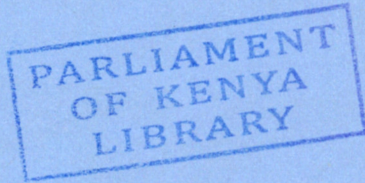
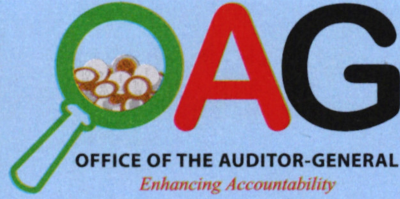


REPUBLIC OF KENYA



REPORT


OF

THE AUDITOR-GENERAL

ON

OCCUPATIONAL SAFETY AND
HEALTH FUND

FOR THE YEAR ENDED
30 JUNE, 2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	03 DEC 2025
	DAY: WED
TABLED BY:	Deputy Leader of Majority Hon. Owen Bayo
CLERK AT THE TABLE:	Halima Suleiman



*A Healthy Worker in a
Safe Work Environment*

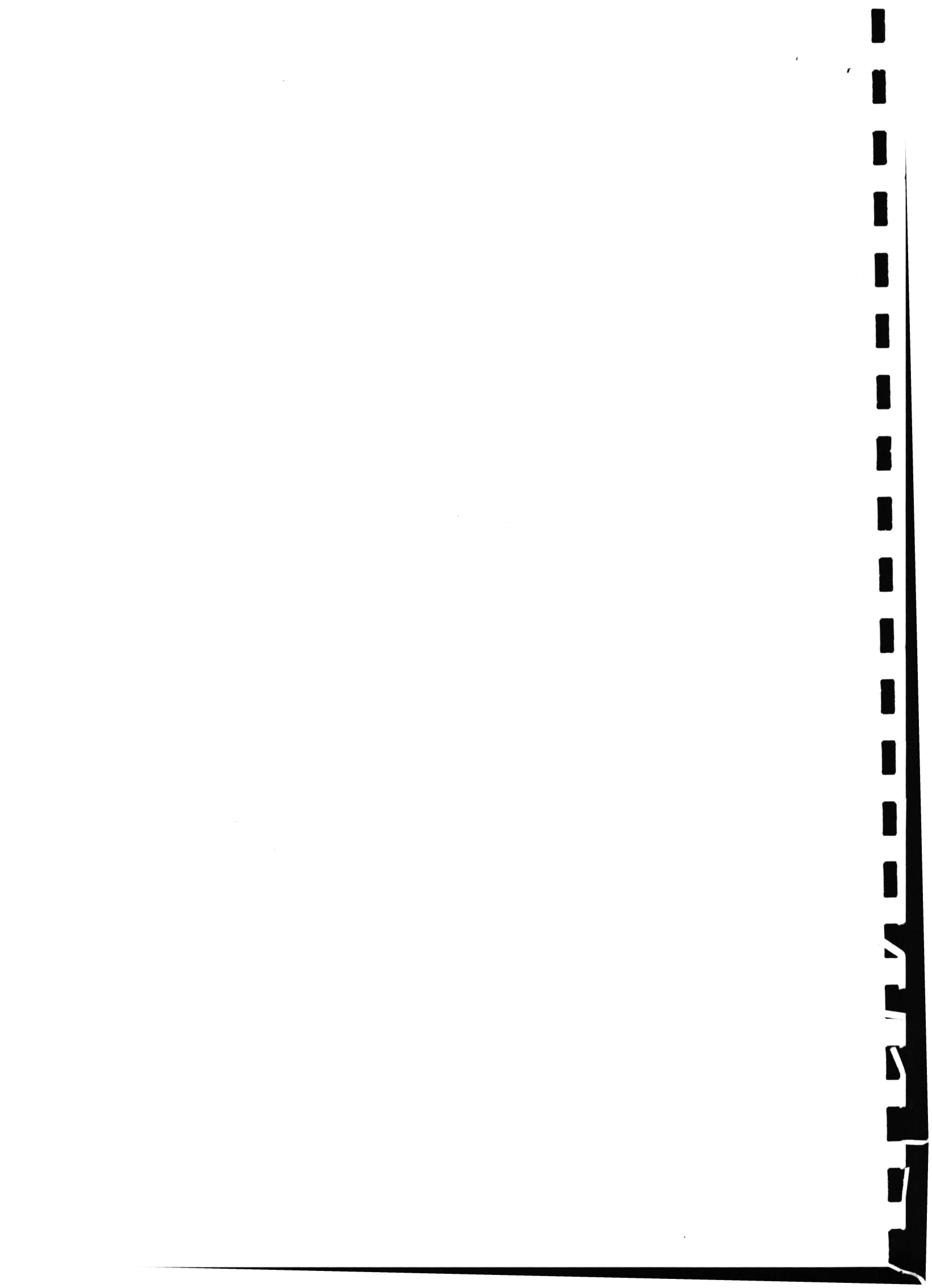
OCCUPATIONAL SAFETY AND HEALTH FUND

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

CEO	Chief Executive Officer
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
OSH	Occupational Safety and Health
NACOSH	National Advisory Committee on Occupational Safety and Health
DOSHS	Directorate of Occupational Safety and Health Services
OSHMIS	Occupational Safety and Health Management Information System
ILO	International Labour Organization
ILS	International Labour Standards
ACW	Acceptable Conditions of Work
FLCC	Finance, Legal and Communication Committee
ECSC	Extractive and Construction Sector Committee
AHSC	Agriculture, Health and Service Sector Committee
MSC	Manufacturing Sector Committee
WIBA	Work Injury Benefits Act 2007

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

The Occupational Safety and Health Fund was established pursuant to the Government Financial Management (Occupational Safety and Health Fund) Regulations, under Legal Notice No. 14 of 2011, dated 11th February 2011. The administration of the Fund falls under the State Department for Labour and Skills Development, specifically within the Directorate of Occupational Safety and Health Services (DOSHS), as outlined in the Occupational Safety and Health Act (OSHA), 2007. DOSHS operates under the mandate provided by Presidential Executive Order No. 2 of 2023. The entity is domiciled in Kenya, with a presence in all 47 counties, and maintains sub-county offices in Athi River, Malindi, Thika, and Naivasha.

(b) Principal Activities

The vision and mission define the principle activities of the State Department for Labour and Skills Development.

Vision: A globally competitive workforce and a decent environment.

Mission: Develop and implement policies and programmes for a highly productive workforce through creation of a safe working environment, promotion of industrial peace, effective human resource planning and development, social security, productivity promotion and sustainability job creation.

The objectives of the Occupational Safety and Health Fund are grounded in its core functions, which include:

- (i) Ensuring the development and coordination of a robust and effective occupational safety and health system;
- (ii) Implementing comprehensive systems to prevent occupational accidents, diseases, ill health, and property damage at workplaces;
- (iii) Conducting research on occupational safety and health, including the investigation of factors that contribute to workplace accidents and diseases;
- (iv) Developing and distributing informational materials—such as safety posters, pamphlets, newsletters, and guidance notes—on occupational safety and health, as well as organizing safety exhibitions and awareness initiatives for employers, employees, and the wider public; and

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- (v) Promoting occupational safety and health by organizing annual safety award events to recognize outstanding achievements in safety and health among enterprises and persons employed.

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Key Management

The OSH Fund's day-to-day management is under the following key organs:

No.	Designation	Name
1.	Management/Council	DOSHS, State Department of Labour and Skills Development/NACOSH
2.	Accounting Officer/Principal Secretary Labour	Shadrack Mwadime
3.	Head of DOSHS, Secretary OSH	Dr. Musa Nyandusi,OGW
4.	Chairperson NACOSH	Rashid Echesa

(c) 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.	Secretary OSH	Dr. Musa Nyandusi,OGW
2.	Head of Accounting	CPA, Isaac Mochama Mosigeria
3.	Head of Procurement and Supplies Management	Jones Nyakundi
4.	Head of Administration	Simon Mathenge Wanyitu

(d) Fiduciary Oversight Arrangements

Audit and Finance Committee Activities

The Fund undergoes both internal and external audit processes in accordance to relevant laws and regulations. The internal audit unit of the State Department for Labour and Skills Development oversees the establishment and maintenance of effective internal control systems to safeguard assets and ensure reliable financial reporting. They also assess and manage risks that could impact the Fund's financial health and operational effectiveness ensuring that the Fund complies with all relevant laws, regulations, and policies.

In addition, the Office of the Auditor General in accordance with the auditing calendar, conducts audit on management of the Fund.

Key Entity Information and Management (continued)

Parliamentary Oversight Committee

The committee of the National Assembly established is implicit in dealing with OSH Fund by bearing the responsibility of:

- (a) Monitoring all budgetary matters relating to OSH Fund and reporting the matters to the Parliament.
- (b) Monitoring adherence of the OSHS (Occupational Safety and Health Services) managing OSH Fund to the principles of the public finance, the Constitution 2010 and provisions of Public Management Act, 2012.
- (c) Examining financial statements and documents in respect of OSH Fund submitted reports and making recommendations to the National Assembly.
- (d) Providing extension of the management of the OSH Fund at the lapse of period of operation of the fund by amending of Government Financial Management (Occupational Safety and Health Fund) Regulations.

Development Partner

The OSH Fund is yet to make any arrangements with development partners.

Other Oversight Arrangements

The National Council for Occupational Safety and Health is established pursuant to section 27 of the Occupational Safety and Health Act, 2007. Under the Government Financial Management (Occupational Safety and Health Fund) Regulations, the Council has the mandate of approving the work programmes funded by the Fund. The Finance, Legal and Communication committee of the NACOSH oversees the Policy, legal and the financial management issues of the fund. The committee submits quarterly reports of OSH Fund programmes to NACOSH which in turn advises the Cabinet Secretary of Labour and Social Protection.

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(e) OSH Fund Headquarters

P.O. Box 34120-00100

Safety House

Commercial Street

Nairobi, Kenya

(f) OSH Fund Contacts

Telephone: +254 (020) 2667722

Email: doshdept@yahoo.com

doshdept@labour.go.ke

Website: <https://www.doshmis.go.ke/>

(g) OSH Fund Bankers

1. Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

Nairobi, Kenya

2. Kenya Commercial Bank

Account No.1130057321

Industrial Area Branch

Nairobi, Kenya

(h) Independent Auditor

Auditor-General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

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Key OSH Fund Information and Management (continued)

(i) Principal Legal Adviser

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

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3. The Council

Ref	Council Members	Details
1.	 <p>Hon. Rashid Echesa, MBS</p> <ul style="list-style-type: none"> ◆ Politician & Civil Servant 	<ul style="list-style-type: none"> ◆ He was born on 5th April, 1983. ◆ He serves as the Chairperson of the Kenya Water Towers Agency Board, having been appointed on 19 May 2023 for a term of three (3) years ending in May 2026. ◆ In addition to this role, he was appointed as the Chairperson of the National Council for Occupational Safety and Health (NACOSH) effective 29 November 2024, with the term running through to 18 May 2026. ◆ He has a background in public service and political mobilization, having previously served as the Cabinet Secretary for Sports, Culture, and Heritage between January 2018 and March 2019. He has held various leadership roles and is actively involved in national governance and policy matters. His leadership trajectory is rooted in extensive grassroots political engagement and public sector experience.
2.	 <p>James Ouma Nyambune</p> <ul style="list-style-type: none"> ◆ He has Master of Technology in education from University of Eldoret and bachelor of technology in Education from Moi University. 	<ul style="list-style-type: none"> ◆ He was born on 20th May 1965. ◆ He is the currently the Deputy Director of Technical Education in the Ministry of Education. <p>Ministry of Education</p>

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<p>3.</p>	 <p>Timothy Irimu Ruhiu</p> <p>♦He has Master's in Mechanical Engineering from Mosco Auto Mechanical Institute.</p>	<p>♦He was born on 14th August 1958.</p> <p>♦He has been head of production operations and Safety Health and Environment (SHE) Manager at East African Portland Cement Company.</p> <p>Private Member</p>
<p>4.</p>	 <p>Charles Owelle</p> <p>♦He has BSc. in Agriculture and MBA in Strategic Management</p>	<p>♦He was born on 2nd September 1958.</p> <p>♦He is Managing Director of Canon Agro Agencies.</p> <p>FKE</p>
<p>5.</p>	 <p>Obed Manasse Mnene</p> <p>♦He has Master of Science degree in Occupational Hygiene from University of Newcastle upon Tyne and Bachelor of Science degree in Maths, Physics and Computer Science from University of Nairobi.</p>	<p>♦He was born on 14th June 1956.</p> <p>♦He has been focal person on all matters of Health, Safety and Environment Management at Foto Energy Systems – South Sudan, Consultant Safety and Environment Officer at Sino Hydro Corporation – Kenya and Health, Safety and Environment Officer at Operations and Maintenance Solutions – Kenya.</p> <p>Private Member</p>

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<p>6.</p>	 <p>Robert Nderitu, OGW</p> <ul style="list-style-type: none"> ◆ He is a statistician by profession. ◆ He holds a Master of Science Degree (Statistics) from Kenyatta University and has expertise in official statistics, strategic management, surveys and censuses implementation and project management. 	<ul style="list-style-type: none"> ◆ He was born on 19th July 1969. ◆ He has over 20 years' experience in the public service. ◆ He is a qualified quality management system internal auditor and currently heads a team of champions, implementing the ISO 9001:2015 Quality Management System in the Bureau. He is a member of the Kenya National Statistical Society. ◆ Currently, he is the Director in charge of Production Statistics at Kenya National Bureau of Statistics. <p>KNBS</p>
<p>7.</p>	 <p>Rebecca Okello</p> <ul style="list-style-type: none"> ◆ She holds a degree in Environmental Science from Pwani University. 	<ul style="list-style-type: none"> ◆ She was born on 19th February 1991. ◆ She is currently working at the Central Organization of Trade Union as a program officer under the climate change and environmental program, HIV and AIDS. ◆ She is also the Head of Occupational Safety and Health Department. <p>COTU</p>
<p>8.</p>	 <p>Robert Orina</p> <ul style="list-style-type: none"> ◆ He has a Msc. in Land and Water Management and BSc. in Agriculture from the University of Nairobi. 	<ul style="list-style-type: none"> ◆ He was born on 8th September 1968. He is NEMA Chief Enforcement Officer. ◆ He is currently working as the Ag, Deputy Director Compliance in NEMA. Has a cumulative work experience of 23 years in the Public Sector. <p>NEMA</p>

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<p>9.</p>	 <p>Grace Nyakio Njenga</p> <p>◆She has a Bachelor Degree in Science from Jomo Kenyatta University of Agriculture and Technology.</p>	<p>◆She was born on 6th April 1974.</p> <p>◆She works with Government Chemist Department. She is currently Assistant Government Chemist in the Government Chemist Department.</p> <p>◆She is an experienced chemist with broad skills in forensic and analytical chemistry.</p> <p>Government Chemist</p>
<p>10</p>	 <p>Philip Olong'ojine</p> <p>◆He has a higher diploma in medicine and surgery (paeds) from KMTC Nairobi and Master of arts in community/pastoral care and HIV/AIDS from the University of Wales, Lampeter UK and St. Pauls University Limuru Kenya.</p>	<p>◆He was born on 1st September 1953.</p> <p>◆He has over 20 years of professional experience in health management of public institutions across Kenya mainly Moi University.</p> <p>Private Member</p>

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<p>11</p>	 <p>Anthony Wainaina</p> <ul style="list-style-type: none"> ◆He has Master’s degree in public health (Epidemiology & Population Health from Maseno University, Kenya and is currently pursuing master’s degree in chemicals management from the University of Cape Town. 	<ul style="list-style-type: none"> ◆He was born on 15th March 1972. ◆A Public Health Professional with over twenty-nine (29) years of experience in the Public Health space and currently Head, Division of Environmental Health- Ministry of Health, Kenya. <p>MOH</p>
<p>12</p>	 <p>Dr. Mary Onsarigo</p> <ul style="list-style-type: none"> ◆She has a PhD in Agricultural Biotechnology from Queensland University of Technology, Australia, Master’s Degree in Agricultural Biotechnology from Kenyatta University, Master’s Degree in Information Technology from University of Manchester (UK) and a Bachelor’s Degree in Education Science from Moi University. 	<ul style="list-style-type: none"> ◆She was born on 19th June 1972. ◆She is currently an employee of the Kenya National Commission for Science Technology and Innovation. <p>NACOSTI</p>

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Dr. Musa Nyandusi, OGW

♦He has a Bachelor's Degree of Medicine and Bachelors degree of Surgery (MBCHB) and Master's Degree of Medicine (MMED) Specializing in Otorhinolaryngology and Head and Neck Surgery.

♦He was born on 15th March 1972.
♦He has a vast experience in occupational health practice and management.

Secretary OSH

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4. Key Management Team

	Management	Details
1.	 <p>Dr. Musa Nyandusi, OGW</p> <p>He has a Bachelor’s Degree of Medicine and Bachelors degree of Surgery (MBCHB) and Master’s Degree of Medicine (MMED) Specializing in Otorhinolaryngology and Head and Neck Surgery.</p> <p>He has a vast experience in occupational health practice and management.</p>	<p>Secretary OSH and Secretary NACOSH</p>
2.	 <p>Mr. Simon Mathenge Wanyitu</p> <p>He is a safety, health and environment consultant and the Head Administration Unit of the Directorate of Occupational Safety and Health Services, a public entity charged with the implementation of the National Safety Policy.</p> <p>He is a holder of Bachelor’s degree in Science from Jomo Kenyatta University of Agriculture & Technology.</p>	<p>Head Administration Unit</p>

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<p>3.</p>	 <p>CPA, Isaac Mochama Mosigeria</p> <p>He is the Head of Accounting Unit at the Directorate of Occupational Safety and Health Services.</p> <p>He is a holder of CPA (K), (M/No. 12719), BCOM (Finance) from Kabarak University and a Post graduate Diploma in Tax from Kenya School of Revenue (KESRA).</p>	<p>Head Accounting Unit</p>
<p>4.</p>	 <p>Mr. Jones Nyakundi</p> <p>He is the Head of Procurement.</p> <p>He has Degree in Purchasing and Supplies Management from JKUAT University, a Diploma in Purchasing and Supplies Management from the University of Nairobi.</p> <p>He has a vast experience in the supplies chain management profession in the public service.</p>	<p>Head Supplies Management Unit</p>

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5. Chairman's Statement

Programmes for the 2024/25 Financial Year

The National Council for Occupational Safety and Health (NACOSH) is established under section 27 of the Occupational Safety and Health Act (OSHA 2007) with an advisory role to the cabinet secretary responsible for Labour and Social Protection on matters of occupational safety and health (OSH). In addition, the OSH Fund regulations under the Public Finance Management Act gives NACOSH the mandate to approve expenditure of the Occupational Safety and Health at the beginning of each financial year in accordance with the Work Plan and Budget prepared by the Directorate of Occupational Safety and Health Services.

In the 2024/2025 Financial Year the following programmes were slated for execution using OSH Fund.

- a. Implementation of Occupational Safety and Health Curricula and operationalization of institute of Occupational Safety and Health.
- b. Organize and hold the annual world day for safety and health campaign and celebrations.
- c. Development and implementation of an Integrated OSHMIS.
- d. Finalisation of Occupational Safety and Health Bills and Review of existing Occupational Safety and Health Regulations.
- e. Assist in the Directorate's surveillance of workers health and work environment by purchase of a Pick-Up Truck to ease transport problems, build capacity of the Directorate's staff and to have workers and employers trained on OSH.
- f. Review the National occupational Safety and Health Policy and also launch the National Policy on HIV/AIDS at work.
- g. Assist the Directorate in delivery of its mandate by funding office activities where GOK funding may not be adequate. These included preparation of workplace registration certificates, training certificates, authorised persons & institutions certificates, minor office repairs, fuel purchase, bills payment, vehicle maintenance and repair, review of scheme of service and purchase of stationery and equipment.

Achievements

- a. Revamping of the 16 modules of Occupational Safety and Health Curriculum was initiated and respective rollout is due in the 2025/26 FY.
- b. The World Day for Safety and Health was marked and celebrated on the 28th April, 2025 in Laikipia County.
- c. Ahead of the 2025 World Day for Safety and Health, a conference was held for the Directorate's professional staff to exchange views and ideas on service delivery as well as elevate their career.
- d. User requirements for the Integrated OSHMIS were implemented and the system started its operations.
- e. The Occupational Safety and Health Bills were completed and draft cabinet memoranda made in readiness for submission to the National Assembly through the office of the Cabinet Secretary responsible for Labour and Social Protection.

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- f. A number of trainings were held to sensitize workers and employers on Occupational Safety and Health.
- g. The Policy guidelines on mental health at work was finalized and due for the Launch in the 2025/26 Financial Year. Meanwhile sensitization about the guidelines has commenced.
- h. Some areas of Safety House, the Directorate's office premises, were repaired and floor tiles replaced especially the parking area and ground floor ablution facilities. Office bills were settled including internet, electricity and water. Office vehicles were also repaired, serviced and fuelled.
- i. One Isuzu D-Max Pick- Up Truck was procured and delivered to the Directorate.
- j. The Public Service Commission employed a total of 120 technical officers to serve in the Directorate and this helped the Directorate to expand its footprint to all the 47 Counties in the country plus 4 Sub-Counties. This has enhanced service delivery.

Lessons Learnt

- a. Partnership by the Directorate with other organisations and other Government Agencies for the sake of World Day for Safety and Health will in future make this event more successful given the impact it has on the safety and health culture of the Kenyan working populace.
- b. Timing of commencement of programmes is paramount. Programmes can be adequately executed if started at the right time.

Challenges

- a. Funding would most often run short owing to the non-funding of some programmes by the GOK. Although more staff were recruited into the Directorate, GOK funding was not enhanced. The same funding allocation that used to fund 31 field stations, is now shared among the 51 field stations.
- b. The 'hands-on' executors of the programmes funded by the OSH Fund are the officers of the Directorate. The Directorate still has an inadequate manpower. Some field stations are manned by 2 officers. In event of annual leave or absence of an officer, a programme would be affected.

Way Forward

Lobbying for enactment of the 3 Occupational Safety and Health Bills will be intensified and provide the Directorate with the necessary autonomic space of execution of its mandate.

Signed.



Hon. Rashid Echesa, MBS.
Chairperson, NACOSH

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6. Report of the Secretary OSH

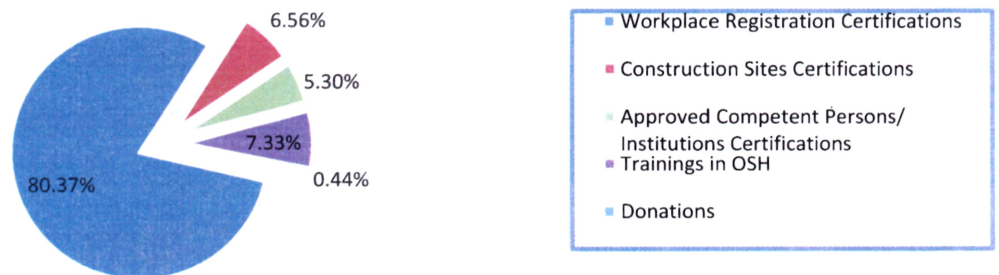
The Secretary, Occupational Safety & Health (OSH) administers the Fund in consultation with NACOSH. Existing Government financial and procurement regulations and procedures applies in the administration of the Fund.

Occupational Safety and Health Fund is established under Section 126 of OSHA, 2007. The Fund was actualized under section 26 of the Government Financial Management Act, 2004 and the Government Financial Management (Occupational Safety and Health Fund) Regulations, 2011 Legal Notice No, 14. Monies in the fund are Sourced from Parliament appropriation; grants and donations; annual levy charged on all workplaces registered under Occupational Safety and Health Act; and income generated from the proceeds of the Fund. The expenditure on the Fund is on the basis of preparation and approval of annual work programmes and cost estimates by the NACOSH at the beginning of every financial year to which the funds relate. The fund collections have been in the form of fees charged during registration and renewal of workplace certificates, fees for approval of building plans, fees charged for conducting Occupational Safety and Health training for OSH Committees in workplaces, competent persons & institutions registrations and renewal fees in the proportions outlined as hereunder.

During the 2024/25 Financial Year, a total of Kshs. 229,882,928 was collected from various programmes under the OSH Fund work plan. Majority of the funds were from workplace registration programme where workplaces pay into the fund the OSH Levy and a certification fee upon registration or renewal under the Occupational Safety and Health Act, 2007.

Proportions of Monies paid into OSH Fund

OSH Fund Revenue FY 2024/25



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Achievements

- a. The Occupational Safety and Health Management Information System (OSHMIS) was developed and implemented. The platform has remarkably eased the workload at DOSHS. There has been an upward trend in achievements compared to previous years.
- b. Arising from the development and implementation of OSHMIS, all the Occupational Safety and Health Officers were sensitized in its use.
- c. Arising from the development of OSHMIS, all the 823 Occupational Safety and Health approved persons and institutions were sensitized in the use. The sensitization is still ongoing and is held on a need basis to streamline the use of OSHMIS by the approved persons and institutions.
- d. A number of trainings were held online to sensitize workers and employers on the use of OSHMIS.
- e. Services offered by the Directorate of Occupational Safety and Health Services were uploaded onto the digital platform and more are being integrated given the dynamic nature of Occupational Safety and Health.
- f. The ambulant unit at the Directorate of Occupational Safety and Health Services is fully operational and is regularly on its field missions with relevant personnel to deliver OSH services where required.
- g. Ministries, Departments, Agencies of Government and County Governments are fully within purview of the Occupational Safety and Health in the unit of Public Sector OSH with focal persons, and inspection tools having been developed.
- h. WIBA claims were processed and executed.
- i. Public Service Commission recruited more officers to the Directorate of Occupational Safety and Health enabling more workplaces being on boarded onto the workplace register. The Directorate has presence in all the 47 counties in the country and 4 sub-counties.

Lessons Learnt

- a. The ambulant unit enabled field work to be more comprehensive with all OSH services available as one package when a field visit is made and with easy access to the consumer of OSH services.
- b. The OSHMIS remarkably shortened the period of time to execute Workplace Registration services.
- c. The OSHMIS was able to rid cases of quack services and forgery.

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Challenges

- a. At the inception of OSHMIS implementation, there were some change management challenges by the consumers of OSH services. However, as at end of FY 2024/25, the consumers had embraced the system.
- b. Sustainability of the OSHMIS has financial implications and this will have to be factored in future financial projections as this system was a donation.
- c. Technology and the digital world is very dynamic. Other newer systems may emerge rendering the OSHMIS obsolete. Upgrading of the system will thus be an important feature to be factored in the following financial years.

Way Forward

- a. Partnerships will not only be key in keeping in tandem with emerging technologies and digital economies but also in achieving the overall goal of a *'healthy worker in a safe work environment.'*
- b. Sustainability of OSH in the public sector will require partnerships with the MDACs.



Signed
Dr. Musa Nyandusi (MBCHB, MMED, OGW)
Secretary OSH

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

Management of the OSH Fund follows a five-year Strategic Plan which informs the Annual Budget and the performance contract and report on the extent of the OSH's progress in attaining the objectives of the strategy.

At the lapse of an annual financial period a report on the targets met, those not met, challenges and opportunities of the OSH in implementation of its Strategic Plan is made. This report is made in accordance with section 81 (2) (f) of the Public Finance Management Act and requires that, at the end of each financial year, the accounting officer when preparing financial statement of each Government OSH. The statement should be in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board which outlines the OSH's performance against predetermined objectives/targets. This statement details the OSH's financial activities for the 2024/25 FY in the said format.

Strategic Pillar/Theme/Issues	Objective	Activities	Key Performance Indicators	Achievements
Inculcation of a Safety and Health Culture in Workplaces	Surveillance of work environment	Inspection of workplaces including MDACs & BETA inspections (construction, MSMEs and service sectors)	No. of inspection of workplaces carried out	10,000 inspections (2,000 in BETA sectors) carried out
		<ul style="list-style-type: none"> ◆ Plant Examination ◆ Workplace OSH Auditing ◆ Fire Safety audits in workplaces 	<ul style="list-style-type: none"> ◆ No. of Plants Examined ◆ No. of Workplaces audited on safety and health ◆ No. of Workplaces audited on fire safety 	<ul style="list-style-type: none"> ◆ 25,000 Plants Examined ◆ 5,000 Workplaces Audited ◆ 5,000 Workplaces Audited
		<ul style="list-style-type: none"> ◆ Evaluation and Control of Workplace Contaminants ◆ Mainstreaming OSH in construction industry 	<ul style="list-style-type: none"> ◆ No. of Workplace hygiene Survey reports compiled ◆ No. of Architectural plans for buildings scrutinized for safety and approved 	<ul style="list-style-type: none"> ◆ 600 Reports Compiled ◆ 400 Plans approved
		<ul style="list-style-type: none"> ◆ Approval of competent persons /institutions ◆ Monitoring of activities of all approved persons and institutions 	<ul style="list-style-type: none"> ◆ No. of approved persons/ institutions inducted ◆ No. of reports compiled 	<ul style="list-style-type: none"> ◆ 600 Approved Persons/Institutions inducted ◆ 6 reports compiled
	Surveillance of workers health	<ul style="list-style-type: none"> ◆ Conduct occupational medical examination of workers exposed to workplace hazards ◆ Conduct medical and hygiene surveillance at workplaces 	<ul style="list-style-type: none"> ◆ No. of Workers exposed to workplace hazards examined ◆ No. of medical and hygiene surveillance carried out in workplaces 	<ul style="list-style-type: none"> ◆ 170,000 Workplaces Examined ◆ 11 Medical Surveillance Carried Out
	Legal and policy reforms	Review and implement the Occupational Safety and Health Act	Public participation carried out	Public participation done
		Initiate the ratification process of ILO Conventions ILO C155, C187, C161 and C121	Core ILO OSH conventions ratified	4 ILO OSH conventions ratified

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		Develop subsidiary legislations, regulations, CoP, SoP, Guidelines and policies on Occupational Safety and Health	CoP on scaffolds; Mental health policy/ regulations developed	5 Code of Practice developed
		Finalize ongoing review/development of regulations, CoP, Guidelines and policies on Occupational Safety and Health	Finalized Code of Practice on First Aid auditing	1 CoP on First Aid auditing finalized
	Safety and Health Culture Institutionalization	◆ Commemoration of the world day for safety and health at work	◆ World day for safety event held and report compiled ◆ No. of workers medically examined during Annual Occupational Health Medical Camp	◆ World Day for Safety 2025 event held ◆ 300 workers medically examined
		Train workers on OSH	No. of Workers trained in Basic OSH, First Aid and Fire Safety.	20,000 Workers trained
	Mainstreaming OSH in public sector	◆ Sensitize MDACs on OSH ◆ Monitor plants in public facilities	◆ MDACs sensitized on OSH ◆ No. of Plants monitored	◆ 50 MDACs sensitized ◆ 8 Plants monitored
	Implementation of NACOSH Council Activities	◆ Sectoral familiarization visits ◆ Train NACOSH on OSHMIS System	◆ NACOSH Contact with workers ◆ No. of Training Conducted	◆ 8 Visits conducted ◆ 15 Trainings done
	Operationalization of NIOSH	◆ Development of OSH Research Strategy ◆ Implement curricula on skills training	◆ Strategy document developed ◆ Review of first Aid curriculum	◆ 1 Research Strategy developed ◆ First Aid curriculum reviewed
	Representation in OSH-related national, regional and international conferences and fora	◆ Collaboration with other countries in area of OSH ◆ Hold Annual OSH Conference	◆ MOU with other countries signed ◆ Conference held	◆ 3 MOUs signed ◆ Annual OSH Conference FY 2024/25 held
Transformation of the Employer Liability-Based Work Injury Compensation System to Social Insurance-Based System	Administration of work injury claims	Evaluation and computation of WIBA claims including resolution of objections, appeals, complaints and orders from ELRC	Computation claim files	All Claims computed
Improvement of DOSHS Work Environment for Efficient Service	Capacity building of DOSH Staff	◆ Sensitization of end users on OSHMIS: OSHO's, Approved persons, Occupiers ◆ Training of security officers	◆ No. of Sensitized Staff ◆ No. of Security officers	◆ 30 Staff sensitized on OSHMIS ◆ 6 Security officers

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Delivery		on investigations, paramilitary and first aid ♦ Capacity building of staff on report writing and minutes taking	trained ♦ Staff trained on report writing and minutes taking	trained ♦5 staff trained
	Administrati on of OSH Fund, GOK funding and procurement of goods & services	Enhancing OSH fund collections through registration of workplaces	Workplace contribution to OSH fund increased	30,000 workplaces registered
		Acquisition and Maintenance of DOSHS/ OSH Fund Assets	♦ Vehicles purchased ♦ Purchase of solar powered-water pump.	♦1 Vehicle purchased ♦2 Water Pumps Purchased
	Work environment improvement at DOSHS offices countrywide	Compliance with OSH Act	No. of OSH and fire safety audit, OSH committee reports, registrations of offices, activities of OSH Committee and firefighting teams	29 reports compiled
	Implementati on of OSHMIS	Implement the integrated Occupational Safety and Health Information Management System (OSHMIS)	♦Hosting of the OSHMIS on Government Domain ♦Security enhanced: Virtual Private Network (VPN) Set up for IPRS for National I.D. Verification	♦Subscription paid ♦VPN Setup
		Develop videos on how to use OSHMIS	Uploaded E-videos for users on DOSHMIS portal	3 e-videos developed and uploaded on DOSHMIS portal
		Incorporate Occupational diseases and injuries reporting in the Health management information system.	Occupational diseases and injuries data incorporated in the HMIS	Signed MoU with Ministry of Health

Achievements under Performance Contracts

- a) The National Occupational Safety and Health (OSH) policy was developed in 2011 and is under implementation.
- b) Among the Legislative reforms that are targeted include ratification of International Labour Organization Conventions C155 and C187.
- c) The World Day for safety and Health is marked on 28th of April every year and it's a strategic means of promoting the best OSH practices and preventive culture.
- d) The annual OSH Awards have established a preventive OSH Culture.
- e) The OSH Act and Work Injury Benefit Act are under review and the Bills are at an advanced stage of the legislative process.
- f) All data relating to workplace accidents are maintained at DOSHS for statistical analysis and OSH planning.
- g) A number of standard operating procedures have been developed to govern OSH services.

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8. Corporate Governance Statement

Corporate governance is the process by which institutions are directed, controlled and held to account.

Section 27 of the Occupational Safety and Health Act (OSHA, 2007) establishes the National Council for Occupational Safety and Health (NACOSH) with a clear mandate of advising the Cabinet Secretary for Labour on policy and legislative matters on Occupational Safety and Health. Further, the Council under the Public Finance Management (OSH Fund) Regulations of 2011 is mandated to approve OSH Fund expenditure in accordance with the work plan and budget prepared by DOSHS.

Council Meetings

The Council holds meetings at least once in every quarter of a year. Every year, a Calendar is drawn for the meetings of the Council and its committees. The Council members are given appropriate and timely information so that they can maintain full and effective control over strategic, financial, operational and compliance issues. The Accounting Officer has the responsibility for establishing and maintaining the institutions internal controls in financial, operational and compliance issues as well as implementing strategies for the long-term success of the institution.

NACOSH Meetings

Date	Type of activity	Agenda
9/7/2024	Special FLCC Meeting	<ol style="list-style-type: none"> 1. Review of OSH Fund performance report for the period ending 30th June, 2024. 2. Review of OSH Fund 2024/2025 FY Work plan for adoption.
10/7/2024	NACOSH Full Council Meeting	<ol style="list-style-type: none"> 1. Presentation and adoption of FLCC chairperson's report on: <ol style="list-style-type: none"> a. OSH Fund performance report for the period ending 30th June, 2024. b. Presentation, discussions and approval of the OSH Fund 2024/2025 FY Work plan.
17/09/2024	ECSC Meeting	Review of committee activities for the Financial year 2024/2025.
18/09/2024	FLCC Meeting	<ol style="list-style-type: none"> 1. Review on OSH Fund performance (collections and expenditure) for the period ending 30th June, 2024. 2. Review of committee activities for the Financial Year 2024/2025.
19/09/2024	AHSC Meeting	Review of committee activities for the Financial Year 2024/2025.
20/09/2024	MSC Meeting	Review of committee activities for the Financial Year 2024/2025.

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8/10/2024	Full NACOSH	<ol style="list-style-type: none"> 1. Presentation of FLCC chairperson's report on OSH Fund performance (collections and expenditure) for the period ending 30th June, 2024. 2. Presentation and adoption of committees' cumulative achievements and planned activities for the Financial Year 2024/2025. 3. Presentation on Occupational Safety and Health Management Information System (OSHMIS).
03/10/24	Secretariat meeting	Preparation for Full Council meeting slated on 8 th October 2024.
27/10/2024	FLCC	Visit to Meru DOSHS Offices.
05/11/2024	ECSC	Visits to GLBC Group Ltd, Africa Developers Group Ltd and BOMI Engineering Construction Consortium-KONZA.
13-14/11/2024	MSC	Visit to Corrugated Sheets Ltd and Kitui Floor Mills Ltd.
19/11/2024	AHSC	Visit to Nakuru Level Six Hospital.
26-29/11/2024	ECSC, FLCC, AHSC & MSC meetings.	<ol style="list-style-type: none"> 1. Presentation and review of workplace visit report. 2. Review of committee activities for the Financial Year 2024/2025. 3. FLCC- Review of OSH Fund performance (collections and expenditure) for the period ending 30th September, 2024.
9/12/2024	Full NACOSH	<ol style="list-style-type: none"> 1. Presentation, discussion and adoption of committees' chairperson's reports. 2. Presentation, discussion and adoption of FLCC chairperson's report on OSH Fund performance (collections and expenditure) for the period ending 30th September, 2024.
21-24/01/2025	Committee Meetings	Presentation and discussion of draft regulations and codes of practices (COPs).
11/02/2025	Special FLCC meeting	<ol style="list-style-type: none"> 1. Presentation of OSH Fund performance for the period ending 31st December, 2024. 2. Presentation and discussion of reviewed 2024/25 FY work plan.
12/02/2025	Full Council Meeting	<ol style="list-style-type: none"> 1. Presentation of FLCC chairperson's report on OSH Fund performance for the period ending 31st December, 2024. 2. Presentation, discussions and approval of the reviewed OSH Fund 2024/2025 FY Work plan.
18-21/03/2025	Committee Meetings	Review of planned activities for the Financial Year 2024/25.
22-26/04/2025	Full NACOSH WDSH Conference	Conference attendance and interaction with current OSH issues both nationally and globally presented

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	attendance	during the conference. Introduction and interaction with OSH officers from all around the 47 Counties.
27-28/04/2025	Full NACOSH WDSH Main event attendance	Join the world in the International celebrations.
20/05/2025	FLCC	Review and adopt the 2024/25 FY 3 rd Quarter collections and expenditure returns
27/05/2025	Full NACOSH	<ol style="list-style-type: none"> 1. Adoption of the 2024/25 FY 3rd Quarter collections and expenditure returns. 2. Adoption of committees' chairperson's reports.

Council Committees

The council establishes committees in respect of different industries for assisting the Council to perform its functions in relation to industry codes of practice and such other committees, as it deems necessary for assisting the Council to perform its functions.

The council has four committees, which regularly meet under the terms of reference set by the Council. These are:

- i. Finance, Legal and Communication Committee
- ii. Agriculture, Health and Service Sector Committee
- iii. Extractive and Construction Sector Committee
- iv. Manufacturing Sector Committee

Succession Plan

To manage succession, the members' appointments are staggered such that the respective expiry dates of their terms of office fall at different times. Current members were appointed by the Cabinet Secretary starting June, 2023 to March, 2024 for a 3-year term.

Appointment and removal of Council members

The Cabinet Secretary in the Ministry of Labour appoints council members. This is followed by gazettelement of their names in the Kenya gazette. The current Council is composed of twelve appointed members and one ex officio member who doubles as the Secretary OSH and the Secretary to the council. All the Council members are non-executive. The current Council is the fifth since the enactment of the Public Finance Management (OSH Fund) Regulations of 2011.

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The Council members can be removed from the office if they contravene chapter six of the constitution or in the following circumstances:-

1. Resigning from office by notice in writing to the Cabinet Secretary.
2. Be removed from office by the Cabinet Secretary if the member:-
 - a) Has been absent from three consecutive meetings of the Council without the permission of the chairman.
 - b) Is adjudged bankrupt or enters into a composition scheme or arrangement with his creditors.
 - c) Is convicted of an offence involving dishonesty or fraud.
3. Is convicted of a criminal offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding ten thousand shillings.
4. Is incapacitated by prolonged physical or mental illness or is deemed otherwise unfit to discharge his duties as a member of the Council; or
5. Fails to comply with the provisions of this Act relating to the safety and health of workers at an enterprise where he holds interest as owner or occupier.

Roles, Functions and Induction of the Council

The National Council for Occupational Safety and Health is a body established under the Occupational Safety and Health Act, 2007 (OSHA, 2007). The mandate of the Council is to advise the Cabinet Secretary responsible for labour on matters relating to the improvement of occupational safety and health and hence the quality of working life in Kenya including policies, legislations and strategies of promoting best practices in Occupational Safety and Health. It is also charged with the establishment, maintenance and development of safety and health preventive culture.

In addition, the OSH Fund regulations under the Public Finance Management Act give NACOSH the mandate to approve expenditure of OSH Fund at the beginning of each financial year in accordance with the work plan/budget prepared by DOSHS. Before commencement of operations of the council, members are inducted on the activities undertaken by DOSHS and the roles to be played by the council. Concerning conflict of interest, the laws relating to conflict of interest come into play and all council members are made privy to the same.

Remuneration of the Council

The Council is not on a salary, because they are not full time employees, nevertheless their expenses are reimbursable and they are paid sitting allowance and any other allowances that are relevant to them according to Public Service and National Treasury Circulars.

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Ethics and Conduct

The Council members are committed to the need to conduct the operations of the institution with integrity and in accordance with accepted corporate practice and endorse the internationally developed principles of corporate governance. They also adhere to chapter six and twelve of the Kenya Constitution.

Matters to do with Corporate Governance of the Council are provided in the 3rd Schedule of the OSH Act, 2007. The function and role of the Council as stipulated in the OSH Act is devoid of Whistle blowing.

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9. Management Discussion and Analysis

Management is guided by an Annual Work plan which outlines activities of the fund for the year under review. Performance indicators and expected outputs are clearly articulated and the OSH individual staff tasked with achieving the set objectives in the programmes outlined hereunder.

No.	Programme Description	Percentage (%) OSH Fund Support
1.	Surveillance of Work Environment	14.4
2.	Surveillance of workers Health	3.9
3.	Legal and policy reforms	7.3
4.	Administration of work injury claims	2.6
5.	Capacity Building of DOSHS Staff	4.6
6.	Safety and Health Culture Institutionalization	7.8
7.	Mainstreaming OSH in public sector	1.7
8.	Administration of OSH Fund, GoK Funding and procurement of goods and services	31.4
9.	Work environment improvement at DOSHS offices countrywide	6.1
10.	Implementation of OSHMIS	7.4
11.	Implementation of NACOSH Activities	3.6
12.	Operationalization of the institute	7.2
13.	Representation in OSH-related national, regional and international conferences and fora	2.0

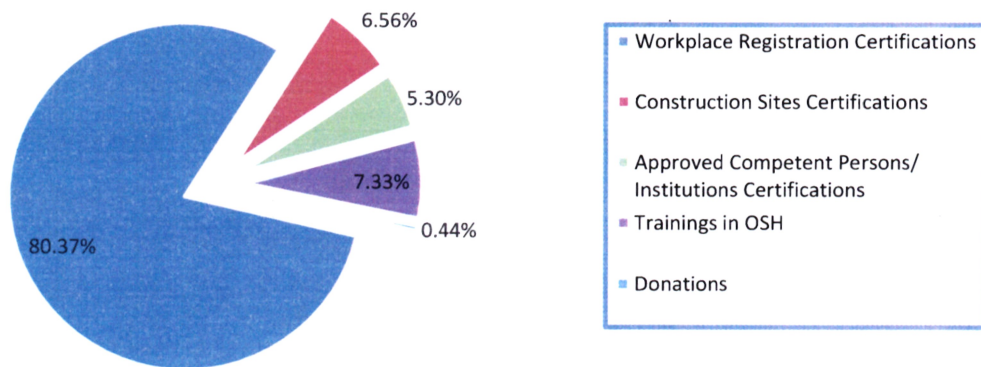
Each of the programmes is comprised of activities that have particular objectives as per the work plan. To execute the activities, financial support is required in the proportions that have been highlighted. It is however important to note that one of the key achievements of the Directorate is the Development of an electronic platform, the Occupational Safety and Health Management Information System (OSHMIS) through a world bank funded initiative. This has made many of the manual processes to be performed online through the system. These processes include workplace registration, reporting of accidents, auditing and compliance monitoring reducing not only on the time such information is shared between users but also on the response times. For the sustainability of the system resources from OSH Fund have to be utilized in the proportion that is indicated in the table. With increased number of officers and the opening of OSH Offices in all counties, the number of inspections being undertaken has increased. This has had a significant rise in number of workplaces being registered under OSHA, 2007. The number has gradually increased from 9,621 in FY 2022/23 to 12,819 in FY 2024/25.

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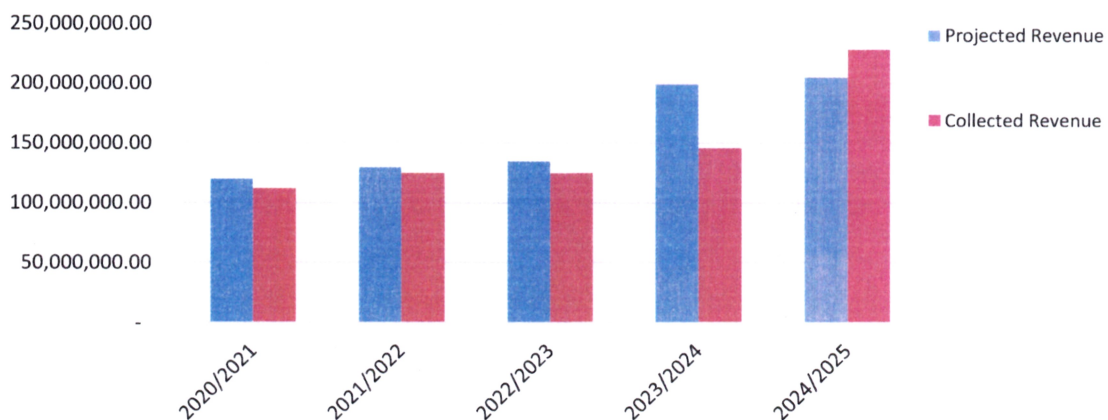
Although staffing levels have increased in the past one year; the target number has not yet been reached, and certain issues remain. Inadequate funding often restricts the scope and frequency of inspections, while logistical challenges can hinder response times in distant regions. The Directorate also contends with outdated infrastructure and equipment, which limits the effectiveness of enforcement and monitoring.

With respect to OSH Fund revenue streams, it is notable that there is an upward trajectory revenue realization, which with time will also warrant additional workforce for execution of activities in the programmes that are planned annually. Inflows of revenue streams over the recent years have been summarized in the pie chart and bar graph below.

OSH Fund Revenue FY 2024/25



Revenue Performance Analysis



10. Environmental and Sustainability Reporting

The DOSHS has the mandate of entering, inspecting and examining workplaces, and every part thereof to ensure safety and health. DOSHS has responsibility of taking measurements and photographs and making such recordings as may necessary for the purposes of any examinations or investigation under the Occupational Safety and Health Act, 2007. It is also responsible for taking and removing samples of any articles or substances found at any place of work. It has responsibility of examining registers, certificates, notices and documents kept in pursuance of the Act and to inspect, examine and copy any of them. DOSHS also has responsibility of examining every person found in a workplace and require every such person to sign a declaration of the truth of the matters respecting which he is so examined. DOSHS has a responsibility of carrying out such medical examinations as may be necessary for the purposes of his duties under the Act.

i) *Sustainability strategy and profile*

The Ministry of Labour and Social Protection and ILO have a long history of partnership. In all the laws whose provisions the Ministry administers, there is a lot that has been borrowed from the ILO Conventions. Among the conventions, recommendations and protocols that relate to the pieces of legislation administered by the Ministry are: -

- Labour Inspection Convention No. 81 (1947).
- Labour Inspection Recommendation No. 81 (1947).
- ILO Protocol of 1995 to Convention 81
- Occupational Safety and Health Convention – C155 of 1981
- Occupational Safety and Health Services Convention – C161 of 1985
- Safety and Health in Construction Convention – C167 of 1988
- Promotional Framework for Occupational Safety and Health Convention, C187 of 2006
- Employment injury Benefits convention – C121 of 1964
- Violence and Harassment Convention – C190 of 2019, to name just but a few.

ILO has been a partner in many other fronts geared towards ensuring that workplaces in the country endeavour to comply with International Labour Standards (ILS) and adopt Acceptable Conditions of Work (ACW). Compliance with international provisions has a ripple effect of yielding workplace compliance with national laws. In relation to the safety and health of workers, partnership with ILO embraces the adoption of occupational safety and health as a fundamental principle and right at work.

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The following has been achieved from the partnership;

- i. Technical officers from DOSHS benefited from training on capacity building.
- ii. The Ministry's inspectorate will soon benefit from establishment of an Electronic Case Management System (ECMS) which will go a long way in elevating to a digital platform in execution of Ministry's mandate.
- iii. A number of field work tools applied at workplaces were reviewed courtesy of this partnership. The reviewed tools include those for medical surveillance, assessment and examination, safety inspections and examinations, Occupational hygiene measurements, workplace registration and injury compensation tools
- iv. 2 Acts namely Occupational Safety and Health Act, 2007 and Work Injury Benefits Act, 2007 are under review and ILO has been instrumental in input to the drafts.

Additionally, fifteen instruments on OSH have been earmarked for review and others for development. Two of them namely the Occupational Safety and Health (First aid in the workplaces) Regulations (LN79 of 2024), the Occupational Safety and Health (Fees charged for OSH Services) Regulations (LN50 of 2022) have been gazetted and are under implementation. The table below list the thirteen instruments pending finalization and the status of development process for each of them.

	Instrument undergoing reforms/development	Objective of the reforms/development	Status	Remarks
1.	Review Occupational Safety and Health Act, 2007 into Occupational Safety and Health Act, 2025	<ul style="list-style-type: none"> • Alignment with the current Constitution. • Address emerging Occupational Safety and Health challenges in the world of work. 	<ul style="list-style-type: none"> • Drafting of the Bill is complete. • Drafting of the Cabinet Memo is complete • Already been subjected to stakeholder and public participation • Due for transmission to Parliament. 	It includes the transition of DOSHS into a semi-autonomous government agency.
2.	Review of Work Injury Benefits Act, 2007 into the Work Injury Compensation Act, 2025	<ul style="list-style-type: none"> • Alignment with the current Constitution. • Address emerging Occupational injury compensation challenges. • To create a Workers' Compensation Fund 	<ul style="list-style-type: none"> • Drafting of the Bill is complete. • Already been subjected to stakeholder and public participation. • Drafting of the Cabinet Memo is complete • Due for transmission to Parliament. 	The Bill envisages the transformation of the current system of compensation into a social insurance work injury system.
3.	Development of the Occupational Safety and Health Practitioners' Bill	To regulate and provide a roadmap for Occupational Safety and Health practice	<ul style="list-style-type: none"> • Drafting of the Bill is complete. • Yet to be subjected to stakeholder and public participation • The professional Association meant to 	There has been stint of dormancy on the part of Association meant to spearhead the reform

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			spearhead the reform is due to take reigns from previous office bearers.	
4.	Review of National Occupational Safety and Health Policy, 2012	<ul style="list-style-type: none"> To provide a roadmap for Occupational Safety and Health culture in the country To address the emerging global and national OSH related issues 	<ul style="list-style-type: none"> Drafting of the policy is complete. It has been subjected to stakeholder and public participation Due for submission to cabinet 	The Policy is more than 10 years old and due for review
5.	Draft Fees Charged for Occupational Safety and Health Services Regulation, 2025	<ul style="list-style-type: none"> Introduction of new revenue streams More Occupational Safety and Health services have been introduced e.g. first aid audits, lab services etc. 	<ul style="list-style-type: none"> Zero draft of the Bill is complete. Due to be subjected to stakeholder and public participation 	The regulations will revise The Occupational Safety and Health (Fees Charged for Occupational Safety and Health Services) Regulation, 2022
6.	Draft Building Operations and Works of Engineering Construction Regulations, 2025	<ul style="list-style-type: none"> Alignment with the current Constitution. Address emerging Occupational Safety and Health challenges in the construction industry. To be in tandem with new technologies in the construction industry. To build up and furtherance to requirements of the Building Code, 2024 	<ul style="list-style-type: none"> Zero draft of the Regulations is complete. The Regulations are due to be subjected to stakeholder and public participation 	The regulations will revise Building Operations and Works of Engineering Construction Rules, 1984. Legal Notice. 40
7.	Draft Noise Prevention and Control Regulations, 2025	<ul style="list-style-type: none"> Alignment with the current Constitution. Address emerging technological issues To be in tandem with new technologies and research with respect to sound, vibrations and acoustics 	<ul style="list-style-type: none"> Zero draft of the Regulations is complete. The Regulations are due to be subjected to stakeholder and public participation 	The regulations will revise the Noise Prevention and Control Rules, 2005. L.N. 25
8.	Draft Docks Regulations 2025	<ul style="list-style-type: none"> Alignment with the current Constitution. Address emerging technological issues To be in tandem with new technologies in docks, wharfs and maritime work environment 	<ul style="list-style-type: none"> Zero draft of the Regulations is complete. The Regulations are due to be subjected to stakeholder and public participation. 	The regulations will revise the Docks Rules 1962 L.N.306
9.	Draft Woodworking Machinery Regulations 2025	<ul style="list-style-type: none"> Alignment with the current Constitution. Address emerging technological issues To be in tandem with new technologies in wood work 	<ul style="list-style-type: none"> Zero draft of the Regulations is complete. The Regulations are due to be subjected to stakeholder and public 	The regulations will revise the Review of The Woodworking Machinery Rules 1959 L.N.431

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		environment	participation	
10	Draft Protection of Eyes Regulations, 2025	<ul style="list-style-type: none"> Alignment with the current Constitution. Address emerging technological issues To be in tandem with new technologies and hazards that affect the eye at workplaces. 	<ul style="list-style-type: none"> Zero draft of the Regulations is complete. The Regulations are due to be subjected to stakeholder and public participation 	The regulations will revise the Review of Protection of Eyes Rules, 1978 L.N. 44
11	Development of the Code of Practice (COP) on psychosocial hazard management in the workplace.	<ul style="list-style-type: none"> Mental health is a matter of law especially in section 76 of OSHA, WIBA, OSH Policy 2012 and the Constitution 2010 under the Bill of Rights. To canvass a number of incidences of ligation that are currently ongoing at our courts on mental health. Provide for a unified procedure followed for addressing all issues of mental health at workplaces. 	<ul style="list-style-type: none"> Zero draft of the COP is complete. The COP is due to be subjected to stakeholder and public participation. 	This is a build-up of what Ministry of Health's Mental Health policy & compliments the Mental Health Act, 2022, ILO C155 & C190 together UN SDG Goals 2 and 8
12	Development of Guidelines for medical occupational examinations	<ul style="list-style-type: none"> Harmonization of workers' medical examinations and reporting. To ensure consistency, compliance, and best practices in assessing workers' fitness for duty, monitoring occupational health risks, and preventing work-related illnesses and injuries. 	<ul style="list-style-type: none"> Zero draft of the Guidelines is complete. The Guidelines are due to be subjected to stakeholder and public participation. 	The guidelines outline the standards and procedures for assessing workers' fitness for duty, monitoring occupational health risks, and ensuring compliance with medical examination rules.
13	Development of Code of Practice on First Aid at Work Audit	<ul style="list-style-type: none"> This code is intended to provide guidelines for use by the First Aid Auditors, occupiers, and for all those who have responsibility for first aid audits To provide guidance in Occupational First Aid Audit. Promote First Aid Practices in the world of work. 	<ul style="list-style-type: none"> Zero draft of the COP is complete. The COP are due to be subjected to stakeholder and public participation. 	The COP will operationalize the first aid in the workplace regulations LN 79 of 2024.

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- v. Development of a labour inspection tool kit for use by Labour and OSH officers.
- vi. The following legislations subsidiary to the Occupational Safety and Health Act, 2007 were reviewed courtesy of ILO.
 - The Factories (Protection of Eyes) Rules, 1978 L.N. 44
 - The Factories (Docks) Rules 1962 L.N.306
 - The Factories (Woodworking Machinery) Rules 1959 L.N.431.

ii) *Environmental performance*

- The Directorate of Occupational Safety and Health Services ensures compliance with the Occupational Safety and Health Act 2007, and for processing injury compensation claims under the Work Injury Benefits Act 2007 (WIBA). Occupational Safety and Health is a work environment within the larger environment.

iii) *Employee welfare*

The hiring of staff in the DOSHS is done at the Public Service Commission where regulations and guidelines of recruitment of public servants prevail. Public Service policies guiding the hiring process and gender ratio are applied. Improvement of skills and career management, appraisal, and reward system are applied for all members of staff in DOSHS. All technical officers in DOSHS are appointed with requirements provided for in section 26 of the Occupational Safety and Health Act, 2007 which require that the appointee must be a holder of a degree in science, medicine, engineering, chemistry, physics, biochemistry, nursing, zoology, computer science, occupational safety and health or industrial hygiene.

Thereafter, the appointee also known as the Occupational Safety and Health Officer (OSHO) will have his name published in the Gazette. DOSHS initiated the development of the National Occupational Safety and Health Policy in compliance with Occupational Safety and Health Act of 2007. Technical officer in DOSHS, being practitioners of occupational safety and health oversee compliance and form part thereof.

iv) *Market place practices-*

Business practices in DOSHS are maintained in accordance with the relevant laws relating to the business in question. Suppliers of DOSHS are responsibly treated and paid promptly by honouring contracts and respecting payment practices in accordance with the Public Procurement and Disposal Act.

a) *Responsible competition practice.*

The Directorate of Occupational Safety and Health Services, implements principles that helps foster a healthy competitive environment, where businesses can thrive ethically and sustainably through compliance of occupational safety and health standards. Such principles include: -

1. Anti-Corruption:

- **Clear Policies:** The Directorate adheres to the anti-corruption policies and codes of conduct set by the government for all MDCAs.
- **Training & Awareness:** Members of the Council and staff are reminded on anti-corruption laws and ethical behavior during induction and skills development trainings.

2. Responsible Political Involvement:

- **Compliance:** The Directorate adheres to all legal requirements and guidelines regarding political involvement and lobbying.

3. Fair Competition:

- **Ethical Marketing:** Efforts are made to eliminate any false advertising, misleading claims, and unfair marketing practices. This is also enshrined in the OSHA, 2007 for inspectors/officers not to disclose any trade secrets of enterprises.

4. Respect for Competitors:

Collaboration: Engage in industry associations or initiatives that promote fair practices and collaboration in the promotion safety and health standards in industry

b) *Responsible Supply chain and supplier relations*

1. Honoring Contracts:

- **Clear Agreements:** The Directorate drafts clear, detailed contracts that outline terms, conditions, and expectations for both parties as per procurement regulations.
- **Open Communication:** DOSHS maintains transparent and regular communication with suppliers to address any concerns or changes promptly.

2. Respecting Payment Practices:

- **Prompt Payments:** DOSHS endeavors to pay invoices on time and avoids delaying payments unnecessarily. To improve the efficiency of the payment processing systems, digitalization is being considered in the next phase of the development of the OSH management information system.

3. Building Strong Relationships:

- **Regular Feedback:** DOSHS provides its suppliers constructive feedback and engages in continuous improvement efforts together.

4. Ethical Sourcing:

- **Compliance:** The Supply Chain Management unit of DOSHS ensures that suppliers adhere to relevant legal and regulatory standards.

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

Efforts that the Directorate of Occupational Safety and Health Services uses to build trust with its customers and create a positive, ethical brand image are enumerated herein below.

1. Truthful Advertising:

- **Honesty:** DOSHS ensures all advertisement materials accurately represent the services offered and avoids making exaggerations.

2. Respect for Privacy:

- **Data Protection:** As a data controller registered with the Office of the Data Protection Commissioner (ODPC), the Directorate safeguards customer data and only use it, in accordance to data protection law and regulations.

3. Fair Pricing Practices:

- **No Hidden Fees:** DOSHS clearly discloses all costs associated with goods and services as provided for in the Occupational Safety and Health (Fees charged for OSH Services) Regulations, No. 50 of 2022.

4. Continuous Improvement:

- **Feedback Mechanisms:** The Directorate encourages and acts on feedback from customers and stakeholders to improve ethical standards.

d) *Product stewardship or Awareness creation*

DOSHS endeavours to implement measures, geared to build trust with consumers, foster compliance, and inculcate a positive safety and health culture to occupiers and employers through the following means:

1. Transparent Communication:

- **Clear Information:** Provides clear, accurate, and accessible information about services, including pricing, terms, and conditions.

2. Fair Treatment:

- **Equal Opportunity:** Treats all customers fairly and without discrimination based on race, gender, age and disability.

3. Consumer Privacy:

- **Data Protection:** Implements data protection measures to safeguard consumers' personal information.

4. Product Safety and Quality:

- **Safety Standards:** Ensure services meet all relevant safety and quality standards and regulations.

- **Corporate Responsibility:** Commit to ethical business practices and corporate social responsibility initiatives.

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v) Corporate Social Responsibility / Community Engagements

The Directorate of Occupational safety and Health Services has on an annual basis taken its place in sensitizing workers and the general public on matters occupational safety and health during the World Day for Safety and Health at Work. This is achieved through forums in all media platforms. The DOSHS has also in the same period conducted occupational medical camps and hygiene surveillance for persons working in the informal and MSME sectors and rural economies.

Activities	Output	Output Indicators	Unit of Measure	Target FY 2024/25	Achievements FY 2024/25
Improve OSH standards in the informal, MSEs and rural economies (including artisanal mines)	MSEs workers trained in OSH	No. of MSME entrepreneurs trained	Number	400	246 MSMEs sensitized as follows; ♦26 MSMEs trained on OSH between 21 st and 22 nd August 2024 in Kisii County. ♦50 MSMEs trained in Basic Occupational Safety and Health between 25 th to 26 th September 2024 in Mombasa. ♦50 MSMEs trained in Basic Occupational Safety and Health between 9 th to 10 th October 2024 in Kakamega. ♦60 MSMEs trained in Basic Occupational Safety and Health between 3 rd to 8 th March 2025 in Laikipia County. ♦60 SMEs trained in Basic Occupational Safety and Health between 16 th to 21 st March 2025 in Laikipia County (Rumuruti & Nyahururu).

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Activities	Output	Output Indicators	Unit of Measure	Target FY 2024/25	Achievements FY 2024/25
Conduct Medical and Hygiene Surveillance at workplaces	Medical & Hygiene surveillance carried out in workplaces	No. of medical surveillance carried out	Number	12	11 Medical surveillance carried out in various workplaces as follows; <ul style="list-style-type: none"> ◆Medical Surveillance conducted for 145 workers between 2nd to 6th September 2024 in Isiolo County during the visit to slot 1 of Horn of Africa Gateway Development Project (HOAGDP). ◆Medical Surveillance conducted at Walker Industries Ltd on 15th October 2024, Aleena Industries Ltd on 29th October 2024, Devki Steel Mills Ltd(Athi River) on 30th October 2024, Ketepa Packers Ltd on 13th November 2024 and Kim Fay East Africa Ltd on 15th November 2024 respectively. ◆Medical Surveillance conducted at Simba Cement Ltd on 25th March 2025, Unga Farmcare Ltd on 26th March 2025, Master Fabricators Company on 28th March 2025, Kings Plastic Industries on 16th May 2025 and Cosmo Pharmaceutical Company on 21st May 2025 respectively.
Hold Annual OSH awards and Awareness Campaigns	World day for safety and health at work event held and	Event report	Number	1	Annual World Day for Safety event 2025 was held on 28 th April 2025
	Annual OSH Conference held	OSH Conference report	Number	1	Annual OSH conference held between 25 th to 27 th April 2025
	Medical Camps Conducted	No. of Medical Camps done	Number	1	Annual Occupational Health Medical Camp conducted between 25 th and 26 th April 2025 in Laikipia County.

11. Report of the Council

The NACOSH Council submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Occupational Safety and Health Fund affairs.

i) Principal activities

The principal activities of DOSHS, in the administration of the OSH Fund continue to be: -

- To inspect workplaces to ensure compliance with Occupational Safety and Health Act, 2007.
- Carrying out medical examinations and surveillance of workers' health.
- Approving architectural plans of buildings intended for use as workers.
- Disseminating information on OSH to employers, employees and other interested parties.
- To study and review policies and legislations of occupational health and safety
- To enforce the following legislations:
 - Occupational Safety and health Act, 2007 and its regulations.
 - Work Injury Benefits Act, 2007.
- To conduct research and technical analysis on issues related to occupational safety and health at the workplace.
- To carryout promotional and publicity programs to employers, workers and general public to foster and increase the awareness of occupational safety and health.
- To provide advisory service and information to government and private agencies pertaining to management and technical aspects of occupational safety and health.

ii) Results

The results of the OSH Fund for the year ended June 30, 2025 are set in the lower pages.

iii) Council Members

The members of the Council who served during the year are shown on pages' x to xv. During the year 2024/25, the appointment of the then NACOSH chairperson (Ali Wario) was revoked and Rashid Echesa was appointed to be the Chairperson of the National Council for Occupational Safety and Health, with effect from the 29th November, 2024.

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iv) Auditors

The Auditor-General is responsible for the statutory audit of the Occupational Safety and Health Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. Certified Public Accountants were nominated by the Auditor General to carry out the audit of the Occupational Safety and Health Fund for the year/period ended June 30, 2025, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.



.....
Signed

Dr. Musa Nyandusi (MBCHB, MMED, OGW)

Secretary OSH

12. Statement of NACOSH Responsibilities

Section 81 of the Public Finance Management Act; require the NACOSH to prepare financial statements in respect of Occupational Safety and Health Fund, which give a true and fair view of the state of affairs of the OSH Fund at the end of the financial year/period and the operating results of OSH Fund for that year/period. The NACOSH is also required to ensure that the OSH Fund keeps proper accounting records which disclose with reasonable accuracy the financial position of OSH Fund.

The Council is also responsible for safeguarding the assets of the OSH Fund.

The Council is responsible for the preparation and presentation of the OSH Fund's financial statements, which give a true and fair view of the state of affairs of the OSH Fund for and as at the end of the financial year (period) 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 OSH Fund; (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 OSH Fund; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

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

In preparing the financial statements, the Council has assessed the OSH Fund's ability to continue as a going concern.

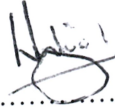
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Approval of the financial statements

The Occupational Safety and Health Fund's financial statements were approved by the NACOSH on 20th November 2025 and signed on its behalf by:



.....
Hon. Rashid Echesa, MBS
Chairperson NACOSH



.....
Dr. Musa Nyandusi (MBCHB, MMED, OGW)
Secretary OSH

REPUBLIC OF KENYA

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HEADQUARTERS
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P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON OCCUPATIONAL SAFETY AND HEALTH FUND 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.

An Unmodified Opinion is issued when the Auditor-General concludes that 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

Opinion

I have audited the accompanying financial statements of Occupational Safety and Health Fund set out on pages 1 to 39, 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, the financial statements present fairly, in all material respects, the financial position of Occupational Safety and Health Fund 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 Public Finance Management Act, 2012

Basis for Opinion

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

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. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Audit Matters

In the prior years' audit reports; several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of status of 2024/2025 revealed matters detailed in Appendix 1 which remained unresolved.

Other Information

The Council is responsible for the Other Information set out on page iv to xlvi which comprise of Key Entity Information and Management, The Council, Key Management Team, Chairman's Statement, Report of the Secretary OSH, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Council and Statement of NACOSH Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund'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 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 effects 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. Unprocedural Procurement of Conference and Delegations Services

The statement of financial performance and as disclosed in Note 10 of the financial statements reflects use of goods and services of Kshs.161,078,458 which includes conferences and delegations expenditure of Kshs.18,693,802 ,out of which conference facilities, catering services, tea and snacks of KShs.1,820,280 were procured by use of imprests issued to staff as low value procurements despite the Fund having a list of prequalified suppliers contrary to Section 92(a) of the Public Procurement and Asset Disposal regulations 2020 which states that a procuring entity may use low value procurement method under section 107(b) of the Act, where — (a) the estimated cost of the goods, works or services being procured per item per financial year is as per the threshold matrix in the Second Schedule (Maximum level of expenditure under this method is Kshs.50,000 per item per financial year).

In the circumstances, Management was in breach of law.

2. Non-Deduction of PAYE from Council and Secretariat Members

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects council expenses of Kshs.8,758,260, out of which pay as you earn (PAYE) tax of Kshs.1,030,800 from allowances paid to various council members and secretariat staff was not deducted and remitted to KRA contrary to Section 37(1) of the Income Tax Act Cap 470, which states that an employer paying emoluments to an employee shall deduct therefrom, and account for tax thereon, to such extent and in such manner as may be prescribed:

In the circumstances, Management was in breach of law.

3. Non-Compliance on Council Membership

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects council expenses of Kshs.8,758,260. Review of the Council Report in the financial statements and board minutes revealed that the Council had thirteen (13) members contrary to Section 1.1(3) of Mwongozo Code of Governance, 2015 which states that the board membership of all State Corporations should be between seven and nine members.

In the circumstances, Management was in breach of 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 effect 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

Failure to Carry out Internal Audit

During the year under review, no internal audit was conducted in respect to the activities and operations of the Fund contrary to Section 73(1) of Public Finance Management Act, 2012 which states that every national government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board.

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

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 Council

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 Fund'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 Council is responsible for overseeing the Fund'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

21 November, 2025

Appendix 1

Prior Year Matters

No	Financial Year	Audit Issues
1	2023/2024	Budgetary control and performance
2	2023/2024	Unprocedural Procurement of Use of Goods and Services
3	2023/2024	Lack of Contractual Agreement with Media Houses
4	2023/2024	Irregular Payments of Allowances to staffs
5	2023/2024	Failure to Deduct PAYE
6	2023/2024	Unprocedural Procurement on Repairs and Maintenance
7	2023/2024	Irregularities in Procurement of Fixed Assets
8	2023/2024	Failure to Carry Out Risk Assessment
9	2023/2024	Irregular Appointment of Ad-hoc Quotations Evaluation Committee
10	2023/2024	Incomplete Fixed Asset Register
11	2022/2023	Failure to review Occupational Safety Health Act 2007
12	2022/2023	Failure to review the building Operational Works of Engineering Construction (BOWEC) rules, 1984
13	2022/2023	Lack of autonomy
14	2022/2023	Understaffing
15	2021/2022	Variance in comparative balance-Specialized plant and equipment

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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	0	1,000,000
Public contributions and donations	7	1,000,000	0
Licenses and permits	8(a)	212,124,663	141,784,579
		213,124,663	142,784,579
Revenue from exchange transactions			
Rendering of services	9(a)	16,758,265	2,949,099
Total revenue		229,882,928	145,733,678
Expenses			
Use of goods and services	10	161,078,458	134,021,112
Council Expenses	11	8,758,260	14,696,540
Depreciation and amortization expense	12	14,221,969	13,790,522
Repairs and maintenance	13	9,355,488	4,500,941
Contracted services	14	1,086,550	0
Recurrent Grant	15	5,500,000	2,880,000
Total expenses		200,000,725	169,889,115
Surplus/(deficit) for the period/year		29,882,203	(24,155,437)

The notes set out on pages 7 to 39 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 4 were signed on behalf of the NACOSH by:




Dr. Musa Nyandusi, OGW
Secretary OSH

Date: 20-11-2025



CPA, Isaac M. Mosigeria
Head of Finance
ICPAK M/No:12719

Date: 20-11-2025



Hon. Rashid Echesa, MBS
Chairman, NACOSH


Date: 20-11-2025

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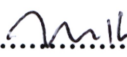
15. Statement of Financial Position as at 30 June 2025

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	16	18,357,992	3,838,418
Receivables from Exchange Transactions	17	13,370,665	0
Receivables from Non-Exchange Transactions	18	1,917,750	0
Total Current Assets		33,646,407	3,838,418
Non-Current Assets			
Property, Plant and Equipment	19	37,876,606	28,919,580
Intangible Assets	20	60,511,459	0
Total Non- Current Assets		98,388,065	28,919,580
Total Assets (A)		132,034,472	32,757,998
Liabilities			
Current Liabilities			
Trade and Other Payables	21	313,317	75,000
Total Current Liabilities		313,317	75,000
Total Liabilities (B)		313,317	75,000
Net Assets (A-B)		131,721,155	32,682,998
Represented by:			
Reserves		7,000,000	7,000,000
Accumulated Surplus		55,565,202	25,682,999
Capital Grant		69,155,953	0
Net Assets		131,721,155	32,682,999


The financial statements set out on pages 1 to 4 were signed on behalf of the NACOSH by:



Dr. Musa Nyandusi, OGW
Secretary OSH



CPA, Isaac M. Mosigeria
Head of Finance
ICPAK M/No:12719



Hon. Rashid Echesa, MBS
Chairman, NACOSH

Date: 20-11-2025

Date: 20-11-2025

Date: 20-11-2025

Occupational Safety and Health Fund
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16. Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Capital Reserve	Retained Earnings	Capital/ Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs
As at July 1, 2023	7,000,000	49,838,436	0	56,838,436
Surplus/ deficit for the year		(24,155,437)	0	(24,155,437)
As at June 30, 2024	7,000,000	25,682,999	0	32,682,999
As at July 1, 2024	7,000,000	25,682,999	0	32,682,999
Surplus/ (deficit) for the year	0	29,882,203	0	29,882,203
Capital grants received during the year (OSHMIS)	0	0	69,155,953	69,155,953
As at June 30, 2025	7,000,000	55,565,202	69,155,953	131,721,155

Occupational Safety and Health Fund
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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		0	1,000,000
Public contributions and donations	7	1,000,000	0
Licenses and permits	8(b)	210,206,913	141,784,579
Rendering of services	9(b)	3,387,600	2,949,099
Total receipts		214,594,513	145,733,678
Payments			
Use of goods and services	10(a)	160,850,820	134,021,112
Council Expenses	11	8,758,260	14,696,540
Repairs and maintenance	13(a)	9,344,809	4,500,941
Contracted services	14	1,086,550	0
Grants and subsidies	15	5,500,000	2,880,000
Total payments		185,540,439	156,098,593
Net cash flows from/(used in) operating activities	22	29,054,074	(10,364,915)
Cash flows from investing activities			
Purchase of PPE and Intangible assets	19	(14,534,500)	(8,981,500)
Net cash flows from/(used in) investing activities		(14,534,500)	(8,981,500)
Net increase/(decrease) in cash & Cash equivalents		14,519,574	(19,346,415)
Cash and cash equivalents at 1 July 2024	16	3,838,418	23,184,833
Cash and cash equivalents at 30 June 2025	16	18,357,992	3,838,418

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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*	0	0	0	0	0	0
Receipts						
Public Contributions and Donations	0	0	0	1,000,000	(1,000,000)	#DIV/0!
Licenses and permits	240,525,000	(43,630,000)	196,895,000	210,206,913	(13,311,913)	107%
Rendering of Services	13,600,000	(5,135,000)	8,465,000	3,387,600	5,077,400	40%
Total Receipts	254,125,000	(48,765,000)	205,360,000	214,594,513	(9,234,513)	104%
Payments						
Use of Goods and Services	200,418,500	(40,795,500)	159,623,000	160,850,820	(1,227,820)	101%
Remuneration of NACOSH	12,750,000	0	12,750,000	8,758,260	3,991,740	69%
Repairs and Maintenance	9,200,000	0	9,200,000	9,344,809	(144,809)	102%
Contracted Services	3,056,500	(1,969,500)	1,087,000	1,086,550	450	100%
Grants and Subsidies	5,500,000	0	5,500,000	5,500,000	0	100%
Total Payments	230,925,000	(42,765,000)	188,160,000	185,540,439	2,619,561	99%
Capital Expenditure Payments	23,200,000	(6,000,000)	17,200,000	14,534,500	2,665,500	85%
Total Budget	254,125,000	(48,765,000)	205,360,000	200,074,939	5,285,061	97%
Surplus	0		0	14,519,574	(14,519,574)	

Budget notes

1. Licences and Permits (107%)

- a) The management wishes to state that the increase in revenue from licences and permits was attributed to by increase in staff capacity countrywide as a result of new staff recruitment hence increase in enforcement efforts.
- b) Process Re-Engineering-Migration from manual workplace registration process to digital process (OSHMIS) made the process convenient for users hence increase in registration of more workplaces.

2. Rendering of Services (40%)

The shortfall on revenue from trainings was due to receivables not realised at the end of the financial year.

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3. Use of Goods and Services (101%)

The over absorption on use of goods and services was caused by commissions charged through the Government e-Citizen revenue platform.

4. Remuneration of NACOSH (69%)

The underutilization on NACOSH expenditure was because the available balance of Kshs. 3.99 Million was insufficient to fund the proposed study visit to South Africa on the management of a fund similar to OSH Fund under the OSH Act, which required Kshs. 6 Million.

5. Repairs and Maintenance (102%)

The over absorption on Repairs and Maintenance expenses was due to budgetary reallocations.

6. Capital Expenditure Payments (85%)

The underutilization on capital expenditure items was due to delay in submission of technical specifications for computers by the users to facilitate procurement.

7. Budget Decrease (Changes between Original and Final Budget)

The Kshs. 48.765M Budget Reduction from the Original Budget was due to revenue collection shortfall in FY 2024/25.

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	14,519,574
1	Opening Cash and Cash Equivalents	3,838,418
	Closing Cash and Cash Equivalent as per the statement of Cash flows	18,357,992

19. Notes to the Financial Statements

1. General Information

Directorate of Occupational Safety and Health Services is established by and derives its authority and accountability from Occupational Safety and Health Act, 2007. The Occupational Safety and Health Fund is wholly owned by the Government of Kenya and is domiciled in Kenya. The OSH Fund's principal activity is:

- i.** Securing the development and coordination of a sound and effective Occupational Safety and Health (OSH) systems.
- ii.** Implementation of effective systems for prevention of occupational accidents and diseases.
- iii.** Carrying out research on Occupational Safety and Health.
- iv.** Development and dissemination of information on Occupational Safety and Health.
- v.** Promotion of awareness on Occupational Safety and Health among employers, employees and the general public.

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 Occupational Safety and Health Fund'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 OSH Fund. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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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. The standard does not affect OSH Fund much.
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. OSH Fund does not have assets held for sale.
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 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. The standard will help in the revaluation of Safety House which was built between 1978 and 1982 which will in turn increase net assets.

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<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <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. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>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.</p>
<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>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.</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>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.</p> <p>The standard will not be applicable to OSH Fund.</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <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 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

Occupational Safety and Health Fund 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

Taxes, Levies and fines

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Sale of goods

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

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.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the OSH Fund's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for the Current FY was approved by the NACOSH on 11th July 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the OSH Fund upon receiving the respective approvals in order to conclude the final budget. Accordingly, the OSH Fund recorded additional appropriations of Kshs. (48,765,000) on the 2024/25 budget following the governing body's approval.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Budget information (continued)

The OSH Fund'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 cash flows has been presented under page 6 of these financial statements.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the OSH Fund 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.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable OSH Fund and the same taxation authority.

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Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 5 year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

e) 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 OSH Fund recognizes such parts as individual assets with specific useful lives and depreciates them using **straight line method** with the following rates: Motor Vehicles at **25%**, Furniture and Fittings at **12.5%**, Computers at **33.30%** and Office Equipment at **12.5%**.

N/B: Depreciation for the year has been pro-rated and not provided for the whole financial year of purchase.

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.

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the OSH Fund. 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 OSH Fund 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 OSH Fund 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 OSH Fund. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) 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.

h) Biological Assets

The OSH Fund recognizes biological assets when it controls the assets due to past events; it is probable that future economic benefits associated with the asset will flow to the OSH Fund, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

i) Research and development costs

The OSH Fund expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the OSH Fund 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.

j) 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 OSH Fund does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the fund'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 fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Subsequent measurement

Based on the business model and the cash flow characteristics, the OSH Fund 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)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Impairment

The OSH Fund 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 OSH Fund recognizes a loss allowance for such losses at each reporting date.

b) Financial liabilities

Classification

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

k) 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 OSH Fund.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

l) Provisions

Provisions are recognized when the OSH Fund 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 OSH Fund 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.

m) 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 OSH Fund 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.

n) Contingent liabilities

The OSH Fund 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.

o) Contingent assets

The OSH Fund 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 OSH Fund 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)
Summary of Significant Accounting Policies (Continued)

p) Nature and purpose of reserves

The OSH Fund creates and maintains reserves in terms of specific requirements.

q) Changes in accounting policies and estimates

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

r) Employee benefits

Retirement benefit plans

The OSH Fund provides retirement benefits for its employees and council members. Defined contribution plans are post-employment benefit plans under which an OSH Fund pays fixed contributions into a separate OSH Fund (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.

s) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

t) 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.

u) Related parties

The OSH Fund 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 OSH Fund, or vice versa. Members of key management are regarded as related parties and comprise the NACOSH, Principal Secretary Labour, Secretary OSH and Senior Managers.

v) Service concession arrangements

The OSH Fund 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 OSH Fund recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the OSH Fund also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

w) 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.

x) Comparative figures

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

y) 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)

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of 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 OSH Fund 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 OSH Fund. 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 OSH Fund.
- 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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 20. 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.

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Notes to the Financial Statements (Continued)

6. Transfers from Other Government entities

Description	2024-2025	2023-2024
	KShs	KShs
Unconditional Grants		
Grant from ILO	0	1,000,000
Total Unconditional Grants	0	1,000,000
Total Government Grants And Subsidies	0	1,000,000

7. Public Contributions and Donations

Description	2024-2025	2023-2024
	Kshs	Kshs
Donation from Aga Khan University Hospital- Eastleigh Medical Centre	250,000	
Donation from Institution of Occupational Safety and Health	250,000	0
Donation from KenGen	500,000	0
Total Transfers and Sponsorships	1,000,000	0
Reconciliation Of Public Contributions and Donations		
Balance Unspent at Beginning of The Year	0	0
Current Year Receipts	1,000,000	0
Conditions Met - Transferred to Revenue	(1,000,000)	0
Conditions To Be Met - Remain Liabilities	0	0

(These donations were made to support the World Day for Safety and Health 2025 event celebrated on the 28th of April, 2025)

8. (a) Licenses, Fees and Permits

Description	2024-2025	2023-2024
	Kshs	Kshs
Licenses and Permits	212,124,663	141,784,579
Total	212,124,663	141,784,579

(The collections are in the form of fees charged during registration and renewal of workplace certificates, fees for approval of building plans and competent persons & institutions registrations and renewal fees. Included in the licences and permits are receivables amounting to Kshs. 1,917,750 as at end of FY 2024/25)

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Notes to the Financial Statements (Continued)

(b)Licenses, Fees and Permits (Cash flow)

Description	2024-2025	2023-2024
	Kshs	Kshs
Licenses and Permits	210,206,913	141,784,579
Total	210,206,913	141,784,579

(The amount relates to actual fees from licences & permits paid into OSH Fund as at end of the FY 2024/25)

9. (a)Rendering Of Services

Description	2024-2025	2023-2024
	KShs	KShs
Training Fees	16,758,265	2,949,099
Total Revenue from The Rendering Of Services	16,758,265	2,949,099

(These are fees charged for conducting Occupational Safety and Health trainings for OSH Committees, First Aid, Fire Safety and Hazardous Substances in workplaces. Included in the Training Fees are trade receivables amounting to Kshs.13, 370,665 as at end of the FY 2024/25)

(b)Rendering of Services (Cash flow)

Description	2024-2025	2023-2024
	KShs	KShs
Training Fees	3,387,600	2,949,099
Total Revenue from The Rendering Of Services	3,387,600	2,949,099

(The amount relates to actual training fees paid into OSH Fund as at end of the FY 2024/25)

10. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Electricity	1,236,003	700,000
Water	518,092	507,803
Advertising	10,157,866	-
Audit Fees	375,000	300,000
Conferences and Delegations	18,693,802	17,993,406
Fuel and Oil	4,684,479	-
Legal Expenses	299,800	-
Postage	9,450	-
Printing and Stationery	24,253,296	23,304,445
Telecommunication	2,183,000	3,360,951
Training	8,840,800	3,020,149
Travel, Subsistence & Other Allowances*	85,528,592	84,770,478
Bank Charges	83,238	63,881
Other General Expenses	4,215,041	-
Total	161,078,458	134,021,112

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Notes to the Financial Statements (Continued)

10. (a) Use of Goods and Services-Cashflows

Description	2024-2025	2023-2024
	Kshs	Kshs
Total use of goods and services	161,078,458	134,021,112
Less: Movement in trade and other payables	(227,638)	-
Net Use of Goods and Services	160,850,820	134,021,112

11. Council Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Chairman Honoraria	480,000	80,000
Sitting Allowances	2,956,000	14,616,540
Travel and Accommodation	5,322,260	-
Total	8,758,260	14,696,540

12. Depreciation and Amortization Expense

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, Plant & Equipment (Note 19)	5,577,475	13,790,522
Intangible assets (Note 20)	8,644,494	-
Total depreciation and amortization	14,221,969	13,790,522

(Some assets almost fully depreciated, resulting in no further depreciation charged on them)

13. Repairs and Maintenance

Description	2024-2025	2023-2024
	Kshs	Kshs
Equipment and Machinery	4,303,532	1,190,800
Vehicles	3,559,249	3,310,141
Computers and Accessories	1,492,707	0
Total Repairs and Maintenance	9,355,488	4,500,941

(The increase in the maintenance expenses is due to ageing of the assets)

13. (a) Repairs and Maintenance-Cashflows

Description	2024-2025	2023-2024
	Kshs	Kshs
Total Repairs and Maintenance	9,355,488	4,500,941
Less: Movement in trade and other payables	(10,679)	-
Net Repairs & Maintenance	9,344,809.00	4,500,941

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Notes to the Financial Statements (Continued)

14. Contracted Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Medical Services	1,086,550	0
Total Contracted Services	1,086,550	0

(There were no contracted services in the prior Financial Year 2023/24)

15. Grants and Subsidies

Description	2024-2025	2023-2024
	Kshs	Kshs
Education Initiatives and Programs	5,500,000	2,880,000
Total Recurrent Grant	5,500,000	2,880,000

(The Subsidy as A.I.A is transferred from OSH Fund to the State Department for Labour's Account to be used on educational initiatives and programmes on Occupational Safety and Health at Workplaces.)

16. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Kenya Commercial Bank-1130057321	18,357,992	3,838,418
Total Cash and Cash Equivalents	18,357,992	3,838,418

Notes to the Financial Statements (Continued)

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1130057321	18,357,992	3,838,418
Grand Total		18,357,992	3,838,418

(OSH Fund did not hold any restricted cash as at end of FY 2024/25)

17. Receivables from Exchange Transactions

(a) Receivables from Exchange Transactions (Current)

Description	2024-2025	2023-2024
	Kshs	Kshs
Receivables		
Trainings	13,370,665	0
Total Current Receivables	13,370,665	0

(The amount relates to invoiced amounts on OSH trainings to workplaces as at 30th June 2025)

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Notes to the Financial Statements (Continued)

18. Receivables from Non-Exchange Transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Licences, fees and permits	1,917,750	0
Total receivables from non- exchange transactions	1,917,750	0

(The amount relates to June 2025 collections from licences & permits through e-Citizen not remitted to OSH Fund as at 30th June 2025)

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19. Property, Plant and Equipment

Cost	Motor vehicles	Furniture and fittings	Computers	Office Equipment	Total
Depreciation Rate	25%	12.5%	33.30%	12.5%	
	Kshs	Kshs	Kshs	Kshs	Kshs
As At 1 July 2023	25,912,800	17,122,799	29,489,091	13,348,890	85,873,580
Additions	0	7,662,500	1,319,000	0	8,981,500
As at 30 th June 2024	25,912,800	24,785,299	30,808,091	13,348,890	94,855,080
Additions	6,989,000	4,995,700	1,760,000	789,800	14,534,500
As at 30th June 2025	32,901,800	29,780,999	32,568,091	14,138,690	109,389,580
Depreciation And Impairment					
At 1 July 2023	16,738,525	5,522,661	24,722,774	5,161,018	52,144,978
Depreciation	6,478,200	3,098,162	2,545,548	1,668,611	13,790,522
As At 30 th June 2024	23,216,725	8,620,823	27,268,322	6,829,629	65,935,500
Depreciation	674,019	2,372,435	1,633,843	897,178	5,577,475
As At 30th June 2025	23,890,744	10,993,258	28,902,165	7,726,807	71,512,974
Net Book Values					
As at 30th June 2024	2,696,075	16,164,476	3,539,769	6,519,261	28,919,580
As at 30th June 2025	9,011,056	18,787,741	3,665,926	6,411,883	37,876,606

(Depreciation for this year has been pro-rated as $Dep = Rate * Cost \text{ of PPE} * Usage$; where usage is computed as No. of Months the PPE was in use divided by 12 Months)

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Notes to the Financial Statements (Continued)

(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
Motor Vehicles, Including Motorcycles	32,901,800	23,890,744	9,011,056
Computers And Related Equipment	32,568,091	28,902,165	3,665,926
Office Equipment, Furniture, And Fittings	43,919,689	18,720,065	25,199,624
Total	109,389,580	71,512,974	37,876,606

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20. Intangible Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Cost		
At beginning of the year	0	0
Additions (OSHMIS)	69,155,953	0
At end of the year	69,155,953	0
Additions–internal development	0	0
At end of the year	0	0
Amortization and impairment		
At beginning of the year	0	0
Amortization	8,644,494	0
At end of the year	8,644,494	0
Impairment loss	0	0
At end of the year	8,644,494	0
NBV	60,511,459	0

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21. Trade and Other Payables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Audit Fees FY 2024/25	75,000		75,000	
Withholding VAT for June 2025	155,367		0	
Withholding Income Tax for June 2025	44,150		0	
Kaylan Tours and Travel Ltd (Air Ticket-May 2025)	38,800			
Total trade and other payables	313,317		75,000	
Ageing analysis: (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	313,317	100%	75,000	100%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (tie to above total)	313,317		75,000	

22. Cash Generated from Operations

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Surplus for the year before tax	29,882,203		(24,155,437)	
Adjusted for:				
Depreciation	14,221,969		13,790,522	
Working capital adjustments				
Increase in receivables	(15,288,415)		0	
Increase in payables	238,317		0	
Net cash flow from operating activities	29,054,074		(10,364,915)	

23. Financial Risk Management

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

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i) Credit risk

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

Financial Risk Management

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

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the OSH Fund's Council members, who have built an appropriate liquidity risk management framework for the management of the OSH Fund's short, medium and long-term funding and liquidity management requirements. The OSH Fund manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

iii) Market risk

The OSH Fund has put in place an internal audit function to assist it in assessing the risk faced by the OSH Fund 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 OSH Fund'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 OSH Fund's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the OSH Fund's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

The OSH Fund 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 OSH Fund manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

b) Interest rate risk

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

Management of interest rate risk

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

Financial Risk Management

Sensitivity analysis

The OSH Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs 298,822 (Current FY: Kshs 29,882,203). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 1,494,110 (Current FY – Kshs. 29,882,203)

Financial Risk Management

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

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Notes to the Financial Statements (Continued)

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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Notes to the Financial Statements (Continued)

iv) Capital Risk Management

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Retained Earnings	55,565,202	25,682,999
Capital Reserve	76,155,953	7,000,000
Total Funds	131,721,155	32,682,999
Total Borrowings	0	0
Less: Cash and Bank Balances	(18,357,992)	(3,838,418)
Net Debt/(Excess Cash And Cash Equivalents)	113,363,163	28,844,581
Gearing	0%	0%

24. Related Party Disclosures

Nature of related party relationships

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

Other related parties include:

- i) The Parent Ministry (Ministry of Labour & Social Protection, State Department for Labour & Skills Development).
- ii) Key Management (PS, Labour, Secretary OSH and Senior Managers).
- iii) NACOSH.

25. Contingent Assets and Contingent Liabilities

Contingent Assets

None during the period under review.

Contingent Liabilities

Refer to Annex Listing Attached.

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26. Events after the Reporting Period

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

27. Ultimate And Holding Entity

The OSH is a Fund under the Ministry of Labour and Social Protection. Its ultimate parent is the Government of Kenya.

28. 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: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
274	Unprocedural Procurement of Goods and Services	The procurement was done through standing imprest, covering low-value items distributed across various sections of the Directorate throughout the financial year	Not Resolved	31 st March 2026
275	Lack of Contractual Agreement with Media Houses	The Directorate relied on the Act of PPADA 2015 Sec 96 sub Sec 2 which provides for National Government to Advertise in at least two daily newspapers of nationwide circulation. Currently the Directorate is using Government Advertising Agency (MyGov) newspaper which was established under the presidential circular Ref MICDE/GAA/ADM/3/Vol.VI (131) Dated, January 23, 2024.	Not Resolved	31 st March 2026
276	Irregular Payments of Allowances	The allowances were in relation to meals and transport for working beyond normal working hours and during weekends.	Not Resolved	31 st March 2026

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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)
277	Failure to Deduct PAYE	Management has formally communicated to all council members and secretariat regarding the deduction of PAYE from their remuneration and the remittance of the deducted amounts to the Kenya Revenue Authority in compliance with the relevant tax laws.	Not Resolved	31 st March 2026
278	Unprocedural Procurement of Repairs and Maintenance	The Directorate did direct procurement through the use of standing imprest accruing to Kshs.1, 100,000 for the whole Financial year for minor repairs and maintenance expenses such as generator repairs, generator fuel, office furniture repairs among others.	Not Resolved	31 st March 2026
279	Irregularities in Procurement of Fixed Assets	There was a valid professional Opinion. Further there was no opening of quotations beyond stipulated time. There was an error on the date of the minutes of the evaluation Committee giving an impression that was opening of quotation's beyond stipulated time. Tax Compliance Certificate was valid at the time the vendor was submitting the quotations.	Not Resolved	31 st March 2026

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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)
280	Irregular Appointment of Ad-hoc Quotation Evaluation Committee	The Ad-Hoc Committee was not on rotational basis as observed due to few numbers of officers in the Directorate. Currently the Directorate is appointing Ad-Hoc Committee Members on rotational basis.	Not Resolved	31 st March 2026
281	Failure to Carry Out Risk Assessment	The Directorate of Occupational Safety and Health Services did not carry out risk assessment as observed. The Directorate had an issue of staffing and budget constraints. Having employed new staff, the Directorate is carrying out risk assessment.	Not Resolved	31 st March 2026
282	Incomplete Fixed Assets Register	The Directorate of Occupational Safety and Health Services has identified all the Assets and done listing of assets pending funding to carry out valuation and tagging.	Not Resolved	31 st March 2026



Secretary OSH