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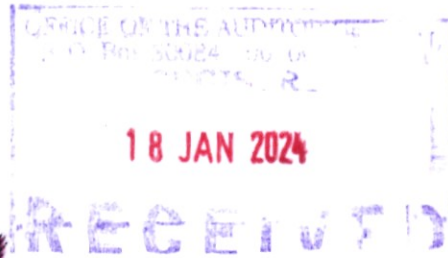
ON

VETERINARY MEDICINES DIRECTORATE

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



Revised 30th June 2023



VETERINARY MEDICINES DIRECTORATE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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

Veterinary Medicines Directorate

Annual Report and Financial Statements for the year ended June 30, 2023.

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1. Key Entity Information and Management

(a) Background information

The Veterinary Medicines Directorate (VMD) was established under the Veterinary Paraprofessionals (VSVP) Act 2011, (Veterinary Medicines Directorate) (Amendment) Regulations 2023). The entity is domiciled in Kenya. The VMD Regulations, 2015 operationalized the entity. The operationalization of VMD implements the National Livestock Policy as contained in Sessional Paper No. 2 of May 2008, which provides for the separation of the management of veterinary medicines from that of humans.

VMD have four departments in its structure. The departments include- product registration, inspectorate and Pharmacovigilance, trade affairs, and administration and finance.

The management of the entity is vested on a Council appointed under the stated regulations.

(b) Principal Activities

The vision of the institution is to be a world class regulatory body promoting the responsible, safe and effective use of veterinary medicines and other animal health products.

The mission is to protect public and animal health, the environment and promote animal welfare by assuring the safety, quality and effectiveness of veterinary medicines and other animal health inputs.

Mandate

It's mandate is to regulate the manufacture, importation, exportation, registration, distribution, prescription and dispensing of veterinary medicines and the practice of veterinary pharmacy in Kenya

Vision

To be a world class regulatory body promoting the responsible, safe and effective use of quality Veterinary Medicines and other animal health products.

Mission

To protect public and animal health, the environment and promote animal welfare by assuring the safety, quality and effectiveness of veterinary medicines and other animal health inputs. This will be achieved through proportionate risk-based regulation provision of high-quality services

Core Values

VMD in executing its mandate is guided the following core values:

Professionalism

Integrity

Effectiveness

Commitment

Teamwork

Meritocracy

Inclusivity

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The functions of VMD are:

1. Formulation and enforcement of quality assurance standards in the manufacture, distribution and use of veterinary medicines in order to safeguard human, animal and environmental health;
2. In consultation with the Directorate of Veterinary Services, regulate the use of veterinary medicines for the treatment of animals under the Animal Diseases Act;
3. Consideration of applications for approval of market authorization of veterinary medicines;
4. Setting quality assurance standards for training in the management of veterinary medicines as directed by the Kenya Veterinary Board;
5. Collaboration with the Kenya Veterinary Board in regulating training in the management of veterinary medicines;
6. Inspection and approval of premises in which the manufacture, sale or supply of veterinary medicines is conducted;
7. Appointment and gazettement of veterinary medicine inspectors;
8. Establishing Standard Operating Procedures for veterinary medicines' inspectors;
9. Regulation of veterinary pharmacy practices;
10. Categorization of veterinary medicines and qualifications of persons authorized to trade in each category and reviewing the categories every five years;
11. Regulation of clinical and non-clinical trials of veterinary medicines by individuals or institutions;
12. Regulation of the manufacture, importation, exportation, handling, advertisement, labeling, sale and disposal of veterinary medicines;
13. Registration of all veterinary medicines manufactured or imported for use in the country or exported from the country;
14. Monitoring the market and taking measures necessary for the elimination of trade in illegal and counterfeit veterinary medicines;
15. Establishment of systems of pharmaco-vigilance and conducting pharmaco-vigilance of veterinary medicines through regular inspections and surveys;
16. Enforcement of Good Manufacturing Practices for veterinary medicines as approved by the Council;
17. Development, application and review of guidelines for inspection and ensuring compliance with Good Manufacturing Practices;
18. Ensuring the promotion and marketing of veterinary medicines in accordance with the approved product information;
19. Publication on annual basis of a notice in the Kenya Gazette inviting the public to note and inspect the register of veterinary medicines and the list of approved veterinary practices within such period and at such place as may be specified in the notice;
20. Considering, granting, issuing or revoking authorization and certification in accordance with the Regulations;
21. Collaboration with other regulatory agencies including the Public Health (Standards) Board in Section 27 of the Food, Drugs and Chemical Substances Act, the Pest Control Products Board established under Section 5 of the Pest Control Products Act and the Central Board of Health established under Section 3 of the Public Health Act to carry its mandate and
22. Undertaking any other necessary action for effective carrying out of the Directorate's mandate under the Veterinary Surgeons and Veterinary Paraprofessionals Act or any other Act.

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(c) Key Management

The Veterinary Medicines Directorate day-to-day management is under the following key organs:

No.	Designation	Name
1.	Council Chairman	Dr. Obadiah N. Njagi
2.	CEO	Dr. Jane N. Njiru
3.	Head of product registration	Dr. Kenneth Otieno Orengo
4.	Head of Inspectorate and Pharmacovigilance; Trade	Dr. Emily Muema, PhD
5.	Head of Accounts	Mr. Dennis Mburu Karanja
6.	Head of Procurement	Mrs Emily Githingi
7.	Head Human Resource	Mrs. Getrude Jeruto
8.	Head internal Auditor	Mr. James Mwangu Resa

(d) Fiduciary Management

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

No.	Designation	Name
1.	CEO	Dr. Jane N. Njiru
2.	Head of product registration	Dr. Kenneth Otieno Orengo
3.	Head of Inspectorate and Pharmacovigilance; Trade	Dr. Emily Muema, PhD
4.	Head of Accounts	Mr. Dennis Mburu Karanja
5.	Head of Procurement	Mrs Emily Githingi
6.	Head Human Resource	Mrs. Getrude Jeruto
7.	Head internal Auditor	Mr. James Mwangu Resa
8.	Head Information and Communication Technology	Mr. Christopher Kioko

(e) Fiduciary Oversight Arrangements

Veterinary Medicines Directorate (VMD) operates under the following committees: -

- ❖ Veterinary Medicines Registration Committee
- ❖ Administration and Finance Committee
- ❖ Audit and Risk Management Committee
- ❖ Ad Hoc Committee

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Veterinary Medicines Directorate Headquarters

P.O. BOX 66171-00800
Pest Control Products Board Plaza
Off Waiyaki Way
Westlands, Nairobi

(f) Veterinary Medicines Directorate Contacts

Telephone: (254)0743795395
E-mail: info@vmd.go.ke
Website: www.vmd.go.ke

(g) Veterinary Medicines Directorate Bankers

National Bank of Kenya
Westlands Branch
P.O. Box 1613-00606
Nairobi, Kenya

(h) Independent Auditors



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

(i) Principal Legal Adviser

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




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2. The Board of Directors/Council


Ref	Directors	Details
1.	 <p data-bbox="327 884 710 952">Dr. Obadiah N Njagi, PhD, OGW</p> <p data-bbox="327 996 710 1243">Veterinary Surgeon, Director of Veterinary Services and Chairman Veterinary Medicines Council- BVM, MSC, PhD</p>	<p data-bbox="730 347 1501 683">Born on the 12th day of December 1963, Dr. Njagi has served in the Directorate of Veterinary Services, State Department for Livestock in various capacities for over 30 years since graduating with a Bachelor of Veterinary Medicine in 1988. He holds a Master's degree in veterinary pathology and a PhD in veterinary immune-parasitology from the University of Nairobi and Technical University-Dresden, Germany with several publications in veterinary science. He has undergone several development, public policy and leadership trainings.</p> <p data-bbox="730 716 1501 929">He has served as Director in several Boards of state corporations; Pest Control Products Board, Pharmacy and Poisons Board, Kenya Meat Commission, Kenya Animal Genetics Resource Centre, Kenya Tsetse and Trypanomiasis Eradication Council, Veterinary Medicines Council and the New KCC.</p> <p data-bbox="730 974 1501 1187">He has contributed significantly in development of the veterinary service both in Kenya and the EA region. He is most credited for his focused leadership in the national roll-out of the East Coast fever vaccine and development of the Mutual Recognition Process (MRP) for registration of immunological veterinary products (IVPs) in the EAC.</p> <p data-bbox="730 1232 1501 1377">He is currently the Director of Veterinary Services/Chief Veterinary officer, official delegate for Kenya to the World Organization for Animal Health (OIE) and the Chairman, Veterinary Medicines Directorate (VMD)</p> <p data-bbox="730 1411 1501 1444">He hails from Embu county and is a father of one daughter.</p>
2.	 <p data-bbox="327 1892 710 2060">Dr. Josiah M. Mandieka, Veterinary Surgeon, BVM, MSC</p>	<p data-bbox="730 1489 1501 1601">Dr. Josiah Mandieka was born on 17th September, 1959. He graduated with a Bachelor's Degree in Veterinary Medicine from the of University of Nairobi.</p> <p data-bbox="730 1635 1501 1814">He also has an MSC from Canada. He worked in the public Service from 1987 to 1998 rising to the position of the District Veterinary Officer. Thereafter he joined the Veterinary Pharmaceutical Industry where he has served to date.</p> <p data-bbox="730 1848 1501 1960">He has previously served as a chairman of Kenya Veterinary Association, Kenya Veterinary Privatisation Scheme and Veterinarians with a Mission Programme</p>

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		<p>He is the Current Managing Director of the Ultimate Vetserve LTD, a Veterinary Pharmaceutical Company.</p> <p>He is among the three veterinary surgeons required by VSVP(VMD) Regulations, 2015.</p>
3.	 <p>Dr. John Wilberforce Muchibi</p>	<p>Dr. John Wilberforce Muchibi holds a Bachelor of veterinary medicine from the university of Nairobi and a post graduate diploma in marketing, The Chartered Institute of Marketing.</p> <p>He's an accomplished leader with extensive, more than 30 years' experience in the Veterinary Pharmaceutical industry in Kenya and east Africa</p> <p>His roles have included market and product development which has exposed to Veterinary products registration processes across the East African region.</p> <p>He has worked for years with Veterinary drugs regulators in the region including the Pharmacy and Poison's Board.</p> <p>He is among the three veterinary surgeons required by VSVP(VMD) Regulations, 2015.</p>
4.	 <p>Mr. Douglas Wangai Gitonga</p>	<p>Mr. Douglas Wangai Gitonga holds a Bsc Degree in Animal Health Management from Egerton University and a Certificate in artificial insemination from ADC A.I training school Kitale. He is a member of Kenya association of livestock technicians Egerton and member of KASPA. Coastal and Eastern region sale representative for ultravetis and Bimeda respectively.</p> <p>He is the Current Eastern region area sales manager Bimeda Limited.</p> <p>He is One veterinary technologist required by VSVP(VMD) Regulations, 2015.</p>
5.		<p>An Associate Professor and the Chairman of Public Health Pharmacology and Toxicology, Faculty of Veterinary Medicine, University of Nairobi. He holds an earned PhD, MSC and BVM</p> <p>He has administrative experience including leadership at the university and professional association. He has 30 years of professional experience. During teaching and instruction, he has provided academic leadership teaching both undergraduate and postgraduate students, organising and guiding research programs.</p>

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	<p>Prof. James M. Mbaria.</p>	<p>He is among the three veterinary surgeons required by VSVP(VMD) Regulations, 2015.</p>
<p>6.</p>	 <p>Mr. Johnson Mwangi Maina.</p>	<p>Mr. Johnson Mwangi Maina has served the Government of Kenya (GoK) for over 26 years to date as an Economist, where he joined at the entry grade of Economist II. Since joining GoK, he has served in various Government Ministries/Agencies including Office of the Vice President and Ministry of Planning and National Development (OVP& MPND), Ministry of Finance and Planning (MoF&P), Ministry of Environment and Natural Resources (MoENR), Ministry of Education Science and Technology (MoEST), Ministry of Health (MoH) and The National Treasury (TNT).</p> <p>In the 26 years, he has managed to rise up the ladder as a career civil servant to the current grade of Director of Planning (DoP)/Senior Deputy Director (SDD), Macroeconomics and Fiscal Affairs Department (M&FAD) in The National Treasury (TNT). In addition, to been Director at the Kenya Leather Development Council (KLDC) and the Tom Mboya University (TMU) representing the Cabinet Secretary (CS) of TNT.</p> <p>Studied at the University of Nairobi (UoN) and obtained a Bachelor of Arts in Economic (BA.Econs.) Degree, Upper Second Class Honours and Master of Arts in Economics (MA. Econs.) Degree. In the course of my tour of duty, he has undergone extensive professional training by the GoK, the Development Partners (DPs) and other institutions including by Oxford University, World Bank, United Nations, International Monetary Fund (IMF), Kenya Institute of Public Policy Research and Analysis (KIPPRA), Institute of Policy Analysis and Research (IPAR) and Kenya School of Government (KSG) among others.</p> <p>He is the alternate to the Principal Secretary for the time being responsible for Finance.</p>
<p>7.</p>	 <p>Dr. Jane N. Njiru BVM, MSC</p>	<p>Dr. Jane N. Njiru holds a Master of Science degree in Veterinary Epidemiology and Economics (MVEE) and a Bachelor of Veterinary Medicine degree from the University of Nairobi.</p> <p>She has served in the Directorate of Veterinary services for 25 years 10 of which were under deployment at the Pest Control Products Board (PCPB), which regulates all aspects of pest control products in Kenya.</p> <p>She has held various positions of leadership both at the directorate and other duty stations and participated in development of various regulatory documents for use at national level and within the EAC region.</p>




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		She is the Chief Executive Officer and Secretary to the Council.
8.	CEO, Kenya Veterinary Board.	Chief Executive Officer, Kenya Veterinary Board.
9.	CEO, Pharmacy and Poisons Board.	Chief Executive officer, Pharmacy and Poisons Board.
10.	The alternate to the Principal Secretary, State Department for Livestock.	The alternate to the Principal Secretary, State Department for Livestock.




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3. Key Management Team



	Management	Details
1.	 Dr. Jane N. Njiru BVM, MSC	<p>The Chief Executive Officer and Secretary to the Council. Oversees the day to day running of the institution and implements the decisions of the Council.</p>
2.	 Dr. Kenneth Otieno Orengo	<p>He has been deployed from public service as the officer in charge of Registration and Market Authorization at the Veterinary Medicines Directorate of Kenya. He has worked as the officer in charge of the analytical chemistry and food safety laboratory at the Directorate of Veterinary Services in the Ministry of Agriculture, Livestock, Fisheries and Cooperatives. As a District Veterinary Officer (DVO) and in his current role, he had designated authority to incur expenditure, involved in budgeting, procurement and fleet management.</p> <p>He is the Head of Registration, Licensing and Standards.</p>
3.	 Dr. Emily Muema, PhD	<p>Technical expert Holds a PhD in pharmacology and toxicology. Previous worked at the Regional Veterinary Investigation Laboratory, Nakuru. She is Head of Compliance and Surveillance</p>

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4.	 Mr. Dennis Mburu Karanja	Head of Finance and Accountant for Veterinary Medicines Directorate (VMD). An accountant, Degree in Bachelors of Commerce and ACCA
5.	 Mrs Emily Githingi	Ms. Emily Githinji is a graduate with degree in bachelor of commerce (procurement and Supply Chain Management). She is a member of Kenya Institute of Supplies Management. Head of Procurement
6.	 Mrs. Getrude Jeruto	Getrude Jeruto is a Human Resource Management Officer at Veterinary Medicines Directorate. She joined the Directorate in January 2023. Prior to joining the Directorate, Getrude had worked at KCB Bank Kenya for 10 years as the Customer Experience Consultant, Cashier, Personal Banker and Service Admin Manager. Getrude holds a Bachelor of Science Degree in Human Resource Management from Moi University. She is currently pursuing CHRP Certification at the College of Human Resource Management and an associate member of Institute of Human Resource Management.

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<p>7.</p>	 <p>Mr. James Mwangu Resa</p>	<p>CPA Resa is an astute professional with over fourteen years of expertise in Audit, Risk, Compliance, and Finance. He has held leadership position such as Manager Internal Audit, and Risk assurance, Ag. Manager Internal Audit, Internal auditor, Branch Manager, Regional accountant, External Audit associate among many others. His industry experience ranges from serving in Cooperate sector, financial, public and private sector.</p> <p>He is a Certified Public Accountant of Kenya and member of ICPAK in good standing, graduate of Masters of Science in Finance from Kenyatta University, holder of Bachelors in Business Administration (Finance) from Kenya Methodist University, and holder of Diploma in Business Administration issued by KNEC. Head Internal Audit</p>
<p>8.</p>	 <p>Mr. Christopher Kioko</p>	<p>Christopher Kioko is a graduate of Daystar University class of 2021, graduated with a bachelor's degree in commerce, Management Information Systems. He is also a certified Microsoft Dynamics Functional consultant with over 3 years' experience in repeated success in guiding IT projects from start to finish, managing technical support operations and introducing new technologies to promote operational efficiency. Head Information and Communication Technology</p>

4. Chairman's Statement

The Chairman offered guidance and leadership in general implementation of VMD's mandate and in achievement of the annual targets and overall goals of the organization.

The Council was able to implement digitization of government services through the installation of an Enterprise Management System. There were delays in approval of institution's Human Resource Instruments as approved by the Ministry responsible for Public Service. This has caused delays in planned recruitment and hence failure to absorb resources budgeted for the Personnel Emolument. However, the staff recruitment commenced during the Second half of the financial year. Nonetheless, key staff in critical areas were engaged on contract basis. The Council also embarked on review of the VMD Regulations to make them more responsive and facilitate effective and efficient delivery of the institution's mandate. The Council committed to finalize the institution's strategic plan and align it with the current medium-term plan of the Kenya Vision 2030 to position the institution strategically to help in achievement of the country's development agenda. However, there was a directive to stop the finalization and Launch of the strategic plans until they were aligned to BeTA agenda as per the revised guidelines for the fifth generation strategic plans.

The above achievements were not without challenges. Other challenges included inadequate staffing at both technical and support levels, inadequate infrastructure including office space, inadequate transport and ICT as well as inadequate enforcement of existing laws and regulations. Some of the Council members representing institutions by law failed to attend all Council meetings despite invitations.

To help mitigate the challenges the Council requested for approval for phased recruitment from the National Treasury. Plans were put in place to acquire an additional vehicle for the institution, finalise the strategic plan, review the current legal framework and automate operations by procuring an Enterprise Management System. Capacity building will also be undertaken to empower staff to enforce regulatory requirements and benchmark with international best practice.

In the long term the Council plans to secure adequate office space and acquire a well-trained and motivated workforce with enough logistical support to adequately discharge the mandate of the institution to the satisfaction of all stakeholders.

Signature:.....

Name: Dr. Obadiah N Njagi, PhD, OGW

Chairperson of the Board/Council

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5. Report of the Chief Executive Officer

The Veterinary Medicines Directorate (VMD) is a regulatory agency established under the Veterinary Surgeons and Veterinary Paraprofessionals (VSVP) Act 2011, (Veterinary Medicines Directorate) (Amendment) Regulations 2023) through Legal Notice No. 209 of 9th October 2015 and Legal Notice No.113 of 18th August 2023. The agency operates under the Ministry of Agriculture and Livestock Development. in the State Department for Livestock Development (SDLD).

VMD is mandated to implement appropriate regulatory measures to ensure the highest standards of safety, quality and efficacy for all veterinary medicines in the country. These measures include regulation of the manufacture, importation, exportation, registration, distribution, prescription and dispensing of Veterinary Medicines and the practice of Veterinary Pharmacy in Kenya. The operationalization of the VMD was to implement the National Livestock Policy (Sessional Paper No 3 of 2020), which provided for the separation in the management and regulation of Veterinary Medicines from that of humans as envisioned by the World Organization for Animal Health (OIE).

The 2022/2023 financial Year was therefore the sixth year, in terms of financial reporting, for the operations of the Council. The agency received Kshs 13.55 Million grant form GOK and collected Kshs 98 Million A.I.A. This was against a target of Kshs 75.7 Million A.I.A The over achievement was occasioned by the stakeholder sensitization specially to retail pharmacies and on the need to register and annually retain feed additives and other veterinary products in the register. The revenue has been on an improvement compared to past years due to enhanced enforcement of regulations and increased sensitization which improved compliance.

Over the years the agency has experienced critical shortage of staff since the only three technical officers are deployed from the State Department for Livestock. The Council recruited eight(8) members of staff during the second half of the financial year. This affected absorption rate especially for Personnel Emolument allocation. However, their impact to the institution was highly felt. The Council also recruited of Six (6) officers on Contract basis to enforce compliance at the major border points of entry and exit on veterinary medicines in the country.

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Under operations, the following was achieved during the reporting year;

The agency received one hundred and nineteen (119) new applications for registration and five hundred and seventy-five (575) for listing. Two- hundred and twenty- one (221) applications were evaluated which included backlog from the previous year when the Council was absent. Of the evaluated applications, one hundred and fifteen (115) were issued with Market Authorization (MA) while the rest were queried. Four (4) applications for registration under the EAC Mutual Recognition Procedure (MRP) were received with Kenya being the Reference Country for three of the products.

Twenty (20) local and foreign manufacturers were inspected for purposes of licensing for Good Manufacturing Practice (GMP) compliance while twenty- four (24) requests for various types of variations were received and evaluated. A total of 1655 products were registered and retained in the register against a target of 1300.

In addition, Inspection and Licensing of Wholesale and retail pharmacies was carried out where a total of five hundred and sixty-six (566) pharmacies were licensed. This was above the targeted 450 pharmacies which was occasioned by collaboration with development partners in mapping of retail pharmacies in two Counties. Five (5) applications for advertisements of various categories of veterinary medicines were received, evaluated and approved during the year. All applications for veterinary medicines imports and exports were processed through the Electronic Trade Facilitation Platform of KENTRADE

Signature:..........

Name: Dr. Jane N. Njiru
Chief Executive Officer

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6. Statement of Performance against Predetermined Objectives for FY 2022/2023

Section 81 subsection 2(f) of the public finance management Act, 2012 requires the accounting office to include in the financial statements, a statement of the national government entity's performance against predetermined objectives.

Veterinary Medicines Directorate (VMD) has three strategic pillars and objectives within its strategic plan for the FY 2018/2019 – 2022/2023. These strategic pillars are as follows:

Pillar 1: Institutional capacity and legal framework

Objective: To strengthen institutional capacity and legal framework

Pillar 2: Enforcement of VMD regulations

Objective: To enhance compliance with VMD regulations

Pillar 3: Publicity of VMD and her role

Objective: To enhance publicity, visibility and corporate image of VMD

Veterinary Medicines Directorate (VMD) develops its annual workplans based on the above three pillars. Assessment of the board's performance against its annual work plan is done on a quarterly basis. The Veterinary Medicines Directorate achievement on its performance targets set for the FY 2022/2023 period for its three strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Institutional capacity and legal framework	To strengthen institutional capacity and legal framework	No. of staff recruited	Recruit relevant staff	Recruited of eight staff.
		No. of staff trained	Train staff in line with Trained Need Assessment and the Policy	Collaborated in training Directorate of veterinary services Border post staffs.
		No. stakeholders sensitized on VMD activities	Sensitize stakeholders on VMD activities	Four sensitizations took place at Machakos, Nairobi and Naivasha
Pillar 2: enforcement of VMD regulations	To enhance compliance with VMD regulations	Number of veterinary pharmacies inspected and licensed	450 No. of veterinary pharmacies licensed	566 Inspect/License veterinary pharmacies

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		Number of retained registered veterinary products	Targeted 1,300 registration /retention	Achieved 1,655 registration /retention
		Number of import/export permits issued	Process all import and exports	All importation and exports were processed.
		Number of GMP audits conducted	Targeted 20 No. of Audits undertaken	undertook 20 audit
Pillar 3: Inadequate publicity of VMD and her role	To enhance publicity, visibility and corporate image of VMD	No. of participation in designated veterinary days, annual devolution conferences, exhibitions, field days, other conferences and ASK shows		Stakeholder Sentization on Veterinary Pharmacies best practices in Kenya

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7. Corporate Governance Statement

The VMD has continued with its commitment to high corporate governance standards, values and ethics within the organization to abide by the laws governing in the country.

The Board continued to engage with key stakeholders in various consultative forums in order to identify partnerships required for improved service delivery.

Collaboration with both private and public institutions and other stakeholders was enhanced in areas in areas of strategic planning, environment, animal health. These included institutions of higher learning and national and international standards setting bodies.

In the period under review, the VMD council held six meetings

Council Attendance

No	Name	Position	Dates					
			19/7/2022	6/09/2022	4/10/2022	22/11/2022	7/03/2023	20/04/2023
1.	Dr. Obadiah N. Njagi, PhD	Chairman	√	√	√	√	√	√
2.	Dr. Josiah M. Mandieka,	Vice Chairman	√	√	√	√	X	√
3.	Dr. John Wilberforce Muchibi	Member	√	√	X	√	√	√
4.	Douglas Wangai Gitonga	Member	√	√	√	√	√	√
5.	Prof. James M. Mbaria	Member	√	X	√	X	√	X
6.	Mr. Johnson Maina Mwangi	Member	√	√	X	√	√	X
7.	alternate to the Principal Secretary, State Department for Livestock Development	Member	X	X	X	X	X	X
8.	CEO, Kenya Veterinary Board.	Member	X	X	X	X	X	X
9.	CEO, Pharmacy and Poisons Board.	Member	X	X	X	X	X	X
10	Mr. Michael Muturi	Member	-	-	-	-	√	√
11.	Dr. Jane N. Njiru BVM, MSC	Secretary	√	√	√	√	√	√

The Veterinary Medicines Directorate embarked fifth generation MTEP strategic plan (2023-2027) that expounds on the Vision, Mission to align it with the fourth Medium Term Plan of the Kenya Vision 2030.

The appointment of Council members was done in accordance with the Regulations. Council members continued to exercise their powers as given under Regulation No. 7 and include;

- a) Controlling, supervising and managing the assets and liabilities of the Directorate;
- b) Determining the provision to be made for capital and recurrent expenditure and for the reserves of the Directorate;
- c) Seeking and receiving any grants or donations and making legitimate disbursements from such grants and donations for its purposes;
- d) Levying fees and charges for its services as provided in the Regulations;
- e) Entering into association with other bodies within or outside Kenya which the Council may consider desirable or appropriate;
- f) Investing funds of the Directorate not immediately required in securities in which trustees are empowered to invest under the Trustee Act, and in other securities which may be

Veterinary Medicines Directorate

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- approved for the purpose, by the Cabinet Secretary for the time being responsible for Finance;
- g) Establishing and supporting investment and trust funds for the benefit of employees or ex-employees of the Directorate or dependants of such persons, granting pension, benefits and allowances and making such payments towards insurance as required under the relevant laws;
 - h) Opening and operating such accounts as are necessary for the funds of the Directorate, with a bank or financial institution licenced to conduct business under the Banking Act.
 - i) recruiting, supporting, disciplining or dismissing the staff and inspectors of the Directorate;
 - j) Determining the terms and conditions of employment of the staff and inspectors of the Directorate in consultation with Salaries Remuneration Commission.
 - k) Establishing branch offices of the Directorate, to the extent that is practicable, to ensure accessibility of its services by all Kenyans;
 - l) Superintending, regulating and assisting branch offices, auxiliaries, committees and other forms of organizations established to advance the interest of the Directorate.
 - m) Performing all things necessary or incidental to attaining the objectives of the establishing Regulations or any other written law.

8. Management Discussion and Analysis

The Veterinary Medicines Directorate received one hundred and nineteen (119) new applications for registration and five hundred and seventy-five (575) for listing. Two- hundred and twenty- one (221) applications were evaluated which included backlog from the previous year when the Council was absent. Of the evaluated applications, one hundred and fifteen (115) were issued with Market Authorization (MA) while the rest were queried. Four (4) applications for registration under the EAC Mutual Recognition Procedure (MRP) were received with Kenya being the Reference Country for three of the products.

Twenty (20) local and foreign manufacturers were inspected for purposes of licensing for Good Manufacturing Practice (GMP) compliance while twenty- four (24) requests for various types of variations were received and evaluated. A total of 1,655 products were registered and retained in the register against a target of 1,300.

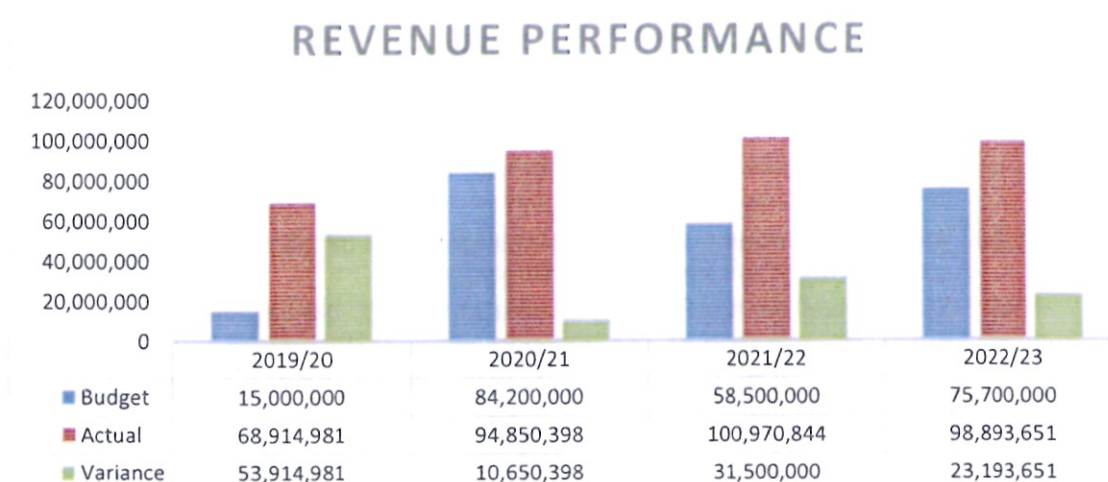
In addition, Inspection and Licensing of Wholesale and retail pharmacies was carried out where a total of five hundred and sixty-six (566) pharmacies were licensed. This was above the targeted 450 pharmacies which was occasioned by collaboration with development partners in mapping of retail pharmacies in two Counties.

Five (5) applications for advertisements of various categories of veterinary medicines were received, evaluated and approved during the year. All applications for veterinary medicines imports and exports were processed through the Kenya Electronic Single Window System.

Veterinary Medicines Directorate
Annual Report and Financial Statements for the year ended June 30, 2023.

Financial Analysis

Over the last three years Veterinary Medicines Directorate has been on an upward trajectory as show in the diagram.



9. Environmental and Sustainability Reporting

i) Sustainability strategy and profile

Veterinary Medicines Directorate exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, 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.

The Veterinary Medicines Directorate is committed to safeguarding human health, animal health & welfare and efficacy for all veterinary medicines whether imported or produced locally. This is achieved through ensuring the highest standards of quality, safety and efficacy of all veterinary medicines registered in the country.

Over the years the agency has experienced critical shortage of staff since the only three technical officers are deployed from the State Department for Livestock. The Council recruited eight (8) officers on permanent and pensionable basis to help ease staff shortage in critical areas ensuring the face of Kenya in the recruitment process. There are plans and approvals to recruit staff during next the financial year.

ii) Environmental performance

VMD is guided by the policy of sustainable development where the current generation harnesses resources without compromising the survival of future generations. The institution ensures all veterinary medicines registered in the country are not harmful to the environment. The agency also

Veterinary Medicines Directorate

Annual Report and Financial Statements for the year ended June 30, 2023.

ensures that unwanted medicines and other wastes are disposed in environment friendly ways by supervising the disposal and ensuring good distribution practices that ensure integrity of the veterinary medicines from production to use and /or disposal.

Employee welfare

VMD is an equal opportunity employer that encourages persons of all gender, tribe or ability to apply for advertised vacancies. The policy encourages not more than two thirds of the persons recruited to be from one gender. The hiring human resource policies will be reviewed as need arises and as guided by the Public Service Commission guidelines. To improve skills the institution has undertaken training needs assessment and training projections for staff to close the training gaps. Career progression guidelines and human resource policy and procedures manual are in place to manage careers, appraisal and reward systems. The Policy on safety and compliance with Occupational Safety and Health Act of 2007 (OSHA) is total adoption which will be initiated in the next financial year.

iii) *Market place practices-*

VMD has made the following efforts to ensure:

a) *Responsible competition practice.*

- All employees are required to sign and abide by code of conduct and ethics and that includes confidentiality clauses.
- Holders of market authorizations are required to submit advertisements of veterinary medicines for evaluation and approval to ensure no misleading information is passed to users to gain undue advantage over their competitors.
- Political discussions are not allowed in the office and employees are required to keep their political affiliations private and resign if they intend to participate in elective politics or hold positions in political parties.

b) *Responsible Supply chain and supplier relations*

- VMD maintains transparent relationships with suppliers. Tenders are advertised in an open manner and a list of per-qualified suppliers is maintained on our website.
- Awards are notified on time and those who dont qualify are informed of the winners and reasons for not qualifying.
- Various committees are established to evaluate, receive goods
- Suppliers are paid in time on delivery of goods.

c) *Responsible marketing and advertisement*

Veterinary Medicines Directorate
Annual Report and Financial Statements for the year ended June 30, 2023.

- Only registered veterinary medicines are allowed for importation/exportation
- Unregistered medicines, when authorised for importation must be supported with the necessary documentations and is only allowed for professionals for limited justifiable quantities.
- All advertisements must be submitted to the regulator for evaluation and approval to ensure correctness of the information passed to users.

d) *Product stewardship*

- VMD works closely with the veterinary pharmaceutical industry to sensitize them on upcoming regulatory issues to enhance product stewardship
- The industry association has developed a code of conduct to guide and discipline its members especially when they violate rights of consumers.

iv) *Corporate Social Responsibility / Community Engagements*

- Veterinary medicine directorate Council was involved in the KVA 55th and 56th Annual Scientific conference and World rabies Day celebrations and & World Veterinary Day celebrations where participants held a field day to enlighten farmers on veterinary products
- Veterinary Medicine Directorate contribution towards refurbishment of Kilimo house headquarters after a directive was issued to repaint all Government building.
- VMD supported final year students in animal health training institutions in their social activities as a way of sensitizing them on regulation of veterinary medicines in the country.

10. *Report of the Directors*

The Directors submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of Veterinary Medicines Directorate affairs.

i) *Principal activities*

The principal activities of the Entity are:

1. Formulation and enforcement of quality assurance standards in the manufacture, distribution and use of veterinary medicines in order to safeguard human, animal and environmental health;
2. In consultation with the Directorate of Veterinary Services, regulate the use of veterinary medicines for the treatment of animals under the Animal Diseases Act;
3. Consideration of applications for approval of market authorization of veterinary medicines;
4. Setting quality assurance standards for training in the management of veterinary medicines as directed by the Kenya Veterinary Board;
5. Collaboration with the Kenya Veterinary Board in regulating training in the management of veterinary medicines;

Veterinary Medicines Directorate

Annual Report and Financial Statements for the year ended June 30, 2023.

6. Inspection and approval of premises in which the manufacture, sale or supply of veterinary medicines is conducted;
7. Appointment and gazette of veterinary medicine inspectors;
8. Establishing Standard Operating Procedures for veterinary medicines' inspectors;
9. Regulation of veterinary pharmacy practices;
10. Categorization of veterinary medicines and qualifications of persons authorized to trade in each category and reviewing the categories every five years;
11. Regulation of clinical and non-clinical trials of veterinary medicines by individuals or institutions;
12. Regulation of the manufacture, importation, exportation, handling, advertisement, labelling, sale and disposal of veterinary medicines;
13. Registration of all veterinary medicines manufactured or imported for use in the country or exported from the country;
14. Monitoring the market and taking measures necessary for the elimination of trade in illegal and counterfeit veterinary medicines;
15. Establishment of systems of pharmaco-vigilance and conducting pharmaco-vigilance of veterinary medicines through regular inspections and surveys;
16. Enforcement of Good Manufacturing Practices for veterinary medicines as approved by the Council;
17. Development, application and review of guidelines for inspection and ensuring compliance with Good Manufacturing Practices;
18. Ensuring the promotion and marketing of veterinary medicines in accordance with the approved product information;
19. Publication on annual basis of a notice in the Kenya Gazette inviting the public to note and inspect the register of veterinary medicines and the list of approved veterinary practices within such period and at such place as may be specified in the notice;
20. Considering, granting, issuing or revoking authorization and certification in accordance with the Regulations;
21. Collaboration with other regulatory agencies including the Public Health (Standards) Board in Section 27 of the Food, Drugs and Chemical Substances Act, the Pest Control Products Board established under Section 5 of the Pest Control Products Act and the Central Board of Health established under Section 3 of the Public Health Act to carry its mandate and
22. Undertaking any other necessary action for effective carrying out of the Directorate's mandate under the Veterinary Surgeons and Veterinary Paraprofessionals Act or any other Act.

ii) Results

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

iii) Directors

The members of the Board of Directors who served during the year are shown on page viii. The terms of four directors who were independent members ended with effect from 21st April 2023.

iv) Surplus remission

Veterinary Medicines Directorate

Annual Report and Financial Statements for the year ended June 30, 2023.

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

VMD is not under category 3 of the categorization. The Entity did make a surplus during the year (FY 2022 Kshs 84 Million) However, no remittance to the Consolidated Fund was made since this were funds paid for services yet to be offered.

v) Auditors

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

By Order of the Council

Signature:.....

Name: Dr. Jane N. Njiru

Chief Executive Officer/Secretary to the Council

11. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012, section 14 of the State Corporations Act and Regulation 52 of the Veterinary Surgeons & Veterinary Paraprofessionals (Veterinary Medicines Directorate) Regulations, 2015 require the Directors to prepare financial statements in respect of that *Entity*, which give a true and fair view of the state of affairs of the *Entity* at the end of the financial year/period and the operating results of the *Entity* for that year/period. The Directors are also required to ensure that the *Entity* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *Entity*. The Directors are also responsible for safeguarding the assets of the *Entity*.

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

The Directors accept responsibility for the *Entity's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012, (the State Corporations Act) and Regulation 52 of the Veterinary Surgeons & Veterinary Paraprofessionals (Veterinary Medicines Directorate) Regulations, 2015. The Directors are of the opinion that the *Entity's* financial statements give a true and fair view of the state of *Entity's* transactions during the financial year ended June 30, 2023, and of the *Entity's* financial position as at that date. The Directors further confirms 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.

Veterinary Medicines Directorate

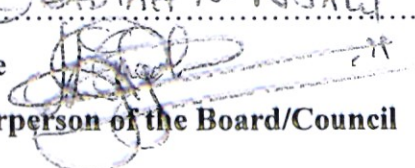
Annual Report and Financial Statements for the year ended June 30, 2023.


In preparing the financial statements, the Directors have assessed the entity's ability to continue as a going concern.

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

Approval of the financial statements

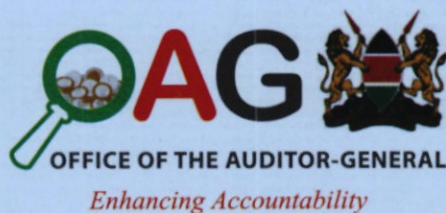
The Veterinary Medicines Directorate financial statements were approved by the Board on 30th November 2023 and signed on its behalf by

Dr. C. BADIAT N. NJIRU
Name 
Chairperson of the Board/Council

JANE N. NJIRU
Name 
Accounting Officer

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON VETERINARY MEDICINES DIRECTORATE FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Veterinary Medicines Directorate set out on pages 1 to 28, which comprise of the statement of financial position as at

Report of the Auditor-General on Veterinary Medicines Directorate for the year ended 30 June, 2023

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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Veterinary Medicines Directorate as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance International Public Sector Accounting Standards (Accrual Basis) and comply with the Veterinary Surgeons and Veterinary Para-Professionals (The Veterinary Medicines Directorate) Regulations, 2022 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracy of Board Expenses

The statement of financial performance reflects board expenses amounting to Kshs.11,508,668. A review of cashbook revealed that the Chairman of the Board was paid Kshs.3,203,200 and Kshs.1,399,907 all totaling to Kshs.4,603,107 on 26 July, 2022 and 30 June, 2023 respectively. However, the amount has not been included in the board expenses. Further, no documentary evidence in support of the expenditure was provided.

In the circumstances, accuracy, completeness and propriety of the board expenses amounting to Kshs.4,603,107 could not be confirmed.

2. Unsupported Trade and Other Payables Balance

The statement of financial position reflects trade and other payables amounting to Kshs.80,966 as disclosed in Note 18 to the financial statements. The amount is in respect of employer contribution to pension scheme at 15% of the basic salary with effect from 1 July, 2022. Review of records revealed that the Directorate requested for authority from the National Treasury to establish an umbrella scheme for its staff on 4 September, 2023. However, approval from the National Treasury for the establishment of the pension scheme was not provided. Further, the Directorate had not yet been declared as a public service for purpose of pension as per letter dated 28 August, 2023 from Chief Executive Officer to Principal Secretary Ministry of Agriculture and Livestock.

In the circumstances, accuracy, completeness and existence of the other payables amounting to Kshs.80,966 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Veterinary Medicines Directorate

Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several paragraphs were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources and on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues or given any explanation for failure to adhere to the guidelines issued by the Public Sector Accounting Standards Board and The National Treasury's Circular Ref: AG.4/16/2 Vol.3(72) dated 30 June, 2021.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Lack of an Approved Strategic Plan

Review of documents provided for audit revealed that the Directorate does not have an approved strategic plan. This is contrary to section 68(2)(g) of the Public Finance Management Act, 2012 which requires an Accounting Officer to prepare a strategic plan in conformity with the medium term fiscal framework and fiscal policy objectives of the National Government. Further, it was not clear how the Directorate prepared its annual estimates of expenditure and revenues without an approved strategic plan as required in Section 68(2)(h) of the Public Finance Management Act, 2012.

In the circumstances, the Management was in breach of the Public Finance Management Act, 2012.

2. Ineffective Execution of the Directorate's Functions

review of documents provided for audit revealed that the Directorate had not carried out the following functions:

- i. The Directorate had not been gazetted the inspectors and issued them with official identity cards.
- ii. The Directorate had not established the standard operating procedures for veterinary medicine inspectors.
- iii. The Directorate has not been publishing, on an annual basis, a notice in the Kenya Gazette inviting the public to note and inspect the register of veterinary medicines and the list of approved veterinary pharmacy practices within such period and at such place as may be specified in the notice.
- iv. The Directorate had not established branch offices of the Directorate to ensure accessibility of its services by all Kenyans. However, inspectors were deployed to five points of entry without critical office stationary, equipment and office space. Officers were thus forced to share these facilities with other officers from other Partner Government Agencies to clear consignments.

Further, physical inspection and verification of Wholesale Dealers' premises revealed the following deficiencies:

- i. Two Wholesale Dealers were sharing the same Veterinary Surgeon without notifying the Directorate.
- ii. One Wholesaler Dealer had a premises permit even though they were only occupying a section of the building and another dealer had not been issued with a premises permit.
- iii. The Regulations do not specify the number of pharmacies that can be supervised by a veterinary surgeon.

This is contrary to Section 6 of the Veterinary Surgeons and Veterinary Paraprofessionals (The Veterinary Medicines Directorate) Regulations, 2022.

In the circumstances, the Management was in breach of the Veterinary Surgeons and Veterinary Paraprofessionals (The Veterinary Medicines Directorate) Regulations, 2022.

3. Lack of a Fully Constituted Council

Review of records revealed that the Council consists of seven (7) members. This is contrary to Regulation 8(1) of Veterinary Surgeons and Veterinary Paraprofessionals

(Veterinary Medicines Directorate) Regulations, 2022 which states that the Council shall consist of ten (10) members. Further, the Chief Executive Officer (CEO) Kenya Veterinary Board, CEO Pharmacy and Poisons Board and Principal Secretary, State Department for Livestock Development did not attend any of the meetings of the Council. However, there was no documented evidence from the Council to the Cabinet Secretary recommending removal of members from office for being absent for three consecutive meetings of the Council.

In addition, the term of four (4) Board members had expired on 22 April, 2023. However, new members have not been appointed resulting to the Council not constituting a quorum of five members and at least three veterinary surgeons.

In the circumstances, the Management was in breach of the Veterinary Surgeons and Veterinary Paraprofessionals Act (The Veterinary Medicines Directorate) Regulations, 2022.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Gross Understaffing of Veterinary Medicines Directorate

Review of the Directorate's approved staff establishment provides for eighty-five (85) employees for effective functioning of the Directorate. However, the Directorate has twenty-four (24) staff members, resulting in a deficit of sixty-one (61) employees.

In the circumstance, the Directorate lacked the requisite staffing levels to be able to run the day-to-day activities. This has adversely affected delivery of services.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual

Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Directorate's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of intention to terminate the Directorate 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 Directorate's financial reporting process, reviewing the effectiveness of how the 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 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 the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Directorate to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Directorate to cease to continue 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 Directorate 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

30 January, 2024

Veterinary Medicines Directorate (VMD)

Annual Report and Financial Statements for the year ended June 30, 2023.

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

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6	13,555,000	6,300,000
		13,555,000	6,300,000
Revenue from exchange transactions			
Rendering of services	7	98,893,651	100,970,844
Total revenue		112,448,651	107,270,844
Expenses			
Use of goods and services	8	33,508,848	7,140,565
Employee costs	9	22,907,114	18,782,651
Board Expenses	10	11,508,668	8,135,678
Depreciation and amortization expense	11	3,361,578	1,768,007
Repairs and maintenance	12	988,711	578,848
Total expenses		72,274,919	36,405,749
Other gains/(losses)			
Gain on foreign exchange transactions	13	31,080,573	13,673,146
Surplus/(deficit) for the period/year		71,254,305	84,538,241
Net Surplus for the year		71,254,305	84,538,241

The notes set out on pages 6 to 29 form an integral part of these Financial Statements.

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

Sign:

Accounting Officer,

Name: C.E.O Dr. Jane N. Njiru

Date: 30th November 2023

.....

Head of Finance

Name: Dennis M. Karanja

ACCA No: 2298153

30/11/2023

.....

Chairman of the Board

Name: Dr. Obadiah N Njagi, PhD, OGW

30/11/2023

Veterinary Medicines Directorate (VMD)
Annual Report and Financial Statements for the year ended June 30, 2023.
15 Statement of Financial Position as at 30 June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	14	396,938,611	354,758,845
Receivables from Non-Exchange Transactions	15	10,000,077	7,095,976
Total Current Assets		406,938,688	361,854,821
Non-Current Assets			
Property, Plant and Equipment	16	27,830,616	12,982,286
Intangible Assets	17	18,385,695	7,000,622
Total Non- Current Assets		46,216,311	19,982,908
Total Assets		453,154,999	381,837,729
Liabilities			
Current Liabilities			
Trade and Other Payables	18	80,966	18,000
Total Current Liabilities		80,966	18,000
Non-Current Liabilities			
Total Non- Current Liabilities		0	0
Total Liabilities		80,966	18,000
Net Assets			
Reserves		453,074,033	381,819,729
Total Net Assets		453,074,033	381,819,729
Total Net Assets and Liabilities		453,154,999	381,837,729

The financial statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

Sign: 

Accounting Officer,

Name: C.E.O Dr. Jane N. Njiru

Date: 30th November 2023


..... 

Head of Finance

Name: Dennis M. Karanja

ACCA No: 2298153

30/11/2023



Chairman of the Board

Name: Dr. Obadiah N Njagi, PhD, OGW

29/11/2023

Veterinary Medicines Directorate (VMD)

Annual Report and Financial Statements for the year ended June 30, 2023.

16. Statement of Changes in Net Assets for the year ended 30 June 2023

	Retained earnings	Capital/Development Grants/Fund	Total
	Kshs	Kshs	Kshs
As at July 1, 2021	297,281,488	-	297,281,488
Issued new capital	-	-	-
Revaluation gain	-	-	-
Transfer of excess depreciation on revaluation	-	-	-
Deferred tax on excess depreciation	-	-	-
Fair value adjustment on quoted investments	-	-	-
Surplus/ deficit for the year	84,538,241	-	84,538,241
Capital/development grants received during the year	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-
Dividends paid	-	-	-
Interim dividends paid	-	-	-
Proposed final dividends	-	-	-
As at June 30, 2022	381,819,729	-	381,819,729
As at July 1, 2023	381,819,728	-	381,819,728
Issue of new share capital	-	-	-
Revaluation gain	-	-	-
Transfer of excess depreciation on revaluation	-	-	-
Deferred tax on excess depreciation	-	-	-
Fair value adjustment on quoted investments	-	-	-
Surplus/ deficit for the year	71,254,305	-	71,254,305
Capital/development grants received during the year	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-
Dividends paid	-	-	-
Interim dividends paid	-	-	-
Proposed final dividends	-	-	-
As at June 30, 2023	453,074,033	-	453,074,033

Veterinary Medicines Directorate (VMD)

Annual Report and Financial Statements for the year ended June 30, 2023.

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

		2022-2023	2021-2022
	Notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	6	13,555,000	6,300,000
Rendering of services	7	98,893,651	100,970,844
Other income	13	31,080,573	13,673,146
Total receipts		143,529,224	120,943,990
Payments			
Use of goods and services	8	33,508,848	7,140,565
Employee costs	9	22,907,114	18,782,651
Board Expenses	10	11,508,668	8,135,678
Repairs and maintenance	12	988,711	578,848
Total payments		68,913,341	34,637,742
Adjustments for changes in working capital			
Decrease/(increase) in non-current receivables		-2,904,101	-5,517,720
(Decrease)/increase in non-current payables		62,966	18,000
Net cash flows from/(used in) operating activities		71,774,748	80,806,528
Cash flows from investing activities			
Purchase of PPE and Intangible assets		-29,594,981	-13,409,092
Net cash flows from/(used in) investing activities		-29,594,981	-13,409,092
Cash flows from financing activities			
Net cash flows from financing Activities		0	0
		-	-
Net increase/(decrease) in cash & Cash equivalents		42,179,767	67,397,436
Cash and cash equivalents at 1 July		354,758,845	287,361,408
Cash and cash equivalents at 30 June		396,938,612	354,758,845

(PSASB has now prescribed the direct method of cashflow presentation for all entities under the IPSAS Accrual basis of accounting).

Veterinary Medicines Directorate (VMD)
Annual Report and Financial Statements for the year ended June 30, 2023.

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Grant form Government	16,300,000	(2,745,000)	13,555,000	13,555,000	-	-
Veterinary Medicines Dossier / Products Registration Fees.	11,000,000	-	11,000,000	4,685,584	6,314,416	57
Veterinary Medicines Good Manufacturing Practice Fees (foreign site)	7,000,000	-	7,000,000	2,811,875	4,188,125	60
Veterinary Medicines Good Manufacturing Practice Fees (local site)	400,000	-	400,000	370,262	29,738	7
Veterinary Medicines Wholesale Dealers Premises Licence Fees	2,500,000	-	2,500,000	5,995,895	(3,495,895)	(140)
Veterinary Medicines Wholesale Premises Inspection Fees	1,000,000	-	1,000,000	210,000	790,000	79
Veterinary Medicines Retail Pharmacy Licence Fees	500,000	-	500,000	1,870,000	(1,370,000)	(274)
Veterinary Medicines Retail Pharmacy Inspection Fees	450,000	-	450,000	300,000	150,000	33
Veterinary Medicines Import Verification Fees and Import Permit Fees	35,000,000	-	35,000,000	45,649,818	(10,649,818)	(30)
Veterinary Medicines Products Retention Fees	15,000,000	-	15,000,000	36,589,217	(21,589,217)	(144)
Products Advertisement	2,000,000	-	2,000,000	-	2,000,000	100
Manufacturing License	400,000	-	400,000	400,000	-	-
Products Appeal Fees	450,000	-	450,000	11,000	439,000	98
Rendering of Services	75,700,000	-	75,700,000	98,893,651	(23,193,651)	(31)
Total revenue from the rendering of services	92,000,000	(2,745,000)	89,255,000	112,448,651	(23,193,651)	(26)
Expenditure						
Employee costs	42,500,000	(1,880,000)	40,620,000	22,907,114	17,712,886	44
Remuneration of Directors	12,286,000	-	12,286,000	11,508,668	777,332	6
Use of Goods and Services	36,093,670	(1,065,000)	35,028,670	33,508,848	1,519,822	4
Repairs and Maintenance	880,000	200,000	1,080,000	988,711	91,289	8

Budget notes

1. There was a budget reduction from The National Treasury and Economic planning during supplementary 11 of the FY 2022/23.
2. The under utilization of employees cost was attributed to by delayed recruitment of officers who reported in the second half of the Financial year.

19. Notes to the Financial Statements

1. General Information

Veterinary Medicine Directorate Council is established by and derives its authority and accountability from Veterinary Surgeons and Veterinary Paraprofessionals, Act CAP 366, Act. Veterinary Medicine Directorate is wholly owned by the Government of Kenya and is domiciled in Kenya. The Veterinary Medicine Directorate Council's principal activity is as outlined in earlier pages.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarial 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 the *Entity'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 5 of these financial statements.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the Veterinary Surgeons and Veterinary Paraprofessionals 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 30 June 2023.*

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:

Veterinary Medicines Directorate

Annual Report and Financial Statements for the year ended June 30, 2023.

Standard	Effective date and impact:
	<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>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>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.

Veterinary Medicines Directorate

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Standard	Effective date and impact:
	d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.

ii. ***Early adoption of standards***

The Veterinary Medicine Directorate Council did not early – adopt any new or amended standards in year 2022/2023.

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

Veterinary Medicines Directorate

Annual Report and Financial Statements for the year ended June 30, 2023.

ii) Revenue from exchange transactions

Rendering of services

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

Interest income

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

b) Budget information

The original budget for FY 2021-2022 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 appropriations are added to the original budget by the Veterinary Medicine Directorate Council upon receiving the respective approvals in order to conclude the final budget.

The Veterinary Medicine Directorate Council'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.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

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

c) Taxes

Current income tax

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

d) Property, plant and equipment

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

e) 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. The intangible assets that is Computer software is amortization over 15 years and in straight-line depreciation technique.

f) Research and development costs

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

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale

Veterinary Medicines Directorate

Annual Report and Financial Statements for the year ended June 30, 2023.

- ii) Its intention to complete and its ability to use or sell the asset
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset
- v) The ability to measure reliably the expenditure during development.

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

g) Financial instruments

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

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

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Veterinary Medicines Directorate

Annual Report and Financial Statements for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

b) Financial liabilities

Classification

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

h) Inventories

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

i) Provisions

Provisions are recognized when the *Entity* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Entity* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only

Veterinary Medicines Directorate

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

j) Social Benefits

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

k) Contingent liabilities

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

l) Contingent assets

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

Veterinary Medicines Directorate

Annual Report and Financial Statements for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

m) Nature and purpose of reserves

The Veterinary Medicines Directorate creates and maintains reserves in terms of specific requirements.

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

The *Entity* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

p) Foreign currency transactions

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

Summary of Significant Accounting Policies (Continued)

q) Borrowing costs

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

r) Related parties

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

s) Service concession arrangements

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

t) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

u) Comparative figures

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

v) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Veterinary Medicines Directorate**Annual Report and Financial Statements for the year ended June 30, 2023.****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:

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

Provisions

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

6. Transfers from Other Government entities

Name of The Entity Sending The Grant	Amount recognized to Statement of Financial performance.	Amount deferred under deferred income.	Amount recognised in capital fund.	Total transfers 2022/23	Comparative FY 2021/22
	KShs	KShs	KShs	KShs	KShs
State Department of Livestock	13,555,000	0	0	13,555,000	6,300,000
Total	13,555,000	0	0	13,555,000	6,300,000

7. Rendering of Services

	2022/23	2021-2022
	KShs	KShs
Veterinary Medicines Dossier / Products Registration Fees.	4,685,584	10,194,086
Veterinary Medicines Good Manufacturing Practice Fees (foreign site)	2,811,875	7,519,040
Veterinary Medicines Good Manufacturing Practice Fees (local site)	370,262	517,832
Veterinary Medicines Wholesale Dealers Premises Licence Fees	5,995,895	3,188,756
Veterinary Medicines Wholesale Premises Inspection Fees	210,000	600,000
Veterinary Medicines Retail Pharmacy Licence Fees	1,870,000	470,000
Veterinary Medicines Retail Pharmacy Inspection Fees	300,000	225,000
Veterinary Medicines Import permit & Verification Fees	45,649,818	51,230,485
Veterinary Medicines Products Retention Fees	36,589,217	26,234,645
Products Advertisement	-	250,000
Manufacturing License	400,000	511,000
Products Appeal Fees	11,000	30,000
Total Revenue from The Rendering of Services	98,893,651	100,970,844

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8. Use of Goods and Services

Description	2022-2023	2021-2022
	KShs	KShs
Subscriptions	647,950	70,000
Conferences and delegations	2,470,194	1,171,083
Consulting fees	-	-
Fuel and oil	1,759,500	53,500
Insurance	718,966	613,196
Legal expenses	-	-
Printing, stationery and advertising	1,664,938	218,507
Rental	2,461,195	1,787,954
Telecommunication	583,038	1,197,572
Training	364,936	498,648
Travel, accommodation, subsistence and other allowances	22,114,454	1,185,920
Audit fees	400,000	0
Other general expenses*	323,677	344,185
Total use of goods and services	33,508,848	7,140,565

*Other General expenses include Corporate Social Responsibilities and bank Charges.

9. Employee Costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Staff Salaries	15,994,917	7,681,680
Employer contribution to health insurance schemes	215,350	86,400
Wages and Stipends	301,265	89,703
Travel, motor car, accommodation, subsistence, and other allowances	0	8,832,024
Staff medical cover	6,395,582	2,092,844
Other employee related costs	0	
Employee costs	22,907,114	18,782,651

10. Board Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
Chairman/Directors' Honoraria	5,296,000	672,000.00
Sitting Allowances	5,028,960	2,700,500
Induction and Training	382,200	-
Travel and Accommodation	473,908	3,167,073
Other Allowances	327,600	1,596,105
Total	11,508,668	8,135,678

The chairman was paid the arrears for the due honoraria

11. Depreciation and Amortization Expense

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Description	2022-23	2021-2022
	KShs	KShs
Property, plant and equipment	2,894,870	1,768,007
Intangible assets	466,708	-
Total depreciation and amortization	3,361,578	1,768,007

12. Repairs and Maintenance

Description	2022-2023	2021-2022
	Kshs	Kshs
Vehicles	641,125	526,648
Computers and accessories	347,586	52,200
Furniture and Fittings	0	0
Total Repairs and Maintenance	988,711	578,848

13. Gain/Loss on foreign exchange transactions

Description	2022-23	2021-2022
	KShs	KShs
Foreign Exchange gain	31,080,573	13,673,146
Total other income	31,080,573	13,673,146

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14. Cash and Cash Equivalents

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Account	396,938,611	354,758,845
Savings Account	0	0
On - Call Deposits	0	0
Fixed Deposits Account	0	0
Staff Car Loan/ Mortgage	0	0
Others(Specify)	0	0
Total Cash And Cash Equivalents	396,938,611	354,758,845

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2022-2023	2021-2022
		Kshs	Kshs
a) Current Account			
National Bank of Kenya	01071203347300	171,682,873	193,360,828
National Bank of Kenya	02071203347300	225,255,738	161,398,017
Sub- Total		396,938,611	354,758,845
b) On - Call Deposits			
Sub- Total		0	0
c) Fixed Deposits Account			
Sub- Total		0	0
d) Staff Car Loan/ Mortgage			
Sub- Total		0	0
e) Others(Specify)			
Sub- Total		0	0
Grand Total		396,938,611	354,758,845

15. Receivables from Non-Exchange Transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Other debtors (non-exchange transactions)	10,000,077.00	7,095,976.00
Total receivables from non- exchange transactions	10,000,077.00	7,095,976.00

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Annual Report and Financial Statements for the year ended June 30, 2023.
Notes to the Financial Statements (Continued)

16. Property, Plant and Equipment

Cost	Motor vehicles	Furniture and fittings	Computers	Total
	Kshs	Kshs	Kshs	Kshs
At 30th June 2021	11,640,760	2,834,482	2,044,931	16,520,173
Additions	5,230,000	410,750	767,720	6,408,470
Disposals	0	0	0	0
Transfer/adjustments	0	0	0	0
At 30th June 2022	16,870,760	3,245,232	2,812,651	22,928,643
Additions	17,743,200	0	0	17,743,200
Disposals	0	0	0	0
Transfer/Adjustments	0	0	0	0
As at 30th June 2023	34,613,960	3,245,232	2,812,651	40,671,843
Depreciation And Impairment				0
At 1 July 2021	6,729,814	724,268	724,268	8,178,350
Depreciation	1,227,736	263,777	276,494	1,768,007
Impairment	0	0	0	0
Transfers/ Adjustments	0	0	0	0
As At 30th 2023	7,957,550	988,045	1,000,762	9,946,357
Depreciation	2,228,302	277,305	389,263	2,894,870
Disposals	0	0	0	0
Impairment	0	0	0	0
Transfer/Adjustment	0	0	0	0
As at 30th June 2023	10,185,852	1,265,350	1,390,025	12,841,227
Net Book Values				0
As at 30th June 2022	8,913,210	2,257,187	1,811,889	12,982,286
As at 30th June 2023	24,428,108	1,979,882	1,422,626	27,830,616

Veterinary Medicines Directorate

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Notes to the Financial Statements (Continued)

16. (b) Property, Plant and Equipment at Cost

Property plant and Equipment includes the following assets that are fully depreciated:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Motor Vehicles, Including Motorcycles	34,613,960	10,185,852	24,428,108
Computers And Related Equipment	2,812,651	1,390,025	1,422,626
Office Equipment, Furniture, And Fittings	3,245,232	1,265,350	1,979,882
Total	40,671,843	12,841,227	27,830,616

17. Intangible Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Cost		
At beginning of the year	7,000,622	-
Additions	-	7,000,622
At end of the year	7,000,622	7,000,622
Additions-internal development	11,851,781	-
At end of the year	18,852,403	7,000,622
Amortization and impairment		
At beginning of the year	-	-
Amortization	466,708	-
At end of the year	466,708	-
Impairment loss	-	-
At end of the year	466,708	-
NBV	18,385,695	7,000,622

18. Trade and Other Payables

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade payables	-	18,000
Other payables	80,966	-
Total trade and other payables	80,966	18,000

19. Financial Risk Management

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

i) Credit risk

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Entity's directors, who have built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows.

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Financial Risk Management

iii) Market risk

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

a) Foreign currency risk

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

b) Interest rate risk

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

Management of interest rate risk

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

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Financial Risk Management

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Notes to the Financial Statements (Continued)

Financial Risk Management

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *Entity's* market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The *Entity* considers relevant and observable market prices in its valuations where possible.

Veterinary Medicines Directorate
Annual Report and Financial Statements for the year ended June 30, 2023.
Notes to the Financial Statements (Continued)

iv) Capital Risk Management

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

20. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of Veterinary Medicines Directorate, holding 100% of the *Entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Veterinary Medicines Directorate, both domestic and external.

Other related parties include:

- i) Ministry of Agriculture and Livestock, Development
- ii) State Department for Livestock Development (SDLD).
- iii) Key management.

Board of director

21. Events after the Reporting Period

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

22. Ultimate And Holding Entity

The Veterinary Medicines Directorate is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Ministry of Agriculture and Livestock Development. Its ultimate parent is the Government of Kenya.

23. Currency

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

**Veterinary Medicines Directorate
Annual Report and Financial Statements for the year ended June 30, 2023.**

20. Appendices

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
VMD/2018/19 - Audit draft Report	Non-availability of key policy manuals and strategic plan	The Directorate has developed draft Strategic plan in addition to Key Policy Documents.	NOT Resolved	30 th June 2024
VMD/2021/22 - Audit Report	Budgetary control and performance	Underperformance was attributed to delayed recruitment	NOT Resolved	30 th June 2023
VMD/2021/22 - Audit Report	Irregular use of direct procurement for motor vehicle	The institution used the existing government procurement framework	Resolved	30 th June 2023
VMD/2021/22 - Audit Report	Lack of a fully constituted Council	The Council has written to the Cabinet Secretary to appoint a new Council	NOT Resolved	30 th June 2023
VMD/2021/22 - Audit Report	Understaffing at the Council	The Council is in the process of filling the staff establishment	NOT Resolved	30 th June 2023

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Entity responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

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C.E.O Dr. Jane N. Njiru

Date: 30th November 2023

Veterinary Medicines Directorate

Annual Report and Financial Statements for the year ended June 30, 2023.

Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/ Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
State Department for Livestock	13,555,000	Recurrent	13,555,000	13,555,000	0	0	0	0	13,555,000
Total			13,555,000	13,555,000	0	0	0	0	13,555,000

