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THE AUDITOR-GENERAL

ON

**KENYA TSETSE AND TRYPANOSOMIASIS
ERADICATION COUNCIL**

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



KENYA TSETSE AND TRYPANOSOMIASIS ERADICATION COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

**KENYA TSETSE AND TRYPANOSOMIASIS ERADICATION COUNCIL (KENTTEC)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2023**

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1. ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS

A: Acronyms and Abbreviations

AIE	Authority to Incur Expenditure
CEO	Chief Executive Officer
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KENTTEC	Kenya Tsetse and Trypanosomiasis Eradication Council
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PATTEC	Pan-African Tsetse and Trypanosomiasis Eradication Campaign
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
SDGs	Sustainable Development Goals
T&T	Tsetse and Trypanosomiasis

B: Glossary of Terms

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

Comparative Year- Means the prior period.

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2. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Kenya Tsetse and Trypanosomiasis Eradication Council (KENTTEC) is a State Corporation established under Legal Notice No. 77 of July 2012 whose mandate is to coordinate all Tsetse and Trypanosomiasis eradication activities. The Council is the successor of Pan-African Tsetse and Trypanosomiasis Eradication Campaign (PATTEC) in Kenya. The continental campaign (PATTEC) was formed following the declaration of African Heads of State and Governments in 2000 in Lome, Togo (Decision AHG/156 (XXXVI) of the 36th Assembly of Heads of State and Government) to free Africa from tsetse and trypanosomiasis constraint.

The Council is domiciled in Kenya and has five regional offices. The South Coast regional office which is composed of Mombasa, Taita/Taveta and Kwale counties. North Coast regional office covering Tana River, Lamu and Kilifi counties. Western regional office covering Busia and Bungoma counties. Nyanza regional office covering Homa Bay, Siaya, Kisumu and Migori counties and the Lake Bogoria regional office covering Baringo, Narok, Kajiado, Nakuru counties.

The Kenya Vision 2030 identifies the livestock sub-sector as one of the key drivers of the economic pillar that is expected to drive the economy to projected 10 percent economic growth annually. The sub sector plays a major role in economic development with livestock production contributing 3.6 per cent of the National Gross Domestic Product (Economic Survey Report, 2022). In the implementation of Government Bottom Up Economic Transformation Agenda (BETA), livestock sub sector is a key driver in realizing 100% national food and nutrition security while providing raw materials for agro-industries in livestock value chains. At the global scene, the sub-sector also contributes to attainment of various SDGs especially SDG No. 2 on ending hunger, achieving food security and improved nutrition and promoting sustainable agriculture.

The economic losses attributable to Tsetse and Trypanosomiasis are attributable to: - cost of human and animal treatment, death of infected human and animals, abortions, loss of milk, loss of draught power and inability to plough in certain areas, inaccessibility to grazing grounds, low market value for affected animals, loss of foreign exchange through imports of drugs/pesticides and lost opportunity to export livestock and livestock products. The live weight gain and milk production of livestock in

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the infested areas is estimated at 20% less, compared to those in tsetse free production systems. This translates to a potential annual loss of about twenty billion shillings (Kshs. 20 billion).

(b) Principal Activities

The functions of the Council as stipulated in the Legal Notice are as follows: -

- Advise the Government on the policy on Tsetse and Trypanosomiasis eradication in Kenya.
- Recommend standards and guidelines for Tsetse and Trypanosomiasis eradication;
- Determine and advise the Government on national goals, priorities and strategies for Tsetse and Trypanosomiasis eradication;
- Co-ordinate activities of Government departments, agencies and other stakeholders at the national and county levels in matters related to Tsetse and Trypanosomiasis eradication;
- Promote collaboration among stakeholders on Tsetse and Trypanosomiasis eradication;
- Act as the lead agency on Tsetse and Trypanosomiasis eradication activities in Kenya;
- Act as the Government agency for Tsetse and Trypanosomiasis eradication, and advise the Government in its negotiations and other engagements with foreign countries and international organizations in Tsetse and Trypanosomiasis eradication;
- Negotiate, source and mobilize resources for the Tsetse and Trypanosomiasis eradication;
- Ensure effective and efficient use of resources provided by the Government and other financiers or donors for tsetse and trypanosomiasis eradication;
- Establish and maintain an appropriate Tsetse and Trypanosomiasis knowledge, information and communication system and database based on contemporary science and technology;
- Co-ordinate, guide and facilitate research and the use of technology and development of science for the purposes of eradication of Tsetse and Trypanosomiasis;
- Promote and facilitate activities in all relevant sectors including land use management and sustainable livelihoods to sustain Tsetse and Trypanosomiasis eradication in Kenya;
- Promote public and private sector partnership for sustainable Tsetse and Trypanosomiasis eradication; and
- Perform such other function as may be assigned to it by the Minister.

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(c) Key Management

KENTTEC's day-to-day management is under the following key offices:

- Board of Directors
- Chief Executive Office
- Monitoring and Evaluation
- Planning and Administration
- Technical Operations-Parasitology and Entomology
- Human Resource Management
- Communication Office
- Finance and Accounts
- Supply Chain Management
- Regional/County Coordination Offices

(d) Fiduciary Management

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

Designation	Name
Ag. Chief Executive Officer	Dr. Seth Onyango, PhD
Head of Corporate Services (Planning)	Mr. Cyrus Muiru
Head of T&T Research and Collaborations	Ms. Caroline Mirieri
Head of Surveillance and Control	Mr Isaiah Kiteto
Human Resource Officer	Mrs. Shalleen Mutua
Communication Officer	Mr. Jattani Guyo
Head of Finance and Accounts	Mr. Edmund O. Wafula
Office Administrator	Mr. Presentis Ngene
Head of Resource Centre	Mrs. Nancy Ngari Miron
Head of Supply Chain Management	Mr. James O. Juma
Regional Coordinator N/South Coast Region	Mr. Johana Cheptoo
Regional Coordinator Western Region	Mrs. Agnes O.Ikolot
Regional Coordinator Meru Mwea Region	Mrs. Virginia Kinyanjui
Regional Coordinator North Rift Region	Mr. Mrs Sylvia Muthama
Regional Coordinator Lake Victoria Region	Mr. Bernard Chemweno

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Regional Coordinator South Rift Region

Mr. John Karuga

(e) Fiduciary Oversight Arrangements

The Board has approved the delegation of certain authorities to Board Committees where applicable and to the management.

The Audit, Human Resource and Strategy, Finance and Administration and Technical Committees are instrumental in monitoring Council operations, conduct of business, systems and internal controls.

Audit Committee:

The members of this Committee are all non-executive directors and professionals. The Committee meets on a quarterly basis and any other time as need may arise, with the internal Auditor as the secretary. During the period, the committee held three meetings.

Finance and Administration Committee:

The Committee's responsibility is to assist the Board in addressing issues pertaining to Financial Management of the Council.

Human Resource and Strategy Committee:

The Human Resource and Strategy committee was put in place measures to handle the human resource issues and strategic direction of the Council.

Internal Control

The effectiveness of the Council's internal control is monitored on a regular basis by the Internal Audit function. The internal audit function reviews the Council's compliance with the laid down policies and procedures as well as assessing the effectiveness of Internal control structures. The Internal audit function, focuses their attention to areas the Council could be exposed to great risks. The Internal Audit function reports to the Audit committee of the Board.

The Council ensures that it adheres to its operational procedures and controls to facilitate initiated measures that safeguard assets and accurate financial reporting.

Parliamentary Committee activities:

The Council (KENTTEC) was invited and appeared before the Parliamentary Investment Committee (PIC) on 8th June 2023 where the committee examined the Auditor General's Reports on KENTTEC Annual Reports and Financial Statements for FY 2017/2018, 2018/2019, 2019/2020, 2020/2021. The PIC took note that the Auditor General gave Unqualified opinions for all the Financial years listed above. However, the following issues were identified in the FY 2020/2021 report that needed to be resolved.

- The Understaffing of the Council where, the Auditor General observed that only the Chief Executive Officer's position had been filled on Contract terms of service.

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In the circumstances, therefore, without definite and proper terms of employment, the performance of staff on short term contract may be negatively affected.

(f) Council's Headquarters

Kenya Tsetse and Trypanosomiasis Eradication Council (KENTTEC)
Crescent Business Centre Building 3rd Floor, Block C
P.O. Box 66290-00800
WESTLANDS
PARKLANDS ROAD
NAIROBI, KENYA

(g) Council's Contacts

Kenya Tsetse and Trypanosomiasis Eradication Council (KENTTEC)
Crescent Business Centre Building 3rd Floor, Block C
Telephone :(254) 020 2513131/2
E-mail: info@kenttec.go.ke
Website: www.kenttec.go.ke

(h) Council's Bankers

Co-operative Bank of Kenya,
Parliament Road Branch,
P.O. Box 5772,
Square 00200
Nairobi, Kenya.

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(i) Independent Auditors


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

(j) Principal Legal Adviser



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

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3.THE BOARD OF DIRECTORS

<u>PROFILE</u>	
	<p>Dr. Geoffrey K. Mutai - The current KENTTEC Board Chairman. He has a wealth of experience in Public Service having worked in Public Service for 36 yrs. Prior to joining KENTTEC, he served on the Board of Agricultural Development Corporation (ADC) as Board member. He joined the Public Service as a Veterinary Officer (V.O. II) and moved up the ranks to a Senior Deputy Director of Veterinary Services (SDDVS) by the time of his retirement from the civil service. He also served as Managing Director/CEO of Kenya Veterinary Vaccine Production Institute (KEVEVAPI)(2010-2015), and Senior Deputy Principal, Meat Training Institute, Directorate of Veterinary Services (2019-2021).</p> <p>He holds a post graduate degree in strategic Management, an undergraduate degree in Veterinary Medicine, Certificates in Bio entrepreneurship, Vaccinology, Advanced Technology for Veterinary Diagnosis, Tick management, Adapted Serological Techniques for the diagnosis of Livestock diseases and Zoo noses, Maintenance of Laboratory Equipment, EPI – INFO Data Management, Project Writing, Senior Management Seminar, Good Corporate Governance and Leadership and Bio-risk Management. He is a registered member of the Kenya Veterinary Board (KVB), Member of the Kenya Veterinary Association (KVA), Founder member of Kenya Veterinary Association Rift Valley Branch (KVA-RVB) and Member of the Kenya Livestock Breeders Organization (KLBO).</p>

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	<p>Dr. Seth O. Onyango-The Chief Executive Officer. Prior to this he was the Deputy CEO and Monitoring and Evaluation Officer of the Council. He has over 25years’ experience in the Livestock Sector both at field implementation, planning and policy levels. Dr. Onyango holds a PhD and a Masters’ Degree in Agricultural Economics. He has gone through a number of senior management and strategic leadership courses among others.</p> <p>He replaces Dr. Pamela Olet who was the KENTTEC Chief Executive Officer up to 31st October 2022 and left the Council on expiry of her contract.</p>
	<p>Dr. George N. Njogu- He represents the Director of Veterinary Services on the Board. He is a Veterinary Surgeon currently serving as Head of Veterinary Epidemiology and Economics Section (VEES) in the Directorate of Veterinary Services, State Department for Livestock Development in the Ministry of Agriculture and Livestock Development. He holds Bachelor of Veterinary Medicine and Master of Science Degrees, both from the University of Nairobi. He also underwent a three-month training in Clinical Technology for Veterinary Diagnosis at Hokkaido Veterinary Medical Association, Japan in addition to many other professional courses. He has a certificate in Strategic Leadership from the Kenya School of Government. He has more than 26 years’ experience of continuous service in the public sector, in the main stream civil service preceded by three years in private practice as animal Health Service provider.</p>

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Mr. Wyckliff Peter Omondi – He represents the Director General; Ministry of Health on the Board having replaced Mrs Roselyn Auma Kasati. Omondi is a Medical Parasitologist/Entomologist. Currently he is the Head, Division of Vector Borne & Neglected Tropical Diseases tasked with the responsibility of steering the control and elimination of endemic Vector Borne and Neglected Tropical Diseases in the country. Prior to this role, he headed Preventive Chemotherapy and Transmission Control Section at the NTD Program and also doubled up as the National Program Manager for Lymphatic Filariasis. He holds a Bachelor of Science degree in Botany/Zoology and a Master of Science in Applied Parasitology from the University of Nairobi. He has a wealth of experience in planning and executing mass drug administration interventions. He has coordinated and participated various operational and social studies and activities published in peer reviewed journals.



Mr. Moses Lekishon Kenana -He represents the Kenya Wildlife Service (KWS) on the KENTTEC board. Mr. Kenana is a wildlife ecologist and manager currently serving as the deputy director conservation science programs. KWS is a major stakeholder in KENTTEC because many of the protected areas are habitats for tsetse and the wild animals are reservoirs of trypanosome parasites. Mr. Kenana's presence on the board will further enhance the good collaborative working relationship between the two organizations. Mr. Kenana is currently a PhD candidate in animal ecology at Wageningen University in the Netherlands. He also holds both a Master of Philosophy and

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	<p>Bachelors of science degrees in Wildlife Management from Moi University.</p>
	<p>Dr. Dennis Onkundi-He represents the Principal Secretary for the State Department of Livestock on the KENTTEC Board. Dr.Dennis Onkundi is a Veterinary Surgeon. He is a Deputy Director of policy and Technical advisor to Cabinet Secretary of the Ministry of Agriculture and Livestock Development. He holds Bachelor of Veterinary Medicine degree from the University of Nairobi and Master of Science Degree in Biomedical Sciences, Epidemiology and economics from the Utrecht University, Netherlands with specialization in Veterinary Epidemiology, Economics and livestock breeding technology.</p>
	<p>Mr Kenneth Karani -He represents the CS of The National Treasury and Planning on the Board. He is a Deputy Director of Public Procurement in charge of the implementation of the electronic Government Procurement(e-GP) and the overall Development of Public Procurement Policy for both National and County Governments. He holds a Masters degree in Procurement and Logistics from Jomo Kenyatta University of Agriculture and Technology with a Bachelors degree of Arts (Economics and Business Administration) of Kenyatta University. Additionally, he has a post graduate diploma of the Chattered Institute of Purchasing and Supplies (CIPS), United Kingdom. He has undertaken a Strategic Leadership Development Programme and Senior Management Course of the Kenya School of Government. He is member of the Kenya Institute of Supplies Management (KISM), Kenya. He has served as a board</p>

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member at the Bomas of Kenya representing the Cabinet Secretary for the National Treasury and Planning. He has also served as the Programme Coordinator of the Public Finance Management Reforms Secretariat (PFMR) at the National Treasury in charge of coordination of Public Finance Reforms supported by our Development Partners at both National and County government. He served as the head of Procurement at the Interim Independent Electoral Commission (IIEC) during the successful referendum that culminated in the promulgation of the 2010 constitution and also deputy head of Procurement at the Ministry of Health.



Mr. Evans Makokha-He represents the Director of Livestock Production on the KENTTEC Board. He is a Deputy Director of Livestock production (DDLDP) in charge of Non-ruminants in the Directorate of Livestock Production and also a desk officer for EAC affairs. He holds a Masters Degree in Animal Science from Wageningen university The Netherlands and Bachelor of Science in Animal Production from Egerton University. He has a wide experience in management and coordination of livestock development programs. He worked in Transmara, Ijara wajir south and Mandera East sub counties before coming to the headquarter. He is a member of the Animal Production Society of Kenya (APSK)



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Mr. Ali Hassan Mohamed- Mr. Ali Hassan joined the KENTTEC Board in April 2022 as farmers' representative. Hassan brings on board a wealth of managerial experience gathered from the Livestock sector. He is an accomplished and well-experienced development professional with 38 years of practice. He has led and advised public, private and development programs in the areas of agricultural livelihood, water and sanitation, women and youth economic empowerment and entrepreneurship development. Previously he has held various employment portfolios over his career period. The most recent was his role as Portfolio Director with Kenya Market Trust (KMT). At KMT he over saw the organization's agenda of transformation and development four key sectors - Livestock, agricultural inputs, water and Dairy using markets systems development approach (MSD). He has robust experience in private sector work, political economy analysis and facilitation of public private dialogues and community level engagement. He is a member of the Kenya Institute of Management professionals and possesses certification for various skills, competencies and capacities. He holds a Bachelor of Science degree in Animal Production and Diploma in Range Management from Egerton University.

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4.MANAGEMENT TEAM

PICTURE	RESPONSIBILITY
	<p>Chief Executive Office - Dr. Seth O. Onyango is the Acting Chief Executive Officer. Prior to this he was the Deputy CEO and Monitoring and Evaluation Officer of the Council. He has over twenty-five (25) years' experience in the Livestock Sector both at field implementation, planning and policy levels. Dr. Onyango holds a PhD and a Masters' Degree in Agricultural Economics. He has gone through a number of senior management and strategic leadership courses among others.</p> <p>He replaces Dr. Pamela Olet who was the KENTTEC Chief Executive Officer up to 31st October, 2022 and left the Council on expiry of her contract.</p>
	<p>Planning and Administration-Mr. Cyrus Muiru is a Director, Economic planning in charge of Planning, Human Resources and Administration in KENTTEC. He also been in-charge of the Human Resource Department of the Council. Prior to joining KENTTEC in June 2013, Mr. Muiru had worked as the Personal Assistant to six (6) consecutive Permanent Secretaries in the Ministry of Livestock Development from 2006 to 2013.</p> <p>He holds a Master's degree in Economics from the University of Nairobi, a Bachelors degree in Economics from Kenyatta University, a Post Graduate Diploma in Human Resource Management from the Institute of Personnel Management, a Certificate in Project Planning and Implementation from Eastern and Southern Africa Management Institute (ESAMI). He has also attended Senior Management Course (SMC) and Strategic Leadership Development Programme (SLDP) from the Kenya School of Government.</p>

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Finance and Accounts-Mr. Edmund Wafula is the Head of Accounts and Finance Department. He is in charge of all the financial operations of the Council. He has previously worked with the Ministry of Cooperative Development and Agriculture and Livestock Development as an Accountant in various sections, Pan African Tsetse and Trypanosomiasis Eradication Campaign (PATTEC) African Development Bank funded project where he was the Accountant in charge.

He holds a Master's degree in Business Administration, Finance Option from Kenyatta University and Bachelors degree in Commerce from Catholic University of Eastern Africa. He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK). He has a certificate in Senior Management Course and Strategic Leadership Development Programme from the Kenya School of Government. He has more than thirty-three (33) years' experience of continuous service in the public sector, in the main stream civil service.



Procurement and Supply Chain Management -Mr. James Owuor is in charge of the Council's Procurement and Supply Chain Management. Mr. Owuor worked with Ministry of Livestock Development in Administration, Personnel, Accounts and Procurement Departments; before joining PATTEC and then KENTTEC. Mr. Owuor holds an Advanced Certificate in supplies management and a Diploma in Purchasing and Supplies Management.

He has a wealth of experience in Procurement and Supplies Chain Management in the sixteen (16) years that he has been involved in such matters.


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Surveillance and Control - Mr. Isaiah Ndaburu Kiteto is the Director of Surveillance and Control in KENTTEC. He previously served as Zoologist in-charge of KENTTEC activities in Tharaka-Nithi County for two (2) years, Regional Coordinator for Meru/Mwea Region for five (5) years, Acting Manager for Research and Innovation for one and half years and Head of Technical Services for eight (8) months. His duties and responsibilities involve initiating, developing and implementing strategies and programmes for establishing tsetse and trypanosomiasis (T&T) situation; and advising on the control mechanism. He holds a Master of Science degree in Tropical Animal Health (MSTAH) from the Institute of Tropical Medicine (ITM), Antwerp, Belgium after being awarded a scholarship from the Belgian Government through the Directorate General of Development Cooperation and a Bachelor of Science degree from Jomo Kenyatta University of Agriculture and Technology (JKUAT) having majored in Biochemistry with a minor in Zoology. He has also attended Senior Management Course (SMC) from the Kenya School of Government. During the fourteen (14) years of service, Mr. Ndaburu has undergone five (5) trainings on tsetse mapping, data management and geo-spatial analysis locally and Regionally from which he has gained skills in tsetse and trypanosomiasis mapping

Research and Collaboration – Ms. Caroline Mirieri is the Director of Research and Collaborations in KENTTEC. She holds a Masters degree in Veterinary and Medical Entomology from University of Nairobi, a Bachelors degree in Zoology from Baraton University and is currently completing her PhD from the Wageningen University in the

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	<p>Netherlands. She previously worked at the Directorate of Veterinary Services (DVS) in the Section of Vector Regulatory and Zoological Services, stationed at the Kiboko Vector Control, Training and Efficacy Trial Centre, Kiboko and the Central Veterinary Laboratories (CVL), Kabete. She has vast technical skills on vector surveillance and management and on interactions of vectors and pathogens of humans, animals and insects, from her academics and work experience. The technical skills include those in Entomology, Parasitology, Molecular Biology and Virology. In her civil service work and post-graduate studies, she has been involved with International Organizations including International Centre for Insect Physiology and Ecology (ICIPE) and the International Atomic Energy Agency (IAEA). She has also attended Senior Management Course (SMC) from the Kenya School of Government.</p>
	<p>Geographic Information System (GIS) and Data Management-Mrs. Nancy Miron is in-charge of the KENTTEC’s GIS and Data Management office and has previously worked as the Regional Coordinator KENTTEC Meru/Mwea Region. She holds a Master of Science degree in Environmental Information System from Jomo Kenyatta University of Agriculture and Technology (JKUAT) and a Bachelor’s degree in Biological Sciences from Moi University. She has also attended Senior Management Course (SMC) from the Kenya School of Government. She has a wealth of experience in Vector management, GIS and Database management from her working with the Ministry and collaborative works with local and Internal Organizations.</p>

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Regional Co-ordination, Coast - Mr. Johana Cheptoo is the KENTTEC Regional Coordinator for Coast Region. His duties include coordinating implementation of tsetse and trypanosomiasis eradication (T&T) in Coast Region. Mr. Cheptoo has been involved in Zoological functions on administration, designing, coordinating, implementation and evaluation of programmes of insect pest of veterinary importance in Nyanza Region for ten (10) years. He holds a Bachelor of Science degree in Basic Sciences (Zoology and Chemistry) from Maseno University. He has also attended Senior Management Course (SMC) from the Kenya School of Government and Corporate Governance from the Centre for Corporate Governance.



Regional Co-ordination, North Rift -Mrs. Sylvia Muthama Korir is the KENTTEC's Regional Coordinator for North Rift Region. She coordinates all the tsetse and trypanosomiasis eradication (T&T) activities in the North Rift Region. She has over ten (10) years' experience in Zoology. She holds a Master of Science degree in Environmental Studies from Masai Mara University and a Bachelor of Science degree in Zoology from the University of Nairobi. She has also attended Senior Management Course (SMC) from the Kenya School of Government.

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Regional Co-ordination, Lake Victoria - Mr. Bernard Kipkemboi Chemweno is the KENTTEC's Regional Coordinator for Lake Victoria Region. His duties and responsibilities involve coordination of KENTTEC's activities of tsetse and trypanosomiasis (T&T) eradication in the Region that covers four (4) infested counties in Nyanza, Western part of Kenya. Previously, he was the Regional Coordinator, Western Region for 3 years; Zoologist in charge of PATTEC/ KENTTEC activities in Lamu County for 3years. He holds a Bachelor of Science degree from Moi University having majored in Zoology with a minor in Botany and a member of Entomological Society of Kenya (ESK). He has also attended Senior Management Course (SMC) from the Kenya School of Government.

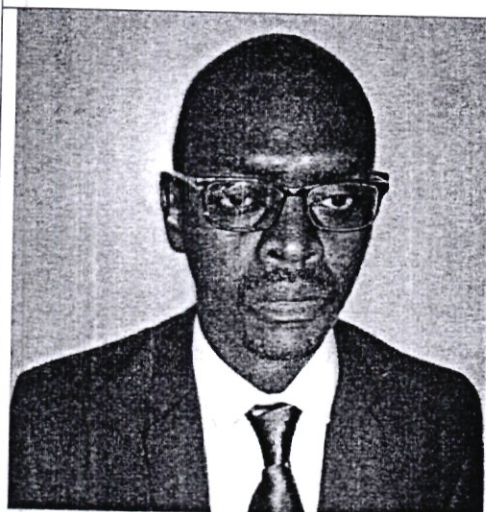


Regional Co-ordination, Meru/Mwea - Ms. Virginia Wangui Kinyanjui is the KENTTEC's Regional Coordinator for Meru/ Mwea Region. Her duties and responsibilities involve coordination of KENTTEC's activities of tsetse and trypanosomiasis (T&T) eradication in the Region that covers thirteen (13) counties in Eastern, North Eastern and Central Kenya. Before assuming his position, she was the Zoologist in charge of KENTTEC activities in Kajiado County for seven (7) years. She holds a Bachelor of Science degree from Maseno University having majored in Zoology with a minor in Chemistry.

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Regional Co-ordination, Western Region - Mrs. Agnes Ikolot Otwani is the Regional Coordinator for Western Region that was split from the larger Lake Victoria Basin Region. Her duties and responsibilities involve coordination of tsetse and trypanosomiasis eradication activities in Western Region. She has formerly worked as the Zoologist in-charge of PATTEC activities in Teso North and Teso South districts for four (4) years, Zoologist in-charge of KENTTEC activities in Busia County for two (2) years and a Regional Coordinator for Lake Victoria Region for four (4) years. She holds a Master of Science degree in Applied Parasitology from Kenyatta University and a Bachelor of Science degree from Makerere University with a Zoology major and Botany. She is a beneficiary of the Bioinnovate Women Fellowship where she gained practical experience on push-pull technology for control of tsetse and trypanosomiasis in East Africa at Gulu University, Uganda. She has also attended Senior Management Course (SMC) from the Kenya School of Government.



Regional Co-ordination, South Rift Region - Mr. John Mwangi Karuga is the Regional Coordinator for South Rift Region. He has previously worked as a Zoologist in the former Malindi District for three (3) years. On joining KENTTEC, he served at the Coast Regional Headquarters in Mombasa for six (6) years and later as a County Zoologist in Homa Bay County for five (5) years. He is in-charge of KENTTEC activities in Narok, Bomet and Kajiado Counties. He holds a Bachelor of Science degree from Egerton University having majored in Zoology and minored in Biochemistry. He has also attended Senior

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	Management Course (SMC) from the Kenya School of Government
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5. CHAIRMAN'S STATEMENT

Introduction

I am pleased to present our Annual Report and Financial Statements for the year ended 30th June 2023.

Kenya Tsetse and Trypanosomiasis eradication council (KENTTEC), was established by the government of Kenya through a Legal Notice no. 77 of July 2012 as the successor of the Pan African Tsetse and Trypanosomiasis Eradication Campaign (PATTEC) in Kenya. PATTEC was formed following Heads of states and government declaration in Lome, Togo in July 2000, AHG/Dec.156 (XXXVI) to free the African continent from the devastating effects of tsetse flies and Trypanosomiasis.

During the year there have been no significant changes within the Council, apart from the unique ability of the organization to continue maintaining its operations despite the numerous challenges that were witnessed during the period.

Tsetse transmitted Trypanosomiasis is among the greatest constraint in rural development and the major cause of poverty in many Countries including Kenya. In Kenya, the total tsetse infested area is about 138,000 Km², in 38 out of the 47 counties. The infestation denies Kenya 60% of its rangelands which would be used for production. According to World Health Organization, 60 Million people are at risk of infection with sleeping sickness spread by tsetse flies. As per the World Bank (2008) per capita indicator, 22 out of the 25 poorest countries are tsetse infested with a high prevalence of Trypanosomiasis. Tsetse infestation is a major cause of poverty hence the name "poverty insect"

I am glad to report that efforts have been made to maintain the focus on our core objectives of Tsetse and Trypanosomiasis eradication and Sustainable Land management, through improved performance and focus on efficient utilization of resources.

In the last three years, the Government has continued to commit financial resources for the eradication of Tsetse and Trypanosomiasis Kshs.222 Million 2020/2021, Kshs.152 Million FY2021/2022 and Kshs 150.25 Million during this reporting period. This has enabled us to carry out our core mandate targets of suppressing tsetse fly in the four regions namely Meru National Park, Lake Victoria, Lake Bogoria basin and Coastal region (Faza Island). However, this has not been sufficient to enable us expand to new areas that are infested by Tsetse fly.

Since the inauguration of KENTTEC, the Council has greatly reduced the tsetse fly populations and disease prevalence in 5 belts in Kenya contributing significantly to the improvement of food security by increasing acreage under crop agriculture and introduction of improved animal breeds. The council has continued to support various groups composed of women and youth to access microfinance institutions after improvement of their livestock. Promotion of Sustainable Land management is a key area KENTTEC has been promoting for the improvement of livestock breeds enhancing milk and beef production when the vector & disease are greatly reduced.

Strategy

The Board has continued to monitor the implementation of its Strategic Plan for the period 2018-2023. The FY2022/2023 work plan was extracted from this five-year strategic plan. The deliverables that were set out in the work plan and performance contract for FY 2022/2023 were however not wholly achieved because of the reduction of budgeted grants from the National government that affected most

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government agencies. Nevertheless, the Board carried out monitoring and evaluation of utilization of the grants from the Ministry and collaborative projects from The National Treasury- European

Commission support through Regional Integration Support Mechanism under the COMESA Adjustment Facility (CAF). The internal capacity continues to be strengthened to ensure effective delivery of the Board's mandate.

Corporate Governance

Strong Corporate Governance is integral to the Board's long-term success and is essential in delivering KENTTEC's strategy. The various board committees continue to play a vital role in supporting the board in discharging its duties. The Statement of Corporate Governance, included in this report, details the measures that the Board has undertaken to ensure a robust corporate governance environment. The report is in line with Mwongozo guidelines on State Corporations governance of 2015. It should be noted that the board wasn't fully constituted due to non-appointment of two (2) independent members to represent professional organizations. Nevertheless, it had the required quorate to transact its business.

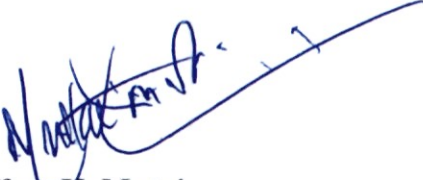
Future Outlook

The Board is actively engaged in activities aimed at increasing and sustaining the Council to meet the ever-increasing stakeholders' requirements. The Board remains committed to deepening relationships with its key partners. Further, the Board shall endeavour to develop its people, innovative and cost-effective methods of eradicating Tsetse and Trypanosomiasis.

Acknowledgement

On behalf of KENTTEC directors and staff, I express my sincere gratitude to the Government of Kenya, Ministry of Agriculture and Livestock Development, The National Treasury and Planning (RIIP), taxpayers and other stakeholders for their continued support.

Signed



Dr. Geoffrey K. Mutai
Chairman Board of Directors

Date.....12/1/2024.....

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6.REPORT OF THE CHIEF EXECUTIVE OFFICER

The continental campaign (PATTEC) was formed following the African Heads of State and Governments in 2000 in Lome, Togo declaration (Decision AHG/156 (XXXVI) of the 36th Assembly of Heads of State and Government) to free Africa from Tsetse and Trypanosomiasis constraint.

In recognition of the programme as key to food security and poverty eradication, and to enhance the PATTEC achievements, the government established the Kenya Tsetse and Trypanosomiasis Eradication Council (KENTTEC) through Legal Notice No. 77 of July 2012 under the State Corporations Act (Cap 446). The mandate is to mobilize resources, coordinate eradication of tsetse and trypanosomiasis in the country, set standards and mitigate the socio-economic constraints brought by T&T infestation. There are enormous achievements which must be sustained.

Kenya has maintained a zero report of sleeping sickness which involves sustained surveillance of humans and animals in order to protect the gains made. Tsetse densities in targeted areas like Mwea, Faza, Bogoria, Meru etc. are very low and this has boosted high productivity in dairy and crop production, thereby contributing to poverty reduction.

In the National Livestock Policy (2008), Tsetse and Trypanosomiasis eradication is identified as a priority for maximum livestock production. In addition, freeing large Tsetse and Trypanosomiasis infested areas is crucial in the achievement of the Vision 2030 Disease Free Zones flagship project and promotion of tourism through opening up of national parks to visitors. Tsetse eradication will contribute to the realization of the Sustainable Development Goals including eradication of extreme poverty, hunger and diseases and the overall achievement of the Bottom Up Economic Transformation Agenda (BETA) of the Kenya Kwanza government.

The government has been committed to the implementation of the Council's activities and has consistently provided funds in the last three financial years as evidenced by Kshs.222 Million in 2019/2020, Kshs264 Million in 2020/2021 FY and Kshs 150 Million during this reporting period of 2022/2023 FY. The funding though not adequate has enabled the Council to carry out its operations during these periods. The funds allocated helped to mitigate against the following:

- Cost of human and animal treatment,
- Death of infected human and animals,
- Loss of animal draught power, inability to plough in certain areas,
- Inaccessibility to grazing grounds,
- Low market value for affected animals,
- The resurgence of T&T in areas with zero status

To enhance capacity on T&T management, the Council, in collaboration with various Stakeholders sensitized various Stakeholders on management of tsetse and trypanosomiasis, complaints resolution and cross cutting issues that included HIV/ AIDS, Gender mainstreaming and Disability mainstreaming in the period under review. The Human African Trypanosomiasis (HAT) is endemic in the Lake Victoria Basin and its environs. During the contract period, the Council in collaboration with the Ministry of Health (MOH) and County Governments ensured that the human populations at risk of infection with sleeping sickness were continuously monitored and treated. This aimed at

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maintaining the zero status and increasing the suspicion index. To achieve this, the Council in collaboration with the County Government of Homa Bay sensitized forty-five (45) farmers on HAT in Homa Bay County and one hundred and fifty-seven (157) in western Region. During the contract period the Council also supported livestock genetic improvement and capacity development which contributed to the implementation of food security as a key result area set out in the Sustainability of Livestock Sector SLS and Sustainable Development Goals SDG.

The main challenge that affected the optimum implementation of activities during the period is the delay in release of funds by the Exchequer and the non-release of the fourth quarter Development grant totalling Kshs 18.75 Million. This impacted heavily on the delivery of services and therefore the Council did not achieve some of the targets set in the performance contract for the period

During the Financial Year 2022/2023, KENTTEC had an initial budget of Ksh.239 Million to enable her carry out planned activities of Tsetse and Trypanosomiasis Eradication in the tsetse belts. Following the presidential directive on austerity this was reduced to Kshs 169 Million. At the end of the financial year, out of the revised budget of Kshs 169 Million, the amount received was Kshs.150.25 Million grant, of which Kshs.133.25 Million was from the State Department of Crops and Livestock Development. This was composed Kshs.61.25 Million for development activities, 72 Million for recurrent and Kshs.17 Million from The National Treasury- European Commission support through Regional Integration Support Mechanism under the COMESA Adjustment Facility (CAF).



Seth O. Onyango, (PhD)
CHIEF EXECUTIVE OFFICER

Date... 12/01/2024

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**7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES
FOR FY 2022/2023**

The Kenya Tsetse and Trypanosomiasis Eradication Council (KENTTEC) has six (6) strategic objectives within the current Strategic Plan for the FY 2018- FY 2022. These strategic objectives are as follows:

1. To eradicate Tsetse and Trypanosomiasis in Kenya
2. To develop and implement policy, institutional and legal enabling environment
3. To coordinate collaboration and partnerships of stakeholders in T&T eradication
4. To support research and develop knowledge management system on Tsetse and Trypanosomiasis eradication
5. To strengthen Institutional Capacity and Resource Mobilization
6. To enhance Leadership and Integrity.

KENTTEC develops its annual work plans based on the above six strategic objectives. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Council achieved its performance targets set for the FY 2022/2023 period for its six strategic objectives, as indicated in the diagram below:

Strategic Objective/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
To eradicate Tsetse and Trypanosomiasis in Kenya	To create sustainable Tsetse and Trypanosomiasis Free Areas	Number of counties under tsetse control and sustained	Adopt, Promote and upscale the uptake of T&T eradication technologies	22 counties out of 28 in the 5 tsetse belts controlled and sustained
		T&T Maps updated	Updating of T&T Maps	National atlas being updated
		surveillance system	Develop and implement T&T surveillance system	surveillance system to be developed in the next FY

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To develop and implement policy, institutional and legal enabling environment	To develop policy, institutional and legal framework	Joined tsetse control proposals	Develop, advocate and implement T&T regional policy, institutional and legal framework in collaboration with stakeholders	Joined tsetse control project proposals developed and submitted to EAC
		Tsetse eradication Bill	Develop, advocate and implement T&T national policy, institutional and legal framework in collaboration with stakeholders	Tsetse eradication Bill developed and submitted to Parliament
		Number of counties supported	Support Development and implementation of T&T policy, institutional and legal framework in counties	22 counties supported and capacity build on Tsetse management
To coordinate collaboration and partnerships of stakeholders in T&T eradication	To develop capacity for stakeholders in T&T eradication	Number of training plans	Develop and implement training programs for stakeholders in T&T eradication	Training module for counties developed
		Number of stakeholders mobilized and trained	Sensitize and mobilize stakeholders on T&T eradication	22 counties sensitized and mobilized.
		Number of Counties supported in	Support stakeholders to mobilize resources for T&T eradication	Supported Busia County in

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		proposal development		project proposal development
To support research and develop knowledge management system on Tsetse and Trypanosomiasis eradication	To develop knowledge management system for T&T strategies	Up to date databases	Establish databases and repositories for data and knowledge on T&T	2 data base developed and maintained
		Number of papers published	b) Package, digitize and disseminate knowledge on T&T	5 papers developed and published
		Number of IEC materials developed	Develop and implement T&T dissemination pathways	IEC materials and spraying guidelines developed
		Number of training workshops on emerging ICT	Develop and implement digital platforms for sharing T&T information among stakeholders	One training workshop on emerging ICT held
To strengthen Institutional Capacity and Resource Mobilization	To enhance human Resource Capacity	Number of TNA survey	Improve employee planning and staff development for optimal workforce requirements and succession	3 TNA surveys carried out
		Number of HR instruments developed	Develop and implement human	Human Resource manual,

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			resource policies and documentations	Organization structure and career progression guidelines finalized
		Staff medical scheme in place	Establish and implement an integrated Human Resource Information Management System (HRIS)	Medical cover for Board members procured
To enhance Leadership and Integrity	To strengthen corporate governance and promote national values	Number of Board evaluation carried out	Strengthen corporate governance	Annual Board evaluation carried out
		Number of meetings held	Promote national cohesion and values	Held consultative meetings with County Government to strengthen inter and intra county relations

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		Number of sensitization workshops	Sensitization and training of staff on governance	Annual sensitization workshops held

8. CORPORATE GOVERNANCE STATEMENT

Introduction

The Kenya Tsetse and Trypanosomiasis Eradication Council is committed to the highest standards of corporate governance as set out in the State Corporations Act Cap 446 and the Public Finance Management Act, 2012 and by itself in conformity to best Practices. The Board of Directors is responsible for the long-term strategic direction and provision of services of value to the public whilst being accountable to legal compliance and maintenance of the highest corporate governance standards and business ethics.

The Board of Directors

The Board is constituted as per the legal notice No.77 of July 2012 and is responsible for drawing and implementing strategies for the success of the Council, establishing and maintaining a system of internal controls so that the objectives of the organization are met.

There is a Board charter that guides the day-to-day running of the business of the Council as delegated to the CEO who reports to the Board. The board has an oversight mandate and holds meetings as provided for in the legal notice. The notices and agenda for all board meetings are circulated on timely basis to all directors together with other relevant reports for discussion.

Composition of the Board

The Board of the Council is made up of the 11 non-executive directors; with a three-year term limit.

During the period 2022/2023 the Board had eight members out of eleven as listed in profiles on pages x-xiii of this report.

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The Council does not have a Company secretary. Chief Executive Officer has been providing secretarial services to the Board. However, a legal officer from the parent Ministry had been co-opted to serve on need basis as Secretary until the Council recruits its own.

There are appropriate policies and procedures to identify and deal with any potential conflict of interest at management and board levels. There is a conflict of interest register.

The members are provided with opportunity for training and during the year 3 members were trained on the Mwongozo guidelines on the management of State corporations. The entire Board was evaluated on their performance as per the Mwongozo Code of Governance for State Corporations of 2015.

The management of the Council has disclosed to all employees that they have the responsibility of reporting any irregularities of general, operational and financial nature to the directors or any other designated official.

Three (3) Board members retired from the public service at the end of the period and therefore ceased to be representatives of the appointing entities.

Board Meetings

The Board of Directors meet on quarterly basis or on need basis to monitor the implementation of the Council's planned activities, review them in conjunction with its financial and budgetary performance and approve issues which are strategic to Board's mandate. Specific reviews are also undertaken on operational issues and future planning.

During the period under review the Board had no substantive Chairperson following the resignation of the previous one. The Independent Director Mr Harrison Gichira presided over the Board as Chair up to the month of October 2022 when his term came to an end. Mr Ali Hassan took over to preside over as Chair upto the end of the financial year. Mrs Roselyn Kasati, Dr David Mwangangi and Dr Samuel Kasiki left the Board during the last quarter of the year and were replaced by Mr Wycliff Omondi, Dr George Njogu and Mr Lekishon Kenana respectively. During the year the Board held Seven (7) meetings one (1) of which was special.

The directors' attendance of the (Seven)7 Board meetings held during 2022/2023 is as follows;

	NAME OF DIRECTOR	DESIGNATION	NO. OF BOARD MEETINGS ATTENDED
1	Mr Harrison Gichira	Independent Member-Farmer Rep	3
2	Mr. Evans Makokha	Alternate-Director Livestock Production	7

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3	Dr.DennisOnkundi	Alternate-PS State Department t of Livestock	5
4	Dr. Samuel Kasiki	Alternate-Director KWS	6
5	Dr. David Mwangangi	Alternate-Director Veterinary Services	6
6	Mr Kenneth Karani	Alternate-CS National Treasury	7
7	Mrs Roselyn Kasati	Alternate-Director General Medical Services	6
8	Mr. Ali Hassan	Independent Member-Farmer Rep	7
9	Mr.Wycliff Omondi	Alternate-Director General Medical Services	1
10	Dr.GeorgeNjogu	Alternate-Director Veterinary Services	1
11	Mr.LekishonKenana	Alternate-Director KWS	1

Board Committees

The composition of the board committees was set up in compliance with the Mwongozo Code of conduct for State Corporations of 2015.

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Audit Committee

The Audit Committee is guided by an Audit Charter that specifies the qualifications, responsibilities and procedure of the committee. It meets on quarterly basis and comprises of 4 non-executive members of the Board who are independent of the day-to-day management of the Council's operations.

The following were the members of the committee;

1. Mr. Harrison Gichira/Kenneth Karani - Chairperson
2. Dr. Samwel Kasiki-Member
3. Dr. Dennis Onkundi-Member

The Head of Internal Audit is the secretary to the committee.

The Committee:

- Considers the appropriateness of the company's accounting policies and procedures.
- Monitors and assess the role and effectiveness of the internal audit function.
- Reviews procedures to manage financial and operational risks;
- Responsible for Internal Audit and risk management programs.

The committee managed to hold 3 meetings during the FY 2022/2023

F	NAME OF DIRECTOR	DESIGNATION	NO. OF COMMITTEE MEETINGS ATTENDED
1	Mr. Harrison Gichira/Kenneth Karani-Chairperson	Independent /Alt Director-TNT	3
2	Dr Samuel Kasiki	Alt Director-KWS	3
3	Dr Dennis Onkundi	Alt Director-PS	3

Technical Committee

This Committee meets on quarterly basis or as required to review the Technical operations (Tsetse control mechanisms) of the Council and recommend for Board approval policies, standards and quarterly performance reports for T&T control.

The Committee was comprised of the following directors:

1. Dr Samuel Kasiki- Chairperson
2. Mrs. Roselyne Kasati
3. Dr. David Mwangangi
4. Mr Evans Makokha

The head of Surveillance and Control is the secretary to the committee.

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During the period under review the Committee managed to hold 3 meetings as follows;

F	NAME OF DIRECTOR	DESIGNATION	NO. OF COMMITTEE MEETINGS ATTENDED
1	Dr. Samuel Kasiki-Chairperson	Alt Director-KWS	3
2	Mrs Roselyn Kasati	Alt Director-MOH	3
3	Dr David Mwangangi	Alt Director-DVS	3
4	Mr Evans Makokha	Alt Director-DLP	3

Finance and Administration Committee

This Committee was set up to assist the board in matters of Finance and Administration. The committee meets on a quarterly basis to advise the Council on all matters pertaining to administration and financial performance.

The committee is composed of the following directors:

1. Mr. Kenneth Karani-Chairperson
2. Mrs. Roselyne Kasati-Member
3. Dr David Mwangangi-Member
4. Mr. Ali Hassan-Member

The committee had 7 meetings during the year.

F	NAME OF DIRECTOR	DESIGNATION	NO. OF COMMITTEE MEETINGS ATTENDED
1	Mr Kenneth Karani	Alt Director-TNT	7
2	Mrs Roselyn Kasati	Alt Director-MOH	7
3	Dr David Mwangangi	Alt Director-DVS	7
4	Mr. Ali Hassan	Independent-Farmer Rep	7

Human Resource and Strategy Committee

The Human Resource and Strategy committee mandate is to handle the human resource issues and strategic direction of the Council, which had been hitherto handled by the Human Resource Finance and Administration Committee. During the financial year 2022/2023 the committee held 7 meetings and attendance was as follows;

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F	NAME OF DIRECTOR	DESIGNATION	NO. OF COMMITTEE MEETINGS ATTENDED
1	Mr. Ali Hassan	Independent-Farmer Rep	7
2	Mr. Evans Makokha	Alt Director-DLP	7
3	Mr Harrison Gichira	Independent Member-Farmer Rep	3
4	Mr. Dennis Onkundi	Alt Director-PS	4

Risk Management

The Board has a number of arrangements in place intended to identify and manage areas of significant strategic or financial risk. These include:

- (i) Procedures to consider and approve the strategic direction of KENTTEC;
- (ii) Detailed and regular budgetary, financial and management reporting;
- (iii) Procedures to manage financial and operational risks;
- (iv) Clear organisational structure, procedures, manuals and policies, including delegation policies;
- (v) Internal Audit and risk management programs.

This is designed to provide an enterprise wide risk management methodology which incorporates risk identification, analysis, assessment, treatment and monitoring/review of a wide range of risk and compliance issues including external environment, process risk and decision-making risks.

Risk management is overseen by the Audit Committee.

Ethical Standards

The Directors subscribe to the need for continued maintenance of the highest standards of Corporate Governance practices and ethical conduct by all Directors, Senior Management and employees of KENTTEC. All Directors, Management and employees are expected to act with utmost integrity and objectivity in their dealings with each other, including the public and the communities, aiming at all times to enhance the reputation and performance of the Council.

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KENTTEC has adopted a Code of Conduct which sets standards of behaviour required of all employees including requirements to:

- (i) Ensure all staff are aware of and comply with the spirit and letter of their obligations under the applicable Acts, Regulations and Rules which apply to Council;
- (ii) Act properly and efficiently in pursuing the objectives of KENTTEC;
- (iii) Avoid situations which may give rise to a conflict of interests;
- (vi) Maintain confidentiality in the affairs of the Council and its clients; and
- (vii) Be absolutely honest in all professional activities

These standards are regularly communicated to staff and Directors and are accepted and agreed to by all.

Corporate Communication

Management processes are in place to ensure that all material matters which may potentially require attention are promptly reported to the Chief Executive Officer through established reporting lines. Matters reported are assessed, and dealt with appropriately.

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9.MANAGEMENT DISCUSSION AND ANALYSIS

Operational and financial Performance

The period under review was characterized by delays in disbursement of both the Recurrent and Development funds from the Exchequer. The reduction of the Development grant and non-remittance of the fourth quarter allocation impeded on the implementation of several technical activities envisaged in the approved Work Plan and Budget for 2022/2023 FY and in the approved Performance Contract (PC) for 2022/2023 FY. The mode of service delivery is largely leveraged on collaboration with Stakeholders.

During the Financial Year 2022/2023, KENTTEC had an approved a budget of Ksh222 Million to enable it carry out planned activities of Tsetse and Trypanosomiasis Eradication in the tsetse belts. However, the budget was reduced to Kshs.152 Million which was a reduction of the Development grant by Kshs.70Million. This to an extent significantly affected the Council's operations during the financial year under review. As a result, some of the performance targets that had been set were not realised.

At the end of the financial year, the Council had received a total of Kshs.150.25 Million. The State Departments of Crops and Livestock Development disbursed Kshs 133.25 Million of which Kshs.61.25 Million was for Development activities and Kshs.72 Million for recurrent expenses. The National Treasury- European Commission support through Regional Integration Support Mechanism under the COMESA Adjustment Facility (CAF)disbursed Kshs 17 Million for the Regional Integrated Implementation Programme (RIIP).

During the financial year 2022/2023, out of the total revenue of Kshs 150,250,000realised, the Council incurred a total expenditure of Kshs 176,829,698hence reporting a deficit of Kshs.25,204,736 as compared to the last years' deficit of Kshs.843,421. This is attributed to the non-release of Kshs 18,750,000 development grant from the State Department for Livestock which amount an AIE had been issued and commitments entered. This affected the Council's bottom line which had an impact on the accumulated surplus balance sheet figure to Kshs.135,816.

The employee cost for the period was Kshs.23, 631,468 as compared to Kshs.21,430,983. This attributed to the payment of gratuity to the former CEO which was not there during last year. The amount spent on Use of Goods and Services was kshs127,557,345 as compared to Kshs. 220,389,453 during the previous period. This was due a reduction in operations of field Tsetse eradication activities as compared to similar period.

There was no expenditure on Contracted Services as compared to an expenditure of Kshs. 5,000,000in the previous year on consultancy works for the installation of Tsetse targets in the Nyanza region Ruma National Park Homabay County and Lake Bogoria region.

The cost of Specialised Materials for Tsetse control for the period was Kshs.57,205,470 as compared to Kshs. 119,774,249 for the previous period. This is attributed the reduction in the Development Budget during the period. Included in the expenditure amount for pending bills totalling Kshs 10,709,000 incurred on procurement of materials.

10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The Council's main purpose is to transform lives. This is the driving force behind its operations and what guides in the delivery of the strategies that are in place. Putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

i) Sustainability strategy and profile

In order to address sustainability appropriately, the Council has taken critical steps:

The Council's strategies in the eradication of T&T and the sustainability efforts are aligned. This is to minimise divergence, which would otherwise make the sustainability efforts fragile, lacking real commitment and prioritization. For a "Sustainable Living" the organization is focused on waste reduction, resource efficiency, sustainability innovation in its operational methodologies. The innovation of Tsetse eradication tools like the Tiny targets and the pull and push method is geared towards reducing the dependence on the traditional methods that are expensive and unsustainable.

The Council's operations are following regulations of waste management, pollution and energy efficiency as well as human rights and labour responsibility.

In order for the Council to achieve its goals it ensures transparency through open communications with all key stakeholders built on high levels of information disclosure, clarity, and accuracy as well as an openness to recognizing faults and improving practices.

The Council engages the Board which plays an active and strong role in sustainability. The Board of the Council plays a critical role in collaborations with key stakeholders such as the government and other Organizations.

ii) Environmental performance

The Board encourages responsible environmental management including undertaking projects to manage or reduce the environmental impact of KENTTEC's field operations. The council developed an Environmental policy according to the EMCA ACT 387, that guides the implementation of Tsetse eradication programs. KENTTEC environmental policy provides for evidence-based management, policy formulation and implementation based on tangible evidence and information, scientific data, results of scientific research, and popular or grassroots knowledge as the basis of decision-making. The council has established indicators and reporting systems that allow for knowing and objectively comparing the environmental impact of the various activities

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of the council, classifying them and allowing for the traceability thereof, in order to be able to use such information efficiently in the decision-making process. Precautionary principle is applied in cases where there is a lack of scientific certainty as to the likelihood, magnitude, or causation of a potentially negative environmental impact.

As part of corporate social responsibility, the council provides and trains stakeholders on the best practices in usage of insecticides, animal husbandry and improvement of their livestock especially in the tsetse freed areas. In order that an output from our operation is mitigated, the council conducts annual environmental audits to align the implementation of the Tsetse control programs with the requirements of the Environmental Management and Conservation ACT 387. The national Environmental protection agency (NEMA) provides guidelines and framework/checklist to MDAs for environmental sustainability; audit report preparation consistent with the provisions of EMCA, ACT 387.

iii) Employee welfare

There is an established human resource policy that defines the relationship between the Council and its employees on a wide range of issues such as training, recruitment, staffing, performance appraisal and staff benefits. The Council considers the gender ratio whenever hiring employees at whichever level. The employees are appraised on an annual basis and are accorded training in order to improve on their skills.

iv) Market place practices-

a) Responsible competition practice.

The Council has set out the values and principles within the Organisation and the practical steps to deal with instances of corruption within the institution. The Council has an Anti-Corruption Committee in place that is responsible for anti-corruption policies and there is a whistle blowing mechanism in which corruption can be reported.

In order to ensure fair competition and respect for competitors, the Council has a structured collaboration mechanism for partnering with the competitors in the Tsetse and Trypanosomiasis Eradication activities.

b) Responsible Supply chain and supplier relations

In order to be fair during the bidding process, the Government, through the Public Procurement Oversight Authority (PPOA) has established guidelines for selecting a contractor for supply of goods/services. These guidelines include the hiring of minority

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owned companies which include Youth and female owned companies. To maintain good business, practice the Council ensures that these guidelines are followed to provide all contractors and their companies fair treatment when being considered for a contract. The management ensures that the procurement process is fair and impartial, and not influenced by outside parties. The Contracts are entered into against availability of budget provisions hence timely payment of the suppliers.

c) Responsible marketing and advertisement

In order for the Council to remain effective in its marketing strategy it has to consistently abide by certain ethical principles. By focusing on ethical marketing to be able to maximise customer (farmers) satisfaction and maintain consumer trust and our credibility as an institution tasked with the eradication of T&T. The Council in this regard ensures that:

Transparency whenever it is marketing a product or service to its customers, including key information about its safety and effective use.

It protects Consumer Data and Privacy-Consumers are becoming increasingly concerned about entrusting their personal data with third parties. For this reason, it's important to emphasise the Council's commitment to consumer privacy.

We respond meaningfully to consumer concerns about a product or service, then and always seek to protect consumer rights and immediately investigate any complaint from the stakeholders.

We ensure that our marketing strategy try to benefit as many people as possible while creating as little harm or cost as possible. This is to make an overall and lasting positive impact to the communities that we serve.

d) Product stewardship

In order to safeguard consumer rights and interests the Council sensitises the communities in the areas of operation on its services and the approaches from time to time.

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v) Corporate Social Responsibility / Community Engagements

KENTTEC recognizes the importance of trust as a critical foundation of a successful and sustainable collaboration with its stakeholders and have worked to foster trusting relationships with all its stakeholders. Diversity is of importance across all levels of our collaborations and act on any feedback that improves our output. Through a broad range of community initiatives, charitable giving and continued awareness creation on tsetse and trypanosomiasis eradication, animal husbandry, breed improvement and environmental conservation. However, during the period the Council did not carry out any CSR activity due to budgetary constraints.

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11.REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their report together with the financial statements for the year ended June 30th,2023 which disclose the state of affairs of the Council.

The main objective of the council is;

To advice the government on the policy of Tsetse and Trypanosomiasis eradication in Kenya and its implementation.

Results

The results of the council for the year ended June 30th, 2023 are set out on page 1.

Directors

The members of the Board of Directors who served during the year are shown on page x-xiii. There was no substantive chairman of the Board during the period. An Independent Director Mr Harrison Gichira presided over the Board as Chair up to the month of October 2022 when his term came to an end. Mr Ali Hassan took over to preside over as Chair up to the end of the financial year. Mrs Roselyn Kasati, Dr David Mwangangi and Dr Samuel Kasiki left the Board during the last quarter of the year and were replaced by Mr Wycliff Omondi, Dr George Njogu and Mr Lekishon Kenana respectively.

Dividends/Surplus remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The Council did not record surplus and is not a regulatory organization.

Auditors

The Auditor General is responsible for the statutory audit of the Council in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board


**Seth O. Onyango, (PhD)
CHIEF EXECUTIVE OFFICER**

Date...12/01/2024.....

**KENYA TSETSE AND TRYPANOSOMIASIS ERADICATION COUNCIL (KENTTEC)
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12. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 14(3) of the State Corporations Act, requires the Directors to prepare financial statements in respect of The Kenya Tsetse and Trypanosomiasis Eradication Council (KENTTEC) which give a true and fair view of the state of affairs of the Council at the end of the financial year/period and the operating results of the organization for that year ending 30th June 2023. During the period under review, the Council has kept proper accounting records which disclose with reasonable accuracy the financial position of the Council and the assets of the organization have been properly safeguarded.

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

The Directors accept responsibility for the Council'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) Accrual, and in the direct manner required by the PFM Act and the State Corporations Act. The Directors are of the opinion that the Council's financial statements give a true and fair view of the state of entity's transactions during the financial year ended 30th June, 2023, and of the Council's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Council 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 Council's financial statements were approved by the Board on 25th/9/2023 and signed on its behalf by:


DR. GEOFFREY K. MUTAI
CHAIRPERSON OF THE BOARD


DR. SETH O. ONYANGO
ACCOUNTING OFFICER

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON KENYA TSETSE AND TRYPANOSOMIASIS ERADICATION COUNCIL FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Tsetse and Trypanosomiasis Eradication Council set out on pages 1 to 31, which comprise of the statement of financial position as at 30 June, 2023, and the statement of financial

performance, statement of changes in net assets, statement of cash flows and the 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 Tsetse and Trypanosomiasis Eradication Council as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Kenya Tsetse and Trypanosomiasis Eradication Council Order, 2012 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget of Kshs.169,000,000 while the actual revenue realised is Kshs.150,250,000 resulting in an underfunding of Kshs.18,750,000 representing 11% of the budget.

The underfunding may have impacted negatively on the delivery of goods and services to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

and Effectiveness in Use of Public Resources, 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

Lack of Gender Diversification in the Board Composition

During the year under review, examination of the financial statements provided for audit revealed that under the Corporate Governance Statement and minutes of the Board meeting reflected that the Board of the Council had eight (8) Non-Executive Directors out of which only one member was a female. This was contrary to the first governance principles of Mwongozo guidelines which states that the composition of the Board and size of the Board should provide a diversity of gender, competencies and skills required for the effective leadership of the organisation.

In the circumstances, the Council was in breach of Mwongozo guidelines.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 4000. The Standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

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

Basis for Conclusion

1. Under Staffing of the Council

Review of human resource records provided for audit revealed that the Council has an approved staff establishment of two hundred and sixteen (216) staff against forty-one (41) staff members in post thus resulting in an overall under establishment of one hundred and seventy-five (175) personnel. In addition, field visits to the regional offices revealed that the staff deployed to those regions are not commensurate to the area covered therefore hampering services delivery in the eradication of Tsetse Fly and Trypanosomiasis. This is contrary to the approved staff establishment.

In the circumstances, the Council lacked the requisite staffing levels to be able to run the day-to-day activities thereby adversely affecting delivery of its mandate as stipulated by law.

2. Lack of Sustained Suppression and Control Efforts

Analysis of the Animal African Trypanosomiasis Prevalence in Ruma National Park as detailed in the 4th Quarter technical reports revealed inadequate sustained suppression and control efforts in eradication of Tsetse and Trypanosomiasis as detailed in the trend analysis report between the years 2006 and 2022. The trend analysis report provided for audit revealed that the Council had managed to suppress Animal African Trypanosomiasis in the year 2018 to 0% prevalence which was however followed by a resurgence in the subsequent years to a high of 13.03% in the latest survey carried out in the year 2022. Inquiry from the regional coordinators revealed that the resurgence was due to inconsistencies in implementation of Tsetse and Trypanosomiasis eradication strategies due to inadequate funding.

In the circumstances, the Council could not implement sustainable strategies to eradicate Tsetse and Trypanosomiasis.

3. Lack of Baseline Surveys and Non-Servicing of Targets

During the year under review, analysis of the work plan provided for audit, revealed that the Council had planned to undertake Entomological and Epidemiological baseline surveys in Tana River County as per the approved work plan for financial year 2022/2023. In addition, during the field verification to the Regional Offices carried out in the month of November, 2023 to the Lake Victoria North and South Coast, it was noted that where Tsetse Fly cases were prevalent and Tsetse targets were erected to reduce the flies, these targets were not effective as they were overdue for servicing. However, discussion with the regional coordinators revealed that the same was not done due to lack of funding.

In the circumstances, the Council was not able to adequately realize the objective of eradicating Tsetse and Trypanosomiasis in the country.

4. Lack of Developed Financial Working Framework with Primary Collaborators

During field verification exercise carried out in the month of November, 2023 to the North Coast, South Coast, Lake Victoria and Western Regions it was noted that the Council plays a critical role in eradication of Tsetse and Trypanosomiasis in National Parks and Conservancies like Shimba Hills and Ruma National Park which are under the Kenya Wildlife Services (KWS). The KWS is mandated to promote and undertake extension service program intended to enhance wildlife conservation. However, there is no approved working framework with a view of incorporating specific budget lines to supplement the Council in eradication of Tsetse and Trypanosomiasis between the Council and the Kenya Wildlife Services and other stakeholders like the County Government despite Agriculture being a devolved function.

In the circumstances, the Council mandate on eradication of Tsetse and Trypanosomiasis was not comprehensively addressed.

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

Responsibilities of Management and the Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal 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 controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Council's ability to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of intention to terminate the Council 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 Council's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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


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

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

- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Council 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 Council to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Council to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 April, 2024


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**14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
30TH JUNE 2023.**

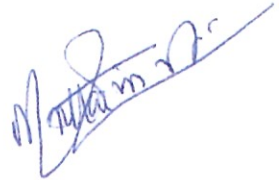
Revenue from Non-exchange Transactions	Notes	2023/2023	2021/2022
		Kshs.	Kshs.
Transfers from Ministries Departments and Agencies (MDAs)	6	133,250,000	252,000,000
Transfers from other Government Agencies	6	17,000,000	12,000,000
Other incomes	7	-	3,000
Public Donations and Contributions	8	-	11,130,117
Total revenue		150,250,000	275,133,117
Expenses			
Use of Goods and Services	9	127,557,345	220,389,453
Employee Costs	10	23,631,468	21,430,983
Board Expenses	11	6,906,205	9,944,550
Depreciation Expense	12	12,232,384	14,035,228
Repairs and Maintenance	13	5,127,334	5,176,324
Contracted services	14	-	5,000,000
Total expenses		175,454,736	275,976,538
Surplus before tax		(25,204,736)	(843,421)
Taxation		-	-
Surplus for the period		(25,204,736)	(843,421)
Remission to National Treasury		-	-
Net Surplus for the year		(25,204,736)	(843,421)

Notes from page 8 to 28 form an integral part to these Financial Statements

The Financial Statements set out on pages 1 to 7 were signed on behalf of the Board of Directors by

Signed: 
Seth O. Onyango (PhD)
ACCOUNTING OFFICER

Signed: 
Mr. Edmund O. Wafula
ICPAK M/No.8276
HEAD OF FINANCE

Signed: 
Dr. Geoffrey K. Mutai
CHAIRMAN OF THE
BOARD

Date: 12/01/2024

Date: 12/1/2024

Date: 12/1/2024


**KENYA TSETSE AND TRYPANOSOMIASIS ERADICATION COUNCIL (KENTTEC)
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30TH JUNE 2023**


15. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2023.

	Notes	2022/2023 Kshs.	2021/2022 Kshs.
Assets			
Current assets			
Cash and cash equivalents	15	405,918	6,544,157
Prepayments	17	309,329	420,678
Total Current Assets		715,247	6,964,835
Non-current assets			
Property, plant and equipment	21	18,602,804	27,904,769
Intangible Asset	22	7,450,624	-
Total Non-Current assets		26,053,428	27,904,769
Total assets		26,768,675	34,869,604
Liabilities			
Current liabilities			
Provision for Audit fees	18	1,160,000	1,740,000
Retention Money	19	-	632,231
Payables	16	12,028,432	-
Total Current liabilities		13,188,432	2,372,231
Total liabilities		13,188,432	2,372,231
Net assets			
Accumulated surplus		135,816	32,497,373
Revaluation reserve	20	13,444,427	-
Total Net Assets		13,580,243	32,497,373
Total Net Assets and Liabilities		26,768,675	34,869,604

The Financial Statements set out on pages 1 to 7 were signed on behalf of the Board of Directors by:

Signed: 
Seth O. Onyango (PhD)
ACCOUNTING OFFICER

Signed: 
Mr. Edmund O. Wafula
ICPAK M/No.8276
HEAD OF FINANCE

Signed: 
Dr. Geoffrey K. Mutai
CHAIRMAN OF THE
BOARD

Date: 12/01/2024

Date: 12/1/2024

Date: 12/1/2024

KENYA TSETSE AND TRYPANOSOMIASIS ERADICATION COUNCIL (KENTTEC)
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16. STATEMENT OF CHANGES IN NET ASSETS AS AT 30TH JUNE 2023.

	Revaluation Reserve	Accumulated surplus	Total
	<u>Kshs.</u>	<u>Kshs.</u>	<u>Kshs.</u>
Balance as at 1st July, 2021	-	33,759,344	33,759,344
Surplus/(deficit) for the period	-	(843,421)	(843,421)
Prepayments	-	(418,551)	(418,551)
Balance as at 30th June, 2022	-	32,497,372	32,497,372
Balance as at 1st July, 2022	-	32,497,372	32,497,372
Surplus/(deficit) for the period	-	(25,204,736)	(25,204,736)
Prepayments	-	(420,674)	(420,674)
Plant, Property and Equipment (Derecognition of Building NBV)	-	(6,736,146)	(6,736,146)
Plant, Property and Equipment (Revaluation NBV)	13,444,427	-	13,444,427
Balance as at 30th June, 2023	13,444,427	135,816	13,580,243

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17. STATEMENT OF CASHFLOWS AS AT 30TH JUNE 2023.

Cashflows from operating activities	Notes	2022/2023	2021/2022
Receipts		Kshs.	Kshs.
Transfers from Ministries Departments and Agencies (MDAs)	6	133,250,000	252,000,000
Transfers from other Government Agencies	6	17,000,000	12,000,000
Other incomes	7	-	3,000
Public Donations and Contributions	8	-	11,130,117
Total Revenue		150,250,000	275,133,117
Payments			
Use of Goods and Services	9	127,557,345	220,389,453
Employee costs	10	23,631,468	21,430,983
Board Expenses	11	6,906,205	9,944,550
Repairs and Maintenance	12	5,127,334	5,176,324
Contracted services	13	-	5,000,000
(Increase)/Decrease Provision for Audit fees	18	580,000	-
(Increase)/Decrease in Retention Money	19	632,231	(632,231)
(Increase)/Decrease in Trade payables	16	(12,028,432)	-
Increase/(Decrease) in Prepayments	17	309,329	420,678
Total expenses		152,715,480	261,729,757
Net cashflows from operating activities		(2,465,480)	13,403,360
Cash flows from investing activities:			
Purchase of property, plant, equipment Intangible Assets	22	(1,996,368)	(11,149,269)
		(1,676,391)	-
Net cashflows used in investing activities		(3,672,759)	(11,149,269)
Net increase/(decrease) in cash and cash equivalents		(6,138,239)	2,254,091
Cash and cash equivalents at 1 st July, 2022	15	6,544,157	4,290,066
Cash and cash equivalents at 30th June 2023	15	405,918	6,544,157

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18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 30TH JUNE 2023

F		Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of Utilisation
		2022/2023	2022/2023	2022/2023	2022/2023	2022/2023	
		KShs.	KShs.	KShs.	KShs.	KShs.	
1	Revenue						
	Transfers from Ministries Departments and Agencies (MDAs)	222,000,000	(70,000,000)	152,000,000	133,250,000		88
	Transfers from other Government Agencies	17,000,000	-	17,000,000	17,000,000	-	100
	Total income	239,000,000	(70,000,000)	169,000,000	150,250,000	-	89
				-			
2	Expenses						
	Use of Goods and Services						
	(i) Domestic travel and subsistence costs	47,340,160	(22,000,000)	25,340,160	25,195,863	144,297	99
	(ii) Specialized Materials other Supplies	77,264,800	(20,500,000)	56,764,800	57,205,470	(440,670)	101
	(iii) Printing, advertising and other information costs	5,000,000	(4,200,000)	800,000	837,964	(37,964)	105
	(iv) Office Rent	21,840,000	-	21,840,000	22,146,192	(306,192)	101
	(v) Foreign Travel Costs	3,000,000	(300,000)	2,700,000	2,622,458	77,542	97
	(vi) Training and capacity Building Expenses	2,481,040	(1,200,000)	1,281,040	1,261,440	19,600	98
	(vii) Audit Fees	1,160,000	-	1,160,000	1,160,000	-	100
	(viii) Hospitality Expense	1,600,000	-	1,600,000	1,652,520	(52,520)	103

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	(ix) General expenses	6,500,000	-	6,500,000	6,508,384	(8,384)	100
	(x) Bank Charges	150,000	-	150,000	121,004	28,996	81
	(xi) Fuel Cost	8,000,000	(2,000,000)	6,000,000	6,333,217	(333,217)	106
	(xii) Telephone and Courier expense	3,300,000	(300,000)	3,000,000	3,003,831	(3,831)	100
	(xiii) Insurance Cost	850,000	(450,000)	400,000	398,331	1,669	100
3	Employee costs	25,354,000	-	25,354,000	23,631,468	1,722,532	93
4	Board expenses	10,000,000	(2,660,000)	7,340,000	6,906,205	433,795	94
5	Contracted Services	4,500,000	(4,500,000)	-	-	-	0
6	Repairs and Maintainance	6,000,000	(890,000)	5,110,000	5,127,334	(17,334)	100
7	Total expenditure	224,340,000	(59,000,000)	165,340,000	164,111,681	1,228,319	99
8	Surplus for the period	14,660,000	(11,000,000)	3,660,000	(13,861,681)	(1,228,319)	
9	Capital Expenditure	14,660,000	(11,000,000)	3,660,000	3,672,759	(12,759)	100

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Reconciliation of Total expenditure in financial performance with Statement of comparison.

Expenditure as per statement of Comparison of budget and Actuals	164,111,681
Add: Depreciation Expense	12,232,384
Prepayment	(309,329)
Provision Audit Fees (2022/2023)	(580,000)
Expenditure as per the Statement of Financial Performance	175,454,736

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19. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Kenya Tsetse and Trypanosomiasis Eradication Council (KENTTEC) is established by and derives its authority and accountability from Legal Notice of July 2012. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to eradicate Tsetse and Trypanosomiasis in Kenya.

2. Statement of compliance and basis of preparation

The financial statements have been prepared on a historical cost basis except for measurement at revalued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimate 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 KENTTEC's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of KENTTEC.

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.

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 41:	Applicable: 1st January 2023:
Financial Instruments	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

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	<p>users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>(Not relevant hence no impact)</i></p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of 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>Relevant but no significant impact since staff are deployed from parent ministry and a few on short term contract.</p>

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<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial 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> <p><i>(Not relevant hence not applicable)</i></p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p> <p>No impact.</p>

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>Relevant but not effected</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>(Not relevant hence no impact)</i></p>

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2022/2023.

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4. Summary of significant accounting policies

(a) Revenue recognition

(i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities have been measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) and that the transfer was free from unjust conditions and the economic benefits or service potential, related to the asset accrued to the entity and was measured reliably.

(ii) Revenue from Exchange Transactions

Sale of goods/Services

Revenue from the sale of goods/services is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods/service 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 entity. The council does not have revenue from Exchange Transactions.

Grants from Donors

Grant revenues from donors are recognized on obtaining control of the asset (cash, goods, services and property) and that the transfer was free from unjust conditions and the economic benefits or service potential, related to the asset accrued to the entity and was measured reliably.

b) Budget information

The original budget for FY 2022-2023 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional/reduced appropriations are added/reduced to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded revised appropriations of Kshs.70 million on the 2022-2023 budget.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 13 of these financial statements.

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c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. All the repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. Depreciation is charged fully in the year of acquisition.

Depreciation on Property, plant equipment has been charged on straight line basis as follows:

Buildings	2.5%
Furniture, fixtures, fittings	12.5%
Computers and Accessories and office equipment	33.3%
Motor Vehicles and Cycles	20.0%
Machinery	20.0%
Intangible	33.3%

d) Intangible assets

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

The useful life of the intangible assets is assessed as either finite or indefinite.

e) Inventories

Inventories of Specialised tsetse materials used shall be recognised as an expense in the period in which they are issued and consumed. According to IPSAS 12 on inventories, a public sector entity may hold inventories that embody future economic benefits or service potential that will be distributed at no or at a nominal charge. As a consequence, its future economic benefit or service potential does not reflect the future potential to generate future cash inflows for the entity. In this case these goods are valued at replacement or estimated replacement cost, depending on the fact that the future economic benefit or service potential can be acquired or not in the market.

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f) Nature and purpose of reserves

The Council creates and maintains reserves in terms of specific requirements. A revaluation reserve was created to hold the Net Book Value amounts of the Assets. Revalued during the period.

g) Changes in accounting policies and estimates

The Council recognises changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

h) Employee benefits

Retirement Benefit Plans

The Council did not provide for retirement benefits for its employees since the current staff have been deployed from the parent Ministry and a few are on Short Term Contract.

i) Related parties

The Council regards a related party as a person or an entity with the ability to exert control individually or jointly, to exercise significant influence over the entity, or vice versa. Members of key management are regarded as related parties and comprises of; the Board members, Chief Executive Officer and senior Officers of the Council.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, at the end of the financial year.

k) Comparative figures

Comparative figures for the previous financial year 2021/2022 are shown in the financial statements.

l) Subsequent events

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

m) Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where there is expected some or all of a provision to be reimbursed, for example,

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under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

n) Contingent liabilities

The directors evaluate the status of any exposures on a regular basis to assess the probability of the entity incurring related liabilities. However, provisions are only made in the financial statements where, based on the directors' evaluation, a present obligation has been established.

o) Leases

For operating leases, lease payments (excluding costs for services such as insurance and maintenance) are recognized as an expense on a straight-line basis.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

- a) The condition of the asset based on the assessment of experts employed by the Council.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.

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- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note No.18. Provisions (Provision for Audit Fees) are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date.

6. (a) Transfers from Other Government Agencies

Description	2022/2023	2021/2022
	Kshs	Kshs
Unconditional grants		
Grant for Collaborative Tsetse activities (Regional Integration Implementation Programme (RIIP))	17,000,000	12,000,000
Total Unconditional Grants	17,000,000	12,000,000
Conditional grants	-	-
Total government grants and subsidies	17,000,000	12,000,000

(b) Transfers from Ministries, Departments and Agencies

Name of Entity Sending Grant	Amount Recognised to the Comprehensive income	Amount deferred under deferred income	Amount recognised in capital fund	Total Grant income during the year 2022/2023	2021/2022
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
State Department of Crops and Livestock Development	133,250,000	-	3,672,759	133,250,000	252,000,000

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7. Other Incomes

	2022/2023	2021/2022
	Kshs	Kshs
Sale of Tender documents	-	3,000
Total	-	3,000

8. Public Donations and Contributions

Description	2021/2022	2021/2022
	KShs	KShs
ICIPE-ICTLD Program	-	578,804
COMBAT Program	-	10,551,313
Total transfers and sponsorships	-	11,130,117
Reconciliation of public contributions and donations		
Balance unspent at beginning of the year	-	-
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions to be met - remain liabilities	-	-

9. Use of Goods and Services

	2022/2023	2021/2022
	Kshs.	Kshs.
Subsistence Allowances for officers' field Travel	24,118,863	46,928,196
Travel Cost	1,077,000	1,746,320
Printing publicity and Advertising Expenses	837,964	2,101,238
Office Rent and Utilities	22,146,192	21,843,253
Foreign Travel	2,622,458	626,092
Training Expenses and Capacity Building	1,261,440	2,356,900
Hospitality expenses	1,652,520	772,468
Bank charges	121,004	94,766
Telephone, Courier and Internet Expenses	3,003,831	4,474,335
Fuel and oil	6,333,217	7,078,226
Office Stationery	4,946,755	3,950,370
General office expenses (Headquarters and five regions)	1,561,629	1,328,190
Insurance Cost	89,002	412,543
Public Donations and Contributions (Borehole for Community)	-	6,322,307

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Provision for Audit Fees		
	580,000	580,000
Specialized Tsetse Materials and Other supplies:		
Deltamethrine 5%	3,399,200	7,470,000
Tsetse Odours	6,800,000	10,519,389
Alphacypermethrin 10%	2,236,500	7,198,200
Diminazene Aceturate	2,936,000	2,975,000
Acetone GPR	2,900,000	1,690,250
Impregnated Treated Tsetse Targets	29,466,720	42,346,010
Tsetse Biconical traps	-	2,870,000
Flumethrine 1%	2,398,500	4,340,700
Flumethrine 2%	-	8,099,000
Sexed semen	-	852,000
Laboratory Reagents and other lab materials	1,407,500	10,787,320
Cleaning Material	1,496,050	2,996,380
Livestock Protective fences	1,440,000	7,400,000
Spray Pumps	-	2,610,000
Personal Protective Material for COVID	-	5,607,500
Ngu traps and Tiny targets	2,725,000	-
Protective Kits for Tsetse control	-	2,012,500
Total Specialized Tsetse Materials	57,205,470	119,774,249
Total Use of Goods and Services	127,557,345	220,389,453

10. Employee Cost

	2022/20/23	2021/2022
	Kshs	Kshs
Basic Salary	8,709,310	12,568,660
House Allowance	1,251,000	960,000
Extraneous Allowance	209,000	871,000
Casual Wages	6,370,224	5,549,923
Other Allowances	3,520,672	1,481,400
Gratuity	3,571,262	-
TOTAL	23,631,468	21,430,983

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11. Board Expenses

	2022/2023	2021/2022
	Kshs	Kshs
Board members sitting, transport and accommodation allowances	6,884,872	9,384,550
Chairman's Honoraria	21,333	560,000
Total Board Expenses	6,906,205	9,944,550

12. Depreciation Expense

	2022/2023	2021/2022
	Kshs	Kshs
Buildings	217,296	217,295
Office Equipment	3,906,224	3,906,221
Motor vehicles	-	3,602,080
Furniture, Fixtures and Fittings	645,593	3,237,132
Computer and Accessories	3,737,959	3,072,500
Intangible	3,725,312	-
Total Depreciation Expense	12,232,384	14,035,228

13. Repairs and Maintenance

	2022/2023	2021/2022
	Kshs	Kshs
Office Equipment and Computer Accessories	337,200	1,189,118
Motor Vehicles and Cycles	4,790,134	3,987,206
Total Repairs and Maintenance	5,127,334	5,176,324

14. Contracted Services

	2022/20/23	2021/2022
	Kshs	Kshs
Installation of Tsetse Targets in Lambwe Valley (Ruma National Park)	-	2,500,000
Installation of Tsetse Targets in Lake Bogoria	-	2,500,000
Total Contracted Services	-	5,000,000

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15 (a) Cash and cash equivalents:

Cash and cash equivalents is the cash balance that was held in the Council's bank account at the closure of the financial year was as follows:

	2022/2023	2021/2022
	Kshs.	Kshs.
Current Account	405,918	6,544,157
Total Cash and Cash equivalents	405,918	6,544,157

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

Financial institution	Account number	2022/2023	2021/2022
		Kshs.	Kshs.
Current account			
Co-operative Bank	01136008428802	328,017	153,171
Co-operative Bank	01136008428803	77,901	6,390,986
Grand total		405,918	6,544,157

16. Trade payables;

At the closure of the financial year 2022/2023 the Council had pending bills totalling Kshs 12,028,432. This was an amount incurred on procurement of goods and services against fourth quarter Development grant whose exchequer was not released to the Council despite the issuance of an AIE of Kshs. 18,750,000 from the State Department.

	2022/2023	2021/2022
	Kshs.	Kshs.
Balance b/f		
Accrued Expenses paid	-	-
Accrued Expenses for the year 2021/2022	-	-
Accrued Expenses for the year 2022/2023	-	-
Balance c/f	12,028,432	-
	12,028,432	-

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17. Prepayments

The prepayment represents an amount paid for insurance of Motor Vehicles and Medical Cover for independent Board members that remained unutilised as at year end.

	2021/2022 Kshs	2021/2022 Kshs
Balance b/f	420,678	418,551
Insurance charge Motor Vehicle (Accumulated surplus)	(196,005)	(231,068)
Insurance charge Medical cover (Accumulated Surplus)	(224,673)	(187,483)
Prepayment Insurance charge Motor Vehicle 2022/2023	218,876	196,005
Prepayment Insurance charge Medical cover 2022/2023	90,453	224,673
Balance c/f	309,329	420,678

18. Provisions

Description	Audit Fees Provision Kshs	Total Kshs
Balance b/f from 2021/2022	1,740,000	1,740,000
Additional Provision	580,000	580,000
Provisions utilised	(1,160,000)	(1,160,000)
Total Provisions as at 30th June 2023	1,160,000	1,160,000

19. Retention Money

During 2021/2022 FY the Council committed to Drill a borehole for the Kalankware Community in the Meru region as part of the Sustainable Land Management programmes in the Tsetse freed areas. An amount of Kshs. 632,231 was withheld as retention as per the contract agreement. This amount was released to the Contractor during this period.

2022/2023 Kshs	2021/2022 Kshs
632,231	-

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Balance b/f		
Additions/(Utilised)	(632,231)	632,231
Balance c/f	-	632,231

20. Revaluation Reserve

During the year Motor Vehicles and Cycles were revalued at Kshs. 16,805,534 by the Mechanical Department of the Ministry of Transport and the amounts were adopted and have been included in the Financial statements. According to IPSAS 17 entities are supposed to periodically revalue the Non-Current assets in order to determine their fair values. Due to budget cuts and a delay in funding, it has not been possible to revalue all the assets with Nil Netbook value still in use in all the asset classes.

	2022/2023	2021/2022
	Kshs	Kshs
Balance b/f	-	-
Additions (PPE-Motor Vehicles and Cycles-Fair Value)	16,805,534	-
Additions (PPE-Motor Vehicles and Cycles-Depreciation)	(3,361,107)	-
Balance c/f	13,444,427	-

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21. Property, Plant and Equipment.

The buildings and other assets are stated on the historical cost basis:

	Buildings	Motor Vehicles and Cycles	Office equipment	Computer and Accessories	Furniture, Fixtures and Fittings	Machinery	Intangible Asset WIP	Total
Cost	Shs	Shs	Shs	Shs	Shs	Shs		Shs
As at 1st July 2021	8,691,802	34,356,478	60,227,123	30,099,453	64,529,424	3,635,000	5,707,776	207,247,056
Additions	-	-	-	7,357,500	-	-	3,791,769	11,149,269
Disposals	-	-	-	-	-	-	-	-
At 30th June 2022	8,691,802	34,356,478	60,227,123	37,456,953	64,529,424	3,635,000	9,499,545	218,396,325
As at 1st July 2022 (Current Year)	8,691,802	34,356,478	60,227,123	37,456,953	64,529,424	3,635,000	-	208,896,780
Additions	-	-	-	1,996,368	-	-	-	1,996,368
Disposals (Derecognition)	(8,691,802)	-	-	-	-	-	-	(8,691,802)
Revaluation Reserve	-	16,805,534	-	-	-	-	-	16,805,534
Aa at 30th June 2023	-	51,162,012	60,227,123	39,453,321	64,529,424	3,635,000	-	219,006,880
Depreciation								
As at 1 st July 2021	(1,521,065)	(30,754,398)	(52,414,678)	(28,859,453)	(59,271,735)	(3,635,000)	-	(176,456,329)
Depreciation Charge 2021/2022	(217,295)	(3,602,080)	(3,906,221)	(3,072,500)	(3,237,132)	-	-	(14,035,228)

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Disposal	-	-	-	-	-	-	-	-
As at 30th June 2022	(1,738,360)	(34,356,478)	(56,320,899)	(31,931,953)	(62,508,867)	(3,635,000)	-	(190,491,557)
As at 1st July 2022(Current Year)	(1,738,360)	(34,356,478)	(56,320,899)	(31,931,953)	(62,508,867)	(3,635,000)	-	(190,491,557)
Depreciation Charge 2022/2023	(217,296)	(3,361,107)	(3,906,224)	(3,737,959)	(645,593)	-	-	(11,868,179)
Disposals (Derecognition)	1,955,656	-	-	-	-	-	-	1,955,656
At 30th June 2023	-	(37,717,585)	(60,227,123)	(35,669,912)	(63,154,460)	(3,635,000)	-	(200,404,080)
Net Book Value As at 30th June 2022	6,953,442	-	3,906,224	5,525,000	2,020,558	-	9,499,545	27,904,769
Net Book Value As at 30th June 2023	-	13,444,427	-	3,783,409	1,374,965	-	-	18,602,804

An approval granted by the Board for the derecognition of the building with a book value of Kshs. 6,736,146 from the schedule of assets of the council since there is no future economic benefits or service potential expected from the use of the building. The Building to be handed over to Magungu Primary School as a Corporate Social Responsibility (CSR). The derecognition is as per the International Public Sector Accounting Standards (IPSAS)17 Sec 82(b).

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22 (a) Property, Plant and Equipment at Cost

Buldings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Buildings	8,691,802	1,955,656	6,736,146
Motor Vehicles, Including Motorcycles	34,356,478	34,356,478	-
Office Equipment	60,227,123	60,227,123	-
Computers and accessories	39,453,321	35,669,912	3,783,409
Furniture Fixtures and Fittings	64,529,424	64,529,424	-
Machinery	3,635,000	3,635,000	-
Total	210,893,148	200,373,593	10,519,555

22.(b) Property plant and Equipment includes the following assets that are fully depreciated:

Description	Cost or valuation	Normal annual depreciation charge
	Kshs	Kshs
Motor Vehicles, Including Motorcycles	34,356,478	6,871,296
Office Equipment	60,227,123	20,075,708
Computers and accessories	30,099,453	10,033,151
Furniture Fixtures and Fittings	64,529,424	8,066,178
Machinery	3,635,000	727,000
Total	192,847,478	45,773,332

22(c) Intangible Assets

Description	2022/2023	2021/2022
	Kshs	Kshs
Cost		
At beginning of the year	9,499,545	5,707,776
Additions	1,676,391	3,791,769
At end of the year	11,175,936	9,499,545
Additions–internal development	-	-
At end of the year	11,175,936	9,499,545
Amortization and impairment		
At beginning of the year	-	-
Amortization	3,725,312	-
At end of the year	3,725,312	-
At end of the year	3,725,312	-
NBV	7,450,624	9,499,545

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23. Cash generated from operations

	2022/2023 Kshs.	2021/2022 Kshs.
Surplus/(Deficit) for the period	(25,204,736)	(843,421)
Adjusted for:		
Depreciation	12,232,384	14,035,228
Increase/(Decrease) in Provision for Audit fees 2021/2022	(580,000)	-
(Decrease)/Increase in Retention Money	(632,231)	632,231
(Decrease)/Increase in Trade payables	12,028,432	-
Increase in Prepayments	(309,329)	(420,678)
Net cash flow from operating activities	(2,465,480)	13,403,360

24. Financial Risk Management Objectives and policies

The organisation's overall risk management programme focuses on unpredictability of changes in the operating environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Council's financial risk management objectives and policies are detailed below:

(a) Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulties in meeting its obligations from its financial liabilities. The council's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Council's reputation.

Prudent liquidity risk management, implies maintaining sufficient cash, by liaising with the parent Ministry and Treasury to ensure prompt grant releases when due and ensuring spending is with budgetary provisions. However, the council is exposed to this risk due to budget cuts by the National treasury that affect the grants due to it, and delayed exchequer release. At the closure of the financial year 2022/2023 the Council had pending bills totalling Kshs. 12,028,432. This was an amount incurred on procurement

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of goods and services against fourth quarter Development grant whose exchequer was not released to the Council despite the issuance of an AIE of Kshs. 18,750,000 from the State Department.

Prudent liquidity risk management includes maintaining sufficient cash to meet organisation's obligations. The organisation manages liquidity risk through continuous monitoring of forecast and actual cash flows. The liquidity risk is also managed through the continuous grants from Parent Ministry headquarters. The table below analyses the organisations extend of the liquidity risk as at the end of the period;

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2023				
Trade payables	-	12,028,432	-	12,028,432
Provisions	-	580,000	580,000	1,160,000
Total	-	12,608,432	580,000	13,188,432
As at 30th June 2022				-
Trade payables	-	-	-	-
Provisions	-	1,160,000	580,000	1,740,000
Total	-	1,160,000	580,000	1,740,000

(b) Credit Risk

Credit risk is the risk of financial loss to the Council if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The largest concentration of credit exposure within the council arises from cash held with the bank. The Council has placed its amounts of funds in a recognised financial institution with strong credit rating and does not consider credit risk exposure to be significant. The credit risk on trade receivables is limited because the nature of the organisation's business is such that the services provided are not chargeable. The bulk of income to the organisation for the period relates to grants from government and other donors. The credit risk on grants receivable is limited because funds are sourced from credible donors.

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The amount that best represents the institute's maximum exposure to credit as at year end is made up as follows:

	Total Amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
As at 30th June 2023				
Grants receivable	-	-	-	-
Receivables and prepayments	309,329	309,329	-	-
Cash at Bank	405,918	405,918	-	-
	=====	=====	=====	=====
As at 30th June 2022				
Grants receivable	-	-	-	-
Prepayments and other receivables	420,678	420,678	-	-
Cash and cash equivalents	6,544,157	6,544,157	-	-
	=====	=====	=====	=====

(c) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Council processes, personnel, technology and infrastructure and from external factors other than credit and Liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Council operations. The Council objectives are to manage operational risk so as to balance the avoidance of financial losses and damage to the Council reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for development and implementation of controls to address operational risk is assigned to management. The responsibility is supported by the development of overall standards for the Management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including independent authorisation of

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transactions.

- Requirements for reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Requirements for periodic assessment of operational risks faced, and adequacy of controls and procedures to address the risks identified.
- Requirement for reporting of operational losses and proposed remedial action.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation.

25. Related Parties Balances

The Government of Kenya is the principal shareholder in Kenya Tsetse and Trypanosomiasis Eradication

Council. Other Related Parties are:

- i) The Parent Ministry of Agriculture, Livestock, Fisheries and Co-operatives
- ii) Key Management,
- iii) Board of Directors.

During the year, the following transactions were carried out with related parties;

	2022/2023	2021/2022
	Kshs	Kshs
a) Sales to related Parties		
Sales of Goods and Services	-	-
Sales of Services	-	-
Total	-	-
b) Grants from the Government		
Grants from Parent Ministry (National Government)	150,250,000	252,000,000
Total	150,250,000	252,000,000
c) Expenses incurred on behalf of Related Party		
Payments of salaries and wages for employees	-	-
Payments for goods and services	-	-
Total	-	-
d) Key management compensation		
Directors' emoluments (Sitting and Other allowances)	6,884,872	9,384,550
Chairman's Honoraria	21,333	560,000
Compensation to CEO and Key management	4,634,062	7,072,920
Total	11,540,267	17,017,470

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26. Events after the Reporting Period

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

27. Ultimate and Holding Entity

The Council is a Semi- Autonomous Government Agency under the Ministry of Agriculture, Livestock, Fisheries and Co-operatives. Its ultimate parent is the Government of Kenya.

28. Currency

The financial statements are presented in Kenya Shillings (Kshs).

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29. APPENDICES

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

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

Reference No of external audit report	Issue/observations from Auditor	Management comments	Status: Resolved/Not Resolved	Timeframe
KENTTEC/2021/2022(29)	Lack of Gender Diversity on the Board	The management had written to the appointing authority to consider appointment of female Board members in order to achieve gender balance as stipulated in the legal notice.	Not Resolved	In progress
KENTTEC/2021/2022(29)	Fair Value of Fully Depreciated Assets	Due to budgetary constraints we only managed to revalue Motor Vehicles and Cycles. The other classes will be revalued progressively.	Not Resolved	In progress
KENTTEC/2021/2022(29)	Under Staffing of the Council	Authority to recruit the staff on short term contract to Permanent and Pensionable Terms has been obtained from TNT.	Not Resolved	In progress

Sign:


Chief Executive Officer

Date.....12/01/2024.....

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Appendix II: Projects implemented by the Council

Projects implemented by the Council Funded by development partners

Project Title	Project No.	Donor	Period	Donor Commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements
1). Controlling and Minimizing the Burden of African Trypanosomiasis (COMBAT)		European Union (EU) - CIRAD	4 YEAR	32,000,000	NO	YES

Appendix III: Status of Project's Completion

Project	Total project Cost	Amount Disbursed	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1). Controlling and Minimizing the Burden of African Trypanosomiasis (COMBAT)	32,000,000	10,551,313	6,085,600	58	10,551,313	10,551,313	European Union (EU) -CIRAD

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Appendix IV: Recording of Transfers from Other Government Entities

Name of the MDA/Donor Transferring the Funds	Date Received as per Bank statement	Recurrent /Development	Total amount	Where recorded/Recognized					Total Transfers during the year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others	
The National Treasury and Planning	Various (as per appendix II)	Development	17,000,000	17,000,000	-	-	-	-	17,000,000
Total			17,000,000	17,000,000	-	-	-	-	17,000,000

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Appendix V- Inter-Entity Confirmation Letter

KENYA TSETSE AND TRYPANOSOMIASIS ERADICATION COUNCIL(KENTTEC)
P.O.BOX 66290-00800
WESTLANDS-NAIROBI

The Kenya Tsetse and Trypanosomiasis Eradication Council (KENTTEC) wishes to confirm the amounts disbursed as at 30th June 2023 as indicated in the table below.

Confirmation of amounts received by Kenya Tsetse and Trypanosomiasis Eradication Council (KENTTEC) as at 30th June 2023							
Amounts Disbursed by State Department of Livestock (KShs.) as at 30th June 2023							
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)	Amount Received by KENTTEC (Kshs) As at 30th June 2023 (E)	Differences (KShs)(F)=(D-E)
Credit Note	04/08/2022	6,000,000	-	-	6,000,000	6,000,000	-
Credit Note	28/9/2022	6,000,000	-	-	6,000,000	6,000,000	-
Credit Note	28/9/2022	6,000,000	-	-	6,000,000	6,000,000	-
Credit Note	14/11/2022	6,000,000	-	-	6,000,000	6,000,000	-
Credit Note	19/11/2022	-	37,500,000	-	37,500,000	37,500,000	-
Credit Note	12/08/2022	6,000,000	-	-	6,000,000	6,000,000	-
Credit Note	13/01/2023	6,000,000	-	-	6,000,000	6,000,000	-
Credit Note	14/02/2023	6,000,000	-	-	6,000,000	6,000,000	-
Credit Note	03/10/2023	3,000,000	-	-	3,000,000	3,000,000	-

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Credit Note	29/06/2023	-	23,750,000	-	23,750,000	23,750,000	-
Credit Note	06/06/2023	9,000,000	-	-	9,000,000	9,000,000	-
Credit Note	09/06/2023	18,000,000	-	-	18,000,000	18,000,000	-
Total		72,000,000	61,250,000	-	133,250,000	133,250,000	-

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

Head of Accounts department of KENTTEC

EDMUND O. WAFULA

Name Sign  Date 12/1/2024