

REPUBLIC OF KENYA



REPORT

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THE AUDITOR-GENERAL

ON

NATIONAL BIOSAFETY AUTHORITY

FOR THE YEAR ENDED
30 JUNE, 2025

DATE: 25 FEB 2026 WEDNESDAY

TABLED
BY:

Hon. NAOMI WAQO, MP
DEPUTY MAJORITY WHIP

CLERK-AT
TABLE:

ESTHER NGINDO



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NATIONAL BIOSAFETY AUTHORITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

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1. Acronyms and Definition of Key Terms

A: Acronyms

AATF	African Agricultural Technology Foundation
ASK	Agricultural Society of Kenya
BCH	Biosafety Clearing House
CBD	Convention on Biological Diversity
CEO	Chief Executive Officer
CBK	Central Bank of Kenya
CSR	Corporate Social Responsibility
ECL	Expected Credit Loss
EDMS	Electronic Data Management System
ERP	Electronic Resource Process
FAQ	Frequently Asked Questions
FY	Financial Year
GMO	Genetically Modified Organisms
ICPAK	Institute of Certified Public Accountants of Kenya
IFPRI	International Food Policy Research Institute
IPSAS	International Public Sector Accounting Standards
KRA	Key Result Areas
LLP	Low Level Presence
NBA	National Biosafety Authority
NACOSTI	National Commission for Science, Technology and Innovation
NT	National Treasury
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PBS	Program for Biosafety Systems
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
PPDA	Public Procurement & Asset Disposal Act
SAGAs	Semi-Autonomous Government Agencies

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SC	State Corporations
WB	World Bank
WIBA	Work Injury Benefit Act
YAGPO	Youth Access to Government Procurement Opportunities

B: Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

National Biosafety Authority (NBA) was established pursuant to the provisions of the Biosafety Act, CAP 320 and became fully operational in 2010. The Authority is headed by a Board of Directors responsible for the general policy and strategic direction of the Authority. The ministerial responsibility is vested on the Cabinet Secretaries for Ministry responsible for Science and Technology as per the Biosafety Act, and Ministry of Agriculture and Livestock Development as provided for in the Executive Order No. 1 of 2022. The day-to-day Management of the Authority is carried out by a Management Team headed by the Chief Executive Officer.

NBA has made great strides in establishing strong biosafety framework in Kenya by developing and publishing the following Biosafety Regulations:

- i. The Biosafety (Environmental Release) Regulations, 2011
- ii. The Biosafety (Import, Export and Transit) Regulations, 2011
- iii. The Biosafety (Contained Use) Regulations, 2011
- iv. The Biosafety (Labelling) Regulations, 2012

NBA has its principal office at NACOSTI Building in Nairobi Kenya and has border post offices in Mombasa, Lunga Lungu, Holili, Namanga, Busia and Malaba.

(b) Principal Activities

Kenya is a signatory to the Cartagena Protocol on Biosafety to the Convention on Biological Diversity (CBD) having signed and ratified in the years 2000 and 2003 respectively. In this respect, NBA is the designated National Competent Authority for the implementation of the Protocol.

The mandate of the Authority is to exercise general supervision and control over the transfer, handling and use of Genetically Modified Organisms (GMO) with the aim of ensuring safety of human and animal health, and provision of an adequate level of protection of the environment.

The principal functions of the Authority are to:

- a) Consider and determine applications for approval for the transfer, handling and use of Genetically Modified Organisms and related activities;
- b) Co-ordinate, monitor and assess activities relating to the safe transfer, handling and use of Genetically Modified Organisms in order to ensure that such activities do not have adverse effect on human health and the environment;
- c) Co-ordinate research and surveys in matters relating to the safe development, transfer, handling and use of Genetically Modified Organisms, and to collect, collate and disseminate information about the findings of such research, investigation or survey;
- d) Identify national requirements for manpower development and capacity building in biosafety;
- e) Advise the Government on legislative and other measures relating to the safe transfer, handling and use of Genetically Modified Organisms;
- f) Promote awareness among the general public relating to biosafety; and
- g) Establish and maintain a biosafety clearing house to serve as a means through which information is made available to facilitate the exchange of scientific, technical, environmental and legal information on, and experience with Genetically Modified Organisms.

Our Vision

A nation where genetically modified organisms are safe and beneficial.

Our Mission

To facilitate safe development, transfer, handling and use of genetically modified organisms.

Our Core Values

In pursuit of our vision and mission, we shall be guided by the following fundamental core values;

- Good Governance
- Professionalism
- Customer Focus
- Inclusiveness
- Sustainability

(c) Key Management

The Board of Directors is the top organ that provides the overall oversight over the management of the Authority. The Board of Directors include the following;

No.	Name	Designation	Nature of Directorship
1.	Prof. Jenesio Kinyamario	Chairman	Non-Executive/Independent
2.	Mr. Mohammed Hussein	Member	Non-Executive/Independent
3.	Dr. Daniel Njoroge	Member	Non-Executive/Independent
4.	Mr. Asteri Angolo	Member	Non-Executive/Independent
5.	Dr. Isabella Ayagah	Member	Alternate Member
6.	Ms. Ann Mureithi	Member	Alternate Member
7.	CPA Douglas Mutemi	Member	Alternate Member
8.	Mr. Salim Kuti	Member	Alternate Member
9.	Mr. Nehemiah Ngetich	Ag. Chief Executive Officer	Ex-officio Member

The NBA is headed by the Chief Executive Officer, who ensures effective and efficient management of the Authority's day-to-day operations. The CEO is assisted by the following six Directorates:

1. Corporate Services;
2. Corporation Secretary and Legal Services;
3. Internal Audit and Risk Assurance;
4. Strategy and Planning;
5. Biosafety Assessment Awareness and Collaborations; and
6. Biosafety Compliance and Enforcement.

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Ag. Chief Executive Officer	Nehemiah Ngetich
2.	Director Corporate Services	Dr. Ann Karimi
3.	Corporation Secretary & Director Legal Services	Moses Sande
4.	Ag. Director Biosafety Assessment Awareness & Collaboration	Josphat Muchiri
5.	Director Internal Audit & Risk Assurance	Geoffrey Ogoti

(e) Fiduciary Oversight Arrangements

The Key fiduciary oversight arrangements include: -

The Board of Directors.

The Board of Directors plays a crucial role in overseeing the management of the Authority. It is structured into committees that closely examine various aspects of the Authority's operations and provide regular reports to the full Board. These committees are:

- i. **Audit Committee:** The role of the audit committee is to support the board of directors in fulfilling its governance and oversight responsibilities in relation to financial reporting, internal controls, risk assurance and internal audit functions and ethical accountability.
- ii. **Finance and Administration Committee:** This committee oversees financial integrity, transparency and efficiency by reviewing budgets, ensuring accurate financial reporting and assessing risk management strategies. It monitors procurement processes, evaluates performance against objectives and develops or reviews relevant policies. Additionally, the committee ensures compliance in financial and administrative practices, playing a key role in safeguarding the Authority's resources and promoting accountability.

- iii. **Technical Committee:** The Technical Committee assesses the management's activities related to the implementation of the Authority's core mandate. Its main goal is to ensure that these activities align with the provisions of the Biosafety Act and relevant international conventions on Biosafety matters.

The Office of the Auditor General.

The Office of the Auditor General evaluates the Authority's Financial Statements and provides an assessment of the current situation. This includes conducting a system audit to assess the effectiveness of internal controls.

Parliamentary Oversight Committees:

- Public Investment Committee - reviews the Auditor General's reports and seeks further explanations from Management on any adverse reports with recommendations to Parliament for adoption and action by the Executive.
- Education, Science and Technology Committee – Interrogates the performance of the Authority on matters of Science and Technology.
- Agriculture and Livestock Committee – Interested on role of the Authority in agricultural biotechnology regulation and provision of budgetary resources to support the Authority.
- Health Committee - Interested on role of the Authority in promoting public health through biosafety regulations on the safety of Genetically Modified Organisms.


Development Partners



They review the Management activities and reports in regard to the sponsored projects to ensure compliance with the agreement conditions.

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<p>National Biosafety Authority Headquarters</p> <p>P.O. Box 28251 NACOSTI Building Loresho-Off Waiyaki Way Nairobi, KENYA</p>	<p>Contacts</p> <p>Telephone: (254) 202678667 0713-854132 E-mail: info@biosafetykenya.go.ke Website: www.biosafetykenya.go.ke</p>
<p>National Biosafety Authority Bankers</p>	
<p>Central Bank of Kenya Haile Selassie Avenue P.O. Box 60000 City Square 00200 NAIROBI, KENYA</p>	<p>Kenya Commercial Bank Kipande House Branch Kenyatta Avenue P. O. Box 30012-00100 NAIROBI, KENYA</p>
<p>Cooperative Bank of Kenya Westlands Branch P. O. Box 66589-00800 NAIROBI, KENYA</p>	<p>NCBA Bank Westlands Branch P. O. Box 44599-00100 NAIROBI, KENYA</p>
<p>Independent Auditor</p> <p>Auditor-General Office of the Auditor General Anniversary Towers, University Way P.O. Box 30084 GPO 00100 Nairobi, Kenya</p>	<p>Principal Legal Adviser</p> <p>The Attorney General State Law Office and Department of Justice Harambee Avenue P.O. Box 40112 City Square 00200 Nairobi, Kenya</p>

3. The Board of Directors

Ref	Directors	Details
1.	 <p style="text-align: center;">Prof. Jenesio Kinyamario PhD (Nairobi), MSc (Texas A&M), BSc (Nairobi) Chairman Board of Directors</p>	<p>D.O.B: 01/01/1952</p> <p>Prof. Kinyamario holds a PhD in Plant Ecology from the University of Nairobi, a Master’s degree in Range Management from Texas A&M University in the USA and a Bachelor’s degree in Botany and Zoology from the University of Nairobi. He is a full Professor (now retired) of the University of Nairobi.</p> <p>Besides his academic and research work, Prof. Kinyamario offers consultancy services to various organizations such as the World Bank, the United Nations Environment Programme and the Kenya Government on environmental issues. He is also a Fellow of the World Innovation Foundation and a Member of the Environmental Institute of Kenya. He has previously served as a member of the Board of the Coffee Research Foundation, Moi University Council, Rivatex EA Ltd, and Moi Teaching and Referral Hospital.</p>

2.	 <p>Dr. Daniel Njoroge Independent Board Member</p>	<p>D.O.B: 31/12/1954</p> <p>Dr. Daniel Njoroge is a registered pharmacist with over 40 years' experience in both Government and Private Practice in Community Pharmacy.</p> <p>He holds a bachelor of Pharmacy from the University of Nairobi and a postgraduate diploma in community Pharmacy.</p> <p>He is a member of Pharmaceutical Society of Kenya (PSK).</p> <p>He has been involved with resource mobilization globally with International funds managers.</p> <p>He is a member of Finance & Administration Committee and Technical Committee.</p>
3.	 <p>Mohamed Haji Hussein Independent Board Member</p>	<p>D.O.B: 1958</p> <p>Mr. Mohamed Haji Hussein holds a Diploma in Clinical Medicine and a Higher Diploma in Ophthalmology with 44 years' experience in medical practice. He served in the Ministry of Health as a clinician for 10 years and in private practice for 34 years.</p> <p>He also served as a Director with the National Housing Corporation (NHC).</p> <p>He is a member of Audit Committee and Technical Committee.</p>





Mr. Asteri Angolo
Independent Board Member


D.O.B: 16/06/1970



Mr. Asteri Angolo has over 25 years working experience in the field of Finance and Accounts both in the Public and Corporate sectors. He started his career at the giant Kenya Posts and Telecommunications Corporation (K.P.T.C) where he underwent training at the Kenya College of Communications Technology (currently Multimedia University) and Government Training Institute (currently Kenya School of Government). He left K.P.T.C after 15 years and went on to serve as the chairman of Finance, Staff and General purposes committee of Siaya County council where he provided leadership in formulation and implementation of policies resulting into an increase in local revenue and curbing expenditure. He holds a Bachelor's degree in Finance from Moi University and currently doing his research for Master of Science in Finance at Maseno University.


4.


5.	 <p>Dr. Isabella Ayagah Bachelor of Dental Surgery, Msc. International Cooperation & Humanitarian Aid, Msc. Public Health Systems Management and Application Rep of PS Public Health</p>	<p>D.O.B: 08/10/1979</p> <p>Dr. Isabella Ayagah has a working experience of 17 years with 8 years' experience in Global Health Affairs and Diplomacy and 9 years in Health Security. She actively influenced national, regional and global health agenda through bilateral and multilateral engagements on behalf of the Government of Kenya and the East Africa Region. She led the establishment of the Eastern African Regional Collaborating Centre (RCC) of the Africa CDC currently hosted in Nairobi Kenya. Ayagah supported capacity building in Global Health Diplomacy for health ministers and over 150 senior government officials from the East, Central, and Southern Africa- Health Community (ECSA-HC) member states since 2009. She established the Global Health Security office in the Ministry of Health which mobilized resources through bilateral and multilateral arrangements to build national capacities for health security. This includes the implementation of a Threat Reduction Biological Engagement Programme that supported building capacities for health security in critical institutions including KEMRI, KEVEVAPI, CVL, Kajiado,</p>
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		<p>and Isiolo Country Hospital Laboratories. She has also been focal in developing national and regional health security policies.</p>
6.	 <p>Ms. Ann Mureithi MA in Economics (UON) Rep of PS National Treasury</p>	<p>D.O.B:19/03/1988</p> <p>Ms. Ann Mureithi is an Economist working at the National Treasury with 15 years' experience in Policy Formulation, Fiscal Affairs, Public Finance Management as well as Strategic Planning.</p> <p>She holds a Master of Arts Degree in Economics from the University of Nairobi and a Bachelor of Arts Degree in Economics from Maseno University. In addition, she holds certification in Local Development Economics from the Korea International Cooperation Agency, Gender Responsive Economics from IDEP, certification in Project Planning and Management from the Eastern and Southern Africa Management Institute and a certificate in Strategic Leadership from the Kenya School of Government. She is a member of the Economist Society of Kenya.</p> <p>Over her professional life she has been engaged in the Budget making process (MTEF) for both National and County Governments, preparation of Medium-Term Plans (MTPs), County Integrated</p>

		<p>Development Plans (CIDPs), Strategic Plans and Sectoral Plans. She has also played a key role in coordinating and strengthening financial and fiscal relations between the National and County Governments to enhance public finance management.</p> <p>Appointed</p>
7.	 <p>Ms. Caroline Mweni MA in Economics and Policy Management Rep of PS National Treasury</p>	<p>D.O.B:19/03/1988</p> <p>Ms. Caroline Mweni is an Economist with over 11 years experience in Economic Policy and Public Finance Management. She holds a Bachelor of Science degree in Economics and Mathematics from the Kabarak University and a Master of Arts Degree in Economics and Policy Management from the University of Nairobi. She is also a member of the Economist Society of Kenya.</p> <p>She has been engaged in resource mobilization and negotiations for externally financed programmes and projects with Multilateral and Bilateral Agencies on behalf of the Government of Kenya.</p> <p>Retired during 3rd quarter of the financial year.</p>


<p>8.</p>	 <p>Salim Hamisi Kuti BA, MBA (UON), CPA(K), CPS(K), ABE(UK). Phd Dissertation (JKUAT) Rep of PS Higher Education and Research</p>	<p>D.O.B: 07/11/1965</p> <p>Salim Kuti has worked for seven Ministries including Finance and Planning, Youth Affairs and Sports, Agriculture and Livestock Development, Roads and Transport, Interior and National Administration, Devolution and Panning.</p>
<p>9.</p>	 <p>CPA Douglas Mutemi Rep of PS State Department for Agriculture</p>	<p>D.O.B: 04/07/1980</p> <p>Douglas Mutemi holds a Master’s of Business Administration (Finance) – University of Nairobi, Bachelor’s Degree in Business Administration (Accounting option) from Maseno University, Bachelors of laws from University of Nairobi, Post graduate diploma in law from Kenya School of Law.</p> <p>He is a Certified Public Accountant and a member of the Institute of Certified Public Accountants of Kenya (ICPAK), a member of Institute of Internal Auditors (IIA) and a member of Law society of Kenya (LSK). He is a seasoned Accounting, Finance and Law</p>



		<p>professional with over 20 years finance & accounting and law experience in private and public sector.</p> <p>His key responsibilities include financial reporting, financial management and budget controls, cash flow forecasts and banking relationships among others.</p>
10.	 <p>Dr. Gilbert Muthee Mwoga Rep of PS State Department for Agriculture</p>	<p>D.O.B:12/07/1968</p> <p>Alternate Member state Department for Agriculture 31 years' experience in civil service in the Kenyan Agricultural sector. The current Director Agribusinesses and market development state for Agriculture. PhD in Environmental studies of Kenyatta University, MSc in Agriculture and Rural Development, KEMU and BSc in Agriculture University of Nairobi. He has supported in the implementation research and extension of various programs and projects in the Agriculture sector.</p> <p>Retired during 2nd quarter of the financial year.</p>


11.	 <p>Nehemiah Ngetich Ag. Chief Executive Officer</p>	<p>D.O.B: 16/01/1979</p> <p>Mr Ng'etich joined NBA in August 2012 as a Biosafety Inspector. He moved in ranks to the position of Assistant Director in charge of the Biosafety Training and Accreditation Department at the National Biosafety Authority.</p> <p>In terms of academic qualifications, He holds a Bachelor's degree (BSc Horticulture) from Jomo Kenyatta University of Agriculture and Technology (JKUAT-2002), A Post Graduate Diploma in Education (PGDE-Moi University-2005) and a Master's degree in Plant Ecology (University of Nairobi-2012). He is currently a PhD (Plant Ecology) student at University of Nairobi Chiromo Campus. Before assuming his current position, Mr. Ngetich worked in different positions within the Biosafety Training Department. He has been instrumental in drafting technical guidelines for regulating plants and animal biotechnology in Kenya. Lastly, he has also worked previously as a teacher in various schools in Kenya.</p> <p>Mr. Ngetich has attended and facilitated many Conferences and Workshops both locally and internationally.</p>
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12.	 <p>CS. Moses Lukale Sande Corporation Secretary & Director Legal Services</p>	<p>D.O.B: 22/03/1973</p> <p>CS. Moses Lukale Sande is an advocate of the High Court of Kenya of over Ten (10) years, a Certified Secretary of Kenya and a member of the Institute of Certified Secretaries of Kenya (ICSK) in good standing and a member of the Law Society of Kenya (LSK). He holds a Bachelor of Laws degree (LL. B) from the University of Nairobi, a post-graduate Diploma in law from the Kenya School of Law; and a Master of Laws degree (LL.M) in International Criminal Justice and Armed Conflict from the University of Nottingham, United Kingdom.</p>
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4. Key Management Team

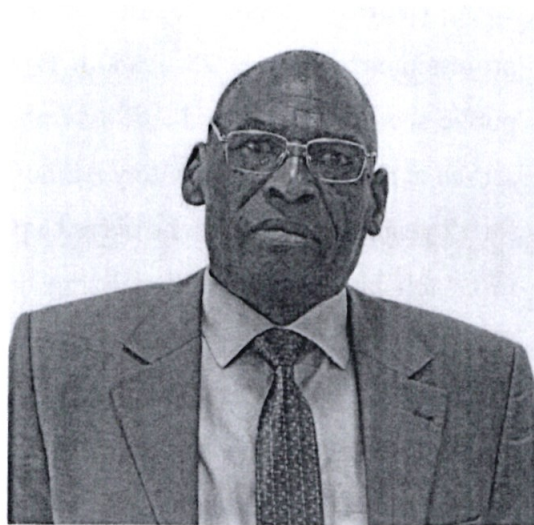
	Management	Details
1.	 <p>Nehemiah Ngetich Ag. Chief Executive Officer</p>	<p>Mr Ng'etich joined NBA in August 2012 as a Biosafety Inspector. He moved in ranks to the position of Assistant Director in charge of the Biosafety Training and Accreditation Department at the National Biosafety Authority.</p> <p>In terms of academic qualifications, He holds a Bachelor's degree (BSc Horticulture) from Jomo Kenyatta University of Agriculture and Technology (JKUAT-2002), A Post Graduate Diploma in Education (PGDE-Moi University-2005) and a Master's degree in Plant Ecology (University of Nairobi-2012). He is currently a PhD (Plant Ecology) student at University of Nairobi Chiromo Campus. Before assuming his current position, Mr. Ngetich worked in different positions within the Biosafety Training Department. He has been instrumental in drafting technical guidelines for regulating plants and animal biotechnology in Kenya. Lastly, he has also worked previously as a teacher in various schools in Kenya.</p> <p>Mr. Ngetich has attended and facilitated many Conferences and Workshops both locally and internationally.</p>

<p>2.</p>	 <p>Dr. Ann N. Karimi Director, Corporate Services</p>	<p>She is the Director Corporate Services Dr. Ann N. Karimi is a qualified Financial Analyst with over fifteen years of experience in Pensions, Investments, Finance, Administration and the Asset Management Industry across various sectors. She holds a Doctor of Philosophy in Business Administration (Finance), Master of Finance Degree and a Bachelor's of Science Degree in International Business Administration (Finance). She is a Full member of the Institute of Certified Financial Analysts (ICIFA) and the Chartered Institute for Securities and Investments (CISI).</p>
<p>3.</p>	 <p>CS. Moses Lukale Sande Corporation Secretary & Director Legal Services</p>	<p>He is the Director Legal Services/Corporation secretary CS. Moses Lukale Sande is an advocate of the High Court of Kenya of over Ten (10) years, a Certified Secretary of Kenya and a member of the Institute of Certified Secretaries of Kenya (ICSK) in good standing and a member of the Law Society of Kenya (LSK). He holds a Bachelor of Laws degree (LL. B) from the University of Nairobi, a post-graduate Diploma in law from the Kenya School of Law; and a Master of Laws degree (LL.M) in International Criminal Justice and Armed Conflict from the University of Nottingham, United Kingdom</p>

4.	 <p>Mr. Josphat Muchiri Acting Director Biosafety Assessment, Awareness and Collaboration</p>	<p>He is the Acting Director Biosafety Research and Compliance</p> <p>Mr. Josphat Muchiri is the Acting Director Biosafety Research & Compliance, National Biosafety Authority. He holds a Bachelor Degree in Agriculture (2000) from University of Nairobi, Kenya, Master’s Degree in Horticulture (2005), University of Nairobi, Kenya and M.Sc. Biosafety in Plant Biotechnology from Marche Polytechnic University, Italy.</p> <p>He is currently in-charge of Technical Services Directorate, in an acting capacity, mandated to implement the core mandate of the Authority. He is also the National Focal Point to the Biosafety Clearing House (BCH) as well as the Emergency Contacts person to the Cartagena Protocol on Biosafety.</p> <p>Prior to joining NBA, he worked with the Kenya Plant Health Inspectorate Service (KEPHIS).</p> <p>Mr. Muchiri was a member of the AHTEG Committee on Risk Assessment and Risk Management of the CBD between year 2014 and 2016. He has facilitated in various fora nationally and internationally as an expert on biosafety regulatory frameworks in Kenya and other diverse topics related to biotechnology, biosafety and emerging technologies.</p>
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<p>5.</p>	 <p>Mr. Geoffrey Ogoti Director Internal Audit and Risk Assurance</p>	<p>He is the Director Internal Audit and Risk Assurance</p> <p>CPA Geoffrey Ogoti Ogoro is a seasoned professional with over 23 years of experience in public sector auditing and risk assurance. He has served at the National Biosafety Authority (NBA) for 12 years, during which he played a pivotal role in establishing and operationalizing the Internal Audit Directorate. He holds a Master’s degree in Finance and is a Certified Public Accountant (CPA-K). He is also a Certified Professional Mediator (CPM), reflecting his competence in conflict resolution and stakeholder engagement. He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK), the Association of Certified Fraud Examiners (ACFE), and the International Academy of Mediators (IAM). He has undertaken the Strategic Leadership Development Program and the Senior Management Course at the Kenya School of Government. He is also a certified Trainer of Trainers and has received specialized training in Corporate Governance for Directors. His contributions to the profession include published research on the effectiveness of audit committees in the public sector.</p>
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5. Chairman's Statement



It is with great pleasure that I present to you the collective achievements of the National Biosafety Authority for the financial year 2024/2025. This report outlines the accomplishments of the Authority.

To realize its core mandate, the Authority launched the Strategic Plan 2023–2027, developed in line with key national development frameworks, including; Kenya Vision 2030, the Medium-Term Expenditure Framework (MTEF), the Bottom-up Economic Transformation Agenda (BETA), and Medium-Term Plan IV (2023–

2027).

The Strategic Plan is structured around eight Key Result Areas (KRAs), each supported by specific strategic objectives to guide implementation over the plan period. These KRAs are: Public awareness and education on biosafety; Dynamic laws and institutional policies on biosafety; Biosafety assessments; Compliance and enforcement; Biosafety information management; International partnerships and collaborative engagement in the implementation of international protocols and the Convention on Biological Diversity (CBD); Infrastructural and operational efficiency and Human resource management. The implementation of this plan is projected to cost an estimated Ksh 1.94 billion.

During the period, the Authority made notable progress among them the institution signing of a Memorandum of Understanding (MoU) with Directorate of Veterinary Service (DVS) for allocation of land for the construction of the National Biosafety Authority Headquarters, which will also host a Regional Reference Molecular Laboratory and a GMO Testing Laboratory.

The Authority also successfully held its 13th Annual Biosafety Conference under the theme: **“13 Years Later: Building Trust and Ensuring the Safety of Genetically Modified Organisms.”** The conference provided a valuable platform for stakeholders to explore the transformative potential of modern biotechnology for socio-economic development.

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To improve service accessibility, the Authority accelerated the decentralization of its services by opening regional border offices in Malaba, Lunga Lunga, and Holili.

Additionally, several critical policies and manuals were approved by the Board of Directors including: Guidelines for Labelling of GMOs, Guidelines for Genome Editing, Guidelines for the Appointment of Biosafety Inspectors, policies on Risk Management, Data Protection and ICT Policy. These instruments enhanced the Authority's ability to effectively carry out its regulatory mandate.

Following the lifting of the ban on GMOs in 2022 by Cabinet, there was an increase in workload and the need to enhance surveillance and GMOs testing activities. This necessitated the need to review the existing Human Resource Instruments (HRIs) which resulted into expanding of the Authority's staff establishment from 53 to 106. To support this expansion, the Authority also automated its services, improving efficiency and access to information by onboarding 17 services on e-Citizen and TFP (Trade facilitation Platform).

Furthermore, the Authority initiated a review of the Biosafety Act CAP 320, to incorporate new and emerging biotechnologies not covered under the current legal framework. Despite these positive developments, the Cabinet's decision to lift the ban on GMOs continued to attract several lawsuits against the Authority. These legal challenges limited full implementation of the Authority's mandate as provided for under the Act.

Finally, we express our sincere appreciation to the Government for its continued support. I also wish to thank the Board of Directors for their visionary leadership in the approval of key policy instruments that have enabled the Authority's management team to carry out its responsibilities effectively.

for



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PROF. JENESIO KINYAMARIO
CHAIRMAN OF THE BOARD
NATIONAL BIOSAFETY AUTHORITY

6. Report of the Chief Executive Officer



The National Biosafety Authority continues to play a pivotal role in exercising general supervision and control over the transfer, handling, and use of genetically modified organisms. This crucial mandate ensures the safety of human and animal health, as well as provides an adequate level of protection to the environment. This is achieved through the application of both international and national safety assessment standards.

In the financial year 2024/2025, the Authority continued to align its mission, policies, and strategic objectives with its vision of “A nation where genetically modified organisms are safe and beneficial.” This realignment is now reflected in the 2023–2027 Strategic Plan, which signifies the Authority's commitment to quality service delivery, and its core values of integrity, professionalism, customer focus, inclusiveness, and sustainability.

During the period, the Authority achieved several milestones and drew lessons. Among the key achievements was the allocation of approximately five acres of land by the Government at the Kabete Wetlands for the construction of the Authority's headquarters. The facility will also host a state-of-the-art molecular reference laboratory. Additionally, the Authority launched its 2023–2027 Strategic Plan, anchored on eight Key Result Areas (KRAs) to help it fulfil its mandate. It sustained its Quality Management System and completed the process of re-certification under the ISO 9001:2015 Standard.

All identified customer-facing services related to GMO applications and related functions were fully automated via the e-Citizen and KENTRADE platforms. The Authority also decentralized its services to key border points such as Mombasa, Busia, Namanga, Malaba, Lunga Lunga, and Taita Taveta. Plans are underway to expand further into other entry points, including Moyale and Isebania, in order to enhance surveillance.

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In terms of revenue, the Authority recorded a significant increase in Appropriations-in-Aid (A-in-A) during the period due to revised fees charged by the Authority for various services offered to stakeholders. To counter misinformation, the Authority embarked on a public awareness campaign across the country, reaching more than 15 counties to educate Kenyans about its regulatory role on GMOs.

The Authority conducted inspection and certification of institutions conducting GMO research, including the Kenya Agricultural and Livestock Research Organization (KALRO), International Livestock Research Institute (ILRI), Kenyatta University (KU), and the International Centre of Insect Physiology and Ecology (ICIPE). The Authority also carried out routine monitoring of ongoing GMO research in laboratories and confined field trials (CFTs) to ensure compliance with set biosafety conditions. Monitoring of genome editing projects involving rice, maize, and sorghum was also conducted, reflecting the Authority's increasing focus on emerging biotechnologies. In addition, monitoring of National Performance Trial (NPT) sites for virus-resistant cassava was undertaken at Mtwapa, Kiboko, Alupe, and Kakamega, ensuring the safe evaluation of genetically improved crop varieties.

The Management appreciates the continued support from the Board of Directors in enabling realization of the Authority's mandate.



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NEHEMIAH NGETICH
AG. CHIEF EXECUTIVE OFFICER

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7. Statement of Performance against Predetermined Objectives for FY 2024/2025

The National Biosafety Authority has eight Key Result Areas (KRAs) within the current Strategic Plan for the period 2023-2027. These Key Result Areas (KRAs) are as follows:

1. Key Result Areas (KRA) 1: Public Awareness and education on biosafety
2. Key Result Areas (KRA) 2: Dynamic laws and institutional policies on biosafety
3. Key Result Areas (KRA) 3: Biosafety assessments
4. Key Result Areas (KRA) 4: Compliance and enforcement
5. Key Result Areas (KRA) 5: Biosafety information management
6. Key Result Areas (KRA) 6: International partnerships and collaborative engagement in the implementation of the protocol and the CBD
7. Key Result Areas (KRA) 7: Infrastructural and operational efficiency
8. Key Result Areas (KRA) 8: Human Resource Management

NBA develops its annual work plans based on the above eight Key Result Areas. Assessment of the Authority’s performance against its annual work plan is done on a quarterly basis. The Authority achieved its performance targets set for the Financial Year 2024-2025 period as indicated in table 1 below:

Key Result Area (KRA)	Objective	Key Performance Indicators	Activities	Achievements
KRA 1: Public Awareness and Education on Biosafety	To enhance public awareness, participation and understanding of Biosafety matters.	No of engagements on biosafety matters	Conduct public participation activities for GMO projects Sensitization of different groups on GMOs and biosafety matters	Public participation of Bt maize held in 4 Counties of Machakos, Uasin Gishu, Kakamega and Trans Nzoia Sensitization on GMO matters held in 15 Counties One national biosafety conference held
		No. of biosafety training modules developed	Development of the Biosafety Training Manual Training of County Biosafety Champions	Training manual with six modules developed 17 County Biosafety Champions Trained
		No. of gap analysis on Biosafety laws	Undertake gap analysis on	The Authority conducted gap analysis on Biosafety

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KRA 2: Dynamic Laws and Institutional Policies on Biosafety	legal and institutional policy framework on Biosafety		Biosafety Act and Biosafety Labelling Regulations	Act and Biosafety Labelling Regulations
		Draft Biosafety Amendment Bill	Propose amendments of Biosafety Act and Biosafety Labelling Regulations	Stakeholder consultations held and areas of amendment identified
		Draft Biosafety Labelling Regulations (Amended)		
		No. of policies developed/reviewed	Development of new policies and review of existing policies	Seven corporate policies developed/reviewed
KRA 3: Biosafety Assessments	To ensure that only approved GMOs are in the market	% of GMO Applications processed within timelines	Review applications and communicate decisions to applicants within 150 days	All GMO applications received (No. 3) processed within set timelines
		No of guidelines developed on assessments of GMOs and emerging technologies	Develop and review Guidelines on GMOs and Genome editing	Developed 3 guidelines on labelling, non-risk assessment procedure and transportation of GMOs and reviewed Guidelines on Genome editing
		No. of automated services	Onboard NBA services to the E-Citizen	All services identified and onboarded to the E-Citizen
KRA 4: Compliance and Enforcement	To enhance adherence to GMO regulatory framework	No. of counties market surveyed	Conduct market surveillance	Market surveillance conducted in 21 counties
		No. of samples analysed for GMO presence	Undertake GMO tests on samples collected and submitted by clients	409 samples tested for GMO presence
		% of cargo cleared at entry ports	Clear consignments within set timelines	100% consignments cleared at ports of entry within set timelines
		No. of groups/traders sensitized on import procedures	Sensitization of traders	Four groups sensitization sessions held in Nairobi, Malaba, Lunga Lungu, and Taita Taveta
KRA 6: International Partnerships and Collaborative Engagement in the Implementation of the Protocol and the CBD	To promote compliance with international obligations under the Protocol	Country position on ratification of the Liability and Redress Protocol	Develop a Country position on ratification of the Liability and Redress Protocol	Country position on ratification of the Liability and Redress Protocol developed
		No. of records updated on the BCH	Update the BCH on GMO decisions	The Authority published 3 records on GMO applications approvals in the Biosafety Clearing House portal hosted on the NBA website for public

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				information and access-to information
KRA 7: Infrastructural and Operational Efficiency	To improve physical infrastructure	No. of border offices opened, refurbished and equipped	Identify border offices for opening Open the offices Furnish and equip Deploy Biosafety officers to the border offices	3 border offices opened operationalized (Malaba, Lunga Lunga and Holili) 10 biosafety officers deployed in the border offices
	To enhance the Authority's operational efficiency	% of automation	Identify and map services to be automated	17 services identified and process flows mapped
			On-board customer facing services	100% of customer facing services automated
		ISO 9001: 2015 re-certification	Undertake internal audits and Management Review meetings as scheduled	3 internal audits and Management Review Meetings held as scheduled
	Undertake QMS audit for the purpose of recertification		QMS audit conducted in May 2025 with a re-certification for the next 3 years	
To enhance the corporate image of the Authority	Number of CSR activities conducted	Tree planting in schools for environmental conservation	3 CSR activities held	
KRA 8: Human Resource Management	To enhance workforce capacity	No. of wellness programs implemented	Deploy staff wellness programs	Car loan program implemented 1 wellness talk 1 financial literacy training
		No of staff recruited	Staff recruited and posted	6 staff recruited
		No of staff trained	Staff trained on various skills	49 staff trained during the financial year

8. Corporate Governance Statement

8.1 Overview

The Board of Directors of the Authority is appointed under section 6 of the Biosafety Act. The Board has adopted high standards of corporate governance and applies strict rules of conduct based on best practice. As part of this commitment, the Board is required to adhere to good corporate governance by embracing the following principles—

- a. High standards of ethical behavior;
- b. Act in the best interest of the Authority;
- c. Remunerate and promote fairly, prudently and responsibly;
- d. Recognize legitimate interests of all stakeholders; and
- e. Ensure that the Authority acts as a good corporate citizen.

In line with Section 3 of the Leadership and Integrity Act No. 19 of 2012, the Board is required to respect the values, principles and the requirements of the Constitution, including—

- a. The national values and principles provided for under Article 10 of the Constitution;
- b. The rights and fundamental freedoms provided for under Chapter Four of the Constitution;
- c. The responsibilities of leadership provided for under Chapter 6 of the Constitution;
- d. The principles governing the conduct of State officers provided for under Article 75 of the Constitution; and
- e. The values and principles of Public Service as provided for under Article 232 of the Constitution.

8.2 Board Size, Composition, Appointment of Members and Succession Plan

The Board provides strategic direction, exercises control and remains accountable through effective leadership, enterprise, integrity and good judgment. It is diverse in its composition, independent but flexible, pragmatic, objective and focused on balanced and sustainable performance of the Authority. The Cabinet Secretary responsible for Science and Technology selects and appoints Board members for a period of three (3) years and are eligible for reappointment for one more term of three (3) years. The renewal of a member's tenure for a second term is subject to satisfactory evaluation as determined during Board evaluations. The Cabinet Secretary has staggered Board appointments to ensure that the respective expiry dates of the members terms fall at different time to ensure continuity. The appointment of independent Directors is by name and by notice in the Kenya Gazette. Membership of the Board may cease if the Board member—

- a. Serves the appointing authority with a written notice of resignation;
- b. Is absent, without the permission of the Chairperson or if the Chairperson, is absent without the permission of the appointing Authority, from three consecutive meetings;
- c. Is convicted of an offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding twenty thousand shillings;
- d. Is incapacitated by prolonged physical or mental illness from performing his duties as a member of the Board; or
- e. Conducts himself in a manner deemed by the appointing authority to be inconsistent with membership of the Board.

The Board is composed of nine members including the Chief Executive Officer, who possess broad range of expertise and diverse professional background. The members are drawn from various ministries, public and private sectors. Their remuneration is based on Guidelines on Terms and Conditions of Service for State Corporations dated 23rd November 2004 and circulars that have been issued from time to time. These guidelines clearly stipulate remuneration elements such as taxable sitting allowances for meetings attended, travel and accommodation allowance while on Corporation duty as well as the monthly honoraria for the Chairman. The Board of Directors' remuneration for financial year 2024/2025 is presented in Note 12.

To effectively discharge its mandate, the Board has established three committees with specific terms of reference. The committees are as follows—

- a. Audit Committee;
- b. Finance and Administration Committee; and
- c. Technical Committee.

The Board however remains collectively responsible for the recommendations made by any of its committees. A committee may only perform the tasks delegated to it by the Board and may not exceed the authority or powers of the Board.

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8.3 Number of Board meetings held and attendance by the members

The Board holds quarterly meetings while special meetings are called when deemed necessary. During the Financial Year 2024/2025, the Board held four (4) full Board meetings, three (3) Special Board meetings and five (5) Board Committee meetings. All meetings had quorum and any member who absented him/herself from a meeting did so with the express authority of the Chairperson.

Table 1: Board of Directors meetings during financial year 2024/2025

The Full Board held 4 meetings held as follows

No.	Name	Attendance
1.	Prof. Jenesio Kinyamario	4
2.	Mr. Salim Kuti	4
3.	Ms. Caroline Mweni	3
4.	Dr. Gilbert Mwoga	3
5.	Ms. Isabella Ayagah	4
6.	Dr. Daniel Njoroge	4
7.	Ms. Mohammed Hussein	4
8.	Ms. Ann Mureithi	1
9.	Mr. Asteri Angolo	1
10.	Mr. Douglas Mutemi	1

The Special Full Board held 3 meetings as follows

1.	Prof. Jenesio Kinyamario	3
2.	Mr. Salim Kuti	3
3.	Ms. Caroline Mweni	2
4.	Dr. Gilbert Mwoga	2
5.	Ms. Isabella Ayagah	3
6.	Dr. Daniel Njoroge	3
7.	Mr. Mohammed Hussein	3
8.	Ms. Ann Mureithi	1
9.	Mr. Asteri Angolo	1
10.	Mr. Douglas Mutemi	1
11.	Mr. Abduba Dabassa	1

The Technical Committee held 5 meetings as follows:

1.	Mr. Mohammed Hussein	5
2.	Dr. Daniel Njoroge	5
3.	Dr. Isabella Ayagah	3
4.	Mr. Salim Kuti	3

The Finance & Administration Committee held 5 meetings as follows:

1.	Ms. Caroline Mweni	4
2.	Dr. Isabellah Ayagah	5

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No.	Name	Attendance
3.	Dr. Gilbert Mwoga	5
4.	Mr. Salim Kuti	4
4.	Ms. Ann Mureithi	1
Audit Committee held 4 meetings as follows:		
1.	Mr. Mohamed Hussein	4
2.	Dr. Daniel Njoroge	4
3.	Ms. Caroline Mweni	3
4.	Dr. Gilbert Mwoga	4
5.	Ms. Ann Mureithi	1
NB: Dr. Gilbert Mwoga and Ms. Caroline Mweni completed their term during the 2nd and 3rd quarter respectively while Ms. Ann Mureithi joined during the 3rd quarter and Mr. Asteri Angolo and Mr. Douglas Mutemi joined during the 4th quarter.		

8.4 Role and Functions of the Board

The role and functions of the Board are premised on the objects and functions of the Authority as stipulated in the Biosafety Act. The Code of governance for State Corporations – *Mwongozo* sets out the role and functions of the Board as follows—

- a. Determination of the Authority’s mission, vision, purpose and core values;
- b. Setting and overseeing the overall strategy and approving significant policies of the Authority;
- c. Ensuring that the strategy of the organization is aligned to the long-term goals of the Authority on sustainability so as not to compromise the ability of future generations to meet their own needs;
- d. Approving the Authority’s organizational structure;
- e. Approving the annual budget of the Authority;
- f. Monitoring the Authority’s performance and ensure sustainability;
- g. Enhancing the corporate image of the Authority;
- h. Ensuring availability of adequate resources for the achievement of the Authority’s objectives;
- i. Hiring the CEO on such terms and conditions of service as may be approved by the relevant government organ(s) and approve the appointment of senior management of the Authority;
and
- j. Ensure effective communication with stakeholders.

8.5 Induction and Training

The Authority's Board undertakes regular training and skills development programs to enable the fulfillment of its responsibilities. All Board members undergo induction training on appointment to enable them to understand more about the Authority, their role and ways of working. During the financial year, the Authority undertook one induction program and four trainings.

8.6 Board and Member Performance and Evaluation

During the year, Board conducted a self-evaluation assessment facilitated by the State Corporations Advisory Committee. During the review of the Evaluation Report, the Board and individual members interrogated their performance and pointed out issues that required their attention.

8.7 Board Charter

A Board Charter is in place and it defines the Board's roles and responsibilities as well as functions, workplans and structures in a way that supports the members in carrying out their strategic oversight function. The Charter has enabled members to think creatively and critically about how their strategic and operational plans align with the Authority's strategic direction and expectations with respect to governance. The Charter was adopted by the Board acting in accordance with *Mwongozo*, the Code of Governance for State Corporations and other applicable Kenyan laws, regulations and circulars that have been issued by the Government from time to time.

8.8 Governance Audit

Whilst the need for and importance of governance audit cannot be overemphasized, the Authority was not able to conduct Governance Audit during the year under review due to procurement challenges. The Board however, continually monitored and ensured compliance with the legal requirements and governance principles as stipulated in *Mwongozo*, the Code of Governance for State Corporations and other applicable Kenyan laws, regulations and circulars that have been issued by the Government from time to time.

8.9 Register of Conflict of Interest

The Authority maintained a register for recording any declarations of conflict of interest made by Board members.

8.10 Code of Conduct and Ethics

The Authority continues to apply the approved Code of Conduct and Ethics that governs the general conduct of public officers under the Leadership and Integrity Act No. 19 of 2012 and the NBA Human Resource and Procedures Manual, 2025. The Authority continues to inculcate these in its personnel through its core values of good governance and integrity, professionalism, customer focus and inclusiveness.

9. Management Discussion and Analysis

9.1 Strategic Direction

During the period under review, the Authority revised its third Strategic Plan 2023-2027 to align with the pertinent and current policies including global, regional and national development agendas by ensuring alignment with the Government's Bottom Up- Economic Transformational Agenda for inclusive growth. In addition, the strategic plan was guided by the revised guidelines for the preparation of the fifth-generation strategic plans 2023-2027. The strategic plan provides guidance to the Authority over the remaining period of the plan. The implementation of the Plan will continuously guide the Authority towards realizing the desired strategic direction in the next phase.

9.2 Operational and Financial performance analysis

a) Operational performance analysis

During the 2024/2025 financial year, the Authority undertook a series of strategic regulatory, awareness, and capacity-building activities aligned with its mandate. These efforts contributed to strengthening the national biosafety system and supporting sustainable development in the agriculture and biotechnology sectors.

In line with its mandate on awareness creation, the Authority conducted awareness programs in 15 counties in collaboration with the county departments responsible for Agriculture. These included Machakos, Kakamega, Trans Nzoia, Busia, Bomet, Nyandarua, Nakuru, Homa Bay, Kisii, Nyamira, Bungoma, Kisumu, Vihiga, Migori and Siaya. The forums aimed at sensitizing county leadership and agricultural officers on biosafety regulations, the management of GMOs, and the critical role counties play in supporting regulatory enforcement. As a result, there was a marked increase in county-level awareness and cooperation, including the identification of focal persons and biosafety champions at the county level.

The Authority also actively participated in key public exhibitions hosted by universities and in the biosafety dialogue organized by the International Service for the Acquisition of Agri-biotech Applications (ISAAA). These engagements provided an important platform for the Authority to reach academic institutions, youth, and other stakeholders with factual and science-based information on biosafety and GMOs. In addition, the authority sensitized its stakeholders at points of entry particularly in Mombasa, Busia and Namanga. Further, the Authority successfully organized the 13th

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National Biosafety Conference, which brought together a wide range of participants including farmers, scientists, policy makers, government officials, regulatory agencies, youth groups, media representatives, and legal practitioners. The conference provided an opportunity to deliberate on current biosafety issues, foster stakeholder partnerships, and share updates on emerging technologies such as gene editing.

To further support awareness and compliance, the Authority developed a biosafety training manual aimed at standardizing training across various stakeholder groups. Capacity building and training was also a priority during the year, with targeted trainings for traders on the use of the E-Citizen and TFP platforms to streamline the application for GMO licenses, 17 county biosafety champions from Nyandarua, Machakos, Busia, and Trans Nzoia counties who are expected to support grassroots awareness programs were appointed and trained.

The Authority conducted inspection and certification of several key institutions conducting GMO research, including the Kenya Agricultural and Livestock Research Organization (KALRO), International Livestock Research Institute (ILRI), Kenyatta University (KU), and the International Centre of Insect Physiology and Ecology (ICIPE). Routine monitoring of ongoing GMO research in laboratories and confined field trials (CFTs) was carried out to ensure compliance with set biosafety conditions. Monitoring of genome editing projects involving rice, maize, and sorghum was also conducted, reflecting the Authority's increasing focus on emerging biotechnologies. In addition, monitoring of National Performance Trials (NPTs) sites for virus-resistant cassava was undertaken at Mtwapa, Kiboko, Alupe, and Kakamega, ensuring the safe evaluation of genetically improved crop varieties.

Post-release monitoring of Bt cotton was carried out in 19 counties where commercial planting is ongoing. These counties included Kitui, Machakos, Makueni, Embu, Meru, Busia, Siaya, Bungoma, Homa Bay, Migori, Kisumu, Tana River, Kirinyaga, Kwale, Lamu, Kilifi, Baringo, Elgeyo Marakwet, and Garissa. Monitoring focused on environmental safety, seed performance, farmer feedback, and compliance with biosafety conditions.

In terms of trade facilitation, the Authority continued to process cargo clearance through the national trade facilitation platform, ensuring that imports and exports of products were efficiently and

effectively monitored for GMO presence. It also issued no objection letters and GMO-free certificates to support transparency in trade. To further enhance trade oversight, the Authority held two strategic meetings with the Kenya Revenue Authority (KRA) and Kenya Trade Network Agency (KenTrade) to expand the list of harmonized system (HS) codes for products of interest to the Authority. These efforts aim to improve traceability and classification of GMO-related products in international trade.

Significant progress was also made in enhancing laboratory infrastructure. Efforts to secure formal accreditation of the laboratory were initiated by training key laboratory personnel, reviewing and updating standard operating procedures (SOPs), and submitting both the application and SOPs to the Kenya Accreditation Service (KENAS).

The Authority also carried out a comprehensive market surveillance program, where over 400 food and feed samples were collected and tested for the presence or absence of genetically modified material. This initiative was critical in ensuring consumer protection and compliance with national biosafety requirements.

During the year, the Authority developed and reviewed a number of biosafety guidelines to strengthen regulatory clarity and support emerging areas of biotechnology. These included guidelines for Institutional Biosafety Committees (IBCs), transport, packaging and storage of GMOs, genome editing guidelines, and guidelines on the non-risk assessment of GMOs. These documents are intended to guide researchers, institutions, and regulatory staff in implementing biosafety procedures and ensuring compliance with the Biosafety Act.

The implementation of a revised fee structure for services offered by the Authority marked another major milestone. The new structure enhanced transparency and generated increased Appropriations-In-Aid (A-I-A), improving the Authority's financial sustainability. This was complemented by the opening and operationalization of three new border offices in Lunga Lunga, Malaba, and Taveta, which significantly expanded the Authority's regulatory presence at key points of entry and exit.

In conclusion, the 2024/2025 financial year saw the Authority achieve major strides in regulation, stakeholder engagement, laboratory capacity, and policy development. The activities undertaken have contributed to a more robust biosafety framework in Kenya, ensuring the responsible use of

biotechnology and strengthening the country's position in global biosafety and biotechnology innovation.

b) Financial performance analysis

a. Approved Budget Analysis

The Authority was granted Kshs.173,930,000 for its recurrent expenditure for the financial year 2024/2025. The Authority further received an approval of kshs.12,000,000 as A-I-A following the completion of the MTEF budget process.

During the financial year, the Authority's GOK grants allocation was reduced by Kshs.60,000,000 following the completion of the Supplementary II process. This reduction affected the quarter four disbursement of Kshs.42,982,500 which had not been disbursed to the Authority. Further, following completion of Supplementary III process, the Authority received an additional allocation of Kshs.15,000,000. The same was however not disbursed to the Authority as it was used to cater for the deficit incurred following the reduction of the budget by Kshs.60,000,000. Overall, the Authority received Kshs.128,947,500 out of Kshs.171,930,000 that was in the approved budget.

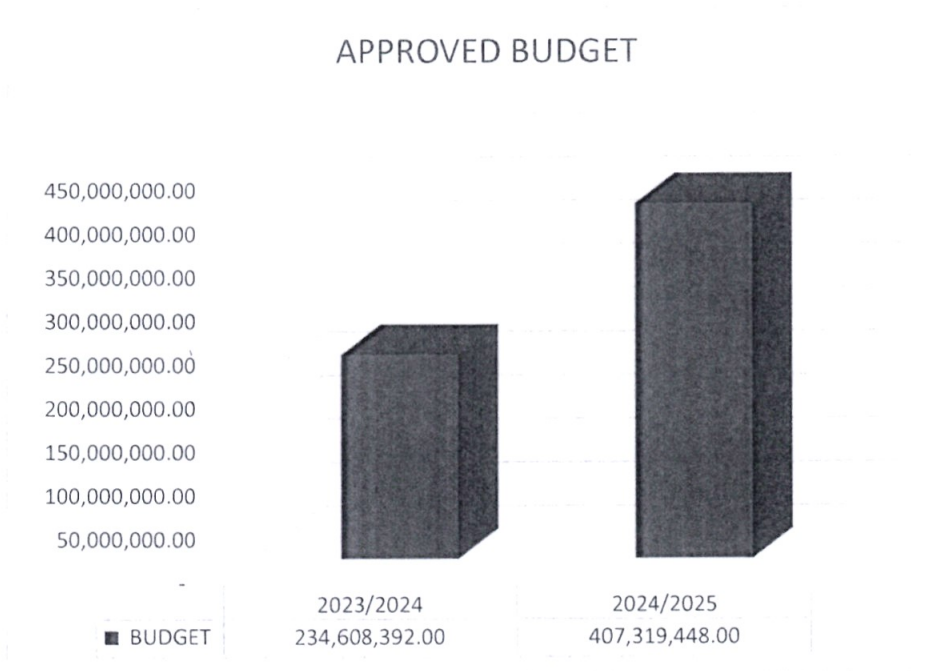
During the financial year, the Authority collected Kshs.252,311,663 as its A-I-A. Additionally, the Authority received Ksh.3,540,264 from the development partners for programs and activities agreed upon. The Authority had a final approved revised budget of Kshs.407,319,448 comprised of Kshs.128,947,500 as GOK grants, Kshs.252,312,000 as A-I-A collections and Kshs.3,539,640 as support from the development partners. Additionally, the Authority rolled over Kshs.41,245,588 from the financial year 2023/2024 budget which was incorporated into the budget to cater for expenditures that were ongoing at the end of the financial year. The funds were rolled over because they were received on 26th June 2024 four days to the end of financial year and therefore could not have been utilized within the period.

b. Revenue Analysis for two financial years

During the financial year under review, receipts from the GOK grants reduced from Kshs.199,900,000 in the financial year 2023/2024 to Kshs.128,947,500 in financial year 2024/2025. However, collections from A-I-A increased from Kshs.17,145,500 in financial year 2023/2024 to Kshs.252,311,663 in financial year 2024/2025. This represents an increase of 1,371%.

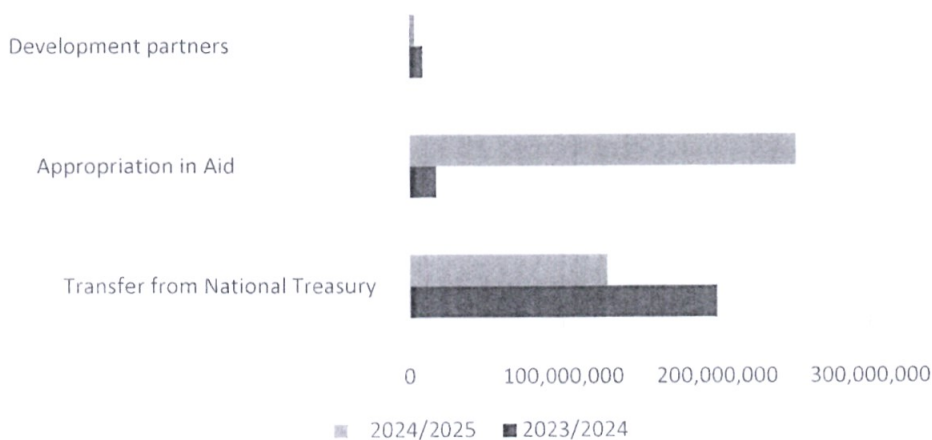
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The graph below shows the approved budget comparisons between financial year 2023/2024 and 2024/2025. From the graph, the Authority received more revenues in the financial year 2024/2025 compared to financial year 2023/2024. This represents an increase of 73%.



The chart below shows that the revenues received per stream in financial year 2023/2024 compared to the financial year 2024/2025.

Summary of Revenues in two financial years



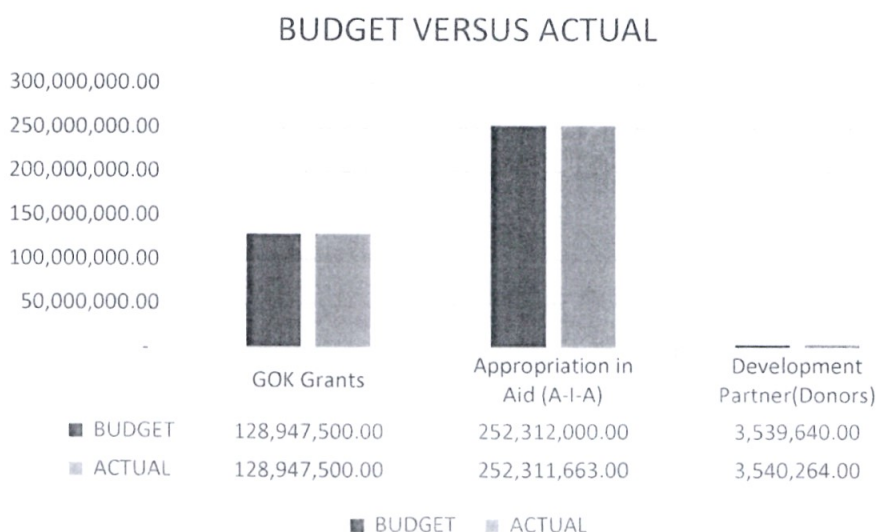
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A summary of revenues received in two financial years is shown below:

INCOMES	2023/2024	2024/2025
Transfer from National Treasury	199,900,000	128,947,500
Appropriation in Aid	17,145,500	252,311,663
Development partners	8,550,133	3,540,264

c. Budget versus Actual Revenue

The chart below shows that the Authority received the exact amount budgeted from the National Treasury following a budget revision to incorporate a reduction of Kshs.60,000,000 after supplementary II process while the actual A-I-A income significantly exceeded the earlier approved budget of Kshs.12,000,000. This performance contributed positively to the total income. On the other hand, the development partner’s funding was substantially lower than expected, resulting in a budget revision to incorporate the reduction at the end of quarter three.



From the above analysis, the Authority’s revenue performance in financial year 2024/2025 was an improvement from the previous financial year 2023/2024.

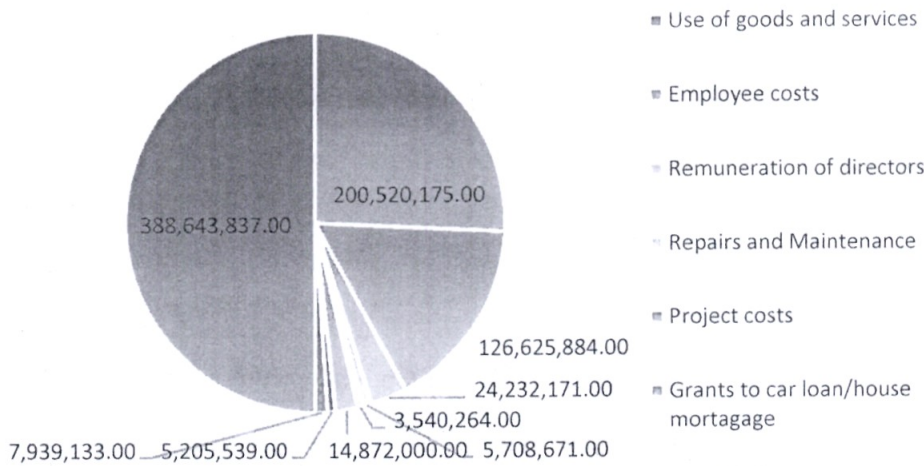
d. Overall Expenditure Analysis

The Authority incurred a total of Kshs.412,221,225 in actual expenditure, which translate to an absorption rate of 95 per cent of the approved budget of the FY 2024/2025. Of the Kshs.412,221,225, Kshs.198,975,102 was spent on the use of goods and services, Kshs.126,625,884 was spent on

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compensation to employees, Kshs.24,232,171 was spent on board expenses while the balance was spent on other recurrent expenditures. Analysis of different budget lines is outlined in the chart below.

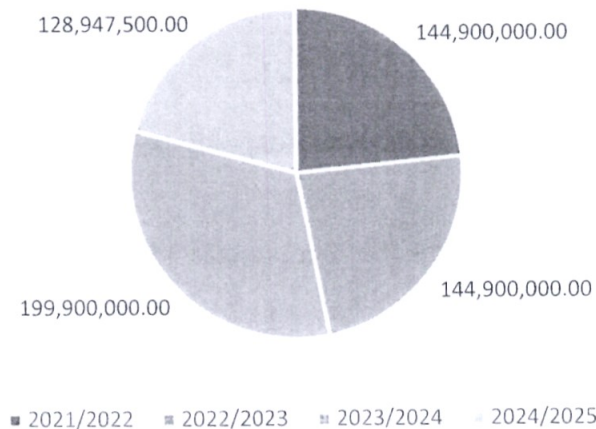
Actual Expenditure for FY 2024/2025



e. Trends in National Treasury transfers for the last four years

The chart below shows the trends in National Treasury transfers to the Authority for the last four financial years.

Transfers from National Treasury



f. Deficit/Surplus for the financial year 2024/2025

The deficit of Kshs.32,627,337 as reported in the Statement of Financial Performance for the year ended 30th June 2025 was due to the rolled over funds from financial year 2023/2024 budget whereby funds from GOK were received towards the end of financial year and the utilization of the funds were incorporated into the budget of financial year 2024/2025.

9.3 Key projects and investment decisions implemented/ongoing

The Authority focused on the following key areas:

- a. ERP Upgrade;
- b. Implementation of the revised approved fees charged;
- c. Revamping of the Authority's website;
- d. Continued decentralization of services to Lunga Lunga, Holili and Malaba border posts offices;
- e. Continuous automation of NBAs core services; and
- f. Initiated the implementation of the system for GMO products traceability in the market.

9.4 Authority's compliance with statutory requirements

The Authority has continued to comply with all relevant laws including the PFM Act,2012 and the Public Procurement and Asset Disposal Act,2015. Additionally, the Authority has complied with statutory obligations on submission of statutory deductions to the relevant institutions including PAYE, N.S.S.F, S.H.I.F, NITA, HELB and Housing Levy.

9.5 Major risks facing the Authority

The major risks facing the Authority include;

- a. Inability to implement core activities due to ongoing government reforms in the state corporations;
- b. Litigation involving genetically modified organisms which is the core mandate of the Authority;
- c. Technological risks;
- d. Low levels of public awareness on biosafety matters; and
- e. Overlapping mandates with other regulatory agencies.

9.6 Material arrears in statutory/financial obligations

The Authority has no material outstanding/pending bills except for the normal trade payables.

10. Environmental and Sustainability Reporting

i) Sustainability strategy and profile

The Authority initiated the implementation of programs aimed at ensuring its sustainability. The programs included the review of the Biosafety Act and Regulations made thereunder to strengthen regulatory framework for GMOs and provide for the regulation of emerging biotechnologies, focused on enhancement of A-I-A collection through revision of fees for services offered and automated and onboarded its services on E-citizen and TFP platforms. Further, the Authority launched biosafety awareness and public education campaigns including the appointment and training of biosafety champions across the counties to ensure increased public awareness and confidence on biosafety matters.

ii) Environmental performance

The Authority promoted an effective and efficient regulatory framework that regulated modern biotechnology for, among others, maximizing productivity in agriculture and industry, protecting the environment, conserving biodiversity, bio-prospecting, and generally improving the quality of human welfare.

The Authority initiated programmes to ensure that its environmental activities remain sustainable in the long run. This effort was demonstrated by operationalising policies relating to disposal of electronic waste, by installing water dispenser units, sharing of IT assets, implementing green production policy. The Authority complied with Presidential Directive on tree planting during the year under review and planted 4,000 trees in a bid to conserve the environment.

iii) Employee welfare

The Authority reviewed its Human Resource Instruments, developed rewards and sanctions policy, the Human Resource Plan 2023-2027 and the performance appraisal tool to ensure fair and equitable human resource management practices. The Authority also introduce staff welfare program which is run by the staff themselves to build cohesiveness among the staff.

The Authority carried out a training needs assessment for its employees at the beginning of the financial year, which was approved and implemented, ensuring that appropriate competencies and skills relevant to the Authority were either developed or enhanced.

The Authority renewed its Occupational Safety Health Administrative (OSHA) certificate and established an Occupational Safety and Health Advisory Committee which conducted regular safety inspections and audits; identified and prioritized safety concerns, organized safety training and awareness programs, and made recommendations on safety improvements and corrective actions among other roles.

iv) Market place practices-

The supply chain function played a pivotal role in the timely procurement of quality goods, works and services. The procurement process was guided by the Public Procurement and Assets Disposal Act, 2015, relevant regulations, policy and procedures and best practices in the industry.

The Authority continued to maintain good business practises and treated its suppliers responsibly by honouring contracts, respecting payment practices and ensuring that specifications were given in compliance with the law to ensure there was value for money for the goods procured or services rendered. The Authority ensured procurement processes were maintained through equal and fair opportunity to all suppliers through rotational identification of suppliers in the delivery of goods, works and services. The processes equally provided sensitization on supplier rights and obligations through brochure accessed in both the Authority's premises and the website. This helped to promote and maintain good and cordial business relationship between the Authority and the suppliers.

The Authority carried out the following activities during the year under review to ensure best practices are adhered to;

- a. The Authority complied with the 30 per cent rule reservation for women, youth and persons with disabilities about procurement.
- b. The Authority appointed various Ad hoc Committees to undertake procurement-related activities such as tender evaluation, disposals and inspection and acceptance committees. Some of the tender requests opened, evaluated, awarded and inspected include Medical Cover contracts and cleaning services.

The Authority's has aligned its efforts to address the following:

a) Responsible competition practice.

The Authority adhered to principles of fair and transparent competition in all procurement activities. During the reporting period of 2024-2025, NBA ensured that:

- i. All open tenders were advertised openly through the Public Procurement Information Portal (PPIP) and the NBA official website to promote equal opportunity.
- ii. Continued use of ERP in automating of procurement processes minimized human contact, improving transparency and efficiency.

b) Responsible Supply chain and supplier relations

The Authority upheld responsible supplier engagement through:

- i. Timely honouring of contracts and improved payment practices.
- ii. Fair and transparent bid evaluation procedures that ensured merit-based supplier selection.

c) Responsible marketing and advertisement or Responsible engagement with the citizens.

The Authority continued to operate within the Government's guidelines and procedures on responsible marketing and advertisement, as well as responsible engagement with citizens with focus on ethical and sustainable practices that prioritized the well-being of consumers and the stakeholders.

This included ensuring marketing activities were truthful, transparent, and did not exploit or mislead the public. The Authority also actively engaged with citizens during the public participation forums that were held countrywide incorporating feedback thereby contributing to the overall welfare of the stakeholders as provided in the customer service delivery charter.

d) Product stewardship or Awareness creation

The Authority placed primary emphasis on the protection of consumer rights and interests. In alignment with its regulatory, awareness, and educational mandates, the Authority dedicated significant resources to raise awareness and engage the public, thereby ensuring health and safety, providing transparent information, and cultivating trust in the national biosafety framework. Throughout the 2024/2025 financial year, the Authority executed various initiatives in consonant with the key pillars of

consumer protection, encompassing health and safety rights, access to product information, mechanisms for dispute resolution and redress, as well as the safeguarding of personal data privacy.

To uphold public health and safety, the Authority enforced rigorous monitoring and compliance initiatives to ensure adherence to biosafety standards for genetically modified products throughout the entire value chain. The Authority conducted regular inspections of GMO research facilities. These inspections ensured adherence to biosafety protocols and involved monitoring of ongoing confined field trials (CFTs) and post-release activities, particularly in the cultivation of Bt cotton across 19 counties and National Performance trials of virus-resistant cassava, as well as gene editing trials of maize, sorghum and rice. Such measures were essential in assessing environmental and food safety risks before the market introduction of any GMO product. Additionally, NBA's laboratory analysed over 400 food and feed samples to detect any presence of unauthorised GM materials, thereby safeguarding consumers.

In pursuit of transparency and product information dissemination, the Authority expanded its public education initiatives and stakeholder engagement forums to enhance understanding of GMOs and the biosafety system. Collaborative forums took place in 15 counties to educate stakeholders. The Authority also participated in exhibitions organized by academic institutions and engaged in a biosafety dialogue, where it provided accurate, science-based information regarding GMO products. The Authority distributed information educational communication materials, emphasized the importance of product labelling, and guided consumers in verifying the safety and legitimacy of GMO-related products. The development of a biosafety training manual further contributed to structured learning and awareness among stakeholders.

The Authority integrated consumer redress and dispute resolution systems within its service delivery framework. It offered easily accessible avenues for filing complaints, raising concerns, and seeking clarifications. Through its customer care desk, email services, and boarder post offices the Authority enhanced access to consumer and stakeholder information and support. All reported grievances were promptly

investigated, ensuring appropriate actions were taken, which involved verification with importers, traders, and researchers. The Authority collaborated with various regulatory and enforcement agencies to facilitate coordinated responses to consumer complaints concerning GMOs.

In relation to data privacy and protection, the Authority recognized the importance of safeguarding the personal information of applicants, license holders, and stakeholders interacting with its systems. The Authority ensured compliance with Data Protection Act by instituting administrative safeguards to ensure that data collected via platforms such as the E-Citizen system was accessible exclusively to authorized personnel. During the fiscal year, the Authority conducted training for stakeholders, including traders, on securely and efficiently applying for GMO licenses using digital platforms. The Authority's internal systems were continuously improved to maintain confidentiality, prevent unauthorized access, and promote ethical management of personal and institutional data.

v) Corporate Social Responsibility / Community Engagements

The Authority sponsored and participated in tree planting exercises in three schools-namely Gituamba Primary school and Moi Girls Kamangu in Kiambu County, Loresho Primary School in Nairobi County. The three exercises saw a total of 4,000 fruit and indigenous trees planted in the three institutions as part of government effort to plant 15 billion trees by 2032.



The Acting Chief Executive Officer Mr. Nehemiah Ngetich helps a pupil from Loresho Primary School in Nairobi plant a fruit tree on 28th March 2025.

The schools were preferred because they are public institutions located in a semi-urban environment and there was sparse tree cover within their compounds.

During the period, the Authority partnered with Kenya Forestry Research Institute (KEFRI) which provided technical support by assisting in demonstrating the proper ways of planting and taking care of tree seedlings in the beneficiary schools. The Authority also extended its partnership with Sawela Lodges, during the 13th annual Biosafety Conference by establishing an orchard in Naivasha, Nakuru County with more than 50 avocado and other fruit trees.



The Board of Directors and management plant a tree during their visit to Busia border office on 8th May 2025.

11. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the National Biosafety Authority's affairs.

i) Principal activities

The principal activities of the Authority are to;

- a) Consider and determine applications for approval for the transfer, handling and use of Genetically Modified Organisms and related activities;
- b) Co-ordinate, monitor and assess activities relating to the safe transfer, handling and use of Genetically Modified Organisms in order to ensure that such activities do not have adverse effect on human health and the environment;
- c) Co-ordinate research and surveys in matters relating to the safe development, transfer, handling and use of Genetically Modified Organisms, and to collect, collate and disseminate information about the findings of such research, investigation or survey;
- d) Identify national requirements for manpower development and capacity building in biosafety;
- e) Advise the Government on legislative and other measures relating to the safe transfer, handling and use of Genetically Modified Organisms; and
- f) Promote awareness among the general public relating to biosafety; and establish and maintain a biosafety clearing house to serve as a means through which information is made available to facilitate the exchange of scientific, technical, environmental and legal information on, and experience with Genetically Modified Organisms.

ii) Results

The results of the Authority for the year ended June 30, 2025 are set out on page 1

iii) Directors

The members of the Board of Directors who served during the year are shown on page xi. During the year Dr. Gilbert Mwoga and Ms. Caroline Mweni exited while Ms. Ann Mureithi, Mr. Asteri Angolo and Mr. Douglas Mutemi were appointed.

NATIONAL BIOSAFETY AUTHORITY
Annual Report and Financial Statements
for the year ended June 30, 2025.

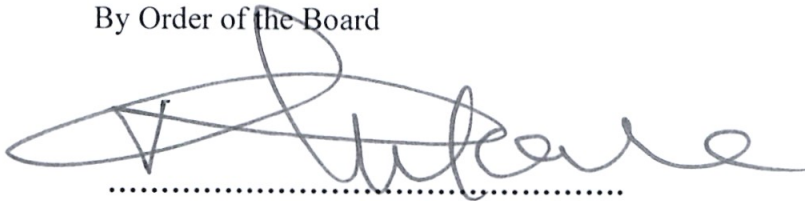
iv) Surplus remission

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. The Authority is under category 2 and hence no remittance to the Consolidated fund.

v) Auditors

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

By Order of the Board



.....
MOSES SANDE

CORPORATION SECRETARY

12. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and Section 48 of the Biosafety Act, 2009 require the Directors to prepare financial statements in respect of the Authority which give a true and fair view of the state of affairs of the Authority at the end of the financial year and the operating results of the Authority for that year. The Directors are also required to ensure that the Authority keeps proper accounting records which disclose with reasonable accuracy the financial position of the Authority. The Directors are also responsible for safeguarding the assets of the Authority.

The Directors are responsible for the preparation and presentation of the Authority's financial statements, which give a true and fair view of the state of affairs of the Authority for and as at the end of the financial year ended on June 30, 2025. 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 Authority;
- (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 Authority;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Authority'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 Directors are of the opinion that the Authority's financial statements give a true and fair view of the state of Authority's transactions during the financial year ended June 30, 2025, and of the Authority's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the Authority's which have been relied upon in the preparation of the Authority's financial statements as well as the adequacy of the systems of internal financial control.

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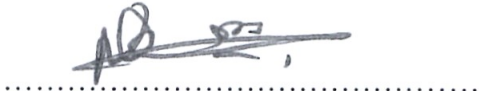
Nothing has come to the attention of the Directors to indicate that the Authority will not remain a going concern for at least the next twelve months from the date of this statement

Approval of the financial statements

The National Biosafety Authority's financial statements were approved by the Board on 21 August 2025 and signed on its behalf by:



**PROF. JENESIO KINYAMARIO
CHAIRMAN BOARD OF DIRECTORS**



**NEHEMIAH NGETICH
AG. CHIEF EXECUTIVE OFFICER**

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL BIOSAFETY AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Biosafety Authority set out on pages 1 to 53, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net

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

In my opinion, except for the 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 National Biosafety Authority as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Biosafety Act, 2009 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unexplained Variances on Revenue from Exchange Transactions

The statement of financial performance and as disclosed in Note 8 to the financial statements reflect revenue from exchange transactions of Kshs.379,593,888 which includes application fees of Kshs.252,311,633. However, records from the E-Citizen platform indicates Kshs.19,454,488 resulting to unexplained variance of Kshs.232,857,145.

In the circumstances, the accuracy, validity and completeness of the application fees amount of Kshs.252,311,633 could not be confirmed.

2. Unsupported Trade and Other Payables

The statement of financial position and as disclosed in Note 20 to the financial statements reflect trade and other payables balance of Kshs.9,306,712. However, review of the pending payables as at 30 June, 2025, revealed that trade payables amounting to Kshs.3,329,716 were not supported by documents such as invoices.

In the circumstances, the accuracy and completeness of trade and other payables balance of Kshs.9,306,712 could not be confirmed

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters

described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Issues

In the report of the previous year, several issues were raised under Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues or given explanation for the failure to implement the recommendations. Further, Management did not submit a report on how they addressed the recommendations and findings of the previous year's audit. Issues which were raised in the report of 2023/2024 are as listed below;

1. Misstatement of Fuel and Oil Expense
2. Lack of Revaluation Policy on Property, Plant and Equipment
3. Unsupported Reserves
4. Long Outstanding Retention Money
5. Non-Compliance with laws on Wage Bill
6. Unapproved Salary Adjustment
7. Non-Compliance with a Third Basic Rule
8. Understaffing of Staff

Other Information

The Directors are responsible for the Other Information set out on pages v to lvii which comprise of Key Entity Information and Management, The Board of Directors, Key Management Team, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Remit Surplus Funds to The National Treasury

Review of the audited financial statements for the financial year 2023/2024 revealed that the entity reported a surplus of Kshs.17,093,477 as per the statement of financial performance. However, no evidence was provided to confirm that ninety percent (90%) being Kshs.15,384,129 of the surplus was remitted to The National Treasury, as required under Regulation 219(2) of the Public Finance Management (National Government) Regulations, 2015. which states that "A Regulatory Authority established by an Act of Parliament and referred to under Regulation 211(4) shall remit to the Collector ninety per centum of its surplus funds reported by Management in the financial statements by the 31st October of each year."

In the circumstances, Management was in breach of the law.

2. Failure to File Monthly Returns on Procurement Capacity Building Levy

During the financial year under review, the Authority entered into contracts with various suppliers for works, goods delivery and service provision. However, the Authority did not deduct and remit to the Public Procurement Regulatory Authority (PPRA) Levy, at the rate of zero point zero three per centum (0.03%) of the value of the signed contracts, exclusive of applicable taxes from the contract value at the time of making payments for such contracts. Further, the Authority did not submit returns, contrary to Section 9 of the Public Procurement Capacity Building Levy Order, 2023 which require procuring entities to maintain monthly records in Form SL.1 and submit the returns through the Public Procurement Information Portal.

In the circumstances, Management was in breach of the law

3. Delayed Approval of the Procurement Plan

Review of the Procurement Plan provided for audit revealed that it was prepared and submitted to the Accounting Officer on 7 August, 2025 which was after the start of the financial year. This was contrary to Section 53(2) of the Public Procurement and Asset Disposal Act, 2015 which requires that the head of a user department submits an annual Procurement Plan to the Accounting Officer before the start of the financial year, and that the plan be implemented according to its set timelines.

In the circumstances, Management was in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section 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

Lack of Segregation of Duties at Namanga Border Post

Physical inspection at the Namanga Border Post established that the station was staffed with two (2) substantive officers and one (1) intern. However, one (1) officer was away on training, leaving only one (1) officer and the intern to manage the border post operations. The import clearance system requires three (3) separate user accounts to ensure proper segregation of duties for checking, verification and inspection processes. The intern does not have system access, hence the remaining officer operated all the three (3) accounts, resulting in inadequate internal controls. Further, the same Officer responsible for Namanga was also assigned clearance duties at the Loitoktok Border Post and provided additional support for clearance of consignments at the Jomo Kenyatta International Airport (JKIA) entry point, which further increased workload pressure and the risk of operational inefficiencies.

In the circumstances, there is an increased risk of operational inefficiencies, which may result in delayed or ineffective clearance processes.

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

Responsibilities of the Management and Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

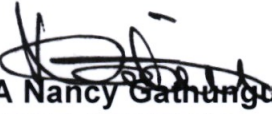
Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


18 December, 2025

NATIONAL BIOSAFETY AUTHORITY
Annual Report and Financial Statements
for the year ended June 30, 2025.

14. Statement of Financial Performance for the year ended 30 June 2025

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6	123,741,961	194,111,632
Donors/Partners Support	7	3,540,264	8,550,133
Application Fees	8	252,311,663	16,515,500
		379,593,888	219,177,265
Revenue from exchange transactions			
Conference Fees	9	0	630,000
Total revenue		379,593,888	219,807,265
Expenses			
Use of goods and services	10	198,975,102	73,135,151
Employee costs	11	126,625,884	97,573,560
Board Expenses	12	24,232,171	12,486,823
Depreciation and amortization expense	13	7,939,133	7,914,639
Repairs and maintenance	14	5,708,671	3,053,482
Project Expenses	15	3,540,264	8,550,133
Contribution to Car and Mortgage Fund	16	45,200,000	0
Total expenses		412,221,225	202,713,788
Net surplus/deficit for the year		(32,627,337)	17,093,477


The notes set out on pages 7 to 44 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 6 were signed on behalf of the Board of Directors by:



NEHEMIAH NGETICH
 AG. CHIEF EXECUTIVE
 OFFICER



ESTHER THUKU
 HEAD OF FINANCE



PROF. J. KINYAMARIO
 CHAIRMAN OF THE BOARD

ICPAK M/No:10108

Date 01/12/2025

Date 01/12/2025

Date 01/12/2025

NATIONAL BIOSAFETY AUTHORITY
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15 Statement of Financial Position as at 30 June 2025

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	17	19,601,800	41,245,588
Inventories	18	687,568	0
Total Current Assets		20,289,368	41,245,588
Non-Current Assets			
Property, Plant and Equipment	19	30,863,286	33,596,879
Total Non- Current Assets		30,863,286	33,596,879
Total Assets		51,152,654	74,842,467
Liabilities			
Current Liabilities			
Trade and Other Payables	20	9,306,712	3,918,454
Contract Retention Money	21	0	1,406,976
Current Provision	22	580,000	580,000
Deferred Income	23	0	249,297
Total Current Liabilities		9,886,712	6,154,727
Total Liabilities		9,886,712	6,154,727
Net Assets		41,265,942	68,687,740
Represented by:			
Reserves		30,282,003	30,282,003
Accumulated Surplus		(451,924)	32,175,413
Capital Fund		11,435,863	6,230,324
Net Assets		41,265,942	68,687,740

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



NEHEMIAH NGETICH
 AG. CHIEF EXECUTIVE OFFICER

Date 01/12/2025



ESTHER N. THUKU
 HEAD OF FINANCE
 ICPAK M/NO. 10108

Date 01/12/2025



PROF. J. KINYAMARIO
 CHAIRMAN OF THE BOARD

Date 01/12/2025

NATIONAL BIOSAFETY AUTHORITY
Annual Report and Financial Statements
for the year ended June 30, 2025.

16. Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Reserves	Retained earnings	Capital/ Developme nt Grants/Fun d	Total
	Kshs	Kshs	Kshs	Kshs
As at July 1, 2023	30,282,003	14,243,060	1,253,513	45,778,576
Surplus/ deficit for the year	-	17,093,477	-	17,093,477
Capital/development grants received during the year	-	-	5,788,368	5,788,368
Transfer of depreciation/amortisation from capital fund to retained earnings	-	(149,799)	(811,557)	(961,356)
Transfer of Contract retention money to retained earnings	-	988,675	-	988,675
As at June 30, 2024	30,282,003	32,175,413	6,230,324	68,687,740
As at July 1, 2024	30,282,003	32,175,413	6,230,324	68,687,740
Surplus/ (deficit) for the year	-	(32,627,337)	-	(3,844,410)
Capital/development grants received during the year	-	-	5,205,539	5,205,539
As at June 30, 2025	30,282,003	(451,924)	11,435,863	41,265,942

NATIONAL BIOSAFETY AUTHORITY
Annual Reports and Financial Statements
for the year ended June 30, 2025.

17. Statement of Cash Flows for the year ended 30 June 2025

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities		123,385,096	211,975,000
Donors/Partners Support		3,540,264	8,799,428
Application Fees		252,311,663	16,515,500
Conference Fees		0	630,000
Total receipts		379,237,023	237,919,928
Payments			
Use of goods and services		194,166,844	71,674,708
Employee costs		126,625,884	102,679,643
Board Expenses		24,232,171	12,486,823
Repairs and maintenance		5,708,671	3,053,482
Project Costs		3,540,264	8,550,133
Grants to Car Loan & Mortgage		45,200,000	0
Total payments		399,473,834	198,444,789
Net cash flows from/(used in) operating activities		(20,236,811)	39,475,139
Cash flows from investing activities			
Purchase of PPE		(5,205,539)	(5,788,368)
Contract Retention Money		(1,406,976)	0
Capital grants received during the year		5,205,539	
Net cash flows from (used in) investing activities		(1,406,976)	(5,788,368)
Cash flows from financing activities			
		-	-
Net cash flows from financing Activities		-	-
Net increase/(decrease) in cash & Cash equivalents		(21,643,788)	33,686,771
Cash and cash equivalents at 1 July	17	41,245,588	7,558,817
Cash and cash equivalents at 30 June	17	19,601,800	41,245,588

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18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025

	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
Budget carryovers from the previous year		41,245,588	41,245,588	41,245,588	0	100%
Receipts						
Transfers from Other Governments entities	171,930,000	(42,982,500)	128,947,500	128,947,500	0	100%
Donors/Partners Support	7,640,068	(4,100,428)	3,539,640	3,290,967	248,673	93%
Application Fees	170,000,000	82,312,000	252,312,000	252,311,663	337	100%
Total Receipts	349,570,068	76,474,660	426,044,728	425,795,718	249,010	100%
Payments						
Use of Goods and Services	137,306,232	69,673,328	206,979,560	194,641,872	12,337,688	94%
Employee costs	131,874,464	0	131,874,464	130,174,698	1,699,766	99%
Board Expenses	17,829,304	6,626,760	24,456,064	24,232,171	223,893	99%
Repairs and Maintenance	7,420,000	500,000	7,920,000	5,708,671	2,211,329	72%
Project Costs	7,640,068	(4,100,428)	3,539,640	3,290,967	248,673	93%
Grants to Car Loan & Mortgage Scheme	45,200,000	0	45,200,000	42,940,000	2,260,000	95%
Total Payments	347,270,068	72,699,660	419,969,728	400,988,379	18,981,349	95%
Capital Expenditure Payments	2,300,000	3,775,000	6,075,000	5,205,539	869,461	86%
Surplus	0	-	0	19,601,800	-	-

Budget notes

Material variances between the final budget and actual amounts have been explained in the budget notes according to International Public Sector Accounting Standards (IPSAS 24) Paragraph 14 and 29. Further the Authority has prepared the reconciliation statement of the actual amount on a comparable basis and actual amounts in the financial statements as required by Paragraph 47 (b) of the International Public Sector Accounting Standards (IPSAS 24).

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Budget Notes on percentage of utilization-As provided under IPSAS 24.14, the Authority has provided explanatory notes to underutilization of the budget which is below 90% or over utilization as required as highlighted below;

- a. The balances brought from previous FY 2023/2024 were utilized as first charges to settle all total liabilities and the residual incorporated into the budget for FY 2024/2025.
- b. Repairs and Maintenance-The underutilization of repairs and maintenance at 72% was a result of motor vehicle repairs which had been budgeted for but had not been completed by the end of the financial year.

Budget Reconciliation

Description of Particulars	Amount in Kshs
Actual Surplus Amounts as per the statement of Budget	19,601,800
Closing Cash and Cash Equivalent as per the statement of Cash flows	19,601,800

19. Notes to the Financial Statements

1. General Information

National Biosafety Authority is established by and derives its authority and accountability from the Biosafety Act No. 2, 2009. The Authority is wholly owned by the Government of Kenya and is domiciled in Kenya. The Authority's principal activity is to ensure and assure safe development, transfer, handling and use of genetically modified organisms (GMOs) in Kenya.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Authority'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 and presented in Kenya Shillings, which is the functional and reporting currency of the Authority. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act CAP 446, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented. The Authority has prepared the financial statements in accordance with IPSAS Accrual in line with Paragraph 28 of the International Public Sector Accounting Standard (IPSAS 1) on the preparation of financial statements.

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Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

There were no new and amended standards issued in the financial year.

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025*

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>The Authority does not deal in leases; therefore, the standard does not apply.</i>
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. <i>The Authority does not deal in Non-Current Assets held for sale and discontinued operations, therefore the Standard does not apply.</i>
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.

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	<i>The Authority does not deal in heritage assets and infrastructure assets; therefore, the Standard does not apply.</i>
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48: Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of

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	mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.
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***iii.* Early adoption of standards**

The Authority did not early – adopt any new or amended standards in the financial year.

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Exchequer allocations

The Authority recognises revenue from exchequer allocation when the monies are received and asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognised instead of revenue. Other non-exchange revenues are recognised when it is probable that the future economic benefits or service potential associated with the asset will flow to the Authority and fair value of the asset can be measured reliably.

Fees, taxes and fines

The Authority recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Entity and the fair value of the asset can be measured reliably.

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

The Authority 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

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hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

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.

Sale of tender and Authority revenue

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Authority. There was no tender sales revenue for the year under review.

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.

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Notes to the Financial Statements (Continued)

b) Budget information

The original budget for the Financial Year 2024/2025 was approved by the Board of Directors. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations were added to the original budget by the Authority upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Authority recorded additional appropriations of Ksh.240,311,663 on the 2024/2025 budget.

The Authority'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 actuals as per the statement of financial performance has been presented under the Statement of Comparison Budget and Actual amounts in the financial statements.

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Notes to the Financial Statements (Continued)

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 Authority 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 Authority 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.

- The Authority's accounting policy on property plant and equipment is stated in the approved Financial Policies and Procedures Manual which states that;
- Items of property and equipment will be stated at historical cost less accumulated depreciation and impairment.
- Assets donated to the Authority will be included in the accounts at the value attributed to the asset by the donor and where the value is not readily provided, at a reasonable valuation.
- Depreciation will be charged on a straight-line basis over the estimated useful lives of the assets. The Authority does not charge depreciation in the year of acquisition.
- Where Impairment of assets are concerned, the carrying amounts of the assets will be reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount will be estimated and an impairment loss recognized in the income statement.

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.

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) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Authority. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Authority also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Authority will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Authority. Operating lease payments are recognized as an

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operating expense in surplus or deficit on a straight-line basis over the lease term. During the financial year 2024/2025, the Authority had not leased any item.

f) Intangible assets

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

g) Research and development costs

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

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.
- v) The ability to measure reliably the expenditure during development.

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

h) 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 Authority does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Authority's financial statements. 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

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fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

1) Financial assets

Classification of financial assets

The Authority 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.

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Notes to the Financial Statements (Continued)

Subsequent measurement

Based on the business model and the cash flow characteristics, the Authority 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.

Notes to the Financial Statements (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.

Impairment

The Authority assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Authority recognizes a loss allowance for such losses at each reporting date. The Authority did not make any critical estimates and significant judgments in determining the expected credit loss (ECL).

2) Financial liabilities

Classification

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

i) 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 Authority.

Notes to the Financial Statements (Continued)

j) Provisions

Provisions are recognized when the Authority 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 Authority expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

k) 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.

l) Contingent liabilities

The Authority 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.

m) Contingent assets

The Authority 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 Authority 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.

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Notes to the Financial Statements (Continued)

n) Nature and purpose of reserves

The Authority maintains a reserve of Ksh.30,282,003 which relates to the capital input in relation to assets less liabilities that were transferred to the Authority at inception.

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

The Authority 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.

The Authority operates a retirement benefit scheme for all its permanent and pensionable employees. Further, an amount equivalent to 31 per cent of basic salary has been set aside as gratuity for all employees on contract. The Authority's contribution towards employee pension scheme and staff gratuity for employees on contract are charged to the statement of financial performance in the year to which the employees rendered their services to the Authority.

q) 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

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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.

r) 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.

s) Related parties

The Authority 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 Authority, or vice versa. Members of key management are regarded as related parties and comprise the CEO, Director Corporate Services, Corporation Secretary/Director Legal Services, Director Biosafety Research and Compliance and Director Internal Audit & Risk Assurance.

The following transactions were carried out with related parties:

Description	June 2025 (Ksh)	June 2024 (Ksh)
Key Management Compensation		
Salaries and other short-term employment benefits	30,693,919	34,082,752
Board Remuneration		
Allowances paid to members of the Board of Directors	24,232,171	12,486,823
Grants from related parties		
Grants from GOK	128,947,500	199,900,000

t) Service concession arrangements

The Authority 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 Authority 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

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at their fair value. To the extent that an asset has been recognized, the Authority also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u) 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.

v) Comparative figures

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

w) 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, 2025.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Authority'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. Significant judgments include: Leave provision, useful lives and depreciation methods and asset impairment. Notes relating to the subject are included under the affected areas of the financial statements.

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

Useful lives and residual value

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

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

Each component of an asset held in the asset register, excluding land, shall be depreciated separately to reflect the differing useful lives relating to each component of a depreciable asset. Any residual parts not comprising a specific component of a depreciable asset shall also be depreciated.

The Authority shall use straight line basis to write down the cost of each asset or the revalued amounts over the useful estimated lives as it is expected that the service (economic benefit)

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provided by the asset shall be consumed in a uniform manner throughout its useful life. The various classes of assets, their useful lives and depreciation rate is indicated below: The method of depreciation and amortization used is reducing balance. The following rates are used in computing depreciation:

Asset Class	Useful Life (Years)	Depreciation Rate (%)
Buildings	40	2.5
Computer Equipment	3	33.3
Motor Vehicles	4	25.0
Furniture and Fittings	8	12.5
Plant, Machinery & Equipment	8	12.5
Intangible Assets	3	33.3

Provisions

Provisions were raised and management determined an estimate based on the information available. 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.

Description	2024/2025	2023/2024
Audit Fees	580,000	580,000
Gratuity Provision	0	0
Total	580,000	580,000

Provisions are recognised when;

- a. A reliable estimate can be made of the obligation;
- b. It is probable that an outflow of resources embodying economic benefits of service;
- c. Potential that the Authority will be required to settle the obligations;
- d. The Authority has a present obligation resulting from a past event.

The provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate or reversed if it is no longer probable and that an outflow of resources embodying economic benefits or services potential will be required to settle the obligation. Employees entitlement to annual leave is recognized when it accrues. A provision is made on the estimated liability for annual leave as a result of services rendered by the employees up to the amount of obligation.

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Provision for bad debts

It is the Authority's policy to assess the impairment of individual debts on an annual basis and provide for each of them on the prevailing circumstance.

6. Transfers from Other Government entities

Description	2024/2025	2023/2024
	KShs	KShs
Unconditional Grants		
Operational Grant	128,947,500	199,900,000
Development grants	0	0
Other Grants	0	0
Total Unconditional Grants	128,947,500	199,900,000
Conditional Grants amortised/ transferred to revenue		
Other Organizational Grants	0	0
Total Government Grants and Subsidies	128,947,500	199,900,000

The Authority received from the exchequer Kshs.128,947,500 in the FY 2024/2025 which was disbursed through the Ministry of Agriculture. The initial allocation of Kshs.171,930,000 was reduced by Kshs.60,000,000 following completion of supplementary II budget process. However, only Kshs.42,982,500 was available for reduction since the Authority had already received three quarters disbursements. Additionally, the Authority had been allocated Kshs.15,000,000 following the completion of supplementary III budget process. The funds were not disbursed to cover for the reduction deficit of Kshs.17,017,500. The total government grants represented a 35% decrease in allocation compared to the FY 2023/2024.

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

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 2024/2025	2023/2024
	KShs	KShs	KShs	KShs	KShs
Ministry of Agriculture, State Department of Agriculture	123,741,961	0	5,205,539	128,947,500	199,900,000
Total	123,741,961	0	5,205,539	128,947,500	199,900,000

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Notes to the Financial Statements (Continued)

7. Donors/Partners Support

Description	2024/2025	2023/2024
	Kshs	Kshs
Program for Biosafety Systems (PBS)	2,790,967	6,433,982
US Grain Council	0	684,496
AATF	300,000	378,450
Bayer East Africa	0	642,500
Corteva Agriscience	0	660,000
National Research Fund	200,000	
Donations transferred to revenue on conditions being met	249,297	
Total Transfers and Donor Support	3,540,264	8,799,428
Reconciliation of Public Contributions and Donations		
Balance Unspent at Beginning of The Year	249,297	0
Current Year Receipts	3,290,967	8,799,428
Conditions Met - Transferred to Revenue	3,540,264	8,550,131
Conditions to Be Met - Remain Liabilities	0	249,297

The Authority received Ksh.2,790,967 from IFPRI as a grant towards the support of PBS project.

The Authority also received a total of Ksh.500,000 from various partners in support of the Annual Biosafety Conference.

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Notes to the Financial Statements (Continued)

8. Application Fees

Description	2024/2025	2023/2024
	KShs	KShs
Application Fees	252,311,663	16,515,500
Total	252,311,663	16,515,500

This revenue relates to payments for consideration and determination of applications for activities involving GMOs. The increase in Application fees revenue is as a result of implementation of revised fees for services effective October 2024.

9. Conference Fees

Description	2024/2025	2023/2024
	Kshs	Kshs
Conference Fees	0	630,000
Total	0	630,000

During the financial year, the Authority did not charge for the conference hence there was no fees collection.

Notes to the Financial Statements (Continued)

10. Use of Goods and Services

Description	2024/2025	2023/2024
	Kshs	Kshs
Electricity & Water	747,825	367,426
Security & Cleaning Services	1,464,758	1,286,430
Professional Services	380,000	2,000
Advertising & Branding	4,688,202	4,429,344
Audit Fees	580,000	580,000
Border Post Control	3,239,656	0
Cartegena Protocol Implementation	2,713,900	0
Catering Services	2,796,504	2,991,489
Conferences and Seminars	14,468,801	6,540,740
Computer Accessories	872,154	1,061,231

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Description	2024/2025	2023/2024
	Kshs	Kshs
Consulting Fees	1,680,000	292,673
Club Membership	170,000	313,000
CSR	289,400	624,680
Employee Welfare expense	3,548,814	0
Fuel and Oil	2,622,646	2,339,948
General Office	11,080	35,444
Insurance	10,794,156	10,244,966
Internet	16,040,507	3,898,846
Legal Expenses	18,854,580	15,600
Postage	52,305	64,622
PC Implementation	19,120,660	3,492,878
Policy Devpt, Strategic Review & Devpt	10,487,310	2,352,583
Public Awareness & Participation Forums	12,738,800	0
Printing, Publishing & Newspapers	1,531,316	794,839
Rent Expenses	7,591,066	7,849,739
Reagents & Market Surveillance	3,346,559	5,188,525
Review of Biosafety Laws	9,153,820	0
Risk Management & ISO Certification	4,885,100	0
Strategic Plan Review	8,032,716	0
Stationery	837,078	799,942
Telecommunication	3,938,050	3,618,550
Training	4,981,244	4,202,103
Travel, Subsistence & Other Allowances	24,693,548	9,461,180
Uniforms & Clothing	1,071,100	0
Bank charges	551,447	286,373
Total	198,975,102	73,135,151

Use of Goods and Services Cashflow

Description	2024/2025
	Kshs
Total Use of Goods and Services	198,975,102
Accrued Trade Payables FY 24/25	-9,306,712
Accrued Trade Payables FY 23/24 paid	3,918,454
Audit Provision FY 23/24 paid	580,000
Total Use of Goods and Services Charged to Cashflow	194,166,844

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11. Employee Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Salaries and wages	48,406,636	39,584,729
Employer contribution to pension schemes	6,705,725	2,767,273
Transport allowance	8,091,697	7,272,909
Housing allowances	27,379,426	24,004,019
Responsibility, Acting, Entertainment, Leave, Extraneous, Special Duty & Non-Practicing allowances	15,010,873	8,521,324
Housing Levy	1,478,427	1,178,820
CEOs Salary	12,498,918	8,540,912
Gratuity	7,054,182	5,358,704
Staff Welfare	0	344,870
Employee costs	126,625,884	97,573,560

The total expenditure for the compensation of employees for FY 2024/2025 was Kshs.126,625,884 representing 29% increase as compared to Kshs.95,573,560 recorded in FY 2023/2024. This increase was due to increased expenditures related to compensation of employees during the financial year. Additionally, the increase in employee cost was due to annual salary increments in staff salaries in line with the approved remuneration structure.

12. Board Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Chairman's Honoraria	960,000	960,000
Sitting Allowances	7,740,000	5,060,000
Medical Insurance	226,078	199,753
Induction and Training	3,891,210	1,274,520
Accommodation Allowances	6,512,800	3,112,200
Local Travel Allowances	3,112,045	348,560
Mileage Allowances	1,239,798	1,165,230
Lunch Allowances	466,240	282,560
Airtime for Board Chair	84,000	84,000
Total	24,232,171	12,486,823

The total payment for board expenses for the FY 2024/2025 was Kshs.24,232,171 representing an increase of 94% compared to Kshs.12,486,823 recorded in FY 2023/2024. This is due to the increase in board activities during the financial year 2024/2025. During FY 2024/2025, the Board of Directors managed to undertake the training and development activities in line with the approved Board Almanac for the year.

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Notes to the Financial Statements (Continued)

13. Depreciation and Amortization Expense

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, plant and equipment	7,939,133	7,914,639
Total depreciation and amortization	7,939,133	7,914,639

14. Repairs and Maintenance

Description	2024/2025	2023/2024
	Kshs	Kshs
Buildings	0	0
Vehicles	4,312,268	1,933,106
Furniture and Fittings	363,294	0
Computers and Accessories	961,427	1,078,721
General Repairs	71,682	41,655
Total Repairs and Maintenance	5,708,671	3,053,482

The cost of motor vehicle repair and maintenance increased due to the number of activities undertaken during the year. There was no expenditure regarding the repair of office buildings and equipment.

15. Project Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Program for Biosafety Systems (PBS)	3,040,264	6,184,686
US Grain Council	0	684,497
Bayer East Africa	0	642,500
AATF	300,000	378,450
Corteva Agriscience	0	660,000
NRF	200,000	0
Total Project Costs	3,540,264	8,550,133

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Notes to the Financial Statements (Continued)

16. Grants

Description	2024/2025	2023/2024
	Kshs	Kshs
NBA Car Loan & Mortgage Scheme	45,200,000	0
Total Grants	45,200,000	0

The total payment of Ksh.45,200,000 in the FY 2024/2025 relates to cash transfers towards the Employee's Car Loan & Mortgage Scheme.

17. Cash and Cash Equivalents

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Account-KCB	17,816,849	40,534,196
Current Account-NCBA	1,784,951	0
Staff Car Loan & Mortgage-Co-OP	0	711,392
Total Cash and Cash Equivalents	19,601,800	41,245,588

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1119845858	17,816,849	40,534,196
NCBA	6070950012	1,784,951	0
Sub- Total		19,601,800	40,534,196

18. Inventories

Description	2024/2025	2023/2024
	Kshs	Kshs
Consumable stores	687,568	0
Total inventories at the lower of cost and net realizable value	687,568	0

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19. Property, Plant and Equipment

Cost	Motor vehicles	Furniture and fittings	Computers	Lab Equipment	Total
Depreciation Rate	Kshs	Kshs	Kshs	Kshs	Kshs
As At 1 July 2023	28,549,773	40,181,708	16,341,161	13,418,091	98,490,733
Additions	-	149,800	4,477,568	1,161,000	5,788,733
As at 30th June 2024	28,549,773	40,331,508	20,818,729	14,579,091	104,279,101
Additions	-	1,154,121	4,051,418	-	5,205,539
As at 30th June 2025	28,549,773	41,485,629	24,870,147	14,579,091	109,484,640
Depreciation and Impairment					
At 1 July 2023	(24,410,394)	(24,191,366)	(12,100,716)	(2,065,107)	62,767,583
Depreciation	(2,069,689)	(1,914,107)	(2,825,251)	(1,105,592)	(7,914,639)
As At 30th June 2024	(26,480,083)	(26,105,473)	(14,925,967)	(3,170,699)	(70,682,222)
Depreciation	(2,069,670)	(1,975,598)	(2,741,812)	(1,152,032)	(7,939,132)
As at 30th June 2025	(28,549,773)	(28,081,071)	(17,667,779)	(4,322,731)	78,621,354
Net Book Values					
As at 30th June 2024	2,069,690	14,226,035	5,892,762	11,408,392	33,596,879
As at 30th June 2025	0	13,404,558	7,202,368	10,256,360	30,863,286

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Valuation

Land and buildings/ Equipment were not valued during the financial year.

19 (b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	0	0	0
Buildings	0	0	0
Plant and Machinery	14,579,091	4,322,731	10,256,360
Motor Vehicles, Including Motorcycles	28,549,773	28,549,773	0
Computers and Related Equipment	24,870,147	17,667,779	7,202,368
Office Equipment, Furniture, And Fittings	41,485,629	28,081,071	13,404,558
Total	109,484,640	78,621,354	30,863,286

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

Description	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	-	-
Motor Vehicles including Motorcycles	28,549,773	7,137,443
Computers and Related Equipment	-	-
Office Equipment, Furniture and Fittings	-	-
Total	28,549,773	7,137,443

The additional tangible assets are laptops for the new staff, furniture and laboratory equipment which were acquired and subsequently recognized in the fixed assets.

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Notes to the Financial Statements (Continued)

20. Trade and Other Payables

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Trade payables	9,306,712		3,918,454	
Employee payables	0		0	
Other payables	0		0	
Total trade and other payables	9,306,712		3,918,454	
Ageing analysis: (Trade and other payables)	2024/2025	% of the Total	2023/2024	% of the Total
Under one year	9,306,712	100%	3,918,454	100%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (tie to above total)	9,306,712		3,918,454	

Trade and other payables include trade payable from supply of goods and services, electricity bill, retention and provision of audit fees for FY 2024/2025 of Ksh.580,000. All registered payables are below one year.

21. Contract Retention Money

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Contract Retention Money	0		1,406,976	
Prepayments	0		0	
Other deposits	0		0	
Total deposits	0		1,406,976	
Ageing analysis: (Refundable deposits)	2024/2025	% of the Total	2023/2024	% of the Total
Under one year	0	0%	0	0%
1-2 years	0	0%	359,562	15%
2-3 years	0	0%	1,047,414	75%
Over 3 years	0	0%	0	0%
Total	0		1,406,976	

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22. Current Provisions

Description	Audit Fees	Bonus provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance b/f	580,000	0	0	0	580,000
Additional provisions	580,000	0	0	0	580,000
Provision utilised	(580,000)	0	0	0	(580,000)
Change due to discount and time value for money	(0)	0	0	0	0
Transfers from non-current provisions	0	0	0	0	0
Total provisions year end	580,000	0	0	0	580,000

23. Deferred Income

Description	2024/2025	2023/2024
	Kshs	Kshs
National Government	0	0
Program for Biosafety Systems	0	249,297
Public Contributions and Donations	0	0
Total Deferred Income	0	249,297

The Authority did not have any deferred income at the end of the period ended 30th June 2025.

The deferred income movement is as follows:

	National government	International funders	Others	Total
	Kshs	Kshs	Kshs	Kshs
Balance Brought Forward	0	249,297	0	249,297
Additions	0	3,290,967	0	3,290,967
Transfers to Capital Fund	0	0	0	0
Transfers to Income Statement	0	(3,540,264)	0	(3,540,264)
Other Transfers	0	0	0	0
Balance Carried Forward	0	0	0	0

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24. Employee Benefit Obligations

Retirement benefit Asset/ Liability

The Authority operates a defined benefit scheme for all full-time employees from July 1, 2013. The scheme is administered by ICEA Lion Pension Fund who are the custodians of the scheme. The scheme is based on 10% of salary of an employee at the time of retirement while the employer contributes 20% of basic salary of each employee every month. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

The Authority also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Authority's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at 12% per employee per month. Other than NSSF the Authority also has a defined contribution scheme operated by ICEA Pension Fund. Employees contribute 10% while employers contribute 20% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

25. Surplus Remission (for category 3 entities)

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.

The Authority is under category 2 and hence no remittance to the Consolidated fund.

The Surplus Remission has been computed as follows:

Description	2024/2025	2023/2024
	Kshs	Kshs
Surplus for the period	(3,844,410)	17,093,477
Less: Allowable deductions by NT	0	0
90% Computation (Included in Statement of Financial Performance)	Nil	Nil

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Surplus Remission Payable

Description	2024/2025	2023/2024
	Kshs	Kshs
Payable at the beginning of the year	0	0
Paid during the year	0	0
Payable at end of the year	0	0

The Authority is under category 2 and hence no remittance to the Consolidated fund.

1. Cash Generated from Operations

Description	2024/2025	2023/2024
	Kshs	Kshs
Surplus for the year before tax	(32,627,337)	17,093,477
Adjusted for:		
Depreciation	7,939,133	7,914,639
Contribution to provisions	0	2,446,607
Working capital adjustments		
Increase in receivables	0	12,075,000
Increase in inventories	(687,568)	0
Increase in deferred income	(249,297)	249,297
Increase in payables	5,388,258	(303,881)
Net cash flow from operating activities	(20,236,811)	39,475,139

2. Financial Risk Management

The Authority's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Authority'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 Authority 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 Authority's financial risk management objectives and policies are detailed below:

i) Credit risk

The Authority 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, considering its financial position,

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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 Authority's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

The carrying amount of financial assets recorded in the financial statements representing the Authority's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	63,944,295	63,944,295	0	0
Total	63,944,295	63,944,295	0	0
As at 30 June 2024				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	41,245,588	41,245,588	0	0
Total	41,245,588	41,245,588	0	0

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 Authority has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Authority has significant concentration of credit risk on amounts due from parent ministry. The board of directors sets the Authority's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

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ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Authority's directors, who have built an appropriate liquidity risk management framework for the management of the Authority's short, medium and long-term funding and liquidity management requirements. The Authority manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Authority under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables	9,306,712	-	-	9,306,712
Current portion of borrowings	-	-	-	-
Provisions	580,000	-	-	580,000
Deferred income	0	-	-	0
Employee benefit obligation	-	-	-	-
Total	9,886,712	-	-	9,886,712
As at 30th June 2024				
Trade payables	3,918,454	-	-	3,918,454
Current portion of borrowings	-	-	-	-
Provisions	580,000	-	-	580,000
Deferred income	249,297	-	-	249,297
Employee benefit obligation	-	-	-	-
Total	4,747,751	-	-	4,747,751

Notes to the Financial Statements (Continued)

Financial Risk Management

iii) Market risk

The Authority has put in place an internal audit function to assist it in assessing the risk faced by the Authority 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 Authority'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 Authority's Strategy and Planning 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 Authority's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

The Authority 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 Authority 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.

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Financial Risk Management

The carrying amount of the Authority's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

2024/2025

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June 2025			
Financial Assets	0	0	0
Investments	0	0	0
Cash	0	0	0
Debtors	0	0	0
Total Financial Assets	0	0	0
Financial Liabilities			
Trade And Other Payables	0	0	0
Borrowings	0	0	0
Total Financial Liabilities	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

iv) Capital Risk Management

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Reserves	30,282,003	30,232,003
Retained Earnings	(451,924)	32,175,413
Capital Fund	11,435,863	6,230,324
Total Funds	41,265,942	68,687,740
Total Borrowings	0	0
Less: Cash and Bank Balances	(19,601,800)	(41,245,588)
Net Debt/(Excess Cash And Cash Equivalents)	(19,601,800)	(41,245,588)
Gearing	48%	60%

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28. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the Authority 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 the Authority, holding 100% of the Authority's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Entity, both domestic and external.

Other related parties include:

- i) The National Treasury and Planning
- ii) National Government State Corporation
- iii) Ministry of Agriculture and other ministries, Departments and Agencies
- iv) County Governments
- v) Semi-Autonomous Government Agencies
- vi) Key Management; and,
- vii) Board of Directors.

Description	2024/2025	2023/2024
	Kshs	Kshs
Transactions with related parties		
B) purchases from related parties		
Purchases of electricity from KPLC	747,825	0
Purchase of water from govt service providers	0	0
Rent expenses paid to govt agencies (NACOSTI & Kenya Ports Authority)	7,591,066	7,849,739
Training and conference fees paid to govt. Agencies (Kenya School of Government)	1,692,200	0
Others	0	0
Total	10,031,091	7,849,739
a) Grants /transfers from the government		
Grants from national govt	128,947,500	199,900,000
Total	128,947,500	199,900,000

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Description	2024/2025	2023/2024
	Kshs	Kshs
b) Key management compensation		
Directors' emoluments	24,232,171	12,486,823
Compensation to key management	30,693,919	34,082,752
Total	54,926,090	46,569,575

29. Events after the Reporting Period

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

30. Ultimate and Holding Entity

The Authority is a Semi- Autonomous Government Agency under the Ministry of Agriculture. Its ultimate parent is the Government of Kenya.

31. Currency

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

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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: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
1.	<p>Unsupported Reserves</p> <p>The financial statements reflect a reserves balance of Kshs.30,282,003, which lacks supporting disclosure notes, documentation, and schedules. Additionally, the accounting policy in Note 4(i) does not specify the nature of the reserves or the accounting policies applied, contrary to IPSAS 1, Paragraph 95(c).</p>	<p>The Authority is collaborating with the Office of the Auditor General to review and update the accounting policy disclosed in Note 4 to ensure it specifies the reserves maintained and the accounting policies adopted as required by Paragraph 95(c) of IPSAS 1.</p>	Not Resolved	FY 2025/2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
2.	<p>Budgetary Control and Performance</p> <p>The comparison of budget and actual amounts shows that the Authority received Kshs.225,844,928 against a final budget of Kshs.234,608,392, resulting in underfunding of Kshs.8,763,464 (4%). Actual expenditure amounted to Kshs.194,799,149 compared to a budgeted Kshs.228,820,024, leading to an under-expenditure of Kshs.34,020,875 (15%).</p>	<p>The Authority, through its Budget Implementation Committee, has put in place enhanced monitoring and coordination measures to ensure that budget execution is closely tracked. The Committee will ensure that all expenditures are within the approved budget ceilings and that there is no under- or over-expenditure going forward.</p>	Not Resolved	
3.	<p>Lack of Revaluation Policy on Property, Plant and Equipment</p>	<p>The Authority is currently reviewing its Finance Manual, and as part of this</p>	Not Resolved	FY 2025/2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>The Authority reported property, plant, and equipment valued at Kshs.33,596,879 as per Note 18 of the financial statements. However, it did not reassess the residual values and useful lives of these assets as required by IPSAS 17. Notably, assets worth Kshs.17,627,360 had a zero-net book value despite still being in use. Additionally, the asset register showed a total book value of Kshs.10,331,047, excluding current year additions of Kshs.5,788,368, leading to an unreconciled difference of Kshs.23,265,832.</p>	<p>review, a Revaluation Policy—aligned with the requirements of IPSAS 17—will be incorporated to guide the revaluation of all its assets.</p>		
4.	Misstatement of Fuel and Oil Expense	The Management has developed dedicated fuel registers for each	Not Resolved	

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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)
	<p>The Statement of Financial Performance shows a fuel and oil expense of Kshs. 2,339,948 as part of the total goods and services balance of Kshs. 73,135,151 (Note 10). However, supporting documents indicate an amount of Kshs. 2,645,218, creating a discrepancy of Kshs. 305,270. Additionally, the fuel register reflects Kshs. 2,569,139, which also differs from both the financial statements and supplier statements.</p>	<p>vehicle in its fleet. These registers are designed to capture detailed records of fuel consumption, including dates of fueling, quantities received, mileage, and authorized users. The information recorded in these registers will be routinely used to reconcile the fuel supplier statements with the internal records and ultimately with the entries in the financial statements.</p>		
5.	<p>Long Outstanding Retention Money</p> <p>The statement of financial position shows current liabilities totaling Kshs.6,154,727, which includes contract retention money of Kshs.1,406,976. An</p>	<p>The contract retention money is in relation to partitioning works to the head office which were done by Serve Kenya Ltd. The final interim payment certificate from public works was received on 30 July 2024 and</p>	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	analysis revealed that Kshs.359,562 has been outstanding for over two years, and Kshs.1,047,414 for more than three years. This contravenes Regulation 83 of the Public Finance Management Regulations (National Government), which requires retention money to be released within six months after project completion if no defects are found.	payments done through PV. 4580 on 6 th August 2024.		
6.	<p>Non-Compliance with Law on Wage Bill</p> <p>The Statement of Receipts and Payments shows total revenue of Kshs. 219,807,265, with employee compensation amounting to Kshs. 97,573,560, representing 44% of the total</p>	<p>NBA has enhanced its Resource Mobilization through Appropriation in Aid through a Board approval of an increase in fees charged for the services offered by the Authority. This boost will supplement the primarily GOK-funded budget,</p>	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	revenue. This exceeds the 35% ceiling set by Treasury Circular No. 16/2020 dated 26 August 2020.	ensuring employee compensation remains within the 35% threshold.		
7.	<p>Non-Compliance with a Third rule on Basic salary</p> <p>Analysis of the payroll for the year under review, revealed deductions from three employees exceeded a third of their basic pay contrary to Section 19(3) of the Employment Act, 2007.</p>	The Management of the Authority has made the necessary arrangements with the affected officers and adjusted the payroll to accomplish the one-third rule on the respective employees' monthly pay slips.	Not Resolved	
8.	<p>Under Staffing of Staff</p> <p>The Authority has an approved staff establishment of 53 positions, but only 38 are filled, leaving a shortfall of 15 staff members. This staffing gap hinders effective service delivery and affects the office's ability to fulfill its mandate. Additionally, it</p>	On 19 November 2024, the CEO formally requested SCAC's approval to review and expand the Authority's staff establishment from the current 53 positions to address increased operational demands, including border control, inspections, biosafety awareness, national and county	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	contravenes Paragraph 2.30.1 of the Human Resource Policy and Procedure, which provides for periodic review and reorganization of the staff establishment.	engagements, GMO testing, and enforcement of the Biosafety Act. SCAC approved the proposal, and recruitment to reach the optimal levels is currently underway.		
9.	<p>Suspension of Chief Executive Officer</p> <p>A review of records revealed that during its 53rd meeting on 5th April 2024, the Board resolved to form an Ad-Hoc Committee to review a comprehensive Internal Audit Report. During the 48th Special Board Meeting on 5th July 2024, the Board resolved to suspend the CEO. However, the CEO challenged the suspension through legal proceedings, which remained unresolved as of December 2024.</p>	The legal dispute between the Authority and the suspended CEO has since been resolved through an out-of-court mutual agreement. This has restored institutional stability and enabled the Authority to proceed with its strategic and operational mandate without the encumbrance of ongoing legal proceedings.	Not Resolved	

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	Consequently, any strategic decisions made by the Authority in the absence of a substantive CEO may be subject to legal challenges by interested parties.			
10.	<p>Unapproved Salary Adjustment</p> <p>The statement of financial performance for the year ended 30 June 2024 shows employee costs totaling Kshs.97,573,560, including Kshs.8,540,912 for the CEO's salary, as detailed in Note 11. Although the CEO's initial gross salary was Kshs.430,371 per the signed contract, it was increased by 63% after just two months, with no supporting documentation or justification. This adjustment breached Treasury Circular No. 11/2022, which requires</p>	<p>During its 48th Full Board Meeting held on 26 January 2023, the NBA Board of Directors approved a management request to adjust the allowances and remuneration of the CEO and Directors. This adjustment, effective 1 July 2023, was aligned with updated staff grades and government circulars Ref. DPM/38/1/1A dated 10 April 2007 – harmonization of allowances in public institutions and Circular Ref. MPSGSC&SP/2/1A dated 15</p>	Not Resolved	FY 2025/2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	prior approval from the Salaries and Remuneration Commission (SRC) and written confirmation from the National Treasury on the availability of funds.	December 2021 – alignment for equity and standardization across State Corporations.		



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NEHEMIAH K. NGETICH
AG. CHIEF EXECUTIVE OFFICER

Date: 01/21/2025

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Appendix II: Projects implemented by the Authority

Projects implemented by the State Corporation/ SAGA Funded by development partners and/ or the Government.

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

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds

There were no projects implemented by the Authority Funded by development partners and/ or the Government during FY2024/2025.

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Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/D evelopment/ Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Agriculture	02/08/2024	Recurrent	42,982,500	42,982,500	-	-	-	-	42,982,500
IFPRI	20/08/2024	Donor Fund	1,427,342	1,427,342	-	-	-	-	1,432,342
Ministry of Agriculture	06/11/2024	Recurrent	42,982,500	42,982,500	-	-	-	-	42,982,500
Ministry of Agriculture	07/02/2025	Recurrent	42,982,500	37,776,961	5,205,539	-	-	-	42,982,500
IFPRI	21/02/2025	Donor Fund	1,363,624	1,363,624	-	-	-	-	1,363,624
Total			131,738,466	126,532,927	5,205,539	-	-	-	131,738,466