years payments when the Board was under the State Department of TVET as a department in the Ministry of Education. From financial year 2022/2023 the Board stood as an independent institution on its own.

15. Financial Risk Management

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

i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board's directors, who have built an appropriate liquidity risk management framework for the management of the Board's short, medium and long-term funding and liquidity management requirements. The Board manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

ii) Market risk

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

a) Foreign currency risk

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

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b) Interest rate risk

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

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

iii) Capital Risk Management

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

16. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

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

Other related parties include:

- i) The Parent Ministry.
- ii) Key management.
- iii) Board of directors.

17. Events after the Reporting Period

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

18. Ultimate And Holding Entity

The Board is a State Corporation under the Ministry of Roads and Transport, State Department of Roads. During the period under review, the Board was moved by Executive Order No. 1 of January 2023 from Ministry of Education, State Department of TVET to Ministry of Roads and Transport, State Department of Roads. Its ultimate parent is the Government of Kenya.

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19. Currency

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

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20. Appendices

Appendix 1: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/ Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
State	16/11/2022	Recurrent	13,500,000	13,500,000					13,500,000
Department of TVET	16/11/2022	Recurrent	13,500,000	13,500,000					13,500,000
	30/03/2023	Recurrent	13,500,000	13,500,000					13,500,000
Total			40,500,000	40,500,000					40,500,000

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Appendix II - Inter-Entity Confirmation Letter

STATE DEPARTMENT OF TECHNICAL, VOCATIONAL EDUCATION & TRAINING

The State Department of Technical, Vocational Education & Training wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below. Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by State Department of Technical, Vocational Education & Training as at 30th June 2023

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)	Amount Received by KETR (KShs) as at 30 th June 2022 (E)	Differences (KShs) (F)=(D-E)
V/REC/0010023570	16/11/2022	13,500,000	-	-	13,500,000	-	13,500,000
V/REC/0010024315	16/11/2022	13,500,000	-	-	13,500,000	-	13,500,000
V/REC/0010025740	30/03/2023	13,500,000	-	-	13,500,000	-	13,500,000
Total		40,500,000	-	-	40,500,000	-	40,500,000

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

Head of Accountants Department

Name: Hadija Wako Signature:
 Date: 29th Sept, 2023

