


REPUBLIC OF KENYA



REPORT

 THE NATIONAL ASSEMBLY PAPERS L.A.T.D	
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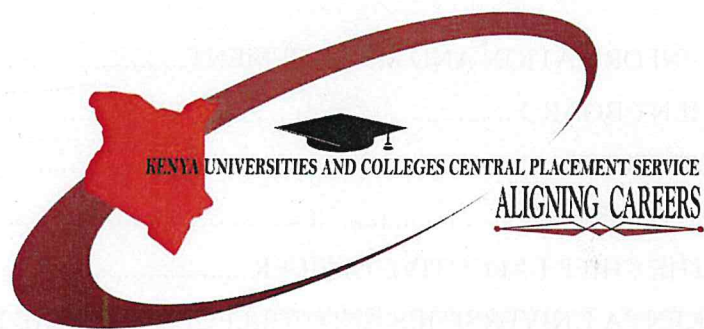
OF

THE AUDITOR-GENERAL

ON

**KENYA UNIVERSITIES AND COLLEGES
CENTRAL PLACEMENT SERVICE**

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



ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

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

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background Information

The Kenya Universities and Colleges Central Placement Service (“Placement Service”) was established under the Universities Act No. 42 of 2012 on December 13, 2012. The Placement Service is domiciled in Kenya and the secretariat is located at the ACK Garden House on Ngong 1st Avenue in Community, Nairobi. The Placement Service does not have branches but offers its services through HUDUMA Centres. The Cabinet Secretary in charge of Education provides the general policy direction.

(b) Principal Activities

The mandate of the Placement Service is 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 the Universities Act.

(c) Key Management

The Placement Service’s day-to-day management is under the following key organs:

- (i) The Placement Board
- (ii) The Chief Executive Officer
- (iii) The Management Team

(d) Fiduciary Management

The key management personnel who held office during the financial year ended June 30, 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Dr. John M. Muraguri
2.	Manager, Finance	Michael Kimani

3. Manager, Legal Services and Corporation Secretary	Edna Adala
4. Ag. Manager, ICT & Senior ICT Officer	Dennis Rama
5. Manager, Human Resource & Administration	Maxwell O. Zange
6. Manager, Internal Audit	Faith Musya
7. Manager, Supply Chain Management	Daina Kibogo
8. Manager, Corporate Communication	Paul Juma
9. Manager, Placement and Career Services	Nancy Soila
10 Manager, Research and Knowledge Management	Agnes Mercy Wahome

(e) Fiduciary Oversight Arrangements

The Placement Service has put in place measures and structures to enforce fiduciary and oversight arrangements and ensure compliance. The Placement Board, which is the overall governance organ, comprises four key committees namely the Placement Committee; the Finance and Strategy Committee, the Audit Committee, the Human Resource Committee and a special committee to provide leadership towards managing the risks posed by the Covid 19 pandemic.

These committees provide policy direction and oversight to the Placement Service Management while advising the Board on various policy matters relating to its mandate. The main objective of the Finance and Strategy 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 of accurate financial reporting and statements in compliance with all applicable legal requirements and accounting standards.

Further, the Placement Service submits its quarterly and annual financial statements and accounts to Parliament for scrutiny, while its accounts are audited annually by the Office of the Auditor-General. In addition, the Placement Service has developed Financial Regulations and Procedures.

(f) Headquarters

ACK Garden House
Ground & 3rd Floors (Block C & D)
Ngong 1st Avenue, Community
P.O. Box 105166, 00101
Nairobi, Kenya

(g) Contacts

Tel.: (+254) 723 954 927 / (+254) 734 879
662 / 020 5137400
E-mail: info@kuccps.ac.ke
Twitter: KUCCPS_Official
Facebook: The.Placement.Service
Website: www.kuccps.ac.ke

(h) Bankers

- | | |
|---------------------------------|--------------------------|
| KCB Bank Kenya Ltd | 1. Cooperative Bank |
| University Way Branch | Upper Hill Branch |
| P.O. Box 7206, 00300 | P.O. Box 19555, 00202 |
| Nairobi, Kenya | Nairobi, Kenya |
| 2. HFC | 3. Central Bank of Kenya |
| Head Office, Rehani House, | Haile Selassie Avenue |
| Koinange Street/Kenyatta Avenue | P.O. Box 60000, 00200 |
| P.O. Box 30088, 00100 | Nairobi, Kenya |
| Nairobi, Kenya | |

(i) Independent Auditors

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

II. THE PLACEMENT BOARD

1. Mr. Joe Owaka Ager Chairman



Mr. Ager is a distinguished management, marketing, finance, strategy and organisational change expert. He was appointed Chairman of the Placement Board on July 13, 2018 for a term of three years. His term expired on July, 12, 2021 and he was not reappointed. He previously served as the General Manager at the Kenya Electricity Transmission Company (KETRACO), from 2010 to 2015, helping to establish the company as a respected member of the power pool of utility companies in East Africa. Prior to that, he served as Head of Customer Service and Marketing at the Kenya Power and Lighting Company, where he oversaw the transformation of the company from a bureaucratic entity to a customer-focused organisation. This was between 2008 and 2010. Mr Ager also served in various other organisations, including at the British Airways, where he launched his management career as a General Manager for East and Central Africa (1984-1989), and later as Head of Strategy and Business Development, British Airways (UK), from 2001 to 2004. He holds a Master of Business Administration degree from The Open University, Milton Keynes, England; and a Diploma in Aviation and Flight Operations Management from Crane bank Aviation Management College, London.

2. Prof. Geoffrey Muluvi (Vice-Chancellor, S. E. Kenya University, Representing Public Universities), Member, Appointed: Jan. 13, 2020

Prof. Geoffrey Muluvi is the Vice-Chancellor at South Eastern Kenya University. He was appointed to the Board on January 13, 2020 for a period of three years. He represents Public Universities in the Board. Prior to his appointment to head SEKU, Prof. Muluvi served as Deputy Vice-Chancellor (Administration) at Kenyatta University, a position he had assumed in January 2008. Previously, he was the Dean of School of Pure and Applied Sciences, Chairman of Department and Associate Professor, Department of Biochemistry and Biotechnology at Kenyatta University. He holds a Doctor of Philosophy degree (Molecular Biology) from the University of



Dundee, UK and a Bachelor of Science (Moi University). He was appointed acting Chairman of the Board during the meeting of 19th July, 2021.

3. Prof. Mwenda Ntarangwi
(CEO, CUE), **Member**



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.

4. CPA Charles Ringera
(CEO, HELB), **Member**



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 2014, initially 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.

5. Dr. Kipkirui Langat
(Director-General, TVETA)
Member



Dr. Langat is the Director-General of the Technical and Vocational Education and Training Authority (TVETA). He has a wealth of experience from public and private sectors with close to 20 years in the technical and vocational education and training sector, having joined Rift Valley Training Institute as assistant lecturer (Department of Automotive Engineering) in 1996. He moved to the Eldoret Polytechnic in 2002 as a lecturer in the department of mechanical engineering, before being appointed Deputy Dean of Students a year later. In 2004, he joined Egerton University as a lecturer in the department of industrial and energy engineering. Dr. Langat has worked with United Nations Environment Programme (UNEP) in developing policies and guidelines for transport emissions in East Africa Region. He holds Bachelor of Education in Technology Education; Master of Philosophy in Technology Education (Automotive Technology) and Master of Business Administration (Strategic Management) both from Moi University; and Doctor of Philosophy in Engineering Systems and Management from Egerton University. He is a Fellow of the Institution of Engineering Technologists and Technicians (IET) of Kenya and has widely published in the areas of transport emissions and TVET.

6. Prof. Francis Aduol
(Vice-Chancellor, TUK,
Representing Public
Universities), **Member**



Prof. Aduol is the Vice-Chancellor of Technical University of Kenya. He was appointed to the Board on March 13, 2017 for a period of three years. He graduated with Bachelor of Science in Engineering (Surveying and Photogrammetry) and MSc degree in Surveying from the University of Nairobi. He holds a PhD (Doctor of Engineering) from the University of Stuttgart, Germany, and an M.A. degree in Economic Policy Management from the University of Nairobi. He has served in national taskforces that reviewed laws governing university education and technical training. He chairs the Placement Committee of the Board.

7. Prof. Mary Walingo

(Vice-Chancellor, Maasai Mara University, Representing Public Universities),

Retired: Jan. 12, 2020



Having been appointed to the Board on March 13, 2017 for a period of three years, Prof. Walingo served as a Member of the Board until January 12, 2020. She developed her career in academia at Maseno University, rising through the ranks both as lecturer and administrator before she was appointed Vice-Chancellor at Maasai Mara University. She is a Kenyatta University Bachelor of Education (Home Economics) graduate, and earned a Master's degree in Applied Human Nutrition at the University of Nairobi. She holds a Doctor of Philosophy (PhD) in Food and Nutrition and Agricultural Extension from Acharya N.G. Ranga Agricultural University, India.

8. Prof. Mumo Kisau
(Vice-Chancellor, Scott Christian University, Representing Private Universities), **Member**



Prof. Mumo Kisau is the Vice-Chancellor of Scott Christian University. He was appointed to the Board on March 13, 2017 for a period of three years. Prof. Kisau has gained wide experience in leadership and management, having served in various positions including as a senior adviser at World Vision East Africa. He has also served as an Assistant Professor/Deputy Principal at Africa Leadership University. He holds a Doctorate of Philosophy in Divinity (Aberdeen University) and Master of Divinity from Africa International University. Prof. Kisau is the Chairman of the Finance and Strategy Committee of the Board.

9. Prof. Margaret Muthwii
(Vice-Chancellor, Pan Africa Christian University, Representing Private Universities) **Member**



Prof. Margaret Muthwii is the Vice-Chancellor of Pan Africa Christian University. She was appointed to the Board on March 13, 2017 for a period of three years. Prior to that, she worked with the United Bible Societies (UBS) 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. She chairs the Audit Committee of the Board.

10. Mrs. Glory K. Mutungi
(Chair KATTI), **Member**



Mrs. Glory Mutungi is the National Chairperson at the Kenya Association of Technical Training Institutes (KATTI) and the Principal at Nairobi Technical Training Institute. A PhD (Leadership and Education Management) candidate at Kenya Methodist University, she holds a Master of Education (Counselling Psychology) degree from Kenyatta University and a Bachelor of Education (Arts) degree from Egerton University. She has built a career in teaching, research and administration, especially in Technical and Vocational Education and Training (TVET) institutions. She has also contributed to the development of the TVET sector through numerous national and international conferences and workshops.

11. Dr. Edwin Tarno
(Representing KATTI),
Retired: Jan. 12, 2020.



Dr. Tarno is the Principal at the Rift Valley Technical Training Institute and the immediate former chairman of the Kenya Association of Technical Training Institutions (KATTI). He holds a PhD from Cebu Doctors' University and an MBA (Entrepreneurship & Marketing) from Moi University. Dr. Tarno has received several national and international awards including the HSC (civilian category). He has presented in major seminars and published in refereed journals. He is the Chairman of the Human Resource Committee of the Board. Dr. Tarno served in the Board until January 12, 2020. He was succeeded by Mr. Patrick King'oina.

12. Mr. Patrick M. King'oina
(Representing KATTI),
Member
Appointed: Jan. 13, 2020



Mr. Patrick King'oina is the Principal at the Coast Institute of Technology. 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.

13. Mrs. Esther Karema

Mutua

(Alternate to PS, University Education), **Member**
(Retired: May 25, 2020)



Mrs. Esther Karema Mutua holds Master of Education (2005) and Bachelor of Education (Special Education) degrees from Kenyatta University. She is a PhD student at Catholic University of Eastern Africa. She joined the Ministry in September, 2015. Previously, she worked as a part-time and full-time lecturer at Mount Kenya University and Kenya Institute of Special Education, respectively. Mrs. Karema was replaced by Mr. Lukes Shiroya in May, 2020.

14. Mr. Lukes Shiroya

(Alternate to PS, University Education), **Member**



Mr. Shiroya is a career teacher, administrator and public servant. He joined the Placement Board on June 4, 2020 as a Member Alternate to the Principal Secretary, Ministry of Education. Mr. Shiroya's service in the Education Sector began in 1990 when he was employed as an assistant teacher at St. Joseph's Nyabondo Boys High School in Kisumu County. He rose through the ranks teaching in various schools across Kenya. From 2002 to 2007, he served as the Principal at St. James Etumbu Secondary School, in Kakamega North. Thereafter, he served as an Assistant Director of Quality Assurance and Standards in various stations until the year 2020 when he was appointed Deputy Director of Education in the State Department for University Education and Research, Ministry of Education. Mr. Shiroya holds a Bachelor's degree in Education (Moi University, 1990) and a Master's degree in Education Management and Administration from Kenyatta University (2016). He is pursuing a Doctorate Degree (PhD) in Peace and Conflict Management at Masinde Muliro University of Science and Technology.

15. Mr. Anthony Muriu

(Alternate to PS, National Treasury), **Member**



Mr. Anthony Muriu is a Chief Economist and Head of the Central Planning and Project Monitoring Unit of the National Treasury. He is a career civil servant with over 20 years' experience, having risen through the ranks to the current position. He holds a Bachelor of Arts degree in Economics from the University of Nairobi and Master's Degree in International Development Studies from the Graduate Institute of Policy Studies in Tokyo, Japan. Over the years, Mr. Muriu has worked in many Ministries and served in numerous committees and taskforces of the Government of Kenya.

16. Dr. (HC) John

Muraguri,

Chief Executive Officer and Secretary to the Board



Dr. Muraguri is the Chief Executive Officer, a position he has held since March 11, 2015. He proceeded on terminal leave with effect from November 11, 2020 pending expiry of his term on March 8, 2021. He holds a Bachelor's degree in Education and a Master's degree in Project Planning and Management, both from the University of Nairobi. He has undergone extensive training on institutional and financial management and has gained immense administrative and management skills in the course of his career. Before joining the Placement Service, he was the Senior Assistant Registrar (Admissions) at the University of Nairobi and the Deputy Secretary to the Joint Admissions Board (JAB). He also served as the Secretary to the Vice-Chancellors' Committee and the Inter-Public Universities Councils Consultative Forum. In December 2017, the Commonwealth University awarded him an honorary Doctor of Public Administration Degree, in recognition of his contribution to the Kenyan education sector spanning decades.

17. Dr. Agnes Mercy Wahome, PhD
Chief Executive Officer



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). (2021).

17. Ms. Edna Adala
Manager, Legal & Corporation Secretary



Ms. Edna Adala is the Corporation Secretary and Legal Manager. She joined the Placement Service in October 2016 to help in setting up the legal and corporation's secretarial unit, and to oversee good corporate governance practices. Prior to joining the Placement Service, Ms. Adala served in various capacities in public and private sectors, where she gained experience in legal and corporate governance matters. She is an Advocate of the High Court of Kenya, a Certified Public Secretary and a Certified Pension Scheme Trustee. In addition, she is a member of the Law Society of Kenya, the Institute of Certified Public Secretaries of Kenya and the Professional Trainers Association of Kenya. Ms. Adala holds a Bachelor of Laws and Master of Business Administration degrees from the University of Nairobi. She also holds a Diploma in Law from the Kenya School of Law.

III. MANAGEMENT TEAM

The following members of staff served in the Placement Service Management team during the Financial Year ended:

1. Dr. (HC) John Muraguri, Chief Executive Officer

MBA, B. Ed. (UoN)



The Chief Executive Officer is responsible for the day-to-day operations at the Placement Service. Dr. Muraguri proceeded on terminal leave on November 11, 2020 ahead of his retirement on March 8, 2021.

2. Dr. Agnes Mercy Wahome, PhD, Manager, Research & Knowledge Management

M.A Medical Sociology & BA Sociology and Communication (UON), Dip. Community Oral Health (KMTC), Dip. Leadership in Strategic Health Communication (Johns Hopkins Centre for Communication Program, USA)



The Manager, Research & Knowledge Management is responsible for coordination of research, data collection, analysis and documentation at the Placement service. Dr. Wahome was appointed Acting Chief Executive Officer on November 13, 2020 and was confirmed in the position in February 2021.

3. CPA Michael Kimani, Manager, Finance

MBA (UoN), B Com. (KU), CPA-K, Member ICPAK



The Finance Manager is responsible for budgeting, budgetary control, financial management and reporting at the Placement Service.

4. Edna Adala, Corporation Secretary and Legal Manager

MBA, LLB (UoN), Dip. Law (KSL), Member LSK, ICPSK, PTA



The Corporation Secretary and Legal Manager is responsible for management and administration of the Legal Department, statutory compliance and regulatory requirements.

5. Maxwell Okoth, Manager, Human Resource and Administration

MBA, B. Com. (UoN), Dip. HRM (KIM), Member IHRM



The Human Resource and Administration Manager is responsible for human capital management and administrative support services at the Placement Service.

6. CPA Faith Musya, Manager, Internal Audit

MBA, B. Ed. (UoN), CPA-K, Member IIA, ICPAK



The Internal Audit Manager is responsible for financial and systems audit, assurance and risk advisory services at the Placement Service.

7. Daina Kibogo, Manager, Supply Chain Management

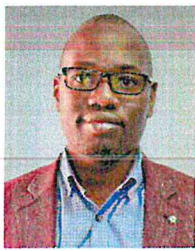
M. Sc. Procurement & Logistics (JKUAT), B.A. (Egerton), Dip. Supply Chain Management (ICM-UK), Member ICM, KISM



The Supply Chain Manager is responsible for procurement and supply chain operations at the Placement Service.

8. Paul Juma, Manager, Corporate Communication

MA Communication Studies, B. Ed. (UoN), Member PRSK



The Corporate Communication Manager is responsible for the administration and management of publicity, corporate communication and customer experience at the Placement Service.

9. Nancy Soila, Manager, Placement and Career Services

MBA (KU), B. Ed (Moi), Member KIM



The Placement and Career Services Manager is responsible for career guidance and placement programmes and activities at the Placement Service.

10. Dennis Rama, Senior ICT Officer & Ag. ICT Manager

B. Sc. (Computer Science)



The acting ICT Manager is responsible for Management of ICT infrastructure, systems and software at the Placement Service.

IV. CHAIRMAN'S STATEMENT



On behalf of the Board, it is my pleasure to present the Annual Report and Financial Statements of the Kenya Universities and Colleges Central Placement Service for the Financial Year 2019/2020. This has been the seventh financial year since the establishment of the Board under the Universities Act, No. 42 of 2012. The Board is proud of the milestones that it has achieved since it was inaugurated, including those realised in the year ended June 30, 2020.

Dedicated Board

First, I would like to thank the Board members who served during the period for their dedication and commitment. As a result of their committed service, the Board was able to exhaust an extremely packed agenda to ensure the Placement Service effectively delivered its mandate. Specifically, the Board is grateful for the services of Mrs. Esther Karema Mutua, who was the Alternate Member to the Principal Secretary, University Education until her retirement on May 20, 2020; Dr. Edwin Tarno, who represented KATTI until January 12, 2020; and Prof. Mary Walingo, who served as a representative of Public Universities until January 12, 2020. Similarly, on behalf of the Board, I welcome Prof. Geoffrey Muluvi (Member, Public Universities), Mr. Patrick King'oina (KATTI), Mr. Lukes Shiroya (Alternate Member, PS, University Education) who joined the Board within the financial year, and congratulate them on their appointment.

Governance Systems

In the last one year, the Board focused on enhancing the capacity of the Placement Service by developing and strengthening its governance systems. Cognisant of the Corporation's greater role at the national and international levels as contained in its Mandate, and to address the limitations to the exercise of the Mandate, the Board developed an independent Bill that will enable the Corporation to expand the delivery scope. The Bill has been forwarded to the Ministry of Education for consideration and commencement of the necessary legislative processes. In addition, the Board undertook a mid-term review of the Corporation's 2017-2022 Strategic Plan. During the review, the Board evaluated Management's performance in the implementation of the Plan and aligned it to developments in the operating environment.

Strategic Planning and Oversight

The Board is the custodian of the Placement Service's Strategy, Vision, Mission and Values. In execution of its oversight mandate, the Board evaluated Management's performance as reflected in the achievement of the targets in the 2017-2022 Strategic Plan. The evaluation was conducted alongside a mid-term review of the Strategic Plan, where the Board was satisfied with the progress in the implementation of the Strategy even as it pointed out the areas that required remedial action.

Automation

To improve service delivery to both internal and external stakeholders, the Board continued with its strategy of automation of key processes and functions while also decentralising its services by establishing service desks in 11 strategic Huduma Centres across the country. The Board intends to continue with automation and decentralisation of its operations in the coming financial years. The Board continued to strengthen the secretariat through various capacity building programmes. To this end, the Board initiated a process acquiring office premises, which is in advanced stages of Government approval.

Institutional Capacity Building

The Board continued to establish foundations that will culminate in the strengthening of the Placement Service's capacity to execute its core mandate, especially the development and execution of career guidance programmes and alignment of students' placement with their career aspirations. In the coming financial years, the Board looks forward to revamping its placement and career guidance policies and criteria in light of emerging realities in the operating environment.

Future Prospects

The Board recognises that it operates in a highly complex and dynamic environment characterised by multiple cyclic interactions between students needs, universities constant restructuring and industry needs and the realignment. The Board has had to constantly maintain a keen watch on the outer time horizon as it deals with the mid-term strategic goals.

Aware of the future possibilities in the country, the Board is currently actively realigning the possibilities of positioning itself as the specialist placement services to other state organs beyond universities and colleges. At the same time, the Board is seeking to leverage its ICT and human skills to reap revenue streams from consultancies in placement specialization.



**PROF. GEOFFREY MULUVI,
CHAIRMAN, PLACEMENT BOARD (Ag).**

V. REPORT OF THE CHIEF EXECUTIVE OFFICER



It is my pleasure to present to you the Annual Report and Financial Statements for the Financial Year 2019/2020. During the year, the Kenya Universities and Colleges Central Placement Service continued to register progress and achievements in its operations and programmes towards the realisation of its Mission and Mandate.

Key among the achievements was the successful completion of the ninth placement cycle since the establishment of the organisation. In the 2020/2021 Cycle – the Corporation processed the placement of the 2019 Kenya Certificate of Secondary Education (KCSE) examination graduates and others who completed secondary school education in the previous years.

2020/21 Placement of Students

A total of 122,831 secondary school graduates from the 2019 class were placed in degree programmes in university up from 89,488 in the 2018/2019 cycle, a 37.26 per cent increase. With regard to TVET placement, 88,724 applicants from 2019 and previous years were placed to diploma, certificate and artisan courses. By the end of the financial year, the final round of TVET placement for the cycle had not been completed, hence the number was expected to go up. In 2019/2020, 115,923 were placed.

Despite the global Covid-19 disruption, the Placement Service leveraged automation to ensure that the 2020/2021 placement cycle was undertaken on schedule, paving the way for universities and colleges to plan and put in place the necessary measures for admission of the new students.

Table: Placement figures for the last two years

Level	2020/21	2019/20
Degree	122,831	89,488
Diploma	53,726	64,539
Certificate	29,112	43,662
Artisan	5,886	7,722
Total	211,555	205,411

Automation

Further, the Placement Service continued with the automation of key functions and processes including customer service, human resource management and administration and the inter-institution transfer process. This was achieved through the acquisition of customer relationship management

(CRM) and human resource management information systems, and the in-house development of an inter-institution transfer system for use by placed students seeking to transfer across universities and colleges.

Customer Satisfaction

In the quarter under review, the Placement Service also embarked on a process of determining the perception of its stakeholders in relation to its brand and services with a view to enhancing the Corporation's brand and responsiveness to customer needs. The insights gathered from the process will inform the Corporation's customer service and branding strategies moving forward. The other key achievements include the development and adoption of new policies to guide enterprise risk management, business continuity planning, corporate social investment, corporate communication, research and knowledge management, transport management, contract management and ICT management and operations.

Human Resource Development

The Corporation continued with the implementation of its approved Career Progression Plan (2018) and initiated the development of Succession Planning and Talent Management Policies with a view to improving job satisfaction and performance.

Business Continuity during the Covid-19 Pandemic

At the onset of the Covid-19 pandemic, the Placement Service activated its Business Continuity Plan, which ensured that the operations were not interrupted. The plan included provision of sanitary items in the office premises, mass testing of employees for the coronavirus, adoption of work-from-home and rotational arrangements, and automation of customer service. The Management constantly updated the Board on the operations during the pandemic.

Financial Performance

This year was a difficult year given the Covid-19 pandemic and attendant disruptions in operations but the year also saw Placement Service place the highest number ever into universities and colleges. The exercise was delayed but concluded in the month of June 2020 with over 122,831 students placed in universities which translated to an annual revenue of Kshs 466 million from services and an additional Kshs 24 million from the recurrent capitation. Most of the operational activities scheduled for the final quarter were derailed after the Covid-19 pandemic which disrupted personal engagements, meetings, seminar and training including career talks to students. The Total

expenditure therefore reduced to Kshs 294 million (Kshs 298 million 2018/2019) in recurrent expenditure and Kshs 34 million in capital expenditure. During the year under review, the Placement Service realised a surplus of Kshs 196 million.

This performance strengthened the Placement Service Fund from Kshs 986 Million to Kshs 1,255 million, enabling the Board to increase the Capital development reserve to Kshs 600 million for acquisition of office space and Kshs 176 million towards Staff Mortgage and Car Loan Reserve Fund.

Lastly, on behalf of the Management, I would like to thank the Placement Board, the Ministry of Education and all stakeholders for their continued support and cooperation.



Dr. Agnes Mercy Wahome, PhD

CHIEF EXECUTIVE OFFICER

VI. REVIEW OF KENYA UNIVERSITIES AND COLLEGES CENTRAL PLACEMENT SERVICE PERFORMANCE FOR FY 2019/2020

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

The Kenya Universities and Colleges Central Placement Service has four strategic pillars and six objectives within its Strategic Plan for the FY 2018/2019- 2022/2023. These strategic pillars are as follows:

Pillar 1: Customer Experience

Pillar 2: Business Process Re-engineering

Pillar 3: Financial Sustainability

Pillar 4: Institutional Capacity

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

Table: Review of Planned Objectives for FY 2019/2020 and Achieved Performance.

Objective(s)	Indicator(s)	Initiatives	Achievements
GOAL 1: ENHANCE & DIVERSIFY PLACEMENT SERVICES			
Increase the number of students placed by KUCCPS	Number of additional category of students being placed by KUCCPS	Craft Certificate course placement	During the year, 211,555 students were placed as compared to 205,411 in previous year resulting to an increase of 6,144 students. Of these, 122,831 were placed to join universities (89,486 placed in 2019) while 88,724 were placed to Colleges (115,923 in 2019).
Increase number of actors under placement	Number of additional category of players placed by KUCCPS	-Additional public training institutions -Placement Consultancy for universities and colleges -Marketing for universities and colleges	An additional 32 colleges were registered increasing the number of registered colleges to 158 from 126. • KUCCPS has collaborated with Kenya Education for Employment Program (KEFEP) to market National Polytechnic courses in Kenya for TVET courses.

Objective(s)	Indicator(s)	Initiatives	Achievements
			<ul style="list-style-type: none">• A new website is being developed to enhance marketing for universities and colleges. KUCCPS has continued to support organizations like ACCA and Equity (Wings to Fly) in placement of students.
Increase Product Range at KUCCPS	Number of new products introduced	<ul style="list-style-type: none">-Advisories for students who want to go abroad or SSP-Provide data for research-Set up an Advisory Centres in Huduma Centres-Publish career handbook-Technical Exchange in Africa and the Americas-Technical Exchange in Asia and Europe	The Management continued to engage the players with a view not only advising those going abroad but also initiating collaborations for local universities.
			Eleven Huduma Centers are running and approval for additional five (5) was granted and recruitment is ongoing.
			The career book was published and has been digitised. Hard copies are available in major bookshops while digital copies are to be put on sale online.
			Placement Service participated in an exchange program with India (Asia) for TVET.
GOAL 2: TO ENHANCE INNOVATION AND USE OF TECHNOLOGY			
To improve service delivery through automation	Number of innovations	Develop a Career Expert System	The ICT Department has developed the Career Expert System. The system is current under review and testing in preparation for rollout.
To improve collection, analysis, retention and dissemination of information	Online Knowledge Management System	<ul style="list-style-type: none">-Undertake periodic research in relevant fields-Develop an Intranet-based system-Develop a Decision Support System (3D)-Develop a Mobile App	<ul style="list-style-type: none">• Research on uptake of courses contributing to STEM was conducted for the 2019/2020 placement cycle• Research on uptake of courses contributing to the Big Four agenda initiatives were conducted for the 2019/2020 placement cycle.• Research on Degree vs TVET 2019/2020 placement cycle was done.
			The ICT developers have developed the decision support system and is undergoing testing.
			The ICT developers have developed the DSS and is undergoing testing and updates of its data warehouse.

Objective(s)	Indicator(s)	Initiatives	Achievements
			The Mobile app was developed and launched for use by the student during revision. (Available in google store).
			The intranet-based system has been developed, with most of the functional systems now connected to it for centralized user management.
GOAL 3: FINANCIAL SUSTAINABILITY			
To expand revenue streams	Increased revenue streams	-Placement Consultancy -Engagement of partners	<ul style="list-style-type: none"> • Placement Service has continued to support ACCA and Equity (Wings to Fly) in placement of students. • A collaborated with Kenya Education for Employment Program (KEFEP) to market National Polytechnic courses in Kenya for TVET courses. This help to reduce costs as KEFEP will meet some of the costs.
	Established Funding Collaborations	Cost Containment	The Board has approved use of technology to manage costs in operations. Key to note is that most of the Placement main operations with stakeholders including Board meetings are paperless and therefore containing costs.
To ensure Prudent Management of funds	Unqualified Financial Statements	Compliance with PFM	The Management has complied with the PFM Act and its regulations in all its operations. The Audit for 2018/2019 is yet to be completed by the Auditor General. So far all reports received are unqualified.
		Ratio of Cost to revenues	The Placement Service continue to operate within the budget and available resources to avoid building of pending bills in its accounts.
GOAL 4: STRENGTHEN CAREER ADVISORY SERVICES			
Align careers	The percentage of students satisfied with courses they are placed	Identify and advise areas of study prioritized by the government Collation of data on careers and career paths Building capacity for staff to carry out career advisory	The students were sensitized on areas of priority especially on courses supporting the Big 4, Science, and Technology, Engineering and Mathematics (STEM) and technical skills.
			Staffs were trained for trainer of trainers in readiness to capacity build trainer teachers.

Objective(s)	Indicator(s)	Initiatives	Achievements
Diversify mode of delivery for career advisory	Increase in the number of modes of delivery	Undertake career advisory on social media Undertake career advisory on radio Undertake web-based career advisory	All the envisaged modes were applied to reach out to students and other stakeholders. Career advisory through the radio and print media was challenging given the cost and Government restriction on engaging media other than websites.
GOAL 5: ENHANCE COMMUNICATION AND CUSTOMER EXPERIENCE			
Enhance communication and customer experience	Communication strategy in place and being implemented	Conduct Customer satisfaction survey and brand survey	Survey was conducted and the Placement will draw lessons and implement some of recommendations to improve.
	Rebranding	Implement a service charter	The Management continues to implement the service charter in service delivery.
	Customer Satisfaction improved	<i>Set up call centre with CRM</i> <i>Conduct Customer journey mapping annually</i> <i>Undertake Post placement surveys</i>	CRM was implemented in the Call Centre and came in handy during the Covid-19 pandemic. Surveys conducted but results delayed due to social distancing requirement.
		<i>Revamp the KUCCPS website</i>	Existing website was revamped as a new one was under development. The new website is pending launching.
	Corporate Social investment	Undertake CSI Activities	Placement Service participated in Standard Chartered Marathon and also made contributions towards the Covid-19 pandemic call by the Government.
GOAL 6: TO STRENGTHEN INSTITUTIONAL CAPACITY AND ENHANCE CORPORATE GOVERNANCE			
Human Capital Development	Increased HR capacity	Develop HR policy Undertake skills audit Implement a competence development plan Acquire new offices	Developed and Approved for implementation by SCAC Periodic/Continuous (Guides phase recruitment of staff Continuous – Guided by annual training needs assessment and the periodic skills audit To address the growing need of office space as KUCCPS continues recruiting as per the approve staff

Objective(s)	Indicator(s)	Initiatives	Achievements
			establishment in line with the skills audits
To review organizational Structure	Organizational Structure	Develop a career progression plan	Developed and Approved for implementation by SCAC
		Develop and implement a revised grading structure	Developed and Approved for implementation by SCAC
To ensure quality management	Quality Management System	ISO 9001:2015 Certification Process	The ISO 9001:2015 Certification Process has been initiated at the Placement Service; the policies and SOPs required are being finalized.
To ensure policy compliance in placement		Develop an independent Bill for KUCCPS.	The Bill was developed and forwarded to the Ministry of Education for Review and forwarding to the Cabinet for approval.
To develop and implement a risk management plan	implementation of the risk management plan	ISO 27001:2013 Process Implement a risk management plan	The process is ongoing with a number of staff trained.
		Board Training Monitor implementation of Mwongozo	Board training for the Board members conducted and will be continued following new appointments.
Increase the number of partnerships, collaborations	Percentage of activities undertaken with partners	Stakeholder mapping and analysis Develop and implement a stakeholder policy	KUCCPS stakeholders were mapped and documented in the Revised Strategic Plan 2017-2022. Stakeholder engagement policy was developed and approved for implementation.

In its 2019/2020 Performance contract, the Placement Service took into account the objectives and targets outlined in the strategic plan.

VII. CORPORATE GOVERNANCE STATEMENT

(a) Introduction

Corporate Governance refers to mechanisms, relations and processes by which a corporation is controlled and directed. It involves balancing the interests of the stakeholders of a corporation. Good corporate governance practices are essential to the delivery of long-term and sustainable stakeholder and shareholder value.

To strengthen accountability and to build confidence among stakeholders, the Placement Service is committed to sound principles of corporate governance and sustainability and believes that good corporate governance is critical, not only at the corporate level but also at the national level.

(b) Board Size, Composition and Appointment

The Board is the highest governing organ of the Corporation. The Board exercises leadership, enterprise integrity and judgment in directing the Corporation so as to achieve continuing prosperity for the Corporation and its stakeholders.

The constitution of the Placement Board is stipulated by the Universities Act, No. 42 of 2012. It comprises the following 13 members appointed by the Cabinet Secretary, Education;

1. The Chairperson;
2. The Secretary of the Commission for University Education;
3. The Chief Executive of the Higher Education Loans Board;
4. The Chief Executive of the TVET Funding Board;
5. The Chief Executive of TVETA;
6. Two Vice-Chancellors representing Public Universities;
7. Two Vice-Chancellors representing Private Universities;
8. Two representatives of Kenya Association of Technical Institutions;
9. The Principal Secretary in the Ministry responsible for Higher Education; and
10. The Principal Secretary in the Ministry responsible for Finance.

The Chief Executive Officer of the Placement service is a non-executive Member of the Board.

(c) 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 through the exercise of objective and informed judgment in determining the strategy of the corporation, having the best team in place to execute that strategy, monitoring performance and maintaining an effective framework of controls to mitigate risks facing the Corporation.

Board Meetings

The Board meets regularly as required in order to efficiently monitor the implementation of the Corporation's planned strategy and approve issues of strategic nature. Specific reviews are also undertaken on operational issues and future planning.

During the year under review, the Board held a total of 16 meetings. Attendance to the respective meetings is summarised below:

Name	Board Position	Attendance	Honoraria & Airtime	Sitting allowance
Mr. Joe Owaka Ager	Chairperson	16	1,044,000	320,000
Prof. Mwenda Ntarangwi	Member, CUE	12		240,000
CPA Charles Ringera	Member, HELB	12		240,000
Dr. Kipkirui Langat	Member, TVETA	10		200,000
Prof. Geoffrey Muluvi	Member, Public Universities	5		100,000
Prof. Mary Walingo	Member, Public Universities	1		20,000
Prof. Francis W.O Aduol	Member, Public Universities	13		260,000
Prof. Mumo Kisau	Member, Private Universities	14		280,000
Prof. Margaret Muthwii	Member, Private Universities	16		320,000
Mrs. Glory Kambanja Mutungi	Member, K.A.T.T.I	13		260,000
Dr. Edwin Tarno	Member, K.A.T.T.I	6		120,000
Mr. Patrick King'oina	Member, K.A.T.T.I	6		120,000
Ms. Esther Karema Mutua	Alternate Member, PS, Ministry of Education	13		260,000
Mr. Antony Muriu	Alternate Member, PS, National Treasury	12		240,000

*Prof. Geoffrey Muluvi and Mr. Patrick King'oina were appointed on 13th January, 2020 to replace Prof. Mary Walingo and Dr. Edwin Tarno whose terms had ended on 12th January, 2020. Mrs Esther Karema's term ended in May, 2020.

Board Committees

The Board reconstituted its Committees during the year by increasing the number of its committees from three to four and reconstituting the membership. One *ad hoc* Committee was also formed to prepare the final placement report for the 2019/2020 cycle.

The Committees facilitate efficient decision making in the discharge of its duties and responsibilities. The Committees and the respective terms of reference are outlined below.

Placement Committee

The principal objective of the Committee is to make strategic directions that assist the Board to effectively discharge the mandate of the Corporation with regard to:

1. Placement of Government-sponsored students to Universities and Colleges;
2. Dissemination of information on available programmes, their costs, and the areas of study prioritised by the Government;
3. Collection and retention of data regarding University and College Placement;
4. Career guidance programmes for the benefit of students;
5. Development of policies that promote equity and access to University and College education;

Development of policies relating to the affirmative action criteria for the marginalised, the minorities and persons with disabilities. The Committee was reconstituted in April, 2020.

It held a total of 6 meetings during the year which were attended as follows:

	Name	Attendance	Allowances (Kshs)
1.	Prof. Francis W.O Aduol	6	120,000
2.	Prof. Mumo Kisau	4	80,000
3.	Prof. Mwenda Ntarangwi	4	80,000
4.	Mr. Charles Ringera	4	80,000
5.	Dr. Kipkirui Langat	3	60,000
6.	Ms. Esther Karema Mutua	6	120,000
7.	Mrs. Glory Kambanja Mutungi	5	100,000

Prof. Mumo Kisau, Prof. Mwenda Ntarangwi, Mr Charles Ringera, Dr. Kipkirui Langat and Mrs Glory Kambanja ceased to be members of the Committee after the reconstitution.

Audit Committee

The Audit Committee consists of four non-executive Board members and reports to the Board after every Committee meeting. The Chairperson is an independent non-executive director.

To fulfil its oversight responsibility, the Committee receives reports from Management, the internal auditors and external auditors, as appropriate. Its functions include:

1. Reviewing reports on internal audits conducted and ensuring appropriate action is taken to address any weakness identified;
2. Reviewing the Annual Financial Statements and recommending their approval to the Board;
3. Independently auditing the effectiveness of the Risk Management System;
4. Considering findings from the external and internal auditors on material weaknesses in accounting and financial control systems;
5. Approving the annual audit plan ensuring its consistency with the Corporation's performance plan.

The Committee was reconstituted in April 2020.

It held a total of 4 meetings during the year which were attended as follows:

	Name	Committee Attendance	Allowances (Kshs)
1.	Prof. Margaret Muthwii	7	140,000
2.	Dr. Kipkirui Langat	2	40,000
3.	Mr. Charles Ringera	7	140,000
4.	Mr. Antony Muriu	4	80,000
5.	Prof. Mwenda Ntarangwi	2	40,000

Prof. Mwenda Ntarangwi ceased to be a member of the Committee and Dr. Kipkirui Langat joined after the reconstitution.

Finance and Strategy Committee

The Committee provides leadership in the prudence of financial management, advises the Board on strategic direction in matters relating to Finance, General Administration, Risk Management and Governance. The Committee makes recommendations to the Board aimed at ensuring that risk management and the Corporation's strategy are well integrated. The Committee was reconstituted in April, 2020.

It held 11 meetings during the year which were attended as follows:

	Name	Committee Attendance	Allowances (Kshs)
6.	Prof. Mumo Kisau	10	200,000
7.	Dr. Kipkirui Langat	7	140,000
8.	Ms. Esther Karema Mutua	7	140,000
9.	Prof. Mary Walingo	1	20,000
10.	Prof. Francis W.O Aduol	5	100,000
11.	Mrs. Glory Kambanja Mutungi	3	60,000
12.	Dr. Edwin Tarno	3	60,000
13.	Mr. Patrick King'oina	3	60,000
14.	Prof. Geoffrey Muluvi	3	60,000

Mr. Patrick Kingoina and Prof. Geoffrey Muluvi joined the Committee in May, 2020.

Prof. Francis W. O Aduol, Dr. Kipkirui Langat and Mrs. Esther Karema ceased to be members of the Committee after the reconstitution.

Human Resource Committee

The Committee advises the Board on strategic direction in matters relating to Human Resource Management. The Committee was reconstituted in April, 2020.

It held a total of 5 meetings during the year which were attended as follows:

	Name	Committee Attendance	Allowances (Kshs)
1.	Dr. Edwin Tarno	4	80,000
2.	Prof. Francis W.O Aduol	3	60,000
3.	Prof. Mary Walingo	0	-
4.	Mrs. Glory Kambanja Mutungi	5	100,000
5.	Mr. Antony Muriu	2	40,000
6.	Prof. Geoffrey Muluvi	1	20,000
7.	Prof. Mwenda Ntarangwi	1	20,000
8.	Mr. Charles Ringera	1	20,000

Prof. Geoffrey Muluvi, Mr. Charles Ringera and Prof. Mwenda Ntarangwi joined the Committee in May, 2020 after the reconstitution.

Prof. Francis W.O. Aduol and Mr. Antony Muriu ceased to be Members of the Committee after the reconstitution, Mrs Glory Kambanja was retained as a Member.

Prof. Mary Walingo and Dr. Edwin Tarno ceased to be Board Members in January, 2020 after expiry of their terms.

(d) Board Remuneration

During every Board meeting, present Board members are entitled to a sitting allowance of Kshs 20,000 per sitting, lunch allowance of Kshs 2,000 (in lieu of lunch being provided), accommodation allowance of Kshs 18,200 and mileage reimbursement where applicable within government set limits for State Corporations. The Chairman receives a monthly honorarium of Kshs 80,000 and Kshs 7,000 airtime allowance.



The Board held a retreat with the Management from July 26 to 27, 2019 in Nakuru to review Management performance in the Financial Year 2018/2019 and strategize for 2019/2020.

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

a) Placement of Students to Universities and Colleges for the 2020/2021 Cycle

The Placement Service commenced the 2020/2021 Placement Cycle with the School / Centre Application targeting the 2019 KCSE examination candidates in September 2019, and concluded it with the release of the placement reports by the Cabinet Secretary for Education on June 2, 2020.



The 2019 KCSE examination cohort was the priority group for placement to universities and colleges, while the placement to TVET courses was open to all applicants who sat the KCSE examination in 2019 and those who did so in the previous years but had not benefited from Government sponsorship.



The applicants were placed to public and private universities for Bachelor's degree programmes while public TVET institutions received students for diploma, craft certificate and artisan courses. Following the successful completion of the placement process, **122,831** candidates secured placement to degree courses in universities while **88,724** got placed in TVET institutions.

i. Placement of KCSE Graduates with C+ and above (2019 Group)

From the updated 2019 KCSE examination results, **125,463** candidates scored a mean grade of C+ and above and, therefore, qualified for placement to Bachelor's degree programmes. Of these, 2,632 applied and were placed to diploma programmes by choice as summarised below.

- Placed to Degree: 122,831
- Placed to Diploma: 2,632
- Total: 125,463**

ii. Placement to TVET Courses

The placement to TVET programmes was open to all applicants who sat the KCSE examination in 2019 and previously but had not benefited from Government sponsorship. The processing outcomes were as shown in the table below.

Level	Competitive	Sharing	Totals
Diploma	38,284	15,442	53,726
Craft Certificate	20,161	8,951	29,112
Artisan	4,133	1,753	5,886
Total	62,578	26,146	88,724

The number of students placed to TVET courses in the 2020/2021 cycle is expected to eventually increase due to the continuous placement to TVET institutions undertaken throughout the year, and after the validation and adoption of returns from TVET institutions on students who registered directly to the institutions.

iii. Overall Placement

The final placement outlook is therefore as follows:

Course/Programme	Minimum Entry Cut-Off	Placed 2020/2021
Degree	C+	122,831
Diploma	C-	53,726
Craft Certificates	D and above	29,112
Artisan	D- and below	5,886
TOTAL		211,555

iv. Inter-Institution Transfers

To enable students to align their careers further, the Placement Service provided an opportunity for inter-institution transfer, which was open from June 15 to August 15, 2020 through the Placement Service online portal.

b) Information and Communication Technology

The Placement Service continued implementing ICT innovations for efficiency. The automations achieved during the period are described below.

S/No.	System	Description
1.	Career Expert System	The system is based on active data mining of Placement Service Databases and Data files. The Placement Service successfully completed the development of the platform. This platform is geared towards assisting both staff and students towards better understanding of the student persona and consequently their best placed career paths.
2.	Decision Support System	The Placement Service collects and generates data at an exponential rate. With an increase in uptake of technology and automation of its operations, this data will continue to grow. The Placement Service has developed a platform to analyse this data. The platform provides an active AI System, support for Big Data Clusters and active data analytics to support future decisions within the Placement Service.
3.	Mobile Application	The Placement Service successfully rolled out the mobile application for the 2020/2021 Placement Cycle and received a good uptake with over 10,000 downloads. The application was also successfully copyrighted.
4.	Customer Relationship Management (CRM) System	The Placement Service successfully rolled out a CRM System to manage its engagement with all its stakeholders. This system will allow engagement on single platform for all communication channels i.e. Email, Social Media, Web Chat, Telephone and SMS.

c) Strengthening Institutional Capacity

The Placement Service completed the development of key policies to guide its operations. These included:

- i. Enterprise Risk Management Framework and Policy;

- ii. Business Continuity Plan;
- iii. Corporate Social Investment Policy;
- iv. Corporate Communication Policy;
- v. Research and Knowledge Management Policy;
- vi. Transport Management Policy;
- vii. Contract Management Policy; and
- viii. ICT Management Policies.

This paved the way for the commencement of the ISO certification process.

d) Human Resource Capacity Development

The Corporation continued with the implementation of its approved Career Progression Plan (2018) and initiated the development of Succession Planning and Talent Management Policies with a view to improving job satisfaction and performance.

e) Publicity and Public Outreach

The Placement Service carried out publicity and advertising campaigns in support of various placement activities. These included the School Application for the 2020/2021 cycle and the Second TVET Continuous Placement Application 2019. The publicity campaign was mainly through editorial coverage in national newspapers, paid advertisements in MyGov, the weekly Government newspaper published by the Ministry of Information and Communication through the Government Advertising Agency (GAA), the Placement Service website and official social media pages. To grow its online audience, the Placement Service promoted its Facebook page, which saw the audience number grow tremendously.

In furtherance of its career guidance mandate, the Placement Service continued with its student outreach activities through shows and exhibitions in Nairobi, Machakos, Nakuru, Kisii, Kisumu, Mombasa and Kitale.

f) Governance, Leadership and Compliance

No non-compliance was reported. All statutory requirements were complied with.

g) Material Arrears in Statutory/Financial Obligations

There were no material arrears or financial obligations pending to be settled by the Placement Service other than normal trade payables which are paid as they become due. The Placement Service continued to be financially sound with no pending bills pile up.

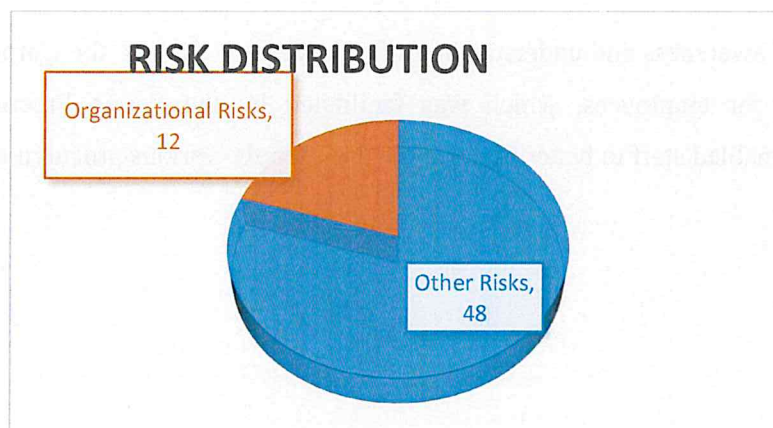
h) Enterprise Risk Management

The Placement Service through its Board has adopted and implemented a structured approach to the effective management of risks that threaten to adversely impact the discharge of its core mandate, relationship with stakeholders, management of assets and business operations.

Risk Management has formed part of strategic, operational and line management responsibilities and has been integrated into the strategic and business planning processes.

In the year under review, the Placement Service through the Board has continued to strengthen its enterprise risk management function. The activities carried out during the year include but not limited to review of the Corporation's risk registers and risk assessments and evaluations. At the onset of the Covid-19 pandemic, the Placement Service activated its Business Continuity Plan and an Ad hoc Committee of the Board was formed to provide guidance and ensured that the operations were not adversely interrupted. In addition, the Corporation undertook capacity building for staff on risk management issues.

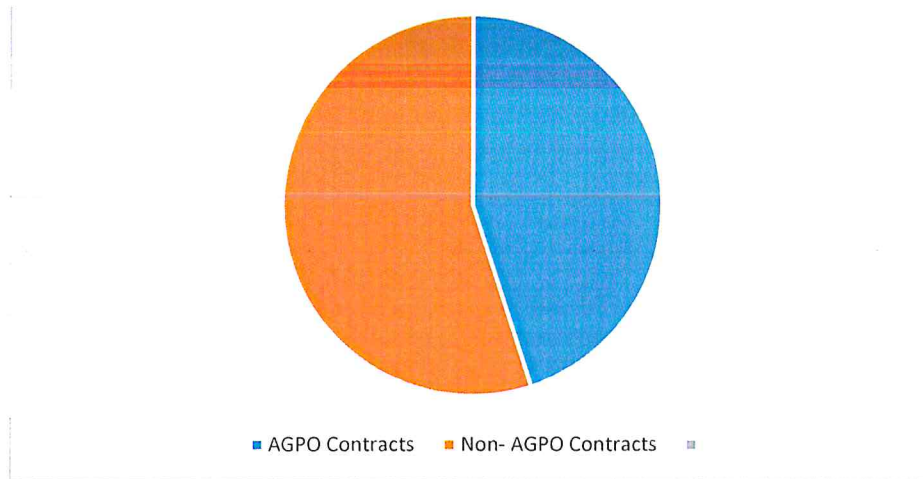
From the risks reviewed, 21% of the risks were classified under organizational risks as shown below:



i) Supply Chain Management

With regard to supply chain management, the Placement Service facilitated the consumption of 69% of the procurement budget. Of the total contracts awarded, 45% went to firms owned by women, youth and persons with disability (the Special Groups).

AGPO Reservation



Persons with disability accounted for 2.4% of the total awards made to the Special Groups. In addition, the Placement Service continued to support the Buy Kenya Build Kenya initiative, whereby it awarded 98% of the total procurements to Kenyan firms.

To increase staff awareness and understanding of procurement matters, the Corporation organised a training session for employees, which was facilitated by the Public Procurement Regulatory Authority. This enabled staff to better perform the duties in the various procurement processes where assigned.

j) Internal Audit

During period year, the internal audit has ensured compliance to PFM act and other regulatory frameworks that govern the Placement Service's operations. This assurance has been to the board through the audit committee.

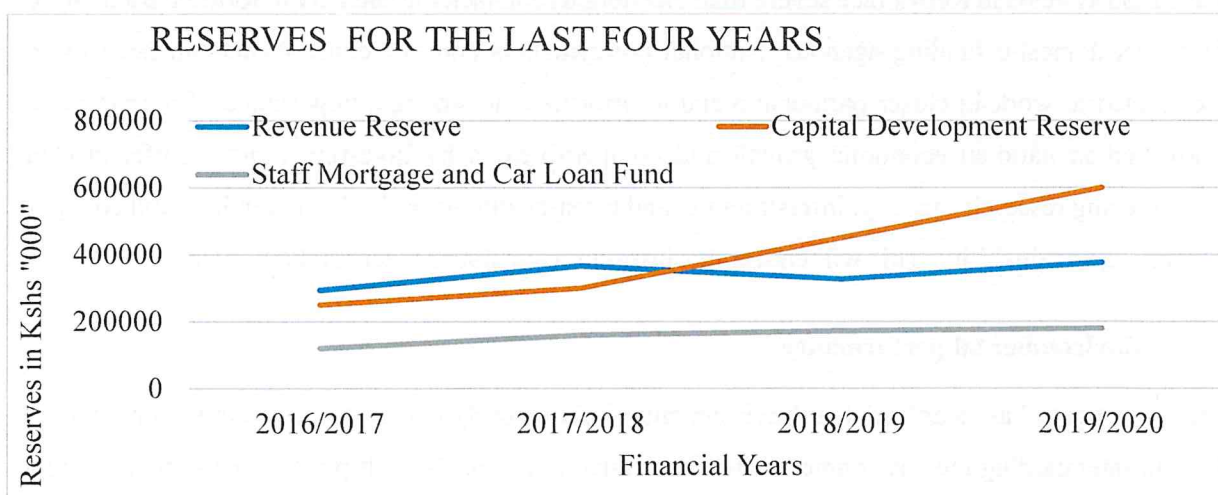
Recommendations to strengthen internal controls have been adopted by management. Policies and procedures have been developed and operationalised by management and this has improved service delivery in the placement service.

No major non-compliance has been reported by the department in the course of the year under review.

k) Summary of Financial Performance

During the year, the Placement Service realised gross revenue of Kshs 491,177,660 (Kshs 413,123,323 in 2018/2019) and recurrent expenditure of Kshs 294,847,654 (Kshs 298,552,636 in 2018/2019 Restated). Capital expenditure for the year was Kshs 34,564,281 (Kshs. 35,013,613, 2018/2019). There were activities which were planned but could not be implemented on time due to covid-19 pandemic while others were ongoing at the end of the year.

The overall performance was largely as projected with surplus of Kshs. 196,330,006 compared to Kshs 114,570,686 in the previous year restated. The Placement Service fund improved from Kshs. 986,916,080 to Kshs 1,255,952,643 during the year. The Board approved to increase the Capital Development Reserve to Kshs.600 million towards the acquisition of the Placement Service own premises during the year. The building of this fund towards acquisition of the office has been ongoing for the last six years and the proposal is currently awaiting final approval by the National Treasury in accordance with the guidelines issued under Project Implementation Management.



IX. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

The Placement Service exists to transform lives. This is well articulated in its commitment to the empowerment and development of communities in a manner that leaves positive and sustainable impact on lives. Our guiding principles as outlined in the Placement Service's Corporate Social Investment Policy are sustainability, employee participation, cost effectiveness and mutuality. Below is a brief highlight of our achievements.

i. Sustainability strategy and profile

Under the UN sustainable Development Goals (SDGs), SDG number 4 introduces fundamental view of higher education learning that governments must undertake to ensure inclusive and equitable quality learning opportunities for all. KUCCPS has been in the forefront to harness technology to the advantage of students, universities and colleges in service delivery for efficiency and convenience. Placement Service updated its website, developed an online portal for use by universities and colleges and developed a mobile app for use by students during application and revision of career choices. Payment through M-Pesa has not only made our students applications easier but convenient and they are able to follow their application process remotely without the need to visit our offices. Through automation of our process, University and college registrars are able to upload data in Placement Service portal and perform Inter institution transfers with ease. In the long run, we endeavour to have all our services accessible through this online forum which is both effective and efficient and therefore sustainable for all the stakeholders.

Challenges

In the absence of private-sector funding and competitive grants, public universities, colleges and research institutes in Kenya predominantly depend on dwindling public subsidies as well as unpredictable international donor support. This narrow funding base suggests that research and innovation systems in Kenya face severe financial deficits and lack the capacity to formulate and drive their own domestic funding agendas. National policymakers and university leadership need to be encouraged to work in closer partnership and to prioritize the strategic importance of research and innovation in national economic growth and competitiveness by investing more significantly in strengthening research capacity, infrastructure, and research opportunities in universities and colleges to enhance sustainability. This will endear our institutions to students across the borders.

ii. Environmental performance

The Corporation has established an Environmental Sustainability Committee to champion matters to do with safeguarding the environment. The Committee developed a draft policy. In addition, being a

service corporation, the Placement Service has automated its core functions resulting in considerable reduction in paper-based transactions and therefore, contributing towards sustenance of the environment. Further, a Management Committee established to oversee disposal of obsolete assets has identified environmentally friendly methods of disposing of electronic assets that will be used in the 2020/2021 financial year.

iii. Employee welfare

Human Resource Policies

The Corporation's Human Resource Policies and Procedures Manual (2018) guides recruitment in line with the requirements of Article 27(8) of the Constitution on Affirmative Action in observing at least one third gender representation. Currently, the gender representation in the Corporation stands at male 55% and female 45%. The current policies were aligned with the Public Service Commission guidelines on management of HR and are applied while observing emerging relevant legislations, directives and circulars. They are due for a complete review in 2023.

Employee Performance Management

To ensure employees performed work that accomplished the business needs of the Placement Service, all employees' key performance indicators were aligned with the strategic goals of their departments and their performance reviewed at the end of the year. Employees received feedback during a formal performance review exercise on how effective their performance was relative to the expectations. The Management applied performance ratings in a fair and consistent manner and the rewards were consistent with employee performance and qualifications. Further, employees attended at least one training or development workshop aimed at improving their skills relevant to the Corporation's operations.

Occupational Health and safety

With regard to occupational health and safety, the Corporation has a policy on Work Environment, Health and Safety, which is aligned with the Occupational Safety and Health Act of 2007. In the financial year, the Placement Service purchased WIBA and GPA Insurance policies for its members of staff to provide for compensation for accidents and occupational diseases (WIBA) and against the event of bodily injury caused by violent accident external and visible means resulting in the injured person's death or disablement (GPA), respectively.

To improve safety at the workplace, all staff were sensitised on incidents and accidents reporting procedures. Identified fire marshals were also trained on fire-fighting drills.

iv. Market place practices

The Corporation's preferred choice of procurement is competitive bidding, mainly open tenders, requests for quotations and requests for proposals. This ensures that firms are given equal opportunity to compete. The organisation has zero tolerance for corruption and enforces segregation of duties in its activities, especially in constituting procurement processing committees.

Due to the Covid-19 pandemic, the Placement Service was not able to organise a physical supplier sensitisation forum. However, the Corporation utilised the mass media to sensitise the public on the procurement opportunities in the organisation. The Corporation maintains a register of suppliers which is updated often. Once a contract is awarded, the Placement Service, through the Supply Chain Management Department, ensures full implementation and performance of obligations.

Community Engagements



To strengthen the Placement Service's corporate social investment (CSI) programmes, the Placement Board approved a Corporate Social Investment and Stakeholder Engagement Policy for implementation. In addition, the Placement Service supported the Standard Chartered Nairobi

International Marathon, whereby 27 members of staff took part in various races. The objective of the marathon was to raise funds for supporting the youth in Kenya.

In collaboration with Malindi-based Elimu Resource Centre, the Placement Service provided career guidance services to the youth of Kilifi County seeking training opportunities.

X. REPORT OF THE BOARD MEMBERS

The Board submits its report together with the audited financial statements for the year ended June 30, 2020 which show the state of the Kenya Universities and Colleges Central Placement Service's affairs.

Principal activities

The principal activities of the entity continue to be coordinating the placement of Government-sponsored students to universities and colleges, disseminating information on available programmes, their cost and areas prioritised by the Government, developing career guidance programmes for the benefit of students, collecting and retaining data on placement to universities and colleges, advising the Government on student placement and any other function assigned by the Universities Act, 2012.

Results

The results of the entity for the year ended June 30, 2020 are set out from page 30 to 34.

Board

The members of the Board who served during the year are shown on pages 5 to 10. During the year, two members retired, Prof. Mary Walingo and Dr. Tarno and Prof. Geoffrey Muluvi and Mr. Patrick King'oina were appointed to the Board.

Auditors

The Auditor-General is responsible for the statutory audit of the Kenya Universities and Colleges Central Placement Service in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board.



Nyamambia Nyaribo

Corporation Secretary (Ag.)

Nairobi,

September 28, 2020

XI. STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES

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

Further, the Board is responsible for the preparation and presentation of the Placement Service's financial statements, which give a true and fair view of the state of affairs of the Service for and as at the end of the financial year ended on June 30, 2020. This responsibility includes maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; 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; safeguarding the assets of the Placement Service; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.



The Board accepts responsibility for the Service'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 Board members are of the opinion that the Placement Service's financial statements give a true and fair view of the state of the Placement Service's transactions during the financial year ended June 30, 2020, and of its financial position as at that date. The Board Members further confirm the completeness of the accounting records maintained for the Placement Service, which have been relied upon in the preparation of the Service's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Placement Service's financial statements were approved by the Board on September 28, 2020 and signed on its behalf by:



Board Chairman

Board Member



Chief Executive Officer

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KENYA UNIVERSITIES AND COLLEGES CENTRAL PLACEMENT SERVICE FOR THE YEAR ENDED 30 JUNE, 2020

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 35, which comprise the statement of the financial position as at 30 June, 2020, the statement of financial performance, statement of changes in equity, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Kenya Universities and Colleges Central Placement Service as at 30 June, 2020, and of its financial performance and 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, of 2012.

Basis for Opinion

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Supply and Installation of Server and Related Accessories

As previously reported, the statement of financial position reflects a balance of Kshs.98,641,733 under property, plant and equipment which includes an amount of Kshs.13,980,411 in respect of procurement of servers. Information available indicates that in the financial year 2017/2018, the Central Placement Service advertised an open national tender No. KUCCPS/ONT/04/2017-2018 for supply and installation of server and related accessories with the following specifications: 3.2GHz Intel Xeon E7-8800 v4 series, 1866 MHz DDR4 memory access and 24 cores per processor.

Sixteen (16) firms responded to the bid out of which three (3) firms were disqualified for quoting lower server processor speeds than the specified 3.2GHz. The tender was awarded to a local company having met the technical evaluation requirements and a contract thereafter entered into for supply, delivery, installation, configuration and commissioning of servers and related accessories at a sum of Kshs.13,980,412. Clause 2(c) of the contract required technical specifications to form part of the agreement. Technical specifications provided for server processing speed of 3.2 GHz or better. However, the company supplied a server with lower processing speed of 2.4 GHz instead of 3.2 GHz contrary to the technical specifications and the contract agreement.

Article 227(1) of the Constitution requires procuring entities to ensure fairness, equitability, transparency, competitiveness and cost effectiveness in the procurement process while Section 76(2) of the Public Procurement and Asset Disposal Act, 2015 prohibits changes on terms of tender after the deadline for submitting tenders. By accepting and paying for a lower processing server of 2.4 GHz instead of the one specified of 3.2 GHz and having disqualified three bidders for quoting lower processing speed than 3.2 GHz, the Service violated Article 227(1) of the Constitution. In addition, the company changed the terms of the tender contrary to Section 76(2) of the Public Procurement and Asset Disposal Act, 2015 by supplying a server with lower processing speed of 2.4 GHz instead of 3.2 GHz provided in the contract.

Under the circumstances, it was not possible to confirm whether the amount of Kshs.13,980,412 incurred in financial year 2017/2018 on supply and installation of servers and related accessories were utilized in a lawful and effective manner.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Placement Service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the applicable basis of accounting unless the Management is aware of intention to terminate the Placement 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity 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 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 control may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 going concern 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 Placement Service's ability to continue as a going concern or 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 Placement Service to cease to continue as a going concern
- 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 Placement 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 control that are identified during the audit.

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

28 October, 2021

XIII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30

JUNE 2020

	Note	2019/2020 Kshs	Restated 2018/2019 Kshs
Revenue from non-exchange transactions			
Capitation Grants- Revenue	5	24,348,110	23,861,148
		<u>24,348,110</u>	<u>23,861,148</u>
Revenue from exchange transactions			
Registration Fees	6	3,360,000	2,970,000
Application and Revision	7	435,038,230	352,191,731
Finance income	8 (a)	27,927,945	31,086,862
Career book and other incomes	8 (b)	503,375	3,013,582
		<u>466,829,550</u>	<u>389,262,175</u>
Total revenue		<u>491,177,660</u>	<u>413,123,323</u>
Expenses			
Employee costs	9	148,105,999	123,539,276
Board Expenses	10	17,295,431	17,219,605
Placement Processing and Publicity	11	14,907,453	32,006,089
Career Guidance and Workshops	12	12,122,224	21,637,376
Depreciation and amortization expense	13	31,720,048	25,081,150
Repairs and maintenance	14	2,219,726	5,407,677
Use of goods and services	15	68,095,863	73,427,292
Finance cost	16	380,910	234,171
Total expenses		<u>294,847,654</u>	<u>298,552,636</u>
Surplus for the period		<u>196,330,006</u>	<u>114,570,686</u>
Surplus attributable to owners of the controlling entity		<u>196,330,006</u>	<u>114,570,686</u>
Total Surplus		<u>196,330,006</u>	<u>114,570,686</u>

The notes set out on pages 7 to 39 form an integral part of the Financial Statements

XIV. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2019/2020 Kshs	Restated 2018/2019 Kshs
Assets			
Current assets			
Cash and cash equivalents	17	254,831,820	304,169,994
Receivables from exchange transactions	18	341,211,274	283,493,338
Inventories	19	1,032,072	961,061
Investment (Short term placement of funds)	20	539,515,744	345,019,922
		1,136,590,910	933,644,315
Non-current assets			
Property, plant and equipment	21 (a)	98,641,733	53,271,764
Intangible Assets	21 (b)	20,720,000	0
		119,361,733	53,271,764
Total assets		1,255,952,643	986,916,080
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	22	34,193,059	29,431,584
Refundable deposits from customers	23	579,308	1,891,784
Employee benefit obligation	24	4,545,220	2,385,450
		39,317,587	33,708,818
Non-current liabilities			
Non-current employee benefit obligation	24	1,100,934	4,402,195
		1,100,934	4,402,195
Total liabilities		40,418,521	38,111,014
Net assets			
Accumulated surplus	25a	376,647,513	330,317,507
Capital Development Reserve	25b	600,000,000	450,000,000
Revaluation Reserve	25 c	63,245,735	-
Staff Mortgage and Car Loan Reserve Fund	25d	175,640,873	168,487,560
Total Net Assets		1,215,534,119	948,805,067
Total net assets and liabilities		1,255,952,643	986,916,080

The financial statements set out on pages 1 to 6 were signed on behalf of the board of Directors by:



Chief Executive Officer
Dr. Agnes Mercy Wahome, PhD

August 30, 2020



Finance Manager
Michael Kimani
ICPAK No. 5310

August 30, 2020



Chairman of the Board (Ag.)
Prof. Geoffrey Muluvi

August 30, 2020

XV. STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Accumulated Surplus Kshs	Revaluation Reserve	Capital Development Reserve Kshs	Staff Mortgage and Car Loan Reserve Kshs	Total Kshs
As at 1 July 2018 (Previously Reported)	365,885,033	-	300,000,000	159,355,556	825,240,589
Understated depreciation 2016/2017	(1,505,628)		-	-	(1,505,628)
Understated depreciation 2017/2018	(2,393,862)				(2,393,862)
Prepaid Insurance 2017/2018	3,780,028				3,780,028
As at 1 July 2018 (Restated)	365,746,821	-	300,000,000	159,355,556	825,121,127
Surplus for the period - Revenue	114,570,686				114,570,686
Surplus for the period- Mortgage	-			9,132,004	9,132,004
Transfer to Capital Development Reserve	(150,000,000)		150,000,000		-
Transfer to Staff Mortgage and Car Loan Reserve	-			-	-
Balance as at 30 June 2019	330,317,507	-	450,000,000	168,487,560	948,823,817
Balance As at 1 July 2019	330,317,507	-	450,000,000	168,487,560	948,805,067
Surplus for the period	196,330,006				196,330,006
Revaluation Gain		63,245,735			63,245,735
Surplus for the Year					
Mortgage				7,153,313	7,153,313
Transfer to Capital Development Reserve	(150,000,000)		150,000,000		-
Transfer to Staff Mortgage and Car Loan Reserve	-			-	-
Balance as at 30 June 2020	376,647,513	63,245,735	600,000,000	175,640,874	1,215,534,121

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

	Note	2019/2020 Kshs	2018/2019 Kshs
Cash flows from operating activities			
Receipts			
Capitation Grant - Revenue	5	24,348,110	23,861,148
Registration Fees	6	3,360,000	2,970,000
Application and Revision	7	282,754,730	241,725,981
Placement Fees	7	128,800,600	114,298,900
Interest & Other Incomes	8	29,430,761	32,114,533
		<u>468,694,201</u>	<u>414,970,562</u>
Payments			
Compensation of employees	9	(150,447,494)	(128,357,453)
Use of goods and services		(118,149,901)	(181,799,121)
Finance cost	16	(380,910)	(234,171)
		<u>(268,978,305)</u>	<u>(310,390,745)</u>
Net cash flows from operating activities		<u>199,715,896</u>	<u>104,579,817</u>
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	21	(28,609,347)	(25,614,274)
Net cash flows used in investing activities		<u>(28,609,347)</u>	<u>(25,614,274)</u>
Cash flows from financing activities			
Increase in deposits	20	(194,495,822)	20,000,000
Staff Mortgage payment	25	(39,055,436)	(29,526,394)
Staff Mortgage repayments		5,953,222	2,643,427
Investment Income-Mortgage	25	7,153,313	11,732,014
Net cash flows used in financing activities		<u>(220,444,723)</u>	<u>4,849,047</u>
Net increase/(decrease) in cash and cash equivalents		<u>(49,338,174)</u>	<u>83,814,590</u>
Cash and cash equivalents at 1 July 2019		304,169,994	220,355,404
Cash and cash equivalents at 30 June 2020	17	<u>254,831,820</u>	<u>304,169,994</u>

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

	Original budget 2019/2020 Kshs	Adjustments 2019/2020 Kshs	Final budget 2019/2020 Kshs	Actual on comparable basis 2019/2020 Kshs	Performanc e difference 2019/2020 Kshs	Per centa ge (%)	Refer ence
Revenue							
Capitation Grants- Revenue	134,099,000	(109,751,000)	24,348,000	24,348,110	110	0.0%	
Registration Fees	550,000	-	550,000	3,360,000	2,810,000	511%	a)
Application and Revision Fees	165,000,000	51,450,000	216,450,000	282,754,730	66,304,730	31%	b)
Placement Fees	132,000,000	28,000,000	160,000,000	152,283,500	(7,716,500)	-4.8%	
Interest Income	8,500,000	-	8,500,000	28,431,320	19,931,320	234%	c)
Total income	440,149,000	(30,301,000)	409,848,000	491,177,660	81,329,660		
Expenses							
Employee costs	142,849,000	35,255,000	178,104,000	148,105,999	29,998,001	17%	d)
Board Expenses	26,000,000	-	26,000,000	17,295,431	8,704,569	33%	e)
Placement Processing and Publicity	47,500,000	(24,000,000)	23,500,000	14,907,453	8,592,547	37%	f)
Career Guidance and Workshops	28,000,000	(7,452,000)	20,548,000	12,122,224	8,425,776	41%	g)
Depreciation and amortization Expense	26,912,000	3,384,000	30,296,000	31,720,048	(1,424,048)	-5%	h)
Repairs and Maintenance	9,500,000	(4,500,000)	5,000,000	2,219,726	2,780,274	56%	i)
General Expenses	114,200,000	(25,400,000)	88,800,000	68,095,864	20,704,136	23%	j)
Finance Cost	600,000	-	600,000	380,910	219,090	37%	k)
Capital Expenditure	67,000,000	(30,000,000)	37,000,000	34,564,281	2,435,719	7%	
Total Expenditure	462,561,000	(52,713,000)	409,848,000	329,411,935	80,436,065		
Surplus for the Period	(22,412,000)	22,412,000	-	161,765,725	161,765,725		

Explanation for the variances:

- a) More Colleges registered than expected following the Government campaign to promote technical skills for manufacturing and industrialisation in TVET institutions.
- b) The Government decision to place all students who scored C+ and above to Universities and thus the growth in application fees.
- c) Prudent management of available funds in Treasury Bills as guided by the National Treasury.
- d) Delayed recruitment of staff due to Covid-19 pandemic and approval from the Treasury and Office of the President.
- e) Board training and capacity building activities were scheduled for quarter III and IV but were disrupted by the Covid-19 pandemic.
- f) Planned shows and exhibitions for the benefit of students were interrupted by the Covid-19 pandemic.
- g) Schools were closed down in quarter III thereby making it difficult to conduct outreach activities to students and teachers.
- h) There was change in depreciation policy which was increased from 20% to 25% for computers and from 10% to 12.5% for furniture and equipment. A revaluation of all asset classes was done in the year.
- i) Repairs and maintenances are done on need basis and scheduled partitioning of offices was not done due to pandemic.
- j) Most of the administrative expenses were reduced following the President directive that staff work from their homes to keep social distance to prevent spread of the corona virus.
- k) The financial operations were organized to minimise finance costs.

XVIII. 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 December 13, 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 PFM Act, 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 June 30, 2019 are given for ease reference.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

ADOPTION OF NEW AND REVISED STANDARDS

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

Kenya Universities and Colleges Central Placement Service adopted the International Public Sector Accounting Standards for the first time in 2014

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

Standard	Effective date and Impact
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019: The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3(applicable to acquisitions only) Business combinations and combinations arising from non-exchange transactions which are covered purely under Public Sector combinations as amalgamations. This standard has no impact in the statement of the Placement Service since there was acquisition or amalgamation of business during the year.

ii. New and Amended Standards and interpretations in issue but not yet effective in the year ended 30 June 2019

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2022: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <i>(The standard will not have any significant impact on financial statements reporting)</i>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

Standard	Effective date and impact:
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. <p><i>(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)</i></p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2022:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

Standard	Effective date and impact:
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment.</p> <p>Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets.</p> <p>Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs).</p> <p>Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard</p>

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2020.

4. Summary of significant accounting policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Government Grants

Government grants are only recognised when received or where the government gives a specific written undertaking on the same. 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

Revenue from exchange transactions

Rendering of services

The Placement Service recognizes revenues from placement fees in relation to the current financial year when the event occurs and the asset recognition criteria are met. Other incomes from rendering of services are recognized 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.

Sale of goods

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

Interest income

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

b) Budget information

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

c) Taxes

The Placement Service has been classified as a Service State corporation category 3A and heavily relies on Government funding thus not subject to the provision of section 219(2) of the public Finance Management Regulations under the Public Finance Management Act.

The placement service is an agent for Kenya revenue authority with the mandate to withhold tax and remit to Kenya Revenue Authority. The withheld taxes are recognized as current liabilities until paid to the relevant authority.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred.

Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

e) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. After initial recognition, inventory is measured at the lower of cost and net realizable value.

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. KUCCPS has an operating lease and lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term. The deferred lease payments are recognised as deferred rent liability to be utilised in later years as rent escalates.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

g) Financial instruments

i. Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

Impairment of financial assets

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

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

h) Provisions

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement

Contingent liabilities

The KUCCPS 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.

Contingent assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

i) Commitments

Procurement commitments which are not finalised by the end of period are disclosed especially in relation to procurement of assets.

j) Reserves

Reserves are created and maintained in terms of specific requirements. The Board may from time to time establish a specific or general reserve fund to cater for current and future Placement needs.

k) Changes in accounting policies and estimates

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

l) Employee benefits

Retirement benefit plans

Placement Service provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Placement Service operates a defined contribution plan with Britam. Employees contribute 10% and Employer 20% of the qualifying staff basic pay and the same is paid to Britam on monthly basis.

Gratuity

Placement Service provides for gratuity for the staff working on contract terms of service at a rate of 31% of the basic pay. This is charged to the statement of financial performance for each year worked.

m) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

n) Related parties

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 Placement Service or vice versa. Members of key management are regarded as related parties.

o) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

p) Segment Reporting

Placement Service does not have any branches/reporting segments. All the operations are managed from the registered office. The core business of the Placement Service continues to be coordination of placement of government sponsored student into universities and colleges as stipulated in Section 56 (1) of the Universities Act, 2012.

q) Comparative figures

The comparative figures for the year ended June 30, 2019 are given for ease reference.

r) Subsequent events

There were events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2020.

s) Significant judgments and sources of estimation uncertainty

Provision for Depreciation and Amortization

The following rates are applied for purposes of providing for the usage of the assets and providing for their replacement.

(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%

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

Bad Debt Provision

Provision for bad debtors is made at a rate of 10% on Trade debtors. This is general provision and it does not include specific bad debts where debtors are fully impaired and irrecoverable.

5. Transfers from Government

	2019/2020	2018/2019
	Kshs	Kshs
Unconditional grants		
Capitation Grants - Revenue	24,348,110	23,861,148
Total government grants and subsidies	24,348,110	23,861,148

Transfer from Ministries, Departments and Agencies

Name of entity sending Grant	Amount recognised to statement of comprehensive Income	Amount deferred under deferred Income	Amount recognised in capital fund	Total grant during the year	2018/2019
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of University Education	24,348,110	-	-	24,348,110	23,861,148
Total	24,348,110	-	-	24,348,110	23,861,148

6. Registration Fees

Registration Fees	3,360,000	2,970,000
Total revenue from the rendering of services	3,360,000	2,970,000

7. Application, Revision and Placement Fees

Student Application and Revision Fees	282,754,730	241,725,981
Placement Fees	152,283,500	110,465,750
Total revenue from application fees	435,038,230	352,191,731

During the year institutions were billed Kshs 152,283,500 of which Kshs 39,703,400 was received. Also Kshs 88,847,400 was received from placement debtor for earlier years.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

8. a) Finance Income - External

Investments

Cash investments and fixed deposits	27,927,945	31,086,862
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Total Interest Income - External

Investments	27,927,945	31,086,862
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Included in this is revenue received from the investment in Treasury Bills of the available funds during the year. An amount of Kshs 6,407,248 was recognized as receivables interest as at June 30, 2019 from the National Treasury.

8. b) Career Book and Other incomes

Career book	503,375	2,810,000
Recovery from lost computers	-	203,582
Total career book and other incomes	503,375	3,013,582

The Placement published a career guide for students and invited institutions to place adverts in the first edition of the career guide book. Included are proceeds received from the sale of the career book.

9. Employee costs

	Kshs	Kshs
Employee related costs - salaries and wages	94,766,518	91,796,562
Contribution to Pensions	15,381,224	-
Housing benefits and allowances	37,958,257	31,742,714
Employee costs	148,105,999	123,539,276

10. Board Expenses

	Kshs	Kshs
Chairman's Honoraria	1,044,000	1,013,033
Sitting Allowances	5,000,000	3,000,000
Other Board Expenses	11,251,431	13,206,572
Total Board Expenses	17,295,431	17,219,605

11. Placement Processing and Publicity

	Kshs	Kshs
Placement Processing	2,514,410	5,998,563
Advertising & Publicity	12,202,543	13,648,026
Publications	190,500	12,359,500
	14,907,453	32,006,089

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

12. Career Guidance and Workshops

	Kshs	Kshs
Career Guidance & Workshops	1,677,378	2,853,158
Admission Support in Counties	4,765,210	6,049,917
Career Talks and workshops	1,070,000	4,802,659
Exhibitions and Shows	4,609,636	7,931,642
	12,122,224	21,637,376

13. Depreciation Expense

	Kshs	Kshs
Property, Plant and Equipment	26,540,048	25,081,150
Intangible Assets	5,180,000	-
Total Depreciation	31,720,048	25,081,150

The depreciation policy was changed during the year to match the estimated useful life of the different classes of assets. This affected the depreciation charge rate for computers from 20% to 25% and furniture and equipment from 10% to 12.5%.

Restated Depreciation Computation

The tables below show the resultant changes in depreciation for the last three years (2016/2017 to 2018/2019) and the restated accounts before and after the changes.

TABLE 1: COMPARISON OF THE ANNUAL CHARGE AFTER CHANGE IN DEPRECIATION POLICY

	Old Depreciation	New Depreciation	Increase/Decrease
Years	Kshs	Kshs	Kshs
2017	14,197,819	15,703,447	1,505,628
2018	18,945,755	21,339,617	2,393,862
2019	25,449,609	25,081,150	(368,459)

14. Repairs and Maintenance

	2019/2020	2018/2019
	Kshs	Kshs
Vehicles	1,946,164	2,284,640
Refurbishment and Other Repairs	273,562	3,123,037
Total Repairs and Maintenance	2,219,726	5,407,677

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

15. Use of goods and services

The following are included in the use of goods and services expenses:

	2019/2020	2018/2019
	Kshs	Kshs
Audit fees	600,000	500,000
Conferences and Seminars	4,758,274	5,005,877
Office Operations	15,265,236	20,795,956
Printing and stationery	1,376,918	1,406,117
Telecommunication	3,950,166	3,590,415
Rent & service Charge	16,221,042	16,105,994
Staff Training	8,543,396	10,713,208
Subscription and Membership fees	536,908	379,519
Insurances	11,656,849	7,911,521
Professional fees	685,335	110,089
Capacity building	1,342,670	6,071,421
Professional consultancies	750,000	-
Knowledge management	21,500	-
Provision for bad and doubtful debts	2,387,571	837,175
Total Use of Goods and Services	68,095,864	73,427,292

Restatement of Insurance expense

The table 4 show restatement and computation of insurances after apportionment for each of the year.

FINANCIAL YEAR	PREPAID INSURANCE IN YEAR	INSURANCE EXPENSE IN THE CURRENT YEAR	TOTAL INSURANCE EXPENSE
2019-2020	8,758,766	4,375,217	13,133,983
2018-2019	7,281,631	4,131,493	11,413,124
2017-2018	3,780,028	2,464,829	6,244,857
2016-2017	3,500,361	2,016,117	5,516,479

	2019-2020	2018-2019	2017-2018	2016-2017
Premium paid during the year	13,133,983	11,413,124	6,244,857	5,516,479
Add: Premium paid previous year	7,281,631	3,780,028	3,500,361	-
Less: Premium prepaid in Current year	(8,758,766)	(7,281,631)	(3,780,028)	(3,500,361)
TOTAL	11,656,849	7,911,521	5,965,190	2,016,117

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

16. Finance Cost

Bank Charges	<u>380,910</u>	<u>234,171</u>
Total Finance Cost	<u>380,910</u>	<u>234,171</u>

17. Cash and Cash Equivalents

	Kshs	Kshs
Current Account	143,597,883	114,707,427
On-call deposits	111,233,937	189,412,583
Cash-on-hand	-	49,984
Total Cash and Cash Equivalents	<u>254,831,820</u>	<u>304,169,994</u>

On call deposit include deposits in staff Mortgage Scheme and Car Loan Deposits with Housing Finance which attract market rate interest for the unused deposit and 2% for the portion utilised on staff mortgage and car loans.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

17 (b) Detailed Analysis of the Cash and Cash Equivalent

		2019/2020	2018/2019
Financial Institution	Account Number	Kshs	Kshs
a) Current account			
KCB Bank Kenya Ltd	1151285021	92,435,841	99,870,777
Co-operative Bank	01141163596400	41,025,755	12,984,324
Sub-Total		133,461,595	112,855,101
b) On-Call deposits			
KCB Bank Kenya Ltd	1151285021	-	50,000,000
Co-operative Bank	01141163596400	-	-
Sub-Total		-	50,000,000
c) Staff car loan/mortgage			
HFC Mortgage deposit	2211863102	81,550,074	108,037,427
HFC Car Loan Deposit	2211863104	29,683,863	31,375,156
Sub-Total		111,233,937	139,412,583
d) Others (specify)			
Cash In hand		-	49,984
Mpesa	820200	171,917	75,171
Mpesa	820201	9,937,043	1,746,304
Mpesa	845385	27,328	30,851
Sub-Total		10,136,288	1,902,310
Grand Total		254,831,820	304,169,994

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

18. (a) Receivables from Exchange Transactions	2019/2020	2018/2019
Current receivables	Kshs	Kshs
i) Placement fees debtors	290,709,250	266,833,539
ii) Investment Interest debtors	6,407,248	6,986,546
iii) Prepayment	8,758,766	7,281,631
iv) Staff Mortgage Debtor	64,406,935	29,074,976
Less: Provision for bad debt	<u>(29,070,925)</u>	<u>(26,683,354)</u>
Total Receivables from Exchange Transactions	<u>341,211,274</u>	<u>283,493,338</u>
18. (b) Receivables from Non-Exchange Transactions		
Current receivables	Kshs	Kshs
Capitations due for the Year	<u>-</u>	<u>-</u>
Total Receivables from Non-Exchange Transactions	<u>-</u>	<u>-</u>
Total current receivables	<u>341,211,274</u>	<u>283,493,338</u>

The maximum exposure to the credit risk at the reporting date is the fair value of each of the class of receivable mentioned above. 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.

19. Inventories

	2019/2020	2018/2019
	Kshs	Kshs
Consumable Stores	<u>1,032,072</u>	<u>961,061</u>
Total Inventories at the lower of cost and net realizable value	<u>1,032,072</u>	<u>961,061</u>

20. Investment

	Kshs	Kshs
Treasury Bills	<u>539,515,744</u>	<u>345,019,922</u>
	<u>539,515,744</u>	<u>345,019,922</u>

Investments included funds invested in Government Treasury Bills.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

21. Property, plant and equipment

Cost	Motor Vehicles Kshs	Computers Kshs	Furniture and Equipment Kshs	Partitions & Fittings Kshs	Total Kshs
At 30 July 2019	54,276,519	66,143,415	13,656,222	-	134,076,156
Accumulated Depreciation	(39,247,463)	(36,671,392)	(4,885,537)		(80,804,392)
Net book values	15,029,056	29,472,023	8,770,685	-	53,271,765
Revaluation	27,300,000	38,415,100	8,902,400	16,000,000	90,617,500
Revaluation Surplus	12,270,944	8,943,077	131,715	16,000,000	37,345,735
Additions		32,343,502	2,220,779		34,564,281
At 30 June 2020 Depreciation and impairment	27,300,000	70,758,602	11,123,179	16,000,000	125,181,781
At 1 July 2019	39,247,462	39,348,009	4,720,327		83,315,799
Depreciation Accumulated	5,460,000	17,689,650	1,390,397	2,000,000	26,540,048
Depreciation	(39,247,462)	(39,348,009)	(4,720,327)	-	(83,315,799)
At 30 June 2020 Net book values	5,460,000	17,689,650	1,390,397	2,000,000	26,540,048
At 30 June 2020	21,840,000	53,068,951	9,732,782	14,000,000	98,641,733

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

Cost	Motor Vehicles Kshs	Computers Kshs	Furniture and Equipment Kshs	Partitions & Fittings Kshs	Total Kshs
At 1 July 2019	46,476,534	43,409,520	9,685,444	0	99,571,498
Additions	7,799,985	23,242,850	3,970,778	0	35,013,613
Loss of computers		(508,955)			(508,955)
At 30 June 2019	54,276,519	66,143,415	13,656,222		134,076,156
Depreciation and impairment					
At 1 July 2018	28,392,159	24,559,737	3,178,509		56,111,655
Depreciation Accumulated depreciation loss of computers	10,855,304	12,518,819	1,707,028		25,081,150
		(407,164)			(407,164)
At 30 June 2019	39,247,463	39,247,463	4,885,537		80,804,392
Net book values					
At 30 June 2019	15,029,056	29,492,023	8,770,685		53,272,765

21(b) Intangible Assets- Software

Cost	2019/2020 Kshs	2018/2019 Kshs
At 30 July 2019	-	-
Valuation of Intangible assets	25,900,000	-
At 30 June 2020	25,900,000	
Amortization and impairment		
At 30 July 2019	-	-
Amortization	5,180,000	-
At 30 June 2020	5,180,000	
Net book values		
At 30 June 2020	20,720,000	-

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

21(c) Property, plant and equipment Reconciled to cash flow

	2019/2020	2018/2019
	Kshs	Kshs
Asset Purchase during the year	34,564,281	35,013,613
Add: Assets Acquired Previous Financial Year Now Paid	11,291,772	407,170
Less: Outstanding Payment for Assets acquired during the year	<u>(17,246,706)</u>	<u>(9,806,509)</u>
	<u>28,609,347</u>	<u>25,614,274</u>

22. Trade and Other Payables from Exchange Transactions

	2019/2020	2018/2019
	Kshs	Kshs
Trade Payables	32,435,002	27,428,607
Other Payables	<u>1,758,057</u>	<u>2,002,977</u>
Total Trade and Other Payables	<u>34,193,059</u>	<u>29,431,584</u>

In the opinion of the Board, the carrying amounts of trade and other payables approximate to their fair value. Included in the trade payable is an amount of Kshs 4,152,241 being accrued rent liability see Note 26.

23. Refundable deposits from Customers

	2019/2020	2018/2019
	Kshs	Kshs
Student refunds	<u>579,308</u>	<u>1,891,784</u>
	<u>579,308</u>	<u>1,891,784</u>

This relate to fund due to students and which had not been utilized by the end of the period.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

24. Pensions and Other Post-Employment Benefit Plans

	2019/2020	2018/2019
	Kshs	Kshs
Gratuity Provision		
Current benefit obligation	4,545,220	2,385,450
Non-Current Benefit obligation	<u>1,100,934</u>	<u>4,402,195</u>
Total Employee Benefit Liability	<u>5,646,154</u>	<u>6,787,645</u>

Placement Service operates a contributory pension scheme and pay gratuity to employees on contract. A provision is made for every period and charged to the Income Statement while the balance is carried as an employee obligation in the Statement of Financial Position.

25. a) Accumulated Surplus and Reserves

During the year the Board approved an increase of Capital development fund by Kshs one hundred and fifty million to cater for acquisition of own premises from the accumulated surplus.

	2019/2020	2018/2019
	Kshs	Kshs
Restated Accumulated Surplus 2018/2019	330,317,507	365,746,821
Surplus for the Year	196,330,006	114,570,685
Transfers to Staff House Mortgage and Car Loan Scheme Reserve Fund	-	-
Transfers to Capital Development Reserve Fund	<u>(150,000,000)</u>	<u>(150,000,000)</u>
Accumulated Surplus Balance Carried forward	<u>376,647,513</u>	<u>330,317,507</u>

25. b) Capital Development Reserve

The Board has been building a fund towards the acquisition of the Placement Service own office premises. During the period the Board set aside an additional one hundred and fifty million from the cumulative surplus toward the same.

	2019/2020	2018/2019
	Kshs	Kshs
Balance as at 1 July 2019	450,000,000	300,000,000
Transfer from Accumulated Surplus	<u>150,000,000</u>	<u>150,000,000</u>
Balance as at 30 June 2020	<u>600,000,000</u>	<u>450,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

25.c) Revaluation

Surplus	2019/2020 Kshs	2018/2019 Kshs
Surplus on Revaluation Of asset	<u>63,245,735</u>	<u> </u>
Total Revaluation Surplus	<u>63,245,735</u>	<u>-</u>

There was a valuation of assets in the year resulting to a Revaluation Surplus as per the Workings below.

	Motor Vehicles Kshs	Computers Kshs	Furniture and Equipment Kshs	Partitions & Fittings Kshs	Intangible Assets Kshs	Total Kshs
Revaluation	27,300,000	38,415,100	8,902,400	16,000,000	25,900,000	116,517,500
Cost	54,276,519	66,143,415	13,656,222			134,076,156
Accumulated Depreciation	<u>(39,247,463)</u>	<u>(36,671,392)</u>	<u>(4,885,537)</u>		<u>-</u>	<u>(80,804,392)</u>
Net book values	15,029,056	29,472,023	8,770,685	-	-	53,271,765
Revaluation Surplus	12,270,944	8,943,077	131,715	16,000,000	25,900,000	<u>63,245,735</u>

25. d) Staff Mortgage and Car Loan Reserve Fund

	2019/2020 Kshs	2018/2019 Kshs
Balance as at 1st July 2019 Restated	168,487,560	159,355,556
Interest earned during the year	<u>7,153,313</u>	<u>12,283,422</u>
Balance as at 1st July 2019 (Previously stated)		<u>171,638,978</u>
Less: Overstated Interest in 2018/2019		<u>-3,151,418</u>
Balance as at 30 June 2020	<u>175,640,873</u>	<u>168,487,560</u>

25. d) Mortgage disbursement and repayment

	2019/2020 Kshs	2018/2019 Kshs
Mortgage disbursements	<u>39,055,436</u>	<u>29,526,394</u>
These are the mortgage loans issued to staff during the year		
Mortgage repayments	<u>5,953,222</u>	<u>2,643,427</u>

These are the mortgage repayments deducted from staff to repay their loans during the year.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

26. Rent and Deferred Rent Liability

	2019/2020 Kshs	2018/2019 Kshs
Total Rent (Lease) Expense	16,221,042	16,105,994
Total Rent (Lease) Due and Paid	(17,073,424)	15,900,927
Accrued Rent liability	<u>(852,382)</u>	<u>205,067</u>

27. Commitments and contingencies

Petition No. 3 of 2016 against the Placement Service and KMTC

The Placement Service has an ongoing dispute with Kenya Medical Training College (KMTC) as who should place student in KMTC. The suit arose following confusion after the admission of two sets of students to KMTC (those placed by KUCCPS and those directly admitted by KMTC). The matter was determined in July, 2018 against the Placement Service where costs were awarded to KMTC. These costs are yet to be quantified and therefore remain a contingent liability.

Petition No. 44 of 2017 against the Placement Service, the AG, Ministry of Education & KNEC

The Placement Service has been sued together with the Kenya National Examination Council (KNEC) not to place 2016 students before the results have been moderated. This may attract engagement of lawyers and the cost may not be ascertained at the moment as they are only threats. Although this matter has been overtaken by events, the Petitioner has not formally withdrawn the matter and it therefore remains a contingent liability.

The Placement Service entered into a contract with a consultant for the development of its Information Communication Technology strategy amounting to Kshs 1,032,400. The implementation process was ongoing as at the end of the year and therefore will be carried into the financial year 2020/2021.

28. Cash Generated from Operations

	2019/2020 Kshs	2018/2019 Kshs
Surplus for the year before tax	196,330,006	111,537,799
Adjusted for:		
Depreciation	31,720,048	25,449,609
Provision for Bad Debts	2,387,571	-
Provision for staff obligations	-	-
Interest from investment	7,153,313	12,283,422
Working capital adjustments:		
Decrease in inventory	71,011	-
Increase in receivables	(54,566,518)	(32,226,394)
Increase / (Decrease) in payables	<u>4,590,490</u>	<u>-</u>
Net cash flows from operating activities	<u>187,685,921</u>	<u>117,044,435</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

29. Related Parties Transactions

The management staff and the Members of the Board are for the purposes of this report considered related parties. During the year, Management staff and the Board Members were only paid salaries and board allowances.

Nature of Related Party Relationships

The management staff and the Members of the Board are for the purposes of this report considered related parties. The entity is related to:

1. The National Government;
2. State Department of University Education –Ministry of Education
3. Key Management;
4. Board Members;

a) Related party transactions

	2020	2019
	Kshs	Kshs
Grants from the Government		
Transfers from Ministry of Education'	24,348,110	23,861,148
Total	<u>24,348,110</u>	<u>23,861,148</u>

b) Expenses incurred on behalf of the related parties

Payment of Salaries for 61 employees	148,105,999	123,539,276
Payment of medical insurances for the employees	13,133,983	11,413,124
Total	<u>161,239,982</u>	<u>134,952,400</u>

c) Key management compensation

Board members allowances	6,044,000	4,013,033
Key Management compensation	52,411,849	47,106,016
Total	<u>58,455,849</u>	<u>51,119,049</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

30. Financial Risk Management Policies

The Placement Service's financial risk management objectives and policies are detailed below:

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset and financial liability are disclosed in note 2 to the financial statements

Financial risk management objectives

The activities of the Placement Service expose it to a variety of financial risks including credit risk, liquidity risks and the effects of changes in foreign currency rates. The Company's overall risk management program focuses on unpredictability of changes in the operating environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

a) Credit risk management

The Placement's credit risk is primarily attributable to its grant's receivables, other receivables and bank balances.

The amounts of receivables other than grants receivable presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Company's management based on prior experience and their assessment of the current economic environment.

The amount of grants receivable presented in the statement of financial position relates to printed estimates and receivable from the Ministry of Education.

The credit risk on grants receivable and liquid funds with financial institutions is limited because the Ministry has given assurance of its payment and the banks are reputable with high credit ratings.

The amount that best represents the Company's maximum exposure to credit risk as at June 30, 2020 is made up as follows:

At 30 June 2020

Amount in Kshs	Total amount	Fully Performing	Past due	Impaired	Total
Receivables from exchange transactions	370,282,199	135,199,000	235,083,199	(29,946,802)	340,335,397
Bank balances	254,831,820	254,831,820	-	-	254,831,820
Total	625,114,019	390,030,820	235,083,199	(29,946,802)	595,167,217

At 30 June 2019

Amount in Kshs	Fully performing	Fully performing	Past due	Impaired	Total
Receivables from exchange transactions	306,046,479	135,199,000	170,847,479	(26,683,354)	279,363,125
Bank balances	304,169,994	304,169,994	-	-	304,169,994
Total	610,216,473	439,368,994	170,847,479	(26,683,354)	583,533,199

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board. The Board has put in place appropriate liquidity risk management framework for the management of the short, medium and long-term funding and liquidity management requirements. Placement Service manages liquidity risk by maintaining enough required funds for its operations through continuous monitoring of forecast and actual cash flows.

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

At 30 June 2020

Amount in Kshs	Less than 1 month	Between 1-3 months	Over 5 months	Total
Payable	34,193,059	-	-	34,193,059
Provision (Rent Accrued)	4,152,241	-	-	4,152,241
Total	38,345,300	-	-	38,345,300

At 30 June 2019

Amount in Kshs	Less than 1 month	Less than 1 month	Over one month	Total
Payable	26,333,763	-	-	26,333,763
Provisions (Rent Accrued)	5,004,622	-	-	5,004,622
Total	31,338,385	-	-	31,338,385

c) Exchange 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

Capital risk management

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

	2019/2020	2018/2019
	Kshs	Kshs
Accumulated Surplus	376,647,513	330,317,507
Capital development reserve	600,000,000	450,000,000
Staff mortgage and car reserve	175,640,874	171,638,977
Total funds	1,152,288,387	951,956,484
Total borrowings	38,345,300	31,323,368
Less: cash and bank balances	254,831,820	304,169,994
Net debt/ (excess cash and cash equivalents)	(216,486,520)	(272,846,626)
Gearing	3.33%	3.29%

31. Events after the Reporting Period

The Placement Service was directed by the state to work with the Ministry of Education and place an approximately ten thousand additional students to Private Universities so as to report in September together with those already placed in Public Universities.

31. Events after the Reporting Period

There are no events reported after the Balance Sheet date.

32. 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

33. Placement Statistics

The Placement Service has placed students into Universities, University Colleges and Colleges for 2014, 2015, 2016, 2017, 2018, 2019 and 2020. The first student to be placed in Private University was in FY 2016/2017. The following are some of the main data:

Descriptions	2020/2021	2019/2020	2018/2019	2017/2018	2016/2017	2015/2016	2014/2015
Institutions							
No. of Universities and University Colleges receiving Students	71	69	65	70	62	30	31
No. of Public Colleges receiving Students	158	126	121	63	57	53	46
No. of Students Placed							
Universities and University Colleges	122,831	89,486	68,545	88,620	86,046	67,790	56,938
Colleges	88,724	115,923	94,907	28,261	12,038	11,523	15,400
	211,555	205,411	163,452	116,881	98,084	79,313	72,338
Number of Students benefitting on Affirmative Action							
Gender	679	526	363	581	1,083	4,162	2,527
Marginalised	1,637	1,041	608	563	655	1,239	532
Disability	25	0	0	0	178	178	72

Appendix 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The Placement Service has no outstanding issues with the Kenya National Audit Office. In the first five years the Board has received clean audit reports.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status:	Timeframe:
				(Resolved / Not Resolved)	(Put a date when you expect the issue to be resolved)



Chief Executive Officer and Secretary to the Board
Dr. Agnes Mercy Wahome, PhD
August 31, 2020



Chairman of the Board (Ag.)
Prof. Geoffrey Muluvi
August 31, 2020

Appendix 2: PROJECTS IMPLEMENTED BY THE KENYA UNIVERSITIES AND COLLEGES CENTRAL PLACEMENT SERVICE

Projects

The Placement Service had no major capital projects during the financial year 2019/2020.

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

Appendix 3: INTER-ENTITY TRANSFERS

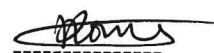
THE KENYA UNIVERSITIES AND COLLEGES CENTRAL PLACEMENT SERVICE				
Break down of Transfers from the State Department of University Education				
FY 2019/2020				
a.	Recurrent Grants			
	Receipt No.	<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
	1111	8/8/2019	6,087,028	2019/2020
	1206	1/11/2019	6,087,028	2019/2020
	1283	4/2/2020	6,087,028	2019/2020
	1355	28/5/2020	6,087,028	2019/2020
	Total		24,348,112	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
				No development Grant was received during the year.
	Total		-	

The above amounts have been communicated to and reconciled with the parent Ministry



CPA Michael Kimani
Finance Manager
Kenya Universities and Colleges Central Placement Service

August 31, 2020



CPA Robert A. Samuel
Head of Accounting Unit
Ministry of Education-State
Department for University
Education and Research

August 31, 2020

Appendix 4: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

The Placement Service did not receive any other non-exchange transfers from other government entities during the financial year 2019/2020.

Kenya Universities and Colleges Central Placement Service	Date received			Where Recorded/recognized					
	as per bank statement	Nature: Recurrent/Development/Others	Total Amount - Kshs	Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	Total Transfers during the Year