

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 13 JUN 2024

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REPORT

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THE AUDITOR-GENERAL

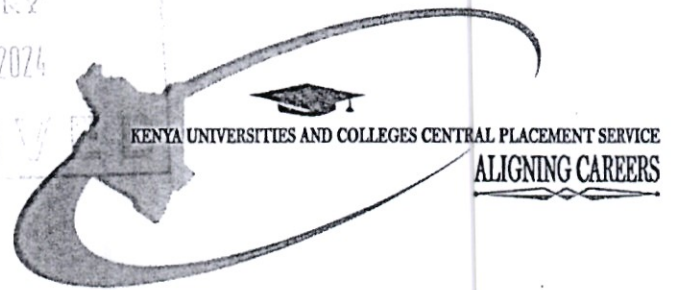
ON

**KENYA UNIVERSITIES AND COLLEGES
CENTRAL PLACEMENT SERVICE**

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



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KENYA UNIVERSITIES AND COLLEGES CENTRAL PLACEMENT SERVICE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30 JUNE, 2023

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

**Kenya Universities and Colleges Central Placement Service
Annual Report and Financial Statements
for the year ended 30 June, 2023.**

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B: Glossary of Terms

Comparative Year: 2021/2022

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

Placement Board: The Board of Directors of KUCCPS as appointed under the Universities Act, 2012

Registration of Institutions: The process by which universities and colleges satisfy the requirements of KUCCPS to enable them to be listed on the KUCCPS website as one of the institutions that have met requirements for placement of students.

4. Fiduciary Management

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

No.	Designation	Name
1.	Chief Executive Officer	Dr. Agnes Mercy Wahome
2.	Director, Corporate Services	Christine Mwaka
3.	Director, Strategy, Planning, Quality Assurance and Compliance	Dr. Christopher Yegon
4.	Director, Placement Coordination and Career Development	Dr. John Oluoch
5.	Manager, Finance & Accounts	Michael Kimani
6.	Manager, Human Resource and Administration	Nicholas Kanisa
7.	Manager, Placement Coordination and Career Development	Nancy Soila
8.	Manager, Information, Communication and Technology	Joseph Mwanja
9.	Manager, Supply Chain Management	Daina Kibogo
10.	Manager, Research and Knowledge Management	Dr. Victoria Gioto
11.	Manager, Corporate Communication	Paul Juma
12.	Manager, Legal and Corporation Secretary	Faith Kaluai
13.	Manager, Internal Audit	Martin Rono

5. Fiduciary Oversight Arrangements

The Placement Service has put in place measures and structures to enforce fiduciary and oversight arrangements and ensure compliance. These structures comprise the Parliamentary Committees, Placement Board and Committees of the Board.

The Board

The Placement Board comprises the Audit Committee, Placement Committee, Finance and oversight to the Placement Service while advising the Board on various policy matters relating to its mandate.


The Audit Committee


The main objective of the Audit Committee is to assist the Board in discharging its duties in relation to safeguarding of assets, the operation of adequate systems, control processes and the preparation


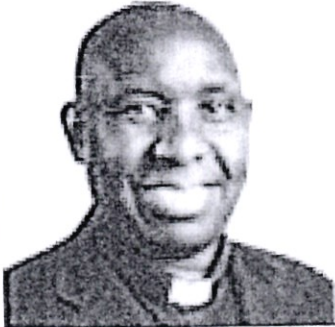
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P.O. Box 30084, GPO 00100
Nairobi, Kenya

10. **Principal Legal Adviser**
The Attorney-General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112, City Square 00200
Nairobi, Kenya



2.	<p>CPA Charles Ringera (CEO, HELB), Member</p>  <p>A black and white portrait of CPA Charles Ringera, a middle-aged man with short hair, wearing a suit, white shirt, and striped tie. He is smiling slightly and looking towards the camera.</p>	<p>CPA Charles Ringera is the Chief Executive Officer of the Higher Education Loans Board (HELB). He is a seasoned banker with over 20 years' experience across all facets of central and commercial banking. He worked at the Central Bank of Kenya (CBK) in various capacities before moving to the Co-operative Bank in 2004. Initially, he served as Senior Credit Risk Analyst and later as a Senior Manager, Enterprise-wide Risk Management, where he laid the foundation for risk management for the bank. CPA Ringera then moved to KCB Group in 2006 to head the Group Operational Risk and Compliance function, supporting Kenya, Tanzania, South Sudan, Uganda and Rwanda. In March 2013, he was appointed Chief Executive Officer/Secretary at the Higher Education Loans Board (HELB) to transform the Board to achieve its core mandate of higher education student financing. He holds an MBA in strategic management; is an alumnus of Oxford Brookes University – UK; holds an Advanced Diploma in Risk Management in Banking/Finance by KPMG Sweden; and is a member of numerous professional accounting associations.</p>
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4.	<p>Prof. Mwenda Ntarangwi (Former CEO, CUE), Member until July 16, 2022</p> 	<p>Prof. Ntarangwi was appointed Chief Executive Officer at Commission for University Education with effect from September 5, 2017 thus became a member of the Placement Board. Prior to the appointment, Prof. Ntarangwi was a professor of anthropology at Calvin College, US. He studied Kiswahili at Kenyatta University and earned a Master's degree in Swahili Cultural Studies in 1990. Later, he earned Master's and PhD degrees in cultural anthropology from the University of Illinois, Champaign-Urbana in 1995 and 1998, respectively. He exited the Board in July 2022 when his term as the CEO of CUE ended. Before his exit, he was Chairman of the Placement Committee of the Board.</p>
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<p>6.</p>	<p>Prof. Margaret Muthwii (Vice-Chancellor, Pan Africa Christian University, Representing Private Universities) Member until January 12, 2023</p> 	<p>Prof. Margaret Muthwii was the Vice-Chancellor of Pan Africa Christian University. She was appointed to the Board on March 13, 2017 for a period of three years and reappointed on January 13, 2020. Prior to that, she worked with the United Bible Societies as a scholar, translation consultant and the Africa Area Translation Coordinator. She earned her PhD in 1994 at the University of East Anglia (UK), having received her first degree from the University of Nairobi. She began her teaching career at the Alliance Girls High School (1981-85) before proceeding to Kenyatta University, where she worked in various capacities from 1988 to 2001. Prof. Muthwii chaired the Human Resource Committee of the Board before her tenure ended in January 2023.</p>
<p>7.</p>	<p>Very Rev. Prof. Stephen Mbugua Ngari Rector/Vice-Chancellor, Catholic University of Eastern Africa (CUEA), Representing Private Universities, Member</p> 	<p>The Very Rev. Prof. Stephen Mbugua Ngari joined the Placement Board 14th April, 2022. A Member Representing Private Universities, Rev. Prof. Mbugua is a Diocesan Priest from the Catholic Diocese of Nakuru and Rector/Vice-Chancellor, Catholic University of Eastern Africa (CUEA). He is a professor of Psychology and Counselling having acquired an Associate Professorship at Egerton University. He has held various positions previously, which include Vice-Chancellor Designate at Tangaza University College, Director of University Welfare Services at Egerton University, Dean of Students at Egerton University and Associate Professor in Psychology and Counselling in Egerton University. He is the Chairman of the Placement Committee of the Board.</p>

<p>10.</p>	<p>Mr. Patrick M. King’oina (Representing KATTI), Member</p> 	<p>Mr. Patrick King’oina is the Principal at the Ahmed Shahame Mwidani Technical and Vocational College. He was appointed to the Board on January 13, 2020 to represent KATTI for a period of three years. Mr. King’oina is an experienced and accomplished educationist and administrator, who has served as a Head of Department, Deputy Registrar, Registrar and Lecturer in Kenya’s TVET institutions for over three decades. He holds an MBA from Moi University and is a member of the Kenya Renewable Energy Association. He was appointed Chair of the Audit Committee of the Board within the quarter.</p>
<p>11.</p>	<p>Mr. Mutinda wa Ngei (Alternate to PS, University Education), Member, until November 30, 2022</p> 	<p>Mr. Mutinda wa Ngei served as the Member Alternate to the PS, University Education until November 30, 2022. Mr. Mutinda is professional teacher, an administrator and a career public servant. He holds a Bachelor’s degree in Education, a Higher Diploma in Human Resource Management and Master’s degree in Business Administration. Mr. Mutinda has over 30 years in public service and more than 15 years of part time lecturing in Kenya’s public and private universities. He has also served in various Boards under different Ministries including National Council for Children Services, Counter Trafficking Trust Fund, Child Welfare Society of Kenya and Aquaculture Business Development Program. Currently, he serves at the State Department for University Education and Research as a Senior Deputy Secretary. He is a member of the Institute of Human Resource Management.</p>



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		including KEMRI, Kerio Valley Development Authority, the Technical University of Kenya and Tanathi Water Works Development Authority.
14.	<p>Dr. (Mrs.) Agnes Mercy Wahome Chief Executive Officer</p> 	<p>Dr. Agnes Mercy Wahome was appointed Acting Chief Executive Officer of the Placement Service on November 13, 2020 for a period of six months and confirmed as a substantive CEO in February 2021. Prior to the appointment, she had been the Manager, Research and Knowledge Management. She holds a PhD in Health Communication from Jomo Kenyatta University of Agriculture and Technology, a Master of Arts in Medical Sociology, a Bachelor of Arts in Sociology and Communication (University of Nairobi), Diploma in Community Oral Health (KMTC) and Diploma in Leadership in Strategic Health Communication (Johns Hopkins Center for Communication Program, USA).</p>
15.	<p>Ms. Faith Kaluai Manager, Legal and Corporation Secretary</p> 	<p>Ms. Faith Kaluai was appointed Manager, Legal and Corporation Secretary on June 23, 2022. She joined the Placement Service from the Teachers Service Commission where, she had served for nine years in the Legal, Labour and Industrial Relations Directorate as a Principal Legal Officer. She also worked at the Office of the Attorney-General and Department of Justice as a State Counsel. She holds an LL.B from Moi University, a Master's degree from Kenyatta University, and a Higher Diploma in Human Resource Management. She has vast experience in Labour Law, Policy Development, Contract Management and Risk Management. She is an Advocate of the High Court of Kenya with 11 years of experience, Certified Public Secretary CPS (K) and a Certified Professional Mediator CPM (MTI).</p>

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4.		<p>Christine Mwaka Director, Corporate Services <i>MBA, Finance (UON), B. Education (Moi), CPA (K), Member (ICPAK, KIM, Institute of Directors (IOD)</i></p>	<p>The Director, Corporate Services is responsible for coordinating and overseeing the Directorate of Corporate Services incorporating the ICT, Human Resource & Administration, Corporate Communication & Customer Experience and Finance functions.</p>
5.		<p>CPA Michael Kimani Manager, Finance & Accounts <i>MBA (UoN), B Com. (KU), CPA-K, Member ICPAK</i></p>	<p>The Finance Manager is responsible for budgeting, budgetary control, financial management and reporting at the Placement Service.</p>
6.		<p>CPA Faith Musya, Manager, Internal Audit <i>MBA, B. Ed. (UoN), CPA-K, Member IIA, ICPAK</i></p>	<p>The Internal Audit Manager is responsible for financial and systems audit, assurance and risk advisory services at the Placement Service.</p>
7.		<p>Daina Kibogo, Manager, Supply Chain Management <i>M. Sc. Procurement & Logistics (JKUAT), B.A. (Egerton), Dip. Supply Chain Management (ICM-UK), Member ICM, KISM</i></p>	<p>The Supply Chain Manager is responsible for procurement and supply chain operations at the Placement Service.</p>
8.		<p>Paul Juma, Manager, Corporate Communication <i>MA Communication Studies, B. Ed. (UoN), Member PRSK</i></p>	<p>The Corporate Communication Manager is responsible for the administration and management of publicity, corporate communication and customer experience at the Placement Service.</p>

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13.		<p>Mr. Joseph Mwanja, Manager, ICT</p> <p><i>MBA (Management Information Systems), BSc. ICT</i></p>	<p>The ICT manager is responsible for information communication technology operations at the Placement Service. Mr. Mwanja joined the corporation in the quarter under review.</p>
14.		<p>CPA Martin Rono, Manager, Internal Audit (With Effect from March 8, 2023)</p> <p><i>MBA (KU), B. Com. (Egerton), CPA-K, CISA, Member ISACA & ICPAK</i></p>	<p>The Internal Audit Manager is responsible for financial and systems audit, assurance and risk advisory services at the Placement Service.</p>

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With respect to corporate governance, the Board continued to play its oversight role of providing strategic direction and exercising control. The Board remained accountable through effective leadership, structure and organisation, and the performance of its roles in relation to viability, financial oversight and sustainability, responsibility to stakeholders, corporate compliance, internal control procedures, corporate culture and risk management.

As we close the 2022/23 Financial year and usher the new 2023/2024 year, I wish to state that it is the Board's commitment to continue exercising its prudence in its role of oversight and providing strategic direction to the organisation, and to support the Ministry of Education in achieving its overarching objective in the education sector. On behalf of the Board of the Directors, I take this opportunity to thank the Ministry and the National Treasury for contributing immensely to KUCCPS success in executing its mandate.

I also commend fellow Directors for their commitment. I am truly honoured to serve alongside them in driving KUCCPS towards the realisation of its strategic goals and objectives.



CYRUS GITUAI
CHAIRMAN OF THE BOARD

delivery. This certification underscores our dedication to customer satisfaction, enhances our organisational image, and underscores our customer-centric ethos.

Human Resource Development and Staff Welfare

Furthermore, we bolstered our human resources by recruiting for critical positions, ensuring our team remains optimally staffed at 54.3%. Capacity-building initiatives were implemented, nurturing skill development and enhancing overall productivity. Recognizing the importance of staff welfare, we continued to provide an array of benefits including comprehensive medical cover, Group Life and Personal Accident insurance, WIBA, and our Car Loan and Mortgage Scheme.

Performance Contract

Our Performance Contracting score improved from 3.0038 in the 2020/2021 FY to 2.9112 in the 2021/2022 FY, reflecting our refined service delivery and strengthened monitoring and evaluation mechanisms.

Public Communication and media relations

Our efforts to communicate effectively bore fruit, with enhanced media relations and proactive publicity yielding positive coverage, thus amplifying our reach and impact.

Financial Performance

Financially, we recorded a revenue increase by Kshs 103,231,496 from Kshs. 671,733,482 in the last financial year to Kshs. 774,964,977, with expenditure increasing by Kshs. 63,103,042. Notably, a surplus of Kshs. 333,873,013 was achieved. The asset base has grown significantly to Kshs. 1,889,197,412 from Kshs. 1,620,371,743 in the fiscal period 2021/22.

Finally, on behalf of Management, I would like to thank the KUCCPS Board, the Ministry of Education and our stakeholders for their continued support and consideration. I would also like to thank the Secretariat for their dedication and hard work towards attaining our corporate vision, "An equitable, fair and efficient placement service".



DR. AGNES MERCY WAHOME
CHIEF EXECUTIVE OFFICER

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Strategic Theme	Objective (s)	Indicator (s)	Initiatives	Achievement
	Increase student applications	Placement to Degree programmes	Collaborate with 20 Huduma Centers operators of Cyber to offer application support for placement services.	Trained 52 Huduma Centre operators to offer application
	Increase number of actors under placement	Number of additional institutions registered as KUCCPS members	Increase the number of registered institutions from 350 to 355 providing opportunities for placement	8 new TVET institutions were registered, increasing to 358.
	Increase Product Range at KUCCPS	New products introduced	Collaborate with County stakeholders through the Huduma Mashinani Initiative.	The Placement Service participated in the Huduma Mashinani Initiative in 8 Counties.

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Strategic Theme	Objective (s)	Indicator (s)	Initiatives	Achievement
				journey mapping.
Enhance innovation and use of technology	To improve service delivery through automation	Report	Release of the 2023/2024 placement cycle results through Premium rate SMS	Premium rate SMS was used to request the students to apply as well as share their consequent placement results.
		Innovation and use of technology	Implementing Database Activity Monitoring (DAM) system.	Implemented the Database Activity Monitoring (DAM) system.
	To improve collection, analysis, retention and dissemination of information.	Online knowledge management system	Collect and retain data on programmes offered by training institutions and the available placement capacities;	Availed the system for declaration of programmes and capacities to Universities and Colleges and effectively uploaded the same for implementation during the

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Strategic Theme	Objective (s)	Indicator (s)	Initiatives	Achievement
		STI Mainstreaming	Develop STI Strategy mainstreaming KUCCPS placement and careers;	Reviewed STI Strategy mainstreaming KUCCPS placement and career guidance; Annual STI. Implementation work plan for mainstreaming STI activities was also operationalized.
		Reports	Engage CUE and TVETA on validation of all courses and capacities declared.	Placement service shared the declared Programmes and capacities with regulators (CUE for 69 universities and TVETA 204 TVET Colleges) for validation and

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Strategic Theme	Objective (s)	Indicator (s)	Initiatives	Achievement
		services activities undertaken	Career Teachers;	Teachers from 25 Counties.
			Conduct 4 career guidance sensitization workshops for career guidance teachers' secondary schools.	No. of workshops reaching out to Sensitized 4,542 teachers drawn from 4,250 secondary schools in 45 Counties
	Diversify mode of delivery for career advisory	Increase in the number of modes of delivery	Conduct student career advisory sensitization s on technical courses (STEM, TVET and Big 4" initiatives) in 20 counties	KUCCPS conducted student career guidance and mentorship activities in 47 counties reaching 193,083 secondary students from 5,522 schools.
			Hold a one Career Guidance Week/Open	KUCCPS held Open Days in 28 Institutions

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Strategic Theme	Objective (s)	Indicator (s)	Initiatives	Achievement
			(Tree planting)	within the financial year
		Citizens' Service Delivery Charter	Display the charter prominently in both English and Kiswahili with clearly visible font size of the contents.	The service charter was prominently displayed at strategic points within KUCCPS premises. Additionally, audio visual recording of the service charter was uploaded on KUCCPS online platforms;
		Resolution of public complaints	Resolve all complaints received.	All complaints received during the period were resolved. Attained 100% CAJ score report.

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Strategic Theme	Objective (s)	Indicator (s)	Initiatives	Achievement	
			of 2022/2023 FY KUCCPS work plan	to realistic targets	
			Strategic Plan	Development of 2023-2027 Strategic Plan	Ongoing. Draft Strategic Plan 2023-2027 has been prepared.
			ISO 9001:2015 Certificate	ISO 9001:2015 Certification process	Assessed both technical and operational matters and advised on mitigation measures for all works. Certification issued
			Reports	Quality checks on compliance	ISO audit, financial and system audit by OAG
			To develop and implement a risk management	ERM Reports	Implementation of the risk management plan

Strategic Theme	Objective (s)	Indicator (s)	Initiatives	Achievement
				action plans was achieved.
	To ensure policy compliance in placement	Report	Review and advice on KUCCPS internal policies as need arises	Three internal policies were reviewed and approved by the Board for implementation
	Risk Assurance	No. of high risk areas identified	Carry out risk based audit assessment	Risk Based Audit Work Plan was developed and conducted all audit assignments and provided assurance to the Board.

In its 2022/2023 Performance contract, the Placement Service took into account the objectives and targets outlined in the strategic plan.

8. Corporate Governance Statement

a) Introduction

KUCCPS is committed to maintaining the highest standards of Corporate Governance. This is considered as crucial to the overall outlook of the corporation and also in attracting and retaining stakeholders in the Education Sector. In administering its roles and responsibilities, the Board has endeavoured to put the best interest of the Placement Service, stakeholders and the country at large.

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d) The Board members who served for the year ended 30 June, 2023 were as follows:

S/NO.	NAME	ROLE	Date of Appointment	Date of Retirement
1.	Mr. Cyrus Gituai	Chairman	13.07.2022	12.07.2025
2.	Prof. Geoffrey Muluvi	VC, Public Universities (SEKU)	13.01.2020	12.01.2023
	Prof. Mwenda Ntarangwi	CEO, CUE	01.09.2017	16.07.2022
3.	Prof. Mike Kuria	CEO, CUE	17.01.2023	TBA
4.	Very Rev. Prof. Stephen Mbugua Ngari	VC, Private Universities (CUEA)	14.04.2022	13.04.2025
5.	Prof. Margaret Muthwii	VC, Private Universities (PAC)	13.01.2020	12.01.2023
6.	Mrs. Glory Kambanja Mutungi	Representative, KATTI (NTTI)	13.01.2020	12.01.2023
7.	Dr. Kipkirui Lang'at	DG, TVETA	19.03.2015	TBA
8.	FCCA Charles Ringera	CEO, HELB	27.01.2014	TBA
9.	Mr. David Komen	Alt, PS (Treasury)	05.05.2021	TBA
10.	Mr. Felix K. Mung'atu	KATTI	13.01.2023	12.01.2026
11.	Mr. Patrick King'oina	KATTI	18.01.2023	17.01.2026
12.	Dr. Wahome Rureri	Alternate to PS (MOE)	01.12.2021	31.07.2022
			05.12.2022	04.12.2025
13.	Mr. Mutinda Wa Ngei	Alternate to PS (MOE)	1.08.2022	04.12.2022
14.	Mr. Arthur Gacheru Karagu	Representative (IG-SC)	9.07.2021	17.02.2023
15.	Mr. George Ombua	Representative (IG-SC)	17.02.2023	TBA
16.	Dr. Agnes Mercy Wahome	CEO, KUCCPS	1.01.2021	13.01.2026

e) **Role and Responsibilities of the Board**

The Board provides leadership and strategic direction to the Placement Service. Its role is to guide the Corporation towards sustainable long-term success by offering policy direction. In carrying out this overall mandate, the Board is guided by impartiality.

h) Committees of the Board

In order to facilitate the smooth running of its affairs, Board members have established Committees with a membership and terms of reference as outlined in the Board Charter. The following Committees were in place in the Financial Year

1. Placement Committee;
2. Human Resource Committee;
3. Finance and Strategy Committee; and
4. Audit Committee.

i) Conflict of Interest

The Board members are under a fiduciary duty to act honestly and in the best interest of the organisation. Accordingly, Directors have been encouraged to recuse themselves from discussing or voting on matters that a conflict of interest may exist. The Board maintains a Conflict-of-Interest Register.

In all the Board meetings held during the FY 2022/23, Directors were required to declare any conflict of interest that they may have in the agenda items discussed. The same was recorded in the Conflict-of-Interest Register.

j) Board Evaluation

In pursuit of promoting Board effectiveness, Mwongozo, the Code of Governance for State Corporations requires that, on an annual basis, Board of Directors conduct self-evaluation of its performance and file a report thereof with the parent Ministry and the State Corporations Advisory Committee (SCAC).

During the financial year ended 30th June, 2023, the Placement Service Board conducted self-evaluation and attained an overall score of 97.40%. This was an improvement as compared to previous FY 2020/21 Evaluation performance of 97.15%.

2. Placement Committee

S/NO.	NAME	ATTENDANCE	ALLOWANCES
1.	Very Rev. Prof. Stephen Mbugua Ngari (Chairperson)	4/4	80,000
2.	Prof. Geoffrey Muluvi	2/2	40,000
3.	Prof. Mike Kuria	3/3	60,000
4.	Dr. Kipkirui Lang'at	1/5	20,000
5.	Prof. Mwenda Ntarangwi	1/1	20,000
6.	Prof. Margaret Muthwii	1/1	20,000
7.	FCPA Charles Ringera	1/1	20,000
8.	Mr. George Ombua	1/5	20,000
9.	Mr. Arthur Gacheru Karagu	1/5	20,000

3. Finance and Strategy Committee

S/NO.	NAME	ATTENDANCE	ALLOWANCES
1.	Mr. Felix Mung'atu (Chairperson)	1/1	20,000
2.	Mrs. Glory Mutungi	2/2	40,000
3.	Dr. Kipkirui Lang'at	4/5	80,000
4.	Mr. Ngei wa Mutinda	2/2	40,000
5.	Mr. David Komen	4/6	80,000
6.	Dr. Wahome Rureri	4/4	80,000
7.	Prof. Geoffrey Muluvi	1/1	20,000
8.	Mr. George Ombua	1/6	20,000

4. Human Resource Committee

S/NO.	NAME	ATTENDANCE	ALLOWANCES
1.	Prof. Geoffrey Muluvi	1/1	20,000
2.	Very Rev. Prof. Stephen Mbugua Ngari	4/4	80,000
3.	Dr. Wahome Rureri	4/4	80,000
4.	FCPA Charles Ringera	4/4	80,000

9. Management Discussion and Analysis

The Management continued to undertake various programmes and activities towards the execution of the Board's mandate. The highlights are discussed hereunder.

i. Placement of Students to Universities and Colleges in the 2023/2024 Cycle

a) Placement Activities

The 2023/2024 Placement Cycle was undertaken in the financial year. It involved publication of minimum entry requirements for placement to universities and colleges; receiving applications from students, revision of programme and institution choices and placement processing in accordance with the Placement Policy and Processing Guidelines. Applicants were placed in universities and colleges as shown below.

Level	Number of Students Placed
Degree	140,107
TVET (Diploma, Craft Certificate and Artisan Certificate)	145,060
TTC (DEPTE)	11,358
KMTC	9,627

In addition, the corporation registered additional institutions into the placement process, whereby a total of 27 institutions were registered in the financial year, bringing the total number of registered institutions to 394 institutions since inception.

b) Career Guidance Services

In line with the mandate to develop career guidance programmes for the benefit of students, KUCCPS implemented career guidance, mentorship and sensitisation activities within the year, through meetings, open days, public forums, fairs and exhibitions. The activities targeted and reached students, teachers, parents, guardians and the public at large, as illustrated below.

	Counties	Schools
Reach	47	5,522
Percentage Reach	100%	54%

ii. Communication, Publicity and Branding

The corporation invested resources in the communication function to support publicity of placement, career guidance and related corporate processes as highlighted hereunder.

negotiated the 2022/2023 Performance Contract, which is to be vetted in the coming Financial Year. In addition, KUCCPS was awarded the ISO 9001:2025 for Quality Management System (QMS) after it satisfied all the requisite conditions.

iv. Human Resource Management, Administration and Staff Welfare

The organisation continued to strengthen its capacity through recruitment, training, administration and provision of staff welfare services, among other activities. Recruitments were done to fill key positions in the Internal Audit, Administration Legal, Research and Knowledge Management, Strategy and Planning, and Finance departments. One staff exit was recorded in the year. Staff welfare interventions including a Comprehensive Medical Cover, Group Life and Accident Cover, Group Personal Accident, WIBA and a Staff Car Loan and Mortgage scheme remained in place. Lastly, the corporation complied with government requirements including on authentication of certificates and provision of internships and student attachments.

v. Information and Communication Technology

The corporation continued to implement initiatives aimed at enhancing efficiency in service delivery and integrity of information systems. They include support of ICT systems and infrastructure, implementation of the Data Centre Project and the Database Activity Monitoring (DAM) system, development of a new website, development of Terms of Reference for an Enterprise Resource Planning (ERP) system, and activities towards the implementation of Electronic Document Management System (EDMS) for paperless operations.

vi. Governance, Financial Probity and Compliance with Statutory Requirements

KUCCPS is required to comply with the PFM Act of 2012, PFM Regulations and other relevant regulatory frameworks/government directives. No non-compliance, governance issues or undisclosed conflict of interest were reported.

vii. Key Projects and Investment Decisions Being Planned / Implemented

The Placement Service is in consultations with the National Treasury, the Ministry of Education and other institutions towards fulfilling its desire to acquire own offices.

viii. Material Arrears in Statutory/Financial Obligations

No arrears or pending bills were outstanding at the end of the year.

has established an Environmental Sustainability Committee to champion matters to do with safeguarding the environment. The Committee is responsible for developing and ensuring environmentally clean and health practices in the workplace. Among the achievements during the period include; adoption of paperless policy through use of emails and electronics devices to reduce use of paper. Further the organisation's annual work plan, included tree planting activities in line with the National Environment Policy. In the year under review, KUCCPS planted a total of 7,254 trees in secondary schools, TVET institutions and the Maasai Mau water tower.

iii) Employee welfare

The organisation continues to invest on employee welfare initiatives as per Human Resource Instruments being implemented during the period under review. The documented policies guided the recruitment during the period under review. Recruitment for positions of Head of Department and Directors are undertaken by the Board while positions below Heads of Department / Directorates are delegated to the Chief Executive Officer. There is an established Human Resource Advisory Committee composed of Heads of Departments that makes recommendations to the Chief Executive Officer on recruitment, selection and appointment for positions below Heads of Department/ Directorates. The Placement Service progressively strives to enhance compliance with recommended percentages in regards to gender without compromising merit during recruitment, and had attained gender ratio of the Gender ratio of 1:1.

The HR instruments are reviewed after every five years'; hence the Current Human Resource instruments are due for review in the year 2023.

The Placement Service undertakes annual appraisal for staff to manage performance, this also informs training needs and an annual training plan is prepared. Career progression is managed by ensuring staff are trained based on needs identified and professionals trained to keep abreast of developments in their profession. Further staff are trained on cross cutting issues leadership, management, supervisory courses, data protection, performance management, Public Financial Management and Public Procurement. In addition, all staff are trained on the core mandate of the Placement Service in order to enhance responsiveness and service delivery.

The Placement service has put in place employee benefits including a Comprehensive Medical, WIBA, Group Life and Personal Accident covers. Further, Placement Service has put in place a Staff Car Loan and Mortgage Scheme to enable employees to own homes and cars.

c) Responsible marketing and advertising

The organisation's publicity, advertising and marketing activities are conducted in accordance with public policy, ethical consideration, prudent financial management and professional standards. Public communication and publicity campaigns are guided by an approved corporate communication policy and strategy.

d) Product stewardship

Secondary school students are the primary recipients of KUCCPS services. To safeguard their rights and interests, Placement Service endeavours to comply with the laws and internal policies and guidelines that govern student placement and career guidance services. The organisation continually improves its products and services to suit the dynamic needs of students. In addition, KUCCPS has established communication and feedback mechanisms, through which it receives and addresses the concerns of its stakeholders. Information is provided to the students through various channels in a timely manner to ensure that they are informed on matters Placement.

v) Corporate social responsibility and community engagements

The entity's corporate social engagements are guided by internal policy, namely the KUCCPS Corporate Social Investment (CSI) and Stakeholder Engagement Policy. According to this policy, the objectives of KUCCPS CSI are to:

- Support national and social initiatives that are aligned to KUCCPS strategic interests
- Make a positive and sustainable impact on Kenyan communities
- Create synergies by working with partners that share KUCCPS values and objectives
- Cultivate good will and promote the corporate image of the organisation.

In furtherance of the above objectives, KUCCPS implements activities in its flagship areas including environmental conservation, education, sports and community empowerment. In the year under review, the organisation organised or supported the following CSI activities.

*Kenya Universities and Colleges Central Placement Service
Annual Report and Financial Statements for the Year ended 30 June, 2023*

In the year ended 30 June, 2023, KUCCPS in collaboration with its partners undertook three major tree planting initiatives. In collaboration with the Higher Education Loans Board, the Kenya National Qualifications Authority and State House Girls High School, the organisation planted 2,000 tree seedlings at the school.

In addition, for the first time KUCCPS incorporated tree planting in its career guidance activities, where staff who were sent out to the counties to support students making application for placement mobilised their host institutions to plant trees. As a result, 2,254 trees were planted in TVET institutions across 45 counties.

Further, KUCCPS collaborated with the Kenya Water Tower Agency to restore the degraded Chebitet section of the Maasai Mau Water Tower Forest cover. A total of 3,000 indigenous tree seedlings were planted. For sustainability, the two agencies engaged a community group to grow the seedlings, dig holes and take care of the planted seedlings.

11. Statement of Directors Responsibilities

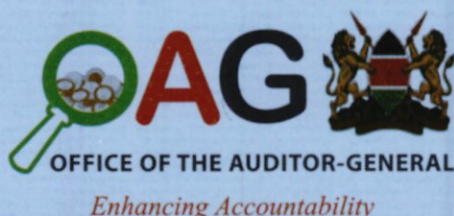
Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act*), require the Directors to prepare financial statements in respect of the Kenya Universities and Colleges Central Placement Service, which give a true and fair view of the state of affairs of the corporation at the end of the financial year and the operating results of the corporation for the financial year. The Directors are also required to ensure that the corporation keeps proper accounting records which disclose with reasonable accuracy the financial position of the agency. The Directors are also responsible for safeguarding the assets of the corporation.

The Directors are responsible for the preparation and presentation of the Kenya Universities and Colleges Central Placement Service's financial statements, which give a true and fair view of the state of affairs of the corporation for and as at the end of the financial year ended on 30 June, 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 corporation; (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 corporation; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the corporation'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 Placement Service's financial statements give a true and fair view of the state of the corporation's transactions during the financial year ended 30 June, 2023, and of its financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the corporation, which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA UNIVERSITIES AND COLLEGES CENTRAL PLACEMENT SERVICE 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 Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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

Opinion

I have audited the accompanying financial statements of Kenya Universities and Colleges Central Placement Service set out on pages 1 to 47, which comprise 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 and actual amounts for the year then ended, and a summary of significant

Report of the Auditor-General on Kenya Universities and Colleges Central Placement Service for the year ended 30 June, 2023

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Universities and Colleges Central Placement Service 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 Public Finance Management Act, 2012 and the Universities Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis amounts of Kshs.877,958,110 and Kshs.774,964,977 respectively, resulting in an underfunding of Kshs.102,993,133 or 12% of the revenue budget. Similarly, the statement reflects total expenditure (operating expenses) budget and actual on comparable basis amounts of Kshs.544,958,110 and Kshs.441,091,964 respectively, resulting in an under expenditure of Kshs.103,866,146 or 19% of the operating expenses budget. In addition, the Service incurred capital expenditure of Kshs.36,392,104 against a budget of Kshs.333,000,000, resulting to an under expenditure of Kshs.296,607,896 or 89% of the capital budget.

The underfunding and under expenditure affected the planned activities and may have impacted negatively on 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.

Other Matter

Other Information

In connection with my audit of the Kenya Universities and Colleges Central Placement Service financial statements, my responsibility is to read the other information and in

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter 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

Irregularities in Placement of and Disbursement of Capitation Grants for Government Sponsored Students in Private Universities

A special audit of the capitation grants revealed that a total of Kshs.15,762,573,515 was disbursed to thirty-two (32) private universities for Government sponsored students for the period of seven (7) financial years, from 2016/2017 to 2022/2023. However, it was noted that four thousand five hundred twenty-one (4,521) students in the disbursement records had not been placed by the Service, despite being declared as Government-sponsored students. An amount of Kshs.201,638,928 was disbursed to fifteen (15) universities for the 4,521 students.

In the circumstances, the regularity of placement of students in the private universities and grants totalling Kshs.201,638,928 in respect of Government sponsored students for the seven-year period could not be confirmed.

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

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

In preparing the financial statements, Management is responsible for assessing the Service's ability 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 Service 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 comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control 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 control 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

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


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

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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

28 March, 2024

Kenya Universities and Colleges Central Placement Service
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for the year ended 30 June, 2023.

13. Statement of Financial Performance for the year ended 30 June, 2023

	Notes	2022/2023 FY	2021/2022 FY
		Kshs	Kshs
Revenue from non-exchange transactions			
Capitation Grants- Revenue	6	21,958,110	21,958,110
		21,958,110	21,958,110
Revenue from exchange transactions			
Registration Fees	7	2,130,000	3,710,000
Application and Revision Fees	8	367,560,966	363,968,563
Placement Fees	8	294,295,000	208,906,500
Finance income	9	88,492,096	65,724,086
Career book and other incomes	10	528,805	7,466,223
Total Revenue from exchange transactions		753,006,867	649,775,372
Total Revenue		774,964,977	671,733,482
Expenses			
Employee costs	11	220,685,635	170,861,822
Board Expenses	12	11,768,194	19,331,293
Placement Processing and Publicity	13	23,369,786	25,069,070
Career Guidance and Workshops	14	20,249,641	9,164,831
Provision for Depreciation, Amortization and Doubtful Debt charge	15	59,621,441	47,035,934
Repairs and maintenance	16	5,358,804	23,982,373
Use of Goods and Services	17	99,186,694	92,617,776
Finance cost	18	851,771	478,981
Total expenses		441,091,964	377,988,922
Surplus/ (deficit) before tax		333,873,013	293,744,560
Taxation	19	26,706,270	21,331,445
Surplus/(deficit) attributable to minority interest		-	-
Surplus attributable to owners of the controlling Entity		307,166,743	271,787,467
Total Surplus		307,166,743	271,787,467

The notes set out on pages 9 to 52 form an integral part of these Financial Statements.

The Financial Statements set out on pages 1 to 8 were signed on behalf of the Board of Directors by:

.....
N. Wahome

Dr. Agnes Mercy Wahome
Accounting Officer

31 August, 2023

.....
M. Kimani

CPA Michael Kimani
Head of Finance
ICPAK M/No:5310

31 August, 2023

.....
C. Gituai

Mr. Cyrus Gituai
Chairman of the Board

31 August, 2023

Kenya Universities and Colleges Central Placement Service
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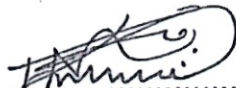
Capital Development Reserve	29 (b)	800,000,000	800,000,000
Revaluation Reserve	29(c)	63,245,735	63,245,735
Total net assets		1,713,156,460	1,405,988,817
Total net assets and liabilities		1,889,197,412	1,620,371,743

The financial statements set out on pages 1 to 8 were signed on behalf of the Board of Directors by:



.....
Dr. Agnes Mercy Wahome
Accounting Officer

31 August, 2023



.....
CPA Michael Kimani
Head of Finance &Accounts
ICPAK M/No:5310

31 August, 2023



.....
Mr. Cyrus Gituai
Chairman of the Board

31 August, 2023

Kenya Universities and Colleges Central Placement Service
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16. Statement of Cash Flows for the year ended 30 June, 2023

	Notes	2022/2023 FY	2021/2022 FY
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Capitation Grant – Revenue		21,958,110	21,958,110
Registration Fees		1,930,000	3,630,000
Application and Revision		367,560,966	363,968,563
Placement Fees		167,624,926	181,848,805
Interest & Other Incomes		85,294,566	65,032,798
Total receipts		644,368,568	636,438,277
Payments			
Compensation of employees		(216,565,854)	(164,409,064)
Board Expenses		(11,768,194)	(19,331,293)
Placement Processing and Publicity		(23,369,786)	(21,724,070)
Career Guidance and Workshops		(20,249,641)	(9,164,831)
Repairs and maintenance		(5,358,804)	(22,132,568)
Goods and services		(209,271,705)	(110,922,875)
Finance cost		(851,771)	(478,981)
Total payments		(487,435,754)	(348,163,684)
Net cash flows from/ (used in) operating activities	32	156,932,814	288,274,593
Cash flows from investing activities			
Increase in deposits		(247,563,298)	40,753,255
Purchase of property, plant, equipment and intangible assets		(12,350,856)	(10,340,203)
Net cash flows from/ (used in) investing activities		(12,350,856)	(10,340,203)
Cash flows from financing activities			
Staff Mortgage payment			-
Staff Mortgage repayments			-
Investment Income			-
Net cash flows from financing Activities		(247,563,298)	40,753,255

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

	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023		
	Original	Adjustments	Final	Actual on	Performance	% of	
Revenue	budget	Kshs	budget	Comparable	Difference	utilization	
	Kshs	Kshs	Kshs	basis	Kshs		
	a	b	c=(a-b)	d	e=(c-d)	d/c x100	
Capitation Grants- Revenue	21,958,110	-	21,958,110	21,958,110	-	100%	
Registration and Renewal Fees	1,000,000	-	1,000,000	2,130,000	(1,130,000)	213%	a)
Application and Revision Fees	297,000,000	-	297,000,000	367,560,966	(70,560,966)	124%	b)
Placement Fees	238,000,000	-	238,000,000	294,295,000	(56,295,000)	124%	c)
Interest and Other Incomes	20,000,000	-	20,000,000	89,020,901	(69,020,901)	445%	d)
Retained Earnings	300,000,000	-	300,000,000	-	300,000,000	0%	
Total Revenue	877,958,110	-	877,958,110	774,964,977	102,993,133	88%	
Expenses							
Employee costs	249,370,110	-	249,370,110	220,685,635	28,684,475	88%	e)
Board Expenses	24,000,000	-	24,000,000	11,768,194	12,231,806	49%	f)
Placement Processing and Publicity	37,000,000	1,500,000	38,500,000	23,369,786	15,130,215	61%	g)
Career Guidance and Workshops	24,000,000	(2,000,000)	22,000,000	20,249,641	1,750,359	92%	h)
Depreciation Expense	65,038,000	-	65,038,000	59,621,441	5,416,559	92%	i)
Repairs and Maintenance	8,000,000	(2,000,000)	6,000,000	5,358,804	641,197	89%	j)
General Expenses	137,950,000	1,500,000	139,450,000	99,186,694	40,263,306	71%	k)
Finance Cost	600,000	-	600,000	851,771	(251,771)	142%	l)
Total Expenditure	545,958,110	(1,000,000)	544,958,110	441,091,964	103,866,146	81%	
Surplus for the Period	332,000,000	1,000,000	333,000,000	333,873,013	(873,013)		
Capital Expenditure	332,000,000	1,000,000	333,000,000	36,392,104	296,607,896	11%	

18. Notes to the Financial Statements

1. General Information

The Kenya Universities and Colleges Central Placement Service (“Placement Service”) was established under the Universities Act No. 42 of 2012 on 13 December, 2012. The Placement Service is wholly owned by the Government of Kenya and is domiciled in Kenya. The principal activity of the Placement Service is contained in its mandate as outlined in Section 56 (1) of the Act as being to: co-ordinate the placement of the government sponsored students to universities and colleges; disseminate information on available programmes, their costs, and the areas of study prioritised by the Government; collect and retain data relating to university and college placement; advise the Government on matters relating to university and college student placement; develop career guidance programmes for the benefit of students; and perform any other function assigned to it under this Act.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Placement Service and all values are rounded to the nearest Kenya Shilling. The financial statements have been prepared in accordance with the Public Finance Management Act (PFMA), the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.”

The comparative figures for the year ended 30 June, 2022 are given for ease reference.

Kenya Universities and Colleges Central Placement Service
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for the year ended 30 June, 2023.

Standard	Effective date and impact
	<p>benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Placement Service.</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Placement Service's financial performance, financial position and cash flows.</p> <p>This standard will not have any significant impact on the financial statement of the Placement Service given the pension and medical cover have always been reported.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>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.</p> <p>For the time being, the Placement Service has no guaranteed contracts, borrowing and has reported on IPSAS accruals and therefore minimal impact if any with the adoption of the standards.</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</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).

Notes to the financial statements (continued)

iii. Early adoption of standards

The Placement Service did not early – adopt any new or amended standards in the financial year 2022/2023.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The Placement Service 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 Placement Service 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 Placement Service 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 Placement Service 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

Notes to the Financial Statements (Continued)

the actuals as per the statement of financial performance has been presented under page 8 of these financial statements.

c) Taxes

Current income tax

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

Deferred tax

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

d) Investment property

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

Notes to the Financial Statements (Continued)

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 Placement Service. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

h) Research and development costs

The Placement Service expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Placement Service 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.

Notes to the Financial Statements (Continued)

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

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.

Notes to the Financial Statements (Continued)

k) Provisions

Provisions are recognized when the Placement Service 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 Placement Service 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.

l) 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 Placement Service 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.

m)Contingent liabilities

The Placement Service 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.

n) Contingent assets

The Placement Service 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 Placement Service 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

Notes to the Financial Statements (Continued)

s) Borrowing costs

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

t) Related parties

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

u) Service concession arrangements

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

Notes to the Financial Statements (Continued)

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 Placement Service. 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 Placement Service.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

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

Provision for Depreciation and Amortization

The following rates were applied for purposes of providing for the usage of the assets and providing for their replacement. The rates are applied on straight line basis.

(a)	Computers, Computer Accessories and Infrastructure	25%
(b)	Motor Vehicles	20%
(c)	Furniture, Fittings and equipment	12.5%
(d)	Partitions and fittings	12.5%
(e)	Intangible Assets	20%

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Notes to the Financial Statements (Continued)

6. Transfers from Other Government entities

Description	2022/2023 FY	2021/2022 FY
	KShs	KShs
Unconditional Grants		
Capitation Grants – Revenue	21,958,110	21,958,110
Total Unconditional Grants	21,958,110	21,958,110

This is the capitation grant from the Government of Kenya through the Ministry of Education towards Placement Service operation expenses for the year.

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

Name of The Entity Sending The Grant	Amount recognized to Statement of Financial performance. * KShs	Amount deferred under deferred income. KShs	Amount recognised in capital fund. KShs	Total transfers (2022/2023 FY)	2021/2022 FY
				KShs	KShs
State Department of University Education	21,958,110	-	-	21,958,110	21,958,110
		-	-		
Total	21,958,110	-	-	21,958,110	21,958,110

The amount recorded above as having been received from the Ministry of Education is fully reconciled to the amount recorded by the Ministry. Acknowledgement receipts were issued in favour of the Ministry of Education.

7. Registration Fee

Description	2022/2023 FY	2021/2022 FY
	Kshs	Kshs
Registration Fees	2,130,000	3,710,000
Total revenue from the rendering of services	2,130,000	3,710,000

Included in the placement debtors for the year is Kshs 200,000 receivable for registration of the colleges. Total billed for the year was Kshs 2,130,000 but received during the year was Kshs 1,930,000 posted in the Cash Flow Statement.

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Notes to the Financial Statements (Continued)

11. Employee Costs

Description	2022/2023 FY	2021/2022 FY
	Kshs	Kshs
Employee related costs - salaries and wages	154,492,445	113,213,108
Contribution to Pensions	21,537,432	18,017,208
Housing benefits and allowances	44,655,758	39,631,505
Employee costs	220,685,635	170,861,822

Other employee related costs include staff leave, responsibility, extraneous, airtime, entertainment and acting allowances paid to staff during the year.

11.(b) Reconciliation of Employee costs to Cash Flow

	Kshs	Kshs
Employee costs per Financial Performance	220,685,635	170,861,822
Add: Previous Years' Salary Arrears Paid	7,034,612	5,902,230
Less: Staff salary and final dues Accrued	5,088,765	(5,812,167)
Less: Gratuity Accrued for the FY 2022/2023	<u>(6,065,627)</u>	<u>(6,542,821)</u>
Employee costs as per cash flow statement	<u>216,565,854</u>	<u>164,409,064</u>

12. Board Expenses

	Kshs	Kshs
Chairman/Directors' Honoraria	1,007,516	33,677
Sitting Allowances	2,810,000	3,420,000
Medical Insurance	7,950,678	15,877,616
Total	11,768,194	19,331,293

The Board other expenses include Kshs for meals and Kshs refreshments during Board meetings. The freeze of travel during the electioneering period and immediately after election and expiry of the term of the Board members term in January 2023 reduced the Board expenses as some of the activities were carried out as planned.

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Notes to the Financial Statements (Continued)

16. Repairs and Maintenance

Description	2022/2023FY	2021/2022 FY
	Kshs	Kshs
Vehicles	3,936,821	2,902,212
Refurbishment and Other Repairs	1,421,982	21,080,161
Total Repairs and Maintenance	5,358,804	23,982,373

There was a major refurbishment and partitioning of offices in 2021/2022 (Kshs 20 million) and thus the reduction repairs cost to the normal range

17. Use of Goods & Services

The following are included in use of goods & services:	Kshs	Kshs
Audit fees	800,000	800,000
Conferences and Seminars	6,730,703	3,189,181
Office Operations	30,870,304	25,633,833
Printing and stationery	1,906,968	2,167,029
Telecommunication	3,893,130	3,975,282
Rent & service Charge	19,795,073	19,516,675
Staff Training	12,731,704	11,730,425
Subscription and Membership fees	663,365	2,223,625
Insurances	16,224,320	13,178,541
Professional fees	-	905,270
Capacity building	3,868,125	4,035,360
Professional consultancies	-	1,033,200
Knowledge management	1,703,000	651,600
Total use of goods and services	99,186,694	92,617,776

Included in the goods and services expenses is Kshs 1,140,000 accrued expenses for audit services and exhibition.

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Notes to the Financial Statements (Continued)

20. (b) Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2022/2023 FY	2021/2022 FY
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1151285021	256,270,962	370,076,520
Co-operative Bank	01141163596400	100,139,917	66,258,025
Sub- Total		356,410,880	436,334,545
b) Others			
Mpesa	820200	224,481	568,676
Mpesa	820201	4,065,902	26,812,387
Mpesa	845385	27,328	27,328
Cash In Hand		33,006	-
Sub- Total		4,350,717	27,408,391
Grand Total		360,761,596	463,742,936

21. Receivables from Exchange Transactions

(a) Receivables from Exchange Transactions (Current)

Description	2022/2023 FY	2021/2023 FY
	Kshs	Kshs
Receivables		
Placement fees debtors	543,023,919	396,398,335
Investment Interest debtors	5,843,163	9,803,759
Prepayment	14,333,786	9,693,388
Less: Provision for bad debt	(54,302,392)	(39,639,833)
Total Current Receivables	508,898,475	376,113,898

The main receivable relates to placement fees charged to institutions receiving students placed by Placement Service together with other normal receivables. A provision of 10% of the total exchange debts is maintained for bad and doubtful debts. Any increase or decrease is charged to the statement of financial performance. Also included in the current receivable are prepaid insurance premiums for the period expiring in February and May 2024 together with interest income accrued at the end of the year. No provision is made on interest and prepayment.

There was no non-exchange receivable as at the end of the having received all the capitation grants due during the year.

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Notes to the Financial Statements (Continued)

24. (a) Property, Plant and Equipment

Cost	Motor vehicles	Computers	Furniture and Equipment	Partitions & Fittings	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
As At 1 July 2021	27,300,000	71,557,002	12,252,703	16,000,000	127,109,705
Additions	9,160,000	7,836,212	2,811,571	275,500	20,083,283
As at 30 th June 2022	36,460,000	79,393,214	15,064,274	16,275,500	147,192,988
Additions	-	26,285,135	1,764,276	-	28,049,410
As at 30 th June 2023	36,460,000	105,678,349	16,828,550	16,275,500	175,242,398
Depreciation And Impairment					
At 1 July 2021	10,920,000	35,578,901	2,921,985	4,000,000	53,420,886
Depreciation	7,292,000	19,848,303	1,883,034	2,034,438	31,057,775
As At 30 th 2022	18,212,000	55,427,204	4,805,019	6,034,438	84,478,661
Depreciation	7,292,000	26,419,587	2,103,569	2,034,438	37,849,593
As at 30 th June 2023	25,504,000	81,846,791	6,908,588	8,068,876	122,328,254
Net Book Values					
As at 30 th June 2022	18,248,000	23,966,010	10,259,255	10,241,062	62,714,327
As at 30 th June 2023	10,956,000	23,831,558	9,919,962	8,206,625	52,914,144

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

25. Trade and Other Payables

Description	2022/2023 FY		2021/2022 FY	
	Kshs		Kshs	
Trade payables	132,519,863		181,825,725	
Other payables	2,847,555		3,669,568	
Total trade and other payables	135,367,417		185,495,293	
Ageing analysis: (Trade and other payables)	2022/2023	% of the Total	2021/2022	% of the Total
Under one year	135,367,417	100%	185,495,293	100%
Total (tie to above total)	135,367,417	100%	185,495,293	100%

Included in the payable for the period is an amount of Kshs 80,000,000 due for transfer to the KUCCPS staff car loan and mortgage scheme and an amount of Kshs 4,152,241 being accrued rent liability cumulative in 2019/2020 before renegotiating the lease. The escalation clause was removed in the renegotiated lease. In the opinion of the Board, the carrying amounts of trade and other payables approximate to their fair value.

26. Refundable Deposits and Prepayments from Customers

Description	2022/2023 FY		2021/2022 FY	
	Kshs		Kshs	
Student refunds	1,359,717		1,013,368	
Total deposits	1,359,717		1,013,368	
Ageing analysis: (Refundable deposits)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	1,359,717	100%	1,013,368	100%
Total	1,359,717	100%	1,013,368	100%

The student deposits are amounts paid by students for course application but not utilised and are due to be refunded to them.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

29.(b) Capital Development Reserve

	2022/2023 Kshs	2021/2022 Kshs
Balance as at 1 July 2022	800,000,000	800,000,000
Transfer from Accumulated Surplus	<u>-</u>	<u>-</u>
Balance as at 30 June 2023	<u>800,000,000</u>	<u>800,000,000</u>

The Board has been building a fund towards the acquisition of the Placement Service own office premises.

29.(c) Revaluation Surplus

	2022/2023 Kshs	2021/2022 Kshs
Surplus On Revaluation Of asset	<u>63,245,735</u>	<u>63,245,735</u>
Total Revaluation Surplus	<u>63,245,735</u>	<u>63,245,735</u>

There was a valuation of assets in the year 2019/2020 resulting to a Revaluation Surplus of Kshs 63,245,735.

30. Rent and Deferred Rent Liability	Kshs	Kshs
Total Rent (Lease) Expense	19,516,675	16,244,338
Total Rent (Lease) Due and Paid	<u>19,516,675</u>	<u>16,244,338</u>
Accrued Rent liability	<u>-</u>	<u>-</u>

31. Surplus in Statement of Financial performance reconciled to Surplus in Statement of actual and budget

Surplus in the Statement of financial Performance	Kshs	Kshs
	333,873,013	293,744,560
Less: Capital expenditure for the year	<u>36,392,104</u>	<u>21,308,283</u>
Surplus in the statement of Actual and Budget	<u>297,480,909</u>	<u>272,436,277</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

Financial Risk Management

iii) Market risk

The Placement Service has put in place an internal audit function to assist it in assessing the risk faced 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 Placement Service 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 Placement Service 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 Placement Service exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

The Placement Service does not hold of its bank balances in foreign currency. There are no other foreign currencies denominated financial assets or liabilities and for this reason, the Placement is not exposed materially to exchange risks.

Capital risk management

	2022/2023		2021/2022
	Kshs		Kshs
Accumulated Surplus	849,910,725		542,743,081
Capital development reserve	800,000,000		800,000,000
Total funds	1,649,910,725		1,342,743,081
Total borrowings	176,040,952		214,382,926
Less: cash and bank balances	360,761,596		463,742,936
Net debt/(excess cash and cash equivalents)	(184,720,644)		(249,360,010)
Gearing	10.67%		15.92%

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

35. Events after the Reporting Period

Two Board members (Prof. Daniel Mugendi Njiru and Prof. Fred Baraza) were appointed in July 2023 representing the Public Universities in Placement Service Board.

36. Ultimate and Holding Entity

The Placement Service is semi-autonomous government agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

37. Currency

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

38. Placement Statistics

The Placement Service has placed students into Universities, University Colleges and Colleges for 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023. The following are some of the main data:

Descriptions	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16
Institutions								
No. of Universities and University Colleges receiving Students	72	70	70	71	69	65	70	62
No. of Public Colleges receiving Students	257	225	182	158	126	121	63	57
Number of Students Placed								
Universities and University Colleges	140,107	123,963	128,073	122,831	89,486	68,545	88,620	86,046
Colleges	145,060	126,089	147,079	88,724	98,393	94,907	28,261	12,038
	285,167	250,052	275,152	211,555	187,879	143,162	116,881	98,084
Number of Students benefitting on Affirmative Action								
Gender	1,624	307	608	679	526	363	581	1,083
Marginalised	542	1,011	1,617	1,637	1,041	608	563	655
Disability	14	9	6	25	0	0	0	178

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19. Appendices

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

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

			Status:	Timeframe:
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	(Resolved / Not Resolved)	(Put a date when you expect the issue to be resolved)
1.0	Irregular Procurement of Consultancy Services	i) Trained all Staff involved in procurement on the public procurement Management. ii) Compare prices with other comparable service provides (value for money) in future.	Resolved	30 June, 2023
2.0	Budget Absorption	The Management constantly manages budget through the Budget Implementation Committee (BIC) to ensure the budget is controlled and monitored	Continuous	30 th June every year.

M Wahome

**Dr. Agnes Mercy Wahome
Chief Executive Officer and Secretary to the Board
31 August, 2023**

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Appendix IV: 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	
Ministry of Planning and Devolution	N/A	Recurrent	-	-	-	-	-	-	-
Ministry of Planning and Devolution	N/A	Development	-	-	-	-	-	-	-
USAID	N/A	Donor Fund	-	-	-	-	-	-	-
Ministry of Planning and Devolution	N/A	Direct Payment	-	-	-	-	-	-	-
Total			-	-	-	-	-	-	-

The Placement Service did not receive any transfer from any other Government entity other than recurrent capitation from its line ministry (Ministry of Education, State Department for Higher Education and Research).

Kenya Universities and Colleges Central Placement Service
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Appendix VI: Reporting of Climate Relevant Expenditures
 Kenya Universities and Colleges Central Placement Service
 Telephone Number
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 Dr. Agnes Mercy Wahome

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

The Placement Service had no expenditure relevant to Climate change.