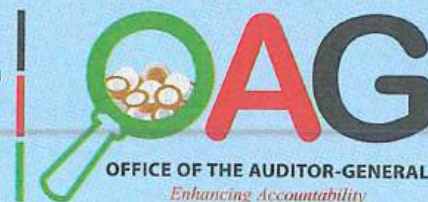


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

KENYA ACADEMY OF SPORTS

**FOR THE YEAR ENDED
30 JUNE, 2025**

REPORT OF THE AUDITOR-GENERAL ON KENYA ACADEMY OF SPORTS FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Academy of Sports set out on pages 1 to 32, which comprise of the statement of financial position as at

Report of the Auditor-General on Kenya Academy of Sports for the year ended 30 June, 2025

30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenya Academy of Sports as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Sports Act, 2013 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

Lack of Land Ownership Documents

The statement of financial position and Note 16 to the financial statements reflects property, plant and equipment balance of Kshs.1,725,878,605. The balance includes the value of land in which the head office building is erected. However, the ownership document for the land was not provided for audit.

In the circumstances, the completeness, accuracy and ownership of the property, plant and equipment balance of Kshs.1,725,878,605 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effects of the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, a number of paragraphs were raised. However, Management has not resolved the prior year matters and has not explained the delay in resolving the issues as at 30 June, 2025.

Other Information

Management is responsible for the Other Information set out on page ii to xxxi which comprise of Key Entity Information and Overall Performance, Statement of Governance, Statement of the Chairperson, Statement of the Chief Executive Officer, Management Discussion and Analysis, Statement of Performance Against Predetermined Objectives, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Delay in Completion of Hostel Block

The Management entered into contract with a contractor on 24 March, 2022 for the completion of hostel block at a contract sum of Kshs.343,200,000 for a duration of one (1) year. Review of documents revealed that the Project Manager had requested for extension of time to have the works completed on 6 March, 2024 and an amount totaling Kshs.266,000,000 had been paid as at 30 June, 2025. However, physical verification done on 8 September, 2025 revealed the contractor was still on site and the work was ongoing exposing the Academy to possibility of extra costs occasioned by the delay.

In the circumstances, the value for money to be realized from the expenditure of Kshs.266,000,000 could not be confirmed.

2. Delay in Construction of Constituency Sports Academies

During the year, Kenya Academy of Sports Management established Phase 1 Constituency Sports Academies, comprising thirty-seven (37) pilot Academies spread across twenty-two (22) Counties. The construction works are being

implemented under the supervision of the State Department for Public Works, which was formally appointed as the Project Manager. However, the review of documents and physical verifications done in September, 2025 revealed the following unsatisfactory issues on eight (8) sites:

No	Constituency	County	Contract Amount (Kshs)	Anomalies Noted
1	Nandi	Nandi Hills	53,000,000	Construction work has not started. The site layout could not fit the land. The Architect was to redesign the site plan layout to fit within the available land.
2	Turbo	Uasin Gishu	48,000,000	Land initially allocated for the site was not available for the project. The Academy has engaged relevant stakeholders to obtain an alternative site.
3	Kasarani	Nairobi	51,000,000	Site was not yet handed over to the contractor. There was a need to review the original master plan to fit the site.
4	Budalangi	Busia	49,000,000	The site had not been handed over to the contractor
5	Hamisi	Vihiga	52,000,000	The land was not sufficient to accommodate the project. The Academy has engaged relevant stakeholders to obtain an alternative site.
6	Nambale	Busia	49,000,000	Delay of the project was occasioned by the change of site.
7	Ikolomani	Kakamega	51,000,000	The contractor was not on site
8	Marakwet West	Elgeyo Marakwet	48,000,000	The site had not been handed over to the contractor
	Total		401,000,000	

In the circumstances, the value for money to be realized from the delayed projects with a contract value of Kshs.401,000,000 could not be confirmed.

3. Under Staffing of the Academy

Review of Human Resources documents revealed that the Academy has an approved staff establishment of one hundred and fifty five (155) while the in-post was forty one (41) leading to a shortage of one hundred and fourteen (114) staff or 74% of the approved workforce. Further, it was noted that some departments were being manned by a single staff who initiates an activity to finalization without segregation of duties due to the understaffing.

In the circumstances, the efficiency and effectiveness in delivery of services could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and 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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 November, 2025