

REPUBLIC OF KENYA



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REPORT

OF

THE NATIONAL ASSEMBLY	
DATE:	18 APR 2024 THURS
TABLED BY:	Hon Kimani Ichung'ech, MP Leader, Majority party
CLERK AT THE TABLE:	A. Shibuko

THE AUDITOR-GENERAL

ON

**NUCLEAR POWER AND ENERGY
AGENCY**

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

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NUCLEAR POWER AND ENERGY AGENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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

Nuclear Power and Energy Agency
Annual Report and Financial Statements
For the year ended June 30, 2023.

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1 Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

CEO	Chief Executive Officer
CBK	Central Bank of Kenya
CSR	Corporate Social Responsibility
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KNRR	Kenya Nuclear Research Reactor
KNRA	Kenya Nuclear Regulatory Authority.
MD	Managing Director
NT	National Treasury
NuPEA	Nuclear Power and Energy Agency
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

B: Glossary of Terms

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

Comparative Year- Means the prior year.

2 Key Entity Information and Management

(a) Background information

The Nuclear Power and Energy Agency (NuPEA) is a State Corporation established under the Energy Act 2019 on 12th of March 2019. NuPEA is charged with the responsibility of promoting and implementing Kenya's nuclear power programme, carrying out research and development for the energy sector and Capacity Building in the Energy and Petroleum Sectors.

Towards attainment of its mandate, NuPEA shall develop policies and legislation, undertake public education and awareness, identify suitable sites for the construction of Nuclear Power Plants; carry out research, development and innovation on energy technologies as well as capacity building for the energy sector.

(b) Principal Activities

The Agency's mandate as stipulated in Section 56(1) of the Energy Act, 2019, are to:

- a. Be the nuclear energy programme implementing organization and promote the development of nuclear electricity generation in Kenya; and
- b. Carry out research, development and dissemination activities in the energy and petroleum sectors in Kenya.

The Agency's broad functions are to:

- i. Promote the development of nuclear electricity generation in Kenya;
- ii. Undertake public education and awareness creation on Kenya's nuclear power programme;
- iii. Carry out research and development in the energy and petroleum sectors;
- iv. Disseminate research findings and innovations; and
- v. Undertake capacity building in the energy and petroleum sectors.

The specific functions of the Agency are as stipulated in Section 56(2) of the Energy Act, 2019.



Vision: Provider of safe and sustainable energy solutions



Mission: To develop nuclear power, and undertake research and capacity building in the energy and petroleum sectors for socio-economic prosperity

Our Core Values



Integrity

Excellence



Teamwork

Creativity/Innovativeness



(c) Key Management

The Agency day-to-day management is under the following key organs:

- Board of Directors
- Chief Executive Officer
- Heads of Departments

(d) Fiduciary Management

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

Table 1: Fiduciary Management in NuPEA

No.	Designation	Name
1	Chief Executive Officer	Eng. Collins G. Juma
2	Director, Legal & Regulatory & Corporation Secretary	CS Justus A. Wabuyabo
3	Ag. Director, Corporate Services	CPA. Caren Oduor
4	Director, Publicity and Advocacy	Mr.Basset Buyukah
5	Director, Strategy and Planning	Dr.Winnie Ndubai(PHD)
6	Director, Nuclear Energy Infrastructure Development	Eng.Eric Ohaga
7	Ag. Director, Internal Audit	CPA Peter Ndungu
8	Manager, Supply Chain	Dr. Anthony Lusuli(PHD)
9	Manager, ICT	Mr.Lawrence Siele

Note

Eng. Collins Juma retired as Chief Executive Officer on 31st July 2023.To allow for smooth transition CS Justus Wabuyabo was appointed by the Board as Acting Chief Executive Officer from 1 July 2023.

(e) Fiduciary Oversight Arrangements

The key fiduciary oversight arrangements for the Agency for the financial year 2022/23 included:

i. The Board Audit Committee

The Board Audit Committee assesses effectiveness of the Agency's internal control and risk management and compliance framework, it reviews the impact of significant accounting and reporting issues such as professional and regulatory pronouncement; meets management and both external and internal auditors to review the financial statements and results of the audit process and assesses if generally accepted accounting principles have been consistently applied in the preparation of preliminary announcement & interim financial statements.

ii. The Board Finance and Human Resource Committee

The Human Resource and Finance Committee reviews, and as appropriate, acts on behalf of the Board, or makes recommendations to the Board concerning Human Resource, Administration, Finance, Information Communication Technology (ICT), procurement and supply chain issues.

iii. The Board Technical Committee

The Technical Committee to review, and as appropriate, act on behalf of the Board, or make recommendations to the Board concerning legal and technical infrastructure issues for the successful implementation of a nuclear power programme in Kenya.

iv. The Board Strategy and Research Committee

The Strategy and Research Committee reviews, and as appropriate, acts on behalf of the Board, or makes recommendations to the Board concerning planning, strategy, research and business development issues.

v. Parliamentary Oversight Committees

Parliament has a constitutional mandate to scrutinize government spending and oversight functions of the Agency. The National Assembly, through its committees, exercises oversight over national revenue and expenditure.

vi. Inspectorate of State Corporations

The Inspectorate of State Corporation is tasked with ensuring an efficient public management system in parastatals and undertakes management audits in State Corporations to ensure compliance with set policies, rules and procedures; and providing advisory services to Government and other stakeholders on matters affecting State Corporations.

vii. International Atomic Energy Agency (IAEA)

The IAEA seeks to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world. The IAEA supports the Agency in establishing the necessary infrastructure in implementing the nuclear power programme in compliance with international best practices.

viii. Office of the Auditor-General

The Office of the Auditor-General is mandated to ensure that accountability and transparency are adhered to at the three arms of government. It audits and reports on accounts of the Agency.

ix. State Corporations Advisory Committee (SCAC)

The Committee powers are drawn from section 27 of the State Corporations Act chapter 446. The committee provides leadership in development and implementation of systems and procedures for ensuring efficient management of State Corporations

(f) Entity Headquarters

P.O. Box 26374-00100
Kawi House Complex
South C - Red Cross Road,
Nairobi, KENYA

(g) Entity Contacts

Telephone: (254) 20 5138300
E-mail: info@nuclear.co.ke
Website: www.nuclear.co.ke

(h) Entity Bankers

- i. Kenya Commercial Bank
Moi Avenue Branch
P.O Box 48400-00100
Nairobi, Kenya

ii. Co-operative Bank of Kenya

Mombasa Road Branch

P O Box 48231-00100

Nairobi, Kenya

iii. National Bank of Kenya

South C-Red Cross Branch

P.O Box 38645-00100

Nairobi, Kenya

(i) Independent Auditors

Auditor-General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084 GPO 00100

Nairobi, Kenya

(j) Principal Legal Adviser

The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112 City Square 00200

Nairobi, Kenya

3 The Board of Directors

3 The Board of Directors



DoB: 10th July 1957
Mr. Ezra Odondi Odhiambo
Chairman of the Board

Mr. Ezra Odondi Odhiambo holds a BSc in Electrical Engineering and an Executive MBA from Jomo Kenyatta University of Agriculture & Technology. He has expertise in strategic planning, business process re-engineering and improvement, change management, project management, telecommunications systems, computer systems, human resource management and design development and implementation of application software. He has held Board positions and undertaken consultancy work such as sugar company operations, financial services, postal services and telecommunication services among others. He has served in the Board of directors at Chemelil Sugar Company, National Irrigation Board, Kenya National Bureau of Statistics, Netcom Information System Ltd, BOMAS of Kenya, Apex Construction Company Ltd and Information Standards Technology Association (Kenya). He is a Member of the Computer Society of Kenya.



DoB: 15th September 1957
Prof. Henry K. Rono (PhD)
Board Member

Prof. Rono Henry holds a Ph.D. in Industrial Sociology and Economic Development, McGill University, Quebec, Canada, an M.A. in Industrial Sociology & Information Science, University of Calgary, Alberta, Canada, a B.A. in Sociology, University of Calgary, Alberta, Canada and a Diploma in Social Development from the Kenya Institute of Administration, Kenya. He is a seasoned economic and industrial development expert with a sustained career in ICT, e-learning, Management Information Systems (MIS) in education and health sectors. He has supported consultancy and the implementation of MIS for the Ministry of Health in Kenya financed by USAID and also the National Hospital Insurance Fund (NHIF) also in Kenya. He was the principal consultant on needs assessment, design and implementation of the Management Information System (MIS) for the Kenyatta University Teaching and Referral Hospital (KUTRRH). He is part of the team supporting implementation of MIS for three regional hospitals in Kenya.



DoB: 9th June 1986
MS. Elisabeth M. Lenjo
Board Member

Ms. Elisabeth M. Lenjo holds a Master of Laws (LL.M) from the University of Turin (Italy) in conjunction with World Intellectual Property Organization (WIPO) Academy, a Bachelor of Laws (LL.B) from the Catholic University of Eastern Africa (C.U.E.A) and a Post-Graduate Diploma from the Kenya School of Law (KSL). She specializes in Intellectual Property Law, Entertainment Law, Media Law, Technology Law and Fashion Law.

Ms. Lenjo has a legal consulting firm, MyIP Legal Studio which conducts legal advisory and capacity building workshops on Intellectual Property Law. She is a member of the Law Society of Kenya (L.S.K) where she has served in the Intellectual Property and ICT Law Committee between 2018 to 2022 and International Trademark Association (INTA).

The Board of Directors



DoB: 15th August 1970

FA. Joseph Mwaura Kamau
Board Member

FA. Joseph Mwaura Kamau holds an MBA (Finance) from KAIST (South Korea) and also another Masters in MA Economics Finance & Banking (Financial Sector Policy) from Moi University. He holds a BA (Mathematics; Economics) from University of Nairobi. He is an economist in the National Treasury, Department of Government Investment and Public Enterprises, an Alternate to the National Treasury Principal Secretary on the NuPEA Board. FA Kamau is a Financial Analyst and a member of Institute of Certified Investment and Financial Analyst (ICIFA). He has vast knowledge and understanding in Finance, Economics and Investments. He has previously worked at Equity Bank (K) Ltd and Standard Chartered Bank (K) Ltd.



DoB: 02nd April 1968

Eng. Samson Nyika Maundu
Board Member

Eng. Samson Maundu holds a Bsc degree in Electrical & Electronics Engineering from the University of Nairobi. He is a partner and a Director at Rex Consultants Ltd in charge of Electrical, Electronics and Telecommunications. Eng. Maundu previously worked at the then Ministry of Public Works where he rose from an Assistant Engineer to a provincial Engineer where he was in charge of 19 districts. Eng. Maundu is a Consultant Engineer and a member of the Institute of Engineers of Kenya (IEK) with wide experience in both low and high voltage engineering systems.



DoB: 01st January 1961

Mr. Arthur Koteng
Board Member

Mr. Arthur Omondi Koteng holds a Masters Degree in Radiation & Environmental Protection from the University of Surrey, United Kingdom and a Bachelor of Science Degree in Physics from the University of Nairobi. He is the Director & Consultant Physicist at Canon Radiological Services Limited that offers Radiation Protection, Nuclear Safety & Security services to several practices countrywide in the fields of Medicine, Industry, Research and Teaching. He has vast experience in this nuclear field having worked with the national nuclear regulator for 33 years where he was the Head of Nuclear Safeguards Department and served as an Advisory Committee Member of the International Nuclear and Radiological Event Scale (INES) of the International Atomic Energy Agency (IAEA). He is a trustee of the Africa Cancer Foundation and a member of the Eastern Africa Association for Radiation Protection (EAARP).

The Board of Directors



DoB: 11th November 1968

CPA Rose Akeyo Baraza
Board Member
Alternate to the Principal
Secretary, State Department for
Energy

CPA Rose Akeyo Baraza holds an MBA (Finance), a Bachelor of Commerce Degree and a Bachelor of Laws Degree from the Catholic University of Eastern Africa (C.U.E.A). She is a Certified Public Accountant of Kenya and a member of the Institute of Certified Public Accountants of Kenya (ICPAK). She is currently the Deputy Accountant General at the State Department for Energy, Ministry of Energy and Petroleum.



DoB: 19th May, 1970

Mr. Paul M. Mwangi
Board Member
Alternate to the Principal
Secretary, State Department for
University Education and
Research

Mr. Paul Mwangi holds a MSc. (Pure Mathematics) from Kenyatta University and BEd. (SC) from Egerton University. He is practicing education management and administration in the division of Local University and Administrative Services, Directorate of University Education, Ministry of Education. Mr. Paul Mwangi is an Assistant Director of Education, State Department for University Education and Research (SDUE&R). Mr. Mwangi has served in the Councils/Boards of Egerton University, Murang'a University of Technology, Machakos University and South Eastern Kenya University as an Alternate to the Principal Secretary (SDUE&R). He has previously worked as a Senior Quality Assurance and Standards Officer, Ministry of Education.



DoB: 10th August 1986

Mr. Edwin Munene Wanjohi
Board Member
Alternate to the Attorney General

Mr. Edwin Munene holds a Bachelor of Laws (LL.B) from the Catholic University of Eastern Africa (C.U.E.A) and a Post-Graduate Diploma from the Kenya School of Law. He is a result-oriented advocate with 10 years' experience. Currently working as a Senior State Counsel at the Office of the Attorney-General for the last 8 years. He possesses valuable skills such as professionalism, good research and litigation.

The Board of Directors



DoB: 11th November 1968

CPA Rose Akeyo Baraza

Board Member

Alternate to the Principal Secretary, State Department for Energy

CPA Rose Akeyo Baraza holds an MBA (Finance), a Bachelor of Commerce Degree and a Bachelor of Laws Degree from the Catholic University of Eastern Africa (C.U.E.A). She is a Certified Public Accountant of Kenya and a member of the Institute of Certified Public Accountants of Kenya (ICPAK). She is currently the Deputy Accountant General at the State Department for Energy, Ministry of Energy and Petroleum.



DoB: 19th May, 1970

Mr. Paul M. Mwangi

Board Member

Alternate to the Principal Secretary, State Department for University Education and Research

Mr. Paul Mwangi holds a MSc. (Pure Mathematics) from Kenyatta University and BEd. (SC) from Egerton University. He is practicing education management and administration in the division of Local University and Administrative Services, Directorate of University Education, Ministry of Education. Mr. Paul Mwangi is an Assistant Director of Education, State Department for University Education and Research (SDUE&R). Mr. Mwangi has served in the Councils/Boards of Egerton University, Murang'a University of Technology, Machakos University and South Eastern Kenya University as an Alternate to the Principal Secretary (SDUE&R). He has previously worked as a Senior Quality Assurance and Standards Officer, Ministry of Education.



DoB: 10th August 1986

Mr. Edwin Munene Wanjohi

Board Member

Alternate to the Attorney General

Mr. Edwin Munene holds a Bachelor of Laws (LL.B) from the Catholic University of Eastern Africa (C.U.E.A) and a Post-Graduate Diploma from the Kenya School of Law. He is a result-oriented advocate with 10 years' experience. Currently working as a Senior State Counsel at the Office of the Attorney-General for the last 8 years. He possesses valuable skills such as professionalism, good research and litigation.

The Board of Directors



DoB: 31st December 1965

Eng. Collins Juma, MBS
Chief Executive Officer

Eng. Collins Juma, MBS holds a Master's degree in Operations Management from the University of Nairobi and a Bachelor of Engineering Degree (Mechanical) from the Indian Institute of Technology. He has been serving as Chief Executive Officer of the Nuclear Power and Energy Agency for the last 5 years. Eng. Juma is the current President of the Eastern Africa Federation of Engineering Organizations. He is also a registered Consulting Engineer with Engineers Board of Kenya and has worked in the Energy Sector for over 20 years, including stints at Kenya Power and KENGEN. He is a Member of the Computer Society of Kenya.



DoB: 23rd December 1974

Mr. Justus A. Wabuyabo
Corporation Secretary

Mr. Justus Ambutsi Wabuyabo holds a Master in Laws(LLM) from University of Nairobi and a Bachelor of Laws(LL.B) from Moi University.

He is the Director Legal and Regulatory Services and Corporation Secretary, Certified Public Secretary of Kenya, a Commissioner of Oaths and Notary Public. He is a member of the Law Society of Kenya (LSK), the East Africa Law Society (EALS), the Pan African Lawyers Union (PALU) and the Commonwealth Lawyers Association (CLA). He is also a member of the Institute of Certified Secretaries (ICS) and the Association of Professional Societies of East Africa (APSEA). Previously, he served as the General Manager - Corporate and Legal Services at the National Water and Harvesting Authority.

4 Management Team

Management



Eng. Collins is a registered Consulting Engineer with Engineers Board of Kenya and holds a Bachelor of Engineering Degree (Mechanical) from the Indian Institute of Technology and a Master's degree in Operations Management from the University of Nairobi.

Eng. Collins Juma, MBS
Chief Executive Officer



Mr. Wabuyabo holds a Master in Laws(LLM) and a Bachelor of Laws. He is a member of the Law Society of Kenya (LSK), the East Africa Law Society (EALS), the Pan African Lawyers Union (PALU) and the Commonwealth Lawyers Association (CLA). He is also a member of the Institute of Certified Secretaries (ICS) and the Association of Professional Societies of East Africa (APSEA).

Mr. Justus A. Wabuyabo
Director Legal & Regulatory & Corporation Secretary



Mr. Basett holds a Bachelor's degree at Kenyatta University and Postgraduate studies in Communication at the University of Nairobi. He is a journalist, media personality and communications professional. He is also an award-winning writer and published author. He is a member of the Public Relations Society of Kenya.

Mr. Basett Buyukah
Director Publicity and Advocacy



Dr. Winfred holds a Doctor of Philosophy in Business Administration and Master's Degree in Finance and a Bachelor of Economics from the University of Nairobi. She is the Chairperson of Women in Nuclear (Kenya Chapter).

Dr. Winfred Ndubai (PhD)
Director, Strategy & Planning



Eng. Ohaga holds an MSc in Nuclear Engineering (KINGS), Masters of Business Administration, BSc. in Electrical / Electronic Engineering and post graduate diploma in Project Planning and management. He is a registered Consulting Engineer with the Engineers Board of Kenya and a member of the Institute of Engineers of Kenya (IEK).

Eng. Erick Ohaga
Director, Nuclear Energy Infrastructure Development



CPA Caren holds a Master's Degree in Business Administration and a Bachelor of Commerce (Accounting option) degree both from the University of Nairobi. She is a Certified Public Accountant of Kenya - CPA (K) and a member of Institute of Public Accountants of Kenya (ICPAK), and a member of association of Women Accountants of Kenya (AWAK).

CPA Caren Oduor
Ag. Director Corporate Services



Mr. Ndungu holds Masters of Science in Finance from Kenyatta University and a Bachelor of Science in Agriculture Economics from Egerton University. He is a Certified Public Accountant and a member of Institute of Certified Public Accountant Kenya (ICPAK) and also a Certified Information System Auditor (CISA) and a member of Information System Auditor Control Association (ISACA).

CPA Peter Ndungu
Ag. Director, Internal Audit



Dr. Lusuli holds Doctor of philosophy in Supply Chain Management and Masters of Science in Procurement and Logistics both from Jomo Kenyatta University of Agriculture Science and Technology and a Bachelors' of Business Administration from Kenya Methodist University. He also holds Diploma in Chartered Institute of Procurement and Supply (CIPS).

Dr. Antony Lusuli (PhD)
Manager, Supply Chain



Mr. Siele holds a Master's Degree in Information Systems and a Bachelor of Science Degree in Computer Science. He holds a Diploma in Project Management and Diploma in Database Management. He also holds professional qualifications in Microsoft Certified Systems Engineer (MCSE), Cisco Certified Network Associate (CCNA), PRINCE2, PMP and Cybersecurity.

Mr. Lawrence Siele
Manager, ICT

5 Chairman's Statement



On behalf of the Board of Directors, I am pleased to present the Nuclear Power and Energy Agency's (NuPEA) Annual Report and Financial Statements for the year ended 30th June 2023.

NuPEA stands committed to its vision of providing sustainable energy solutions through; promoting nuclear electricity generation, coordinating research and development and capacity building in the energy and petroleum sector.

Achievements

The Agency registered remarkable achievements in the financial year 2022/23. The Agency began site preparatory activities and identified specifications for a seismic station at the preferred NPP site and undertook economic evaluation of reactor technologies. In addition, stakeholder involvement and public communication regarding the development of the nuclear power programme is ongoing as well as development of the requisite legal framework. A preliminary energy research outputs dissemination framework and self-evaluation on infrastructure issues for Kenya Nuclear Research Reactor (KNRR) project have been undertaken following the land allocation for the Research Reactor at Konza City. The outcome of these activities will greatly inform the country on the pathway to peaceful application of nuclear science and technology for socio-economic development.

Stakeholders' engagement

The Agency takes cognizance that stakeholder engagement, education and information sharing are the cornerstone for a successful nuclear power programme in Kenya. To this end, the Agency engaged national, regional and international stakeholders towards supporting the national nuclear power programme. During the financial year under review, the Agency developed a stakeholder register and continued implementing the stakeholder engagement and public communication strategy. The Agency engaged with Kenya Nuclear Regulatory Authority (KNRA) to strategize development of adequate regulations for the nuclear power programme. The Agency engaged with several stakeholders through

county forums, collaborations with professional bodies as well as regional and national validation workshops for the Strategic Environmental & Social Assessment (SESA) Report.

Strategic Partnerships

The Agency continued to place great premium on adopting mutually beneficial collaborative agreements and strong strategic partnerships to support effective implementation of its mandate. Notably, the Agency's involvement was pertinent in the Memorandum of Understanding Concerning Strategic Civil Nuclear Cooperation (NCMOU) signed between the Kenyan Government and the United States of America (USA) on 15th December 2022. The NCMOU will enhance cooperation on energy security and strengthen our diplomatic and economic relationship. It provides a framework for cooperation on civil nuclear issues and for engagement between experts from government, industry, national laboratories, and academic institutions. This strategic cooperation in nuclear energy, science, and technology also has the potential to make a significant contribution to clean energy goals, agricultural efforts, the availability of clean water, medical treatments among other benefits.

Challenges Faced

During the year 2022/2023, the Government implemented a budget austerity measure to the tune of KSh.300 billion on the expenditure of Ministries, Departments and Agencies (MDAs) as a reflection of resource management that would add value and promote sustainability. As a consequence, the Agency suffered a budget cut of Ksh.629M which negatively affected its performance.

Board Changes

NuPEA Board received new appointments during the year under review. These included new alternate members representing the Attorney General, Permanent Secretary Ministry of Energy and Petroleum and the National Treasury. I take this opportunity to welcome the new members to NuPEA and we look forward to their immeasurable contribution in furtherance of the Agency's mandate. I wish to express my gratitude to the Directors who have served during the year for their immense contribution towards the success of the Agency.

Future Outlook

As the Agency transitions into the financial year 2023/24, we remain committed to building on the gains made so far in developing the Nuclear Power Programme and implementing the coordination frameworks for research and development, and capacity building for the energy and petroleum sectors.

Finally, on behalf of the Board of Directors, I express gratitude to the Ministry of Energy and Petroleum, Development partners, the management, staff, and all our stakeholders for their continued support.



.....
Mr. Ezra Odondi Odhiambo
CHAIRMAN

6 Report of the Chief Executive Officer



Dear stakeholders,

I am pleased to present to you the Nuclear Power and Energy Agency's (NuPEA) Annual Report and Financial Statements for the year ended 30th June 2023.

During the year under review, NuPEA implemented activities in the third year of the Strategic Plan 2020-2025 towards fulfilling its mandate in line with the Energy Act of 2019. The Agency made significant progress geared towards attainment of its mandate. The Agency made strides in promoting the development of nuclear electricity generation in Kenya and in carrying out research, development and dissemination activities in the energy sector.

Industry overview

NuPEA seeks to be a front-runner in the bid towards establishing a robust energy sector particularly in the aspects of clean, safe, affordable and reliable energy. Nuclear electricity generation will play a pivotal role in driving global mitigation strategies for climate change as prioritized in the Bottom-Up Economic Transformation Agenda (BETA), the Africa Agenda 2063 and Sustainable Development Goals. The current development agenda seeks to invest in critical infrastructure which involves generation of reliable and affordable energy. Energy is recognized as a key enabler in realizing Kenya's development blueprint – the Vision 2030. Nuclear power development in Kenya takes cognizance of the growing need to provide reliable and affordable power to enable this realisation. .

Revenue

The Government of Kenya has been instrumental in allocating and providing financial resources to run the Agency's operations. During the Financial year the Agency received Ksh.918.0M from the exchequer where Ksh.340.0M was Development expenditure and Ksh. 578.0M Recurrent expenditure.

Performance overview

The Agency undertook activities in the financial year 2022/2023 under the five Key Result Areas (KRAs) as outlined in the Strategic Plan: Nuclear energy infrastructure development, Public education and stakeholder engagement, Energy research and development, Capacity building in the energy and petroleum sectors and Institutional capacity. NuPEA began preparatory activities for site characterization for Nuclear Power Plants at the Uyombo Site, a contract was signed for the set-up of a meteorological station at the Uyombo Site and developed requirements for a seismic monitoring station.

The Agency was allocated land at Konza City and conducted a Feasibility Study (FS) for the KNRR project. The study seeks to strengthen the national understanding of the obligations and commitments involved in the introduction of a sustainable research reactor programme. The allocation allowed the preparations for site characterization for a Research Reactor at Konza City to commence.

The Agency developed a coordination framework for R&D in the energy and petroleum sectors. The framework provides strategies for enhancing coordination mechanisms that bring together all stakeholders involved in energy R&D. The Agency has developed a Human Resource Capacity Building (HRCB) master plan and implementation framework in the sectors to address challenges in proper planning and implementation of human resource development in the successful development and deployment of energy systems.

In the year under review, NuPEA developed a draft National Nuclear Policy intended to address policy gaps in peaceful utilization of nuclear science and technology. The policy requires validation through public participation and stakeholder engagement to be finalised and approved. The Agency proposed strategic regulations to Kenya Nuclear Regulatory Authority (KNRA) pertinent to the nuclear power programme.

Additionally, the Agency continued with the Strategic Environmental & Social Assessment (SESA) by undertaking stakeholder engagement in Kwale County and a National Validation Workshop at KICC in Nairobi on the SESA Report for Kenya's Nuclear Power Programme where several stakeholders of the Agency were invited to participate and provide comments on the report. The stakeholders were mobilized from the civil society, academia, Community Based Organizations (CBOs), diverse service providers and members of the general public to validate the report. The engagements were to create and enhance

nationwide awareness on the Agency's mandate while ultimately earning and sustaining public support for the implementation of Kenya's nuclear power programme. As NuPEA, we endeavour to adhere to the principles of public participation as enshrined in the Constitution of Kenya 2010.

Strategic Partnerships

The Agency was prominent in the strategic collaboration of Kenya and the United States of America through the development of the Memorandum of Understanding Concerning Strategic Civil Nuclear Cooperation (NCMOU) which was signed on 15th December 2022. The purpose of the NCMOU is to provide a framework for cooperation on civil nuclear issues and for engagement between experts from government, industry, national laboratories, and academic institutions. This strategic cooperation in nuclear energy, science, and technology also has the potential to make a significant contribution to clean energy goals, agricultural efforts, the availability of clean water, medical treatments, and more.

In implementing the National Liaison Office function, the Agency coordinated the development and signing of the 5th Country Programme Framework (CPF) for the period 2023 -2027. The CPF 2023 -2027 has identified nuclear science and technology priority areas where the IAEA and development partners will support Kenya through the Technical Cooperation to achieve the national sustainable development goals. The current CPF focuses on six priority areas: Nuclear and Radiation Safety and Security, Energy and Industry, Health and Nutrition, Food and Agriculture, Water and Environment and Industrial Application.

Challenges

The general elections were held in August 2022 and a new government administration and appointments ensued. This resulted in a transitional period that delayed some activities in MDAs as a whole.

Budget austerity measures that were implemented during the year under review towards resource management that would add value and promote sustainability, affected continuation of some planned activities such as automation of the Agency processes through the acquisition of the Enterprise Resource Planning (ERP) system and activities towards active stakeholder engagement among others.

In the financial year 2022/2023, NuPEA had approved a budget of **Ksh 1,598.0M** comprising **Ksh.780.0M** for development, **Ksh.807.0M** for recurrent expenditure. During supplementary one and two cycles the initial approved budget was revised downwards by a total **Ksh.629.0M** resulting to a final budget of **Ksh.958.0M**. This represents a 40% reduction in the annual budgetary allocation. The reduction negatively affected the planned activities.

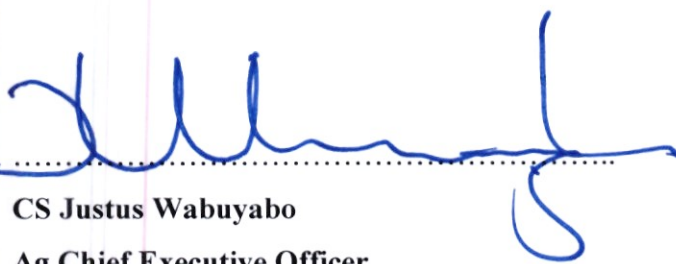
The long lead time in acquisition of land for constructing nuclear power plants has had a negative impact on the implementation of the nuclear power programme.

Future Outlook

Moving forward, the Agency will continue to consolidate and secure the gains made. We will remain committed to the furtherance of our distinct mandate as we cement our role as a key energy solution provider in Kenya and the region.

Lastly, on behalf of NuPEA I express gratitude to the Government of Kenya - Ministry of Energy and Petroleum, our strategic partners, sector players, the management, staff and all our esteemed stakeholders for their sustained patronage over the years. We look forward to your continued support in the forthcoming financial year 2023/2024.

God bless NuPEA. God bless Kenya.



CS Justus Wabuyabo
Ag.Chief Executive Officer

7 Statement of Performance against Predetermined Objectives for FY 2022/2023

NuPEA has 5 key result areas (KRAs) within the current 5-year Strategic Plan for the period from FY 2020/21 to FY 2024/25. The KRAs are as follows:

- KRA 1: Nuclear energy infrastructure development
- KRA 2: Public education and stakeholder engagement
- KRA 3: Energy research and development
- KRA 4: Capacity building in the energy and petroleum sectors
- KRA 5: Institutional capacity

NuPEA develops its annual work plans based on the above 5 KRAs. Assessment of the Agency's performance against its annual work plan is done on a quarterly basis. NuPEA achieved its performance targets set for the FY 2022/23 period for its 5 KRAs, as indicated in the table below

Table 2: Nuclear Power and Energy Agency's Performance against Predetermined Objectives for FY 2022/2023

KRA 1: Nuclear energy infrastructure development		
Objective 1.1: To ensure readiness of key nuclear power infrastructure		
Key Performance Indicators	Activities	Achievements
Site selection and characterization	<ol style="list-style-type: none"> 1. Developed the specifications for a seismic station at the preferred NPP site 2. Developed the Expression of Interest (EOI) for an Owner/Engineer firm to supervise NPP site characterization 	<ol style="list-style-type: none"> 1. Specifications for a seismic station at the preferred NPP site 2. Updated 3. EOI for an Owner/Engineer firm to supervise NPP site characterization
Regional and site-specific grid interconnection schemes for various NPP sizes	<ol style="list-style-type: none"> 1. Conducting grid steady state analysis for the proposed and alternate sites 2. Carrying out an economic analysis of grid system upgrade for NPP integration at the proposed and alternate sites 	<ol style="list-style-type: none"> 1. Grid steady state analysis for the proposed and alternate sites 2. Economic analysis of grid system upgrade for NPP integration at the proposed and alternate sites
Nuclear power plant (NPP) technology selection and appointment of an owner/operator	<ol style="list-style-type: none"> 1. Conducting economic evaluation of reactor technologies 2. Holding a nuclear vendor symposium and updating the vendor survey report 3. Reviewing the strategy for development of the NPP Owner/Operator Organisation 	<ol style="list-style-type: none"> 1. Report on economic evaluation of reactor technologies 2. Revised vendor survey report 3. Updated strategy for development of the NPP Owner/Operator Organisation
Local industry involvement in the	<ol style="list-style-type: none"> 1. Conducting local industry supply capability survey 	<ol style="list-style-type: none"> 1. Local industry supply capability survey 2. Localization policy and strategy

nuclear power plant (NPP) industry	<ol style="list-style-type: none"> 2. Developing localization policy and strategy 3. Conducting risk assessment for the local supply base 	<ol style="list-style-type: none"> 3. Report on risk assessment for the local supply base
Integrated approach to human resource development for the nuclear power programme	<ol style="list-style-type: none"> 1. Developing a Nuclear Power Human Resource (NPHR) Model and analysis of the artisan requirements in NPP construction 2. Developing a human resource gap assessment matrix 	<ol style="list-style-type: none"> 1. Updated NPHR Model 2. Human resource gap assessment matrix
Optimal solution for Nuclear Fuel Cycle (NFC) and Radioactive Waste Management (RWM)	<ol style="list-style-type: none"> 1. Developing NFC economics report comparing both closed and open fuel cycles 2. Developing a report on the assessment of Kenya's potential in the front end of the NFC 3. Developing an excel tool for non-proliferation assessment of NFC and drafting a report on analysis of proliferation resistance of NFC technologies 	<ol style="list-style-type: none"> 1. NFC economics report for closed and open fuel cycles 2. Report on assessment of Kenya's potential in the front end of the NFC 3. Report on analysis of proliferation resistance of NFC technologies
Emergency preparedness and response (EPR)	<ol style="list-style-type: none"> 1. Assessing implementation of Emergency Preparedness Review (EPREV) Mission action plan 2. Developing an EPR self-assessment tool for assessment of EPR framework 	<ol style="list-style-type: none"> 1. Report on implementation of EPREV Mission action plan 2. Report on assessment of EPR framework
Objective 1.2: To have an adequate and supportive legal and regulatory framework		

Key Performance Indicators	Activities	Achievements
Legal and regulatory framework for the nuclear power programme	<ol style="list-style-type: none"> 1. Finalization of National Nuclear Policy with stakeholders 2. Development of adequate regulations to operationalize the Nuclear Regulatory Act No. 29 of 2019 in collaboration with KNRA 3. Harmonisation of National Laws to implement the Nuclear Power Programme. 4. Accession to international conventions on nuclear safety and liability. 	<ol style="list-style-type: none"> 1. Draft National Nuclear Policy 2. Proposed regulations for the nuclear power plant 3. Report on national laws reviewed relevant to implementing the nuclear power programme. 4. Submitted an updated Cabinet Memorandum on the four (4) nuclear safety conventions to the Ministry of Energy and Petroleum for onward submission to the Ministry of Foreign Affairs.
Objective 1.3: To inculcate nuclear safety culture among the key stakeholders		
Key Performance Indicators	Activities	Achievements
Training of leaders and implementation of appropriate management systems (leadership and management for safety)	<ol style="list-style-type: none"> 1. Developing and implementing the National Nuclear Power Leadership and Management Development Programme (NLMDP) 2. Developing a draft framework for the development and implementation of an Integrated Management System (IMS) for the nuclear power programme 	<ol style="list-style-type: none"> 1. Development and implementation of NLMDP 2. Preliminary IMS framework for nuclear power programme

KRA 2: Public education and stakeholder management		
Objective 2.1: To increase stakeholder’s awareness and support of NuPEA’s mandate		
Key Performance Indicators	Activities	Achievements
Public communication and stakeholder management	<ol style="list-style-type: none"> 1. Undertaking stakeholder mapping for the nuclear power programme and developing a stakeholder register 2. Implementing the public communication and stakeholder engagement strategy 	<ol style="list-style-type: none"> 1. Nuclear power programme stakeholder register developed 2. Stakeholder Involvement and Public Communication Strategy implementation
Information sharing and stakeholders’ satisfaction	<ol style="list-style-type: none"> 1. Implementing citizens’ service delivery charter 2. Re-engineering business processes 3. Resolving public complaints 	<ol style="list-style-type: none"> 1. Citizens’ service delivery charter review and compliance 2. Business Process Re-engineering Reports 3. Complaints management mechanisms put in place
KRA 3: Energy Research and Development		
Objective 3.1: To champion use of safe, efficient, and sustainable energy systems		
Key Performance Indicators	Activities	Achievements
Energy research and development (R&D)	<ol style="list-style-type: none"> 1. Carrying out technical visits to five institutions to discuss forms and areas of collaboration in sector R&D and capacity building 	<ol style="list-style-type: none"> 1. Technical visits report 2. Mapped potential partners 3. Preliminary energy research outputs dissemination

	<ol style="list-style-type: none"> 2. Mapping out potential partners for collaborative research and technologies adaptation 3. Developing a draft energy research outputs dissemination framework 4. Updating the draft energy R&D thematic areas 	<p>framework</p> <ol style="list-style-type: none"> 4. Revised energy R&D thematic areas
Implementation of nuclear research reactor (RR) project	<ol style="list-style-type: none"> 1. Updating the draft self-evaluation report on infrastructure issues for Kenya Nuclear Research Reactor (KNRR) project 2. Developing draft bid invitation specification report for the KNRR facility 3. Following up on land allocation for the construction of a research reactor at Konza Technopolis 	<ol style="list-style-type: none"> 1. Revised self-evaluation report on infrastructure issues for KNRR project 2. Preliminary draft bid invitation specification report for the KNRR facility 3. Notification of land allocation
KRA 4: Capacity building in the energy and petroleum sectors		
Objective 4.1: To ensure availability of skilled and competent human capital in the energy and petroleum sectors		
Key Performance Indicators	Activities	Achievements
Development of human capital in the energy and petroleum sectors	<ol style="list-style-type: none"> 1. Organizing a forum for stakeholders to share knowledge and experiences on planning and convening a joint energy conference 2. Reviewing the monitoring and evaluation (M&E) framework for Human and institutional Capacity development (HICD) in the energy 	<ol style="list-style-type: none"> 1. Forum on knowledge and experience-sharing 2. Updated M&E framework for HICD in the energy and petroleum sector 3. Preliminary capacity building resource requirements

	and petroleum sector 3. Developing draft capacity building resource requirements	
KRA 5: Institutional Capacity		
Objective 5.1: To have a versatile, competent, highly performing and motivated workforce		
Key Performance Indicators	Activities	Achievements
Staff capacity development	<ol style="list-style-type: none"> 1. Carrying out of staff training needs assessment 2. Executing interventions to address the identified skills gaps and training needs 3. Managing employee performance 	<ol style="list-style-type: none"> 1. Staff training needs assessment report 2. Recruitment, outsourcing, capacity building/training, coaching, and mentoring to address identified skills gaps and training needs 3. Staff performance appraisal and implementation of report recommendations
Objective 5.2: To enhance financial sustainability of the Agency		
Prudent management of financial resources	<ol style="list-style-type: none"> 1. Absorption of allocated funds by GoK 2. Absorption of externally mobilized funds 	<ol style="list-style-type: none"> 1. Absorption rate was 96% of allocated funds

8 Corporate Governance Statement

The responsibility of governing the Agency lies with the Board of Directors. NuPEA has adopted high standards and applies strict rules of conduct based on the best corporate practices. Board members act in the best interest of the Agency and uphold their fiduciary responsibilities and duty of care. This involves not disclosing confidential information, avoiding real and perceived conflicts of interest and favouring the interests of the Agency over other interests.

Guiding Principles

In line with Section 3 of the Leadership and Integrity Act (Act No. 19 of 2012 of the Laws of Kenya), Board members respect the values, principles and the requirements of the Constitution, including:

- i. The national values and principles provided for under Article 10 of the Constitution;
- ii. The rights and fundamental freedoms provided for under Chapter Four of the Constitution;
- iii. The responsibilities of leadership provided for under Article 73 of the Constitution;
- iv. The principles governing the conduct of State officers provided for under Article 75 of the Constitution;
- v. The educational, ethical and moral requirements in accordance with Article 99 (1) (b) and 193 (1) (b) of the Constitution; and
- vi. The values and principles of Public Service as provided for under Article 232 of the Constitution.

Board members also uphold the tenets of good governance as guided by the Code of Governance for State Corporations (*Mwongozo/Code of Governance*), the Board Charter and the Public Officers and Ethics Act No.4 of 2003.

Board Charter

The Board Charter defines the roles and responsibilities of the Board of NuPEA as well as functions and structures in a way that supports the members in carrying out their strategic oversight function. It provides the Board members with an opportunity to think creatively and critically about how their strategic and operational plans align with NuPEA's strategic direction and expectations, with respect to governance. The Charter also sets out the powers of various Board Committees, the separation of roles between the Board and management, as well as the policies and practices of the Board with respect to corporate governance matters.

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The Charter has been adopted by NuPEA, acting in accordance with the *Mwongozo* Code of Governance for State Corporations and is complementary to the requirements regarding the Board contained in applicable Kenyan laws and regulations.

Board Membership

In line with the guidelines of the *Mwongozo* Code of Governance for State Corporations, the Board comprises nine (9) members. Of these, five (5) are Independent Directors including the Chairman, while four (4) are Non-Independent Directors representing the National Treasury, the Ministry of Energy and Petroleum, Ministry of Education, and the Office of the Attorney General. The Chief Executive Officer is an *ex-officio* member. The constitution of the Board takes into consideration diversity in gender, age, ethnicity and culture.

Appointment and removal of Board Members

Board members are appointed in accordance with the requirements of the *Mwongozo* Code of Governance for State Corporations. The Code of Governance requires all Chairpersons of State Corporations to be appointed by the President. Board members are formally appointed by the Cabinet Secretary of the parent Ministry (Ministry of Energy) through a Gazette Notice and thereafter an appointment letter.

In accordance with the Code of Governance, the Board may recommend the removal of a member based on non-performance, non-attendance of meetings, unethical conduct or as set out in any constitutive documents or applicable law. Any removal of a Board member shall be through formal revocation.

Roles and functions of the Board

In furtherance of its responsibilities, the Board is required to:

- a) Determine the organization's mission, vision, purpose and core values;
- b) Review, evaluate and approve, on a regular basis, long-term plans for the organization;
- c) Review, evaluate and approve the organization's budget and financial forecasts;
- d) Review, evaluate and approve major resource allocations and capital investments;
- e) Ensure that the procurement process is cost-effective and delivers value for money;
- f) Review and approve the operating and financial results of the organization;
- g) Ensure effective, accurate, timely and transparent disclosure of pertinent information on the organization's operations and performance;
- h) Ensure that effective processes and systems of risk management and internal controls are in place;

- i) Review, evaluate and approve the overall organizational structure, the assignment of senior management responsibilities and plans for senior management development and succession;
- j) Review, evaluate and approve the remuneration structure of the organization;
- k) Adopt, implement and monitor compliance with the organization's Code of Conduct and Ethics;
- l) Review on a quarterly basis the attainment of targets and objectives set out in the agreed performance measurement framework with the Government of Kenya;
- m) Review periodically the organization's strategic objectives and policies relating to sustainability and social responsibility/investment;
- n) Protect the rights of shareholders and optimize shareholder value;
- o) Enhance the organization's public image and ensure engagement with stakeholders through effective communication;
- p) Monitor compliance with the Constitution, all applicable laws, regulations and standards; and
- q) Review, monitor and ensure that the organization is effectively and consistently delivering on its mandate.

Board Committees and Membership

The State Corporations Act, Cap 446 of the Laws of Kenya, allows the Boards of State Corporations to establish committees in order to effectively discharge their mandates. The *Mwongozo* Code of Governance for State Corporations allows the Board to establish not more than four (4) committees of the Board, one of which must be an Audit Committee. The Board has established four standing committees as follows:

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Human Resource and General Purpose Committee

The Board of Directors has established the Human Resource and General Purpose Committee that consists of four (4) members to review, and as appropriate, act on behalf of the Board, or make recommendations to the Board concerning Human Resource and Administration, Legal, and Publicity policies and procedures. The Human Resource and General Purpose Committee is comprised of the following members:

- 1) Ms. Elizabeth Lenjo- Chairperson
- 2) Eng. Samson Maundu
- 3) Mr. Arthur Koteng
- 4) Mr. Edwin Munene

Technical and Research Committee

The Board of Directors has established the Technical and Research Committee to review, and as appropriate, act on behalf of the Board, or make recommendations to the Board concerning infrastructure issues for the successful implementation of a Nuclear Power Programme in Kenya. The Technical and Research Committee is comprised of the following members:

- 1) Eng. Samson Maundu-Chairperson
- 2) Ms. Elizabeth Lenjo
- 3) Mr. Paul Mwangi
- 4) Ms. Rose Baraza

Finance, Strategy and Planning Committee

The Board of Directors has established the Finance, Strategy and Planning Committee to review, and as appropriate, act on behalf of the Board, or make recommendations to the Board concerning Finance, ICT, Strategy & Planning issues and Procurement policies and procedures.

The Finance, Strategy and Planning Committee is comprised of the following members:

- 1) Dr. Henry Rono- Chairperson
- 2) Mr. Paul Mwangi
- 3) Mr. Joseph Kamau
- 4) Mr. Moses Gitau/Ms. Rose Baraza

Board Audit Committee

The Audit Committee is a key component of the governance process. The Committee evaluated the integrity of the Agency's financial information, its system of internal controls and the legal and ethical conduct of management and employees. Its mandate is to independently review financial statements to ensure integrity and transparency of financial reporting, drive the assessment of the performance of internal audit, examine internal and external audit reports and recommendations, evaluate adequacy of management procedures in relation to risk management and review effectiveness of compliance with legislative and regulatory requirements.

The Audit Committee is comprised of the following members:

- 1) Mr. Arthur Koteng- Chairperson
- 2) Dr. Henry Rono
- 3) Mr. Joseph Kamau
- 4) Mr. Moses Gitau

The Board provides Terms of Reference for each committee; reviews the mandate of the Committees periodically; determines the frequency of committee meetings; appoints the Chairperson of each Committee; and annually reviews the effectiveness and performance of its Committees. The Board may establish an ad-hoc Committee to deal with emerging issues that do not fall under the domain of regular Board Committees.

Board Calendar and meetings

The Board's Calendar contains a schedule of meetings of the Board and its committees for the year. The agenda for each Board meeting is prepared and circulated to members at least ten (7) days in advance

During the year under review, the Board held a total 10 full Board meetings and 12 Committee meetings to consider key issues relating to strategy, performance and sustainability of the Agency

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Table 3: Full Board Meetings Attendance 2022/2023

Date	Mr. Ezra Odondi Odhiambo	Dr. Henry Rono	Eng. Samson Maundu	Mr. Arthur Koteng	Ms. Elizabeth Lenjo	Mr. Paul K Mwangi	Mr. Joseph Kamau	Mr. Edwin Munene	Ms. Rose Baraza	Ms. Afandi Olando	Mr. Moses Gitari	Eng. Collins Juma	Mr. Chris Ombeba	Mr. Nicholas Arthur	Mr. Isaac Kodhek	Ms. Theodora Gichana	PS Alex K Wachira
15.07.2022	✓	✓	✓	N/A	N/A	✓	N/A	N/A	N/A	✓	—	—	N/A	N/A	N/A	✓	N/A
20.07.2022	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	✓	—	✓	N/A	N/A	N/A	✓	N/A
03.08.2022	✓	✓	—	✓	✓	✓	N/A	N/A	N/A	✓		✓	N/A	N/A	N/A	N/A	N/A
16.09.2022	✓	✓	—	✓	✓	✓	N/A	N/A	N/A	✓	—	✓	✓	✓	N/A	N/A	N/A
09.12.2022	✓	✓	✓	✓	—	✓	N/A	N/A	N/A	—	—	✓	N/A	N/A	N/A	N/A	N/A
30.01.2023	✓	✓	✓	✓	✓	—	N/A	N/A	N/A	—	—	✓	N/A	N/A	N/A	N/A	✓
31.03.2023	✓	✓	✓	✓	✓	✓	N/A	✓	—	—	N/A	✓	N/A	N/A	N/A	✓	N/A
25.04.2023	✓	✓	✓	✓	✓	✓	—	✓	—	N/A	N/A	✓	N/A	N/A	N/A	N/A	N/A
12.05.2023	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	—	N/A	N/A	N/A	N/A	N/A
27.06.2023	✓	✓	✓	—	✓	✓	✓	✓	✓	N/A	N/A	✓	N/A	N/A	✓	N/A	N/A

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Table 4: Human Resource and General Purpose Committee Attendance 2022/2023

Date	Ms. Elizabeth Lenjo	Eng. Samson Maundu	Mr. Arthur Koteng	Eng. Collins Juma	Mr. Edwin Munene	Ms. Theodora Gichana	Ms. Afandi Olando
15.09.2022	✓	—	✓	✓	N/A	N/A	✓
18.01.2023	✓	✓	✓	✓	N/A	N/A	—
25.01.2023	✓	✓	✓	✓	N/A	N/A	—
24.05.2023	✓	—	✓	—	✓	✓	N/A

Table 5: Finance Strategy and Planning Committee Attendance FY 22/23

Date	Mr Henry K.Rono	Mr. Paul M. Mwangi	Eng. Collins Juma	Mr Moses Gitau	Ms. Theodora Gichana	Joseph Kamau
14.09.2022	✓	✓	✓	✓	✓	N/A
14.10.2022	✓	✓	✓	✓	✓	N/A
13.01.2023	✓	✓	✓	✓	✓	N/A
19.01.2023	✓	✓	—	✓	✓	N/A
13.04.2023	✓	✓	—	N/A	N/A	✓

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Table 6: Technical and Research Committee Attendance FY 22/23

Date	Eng. Samson Maundu	Mr Paul M. Mwangi	Eng Collins Juma	Ms. Elizabeth Lenjo	Ms. Theodora Gichana
07.12.2023	✓	✓	✓	✓	✓

Table 7: Board Audit Committee Attendance FY 22/23

Date	Arthur Omondi Koteng	Henry K. Rono	Moses Gitau	Joseph Kamau	Theodora Gichana
06.12.2022	✓	✓	✓	✓	✓
08.05.2023	✓	✓	✓	✓	N/A

Board Capacity Development

The Board of Directors is committed to empower its members with a view to enabling them to understand their responsibilities as directors, general principles of corporate governance and Board practices.

The Board of Directors Induction and Senior Management capacity development on corporate governance was conducted from 6th February to 10th February, 2023 covering the following areas:-

- a) An Overview of Mwongozo Code of Corporate Governance for State Corporations
- b) Fundamentals of Procurement and disposal in State Corporations
- c) Managing governance disputes through ADR
- d) Budgeting & Financial accountability in state corporations
- e) Board Dynamics and Policy issues Governing Board operations
- f) Team Building

Additionally, board evaluation was undertaken during the year under review.

Declaration of Conflict of Interest

Board members are required to avoid conflict of interest and deal at arms-length in any matter that relates to the Agency. A board member who identifies an area of conflict discloses any actual or potential conflict of interest, provides all relevant information and abstains from decision making.

Governance audit

The Board is expected to ensure that a governance audit of the Agency is undertaken in collaboration with the State Corporation Advisory Committee (SCAC) on an annual basis in line with the *Mwongozo* Code of Governance for State Corporations. The purpose of the audit is to ensure that the Agency conforms to the highest standards of governance practice. In the year under review, a governance audit was undertaken in January 2023 together with the Legal & Compliance Audit and the Report submitted to the Agency in March 2023.

Board remuneration

Board members are remunerated for their services in accordance with guidance from the State Corporation Advisory Committee (SCAC) through circulars issued from time to time, as well as the prevailing relevant legislative provisions and/or guidance from the relevant authorities.

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The regular allowances for Board Chairpersons and Board members are as follows:

Table 8: Regular allowances for Board Chairpersons and Board Members

No.	Allowance	Chairperson	Board member
1.	Honoraria	Ksh.80,000/- per month	N/A
2.	Sitting	Ksh.20,000/-per sitting	Ksh.20,000/- per sitting
6.	Transport	Determined by prevailing Government guidelines; currently National Treasury Circular of 2015. Paid at the current prevailing Automobile Association of Kenya (AA) rates	Determined by prevailing Government guidelines; currently National Treasury Circular of 2015. Paid at the current prevailing Automobile Association of Kenya (AA) rates
7.	Personal Accident Cover (“Not Life”)	Procured competitively.	Procured competitively.
8.	Medical Expenses	Inpatient Ksh.2 Million per annum; Outpatient Ksh. 100,000/- per annum and Last expense (self) Ksh.100,000/	Inpatient Ksh.2 Million per annum; Outpatient Ksh. 100,000/- per annum and Last expense (self) Ksh.100,000/

9 Management Discussion and Analysis

I .NuPEA'S Operational and Financial Performance

Operational Performance

During the Financial year 2022/2023, the Agency planned to implement several programs and projects aimed at achieving its overall core mandate as per the Energy Act 2019. The programs were in line with the Agency's strategic plan, Governments Strategic objectives and the Vision 2030 agenda. The activities and the performance achievement are discussed here below;

A. Policy, Legal and Regulatory Framework for the Nuclear Power Programme development

Developing the policy, legal and regulatory framework for the Nuclear Power Programme involves addressing four key areas:

- a) *National Nuclear Policy*: The National Nuclear Policy Framework is intended to address policy gaps in peaceful utilization of nuclear science and technology.
- b) *National Nuclear Regulatory Law*: The nuclear regulatory law seeks to address legal, institutional and regulatory gaps for safe and peaceful utilization of nuclear energy for electricity generation, and other uses as outlined in the Policy framework. The Nuclear Regulatory Act, 2019 has been enacted to provide a basis for regulatory control for both nuclear electricity generation and uses of conventional sources of radiation. Regulations and Guides are to be developed to enhance regulation of the nuclear power programme.
- c) *Harmonization of National Laws with Nuclear Regulatory Law*: The outcome of this process will ensure smooth regulation of the sector by reducing functional duplicity among entities, as well as compliance and regulatory challenges.
- d) *Accession to nuclear treaties and conventions*: Joining relevant international legal instruments is a critical element of the nuclear legal framework. At present, four (4) Nuclear Safety Conventions adopted under the auspices of the IAEA have been identified for ratification. The conventions are: the Convention on Nuclear Safety (CNS), the Convention on Early Notification of a Nuclear Accident, the Convention on Assistance in the Case of a Nuclear Accident or Radiological Emergency, and the Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management. Additionally, in recognition of the interface between enhancing nuclear safety and mitigating the risk of civil

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liability arising from a nuclear incident, the nuclear liability obligations contained in the 2 liability conventions adopted under the auspices of the IAEA are also under consideration.

During the financial year under review, the Agency made progress in each aspect of the nuclear legal and regulatory framework as follows:

- a) The Agency developed a Draft National Nuclear Policy which will be subjected to public participation and stakeholder validation activities in the FY 2023/2024. The Agency has procured a consultant to undertake the review, conduct public participation and incorporate comments and views into the policy preceding submission for Approval.
- b) The Agency has begun collaboration with the Kenya Nuclear Regulatory Authority (KNRA) on development of regulations to operationalize the Nuclear Regulatory Act, 2019 and implementation of the Nuclear Power Programme. A workshop to strategize development of the priority regulations necessary to implement the Nuclear Power Programme was scheduled for the FY 2023/2024.
- c) The Agency built upon the commencement of the review of national laws relevant to the Nuclear Regulatory Act, 2019 and the Nuclear Power Programme in the FY 2021/2022 by developing Terms of Reference necessary to procure a legislative expert to assess the legislative needs for the implementation of the nuclear power programme and provide an Amendment Bill to spearhead the amendment of laws and a Report on the enactment of laws necessary.
- d) The Agency continued with the process of acceding to nuclear treaties and conventions by updating and presented to the Ministry of Energy and Petroleum a Cabinet Memorandum on the 4 nuclear safety conventions adopted under the auspices of the IAEA that have been identified for ratification/accession to be submitted to the Ministry of Foreign Affairs and the Office of the Attorney General.

This project is funded by the grants from the Government of Kenya through exchequer.

B. Strategic Environmental Assessment for Kenya's Nuclear Power Programme (SEA)

Conducting a Strategic Environmental Assessment (SEA) is a legal requirement for all large projects in order to assess the strategic and environmental viability of a programme.

Pursuant to the provisions of the Environmental Management and Co-ordination Act, 1999 and the Agency's 15-year Strategic Plan, the Agency is undertaking a Strategic Environmental Assessment of Kenya's Nuclear Power Programme with a view to supporting effective and efficient decision-making for sustainable development of the country's Nuclear Power Programme.

This project is aimed at achieving broad public acceptance of the Nuclear Power Project in line with the national values and principles of governance contained in the Constitution of Kenya and additionally constitutes the basis for the subsequent commencement of an Environmental Impact Assessment (EIA) Study for the nuclear power plant sites.

During the financial year under review, the Agency continued with the Strategic Environmental & Social Assessment (SESA) by undertaking National Validation Workshop at KICC in Nairobi on the SESA Report for Kenya's Nuclear Power Programme where several stakeholders of the Agency were invited to participate and provide comments on the report.

This project is funded by grants from the Government of Kenya through the Exchequer.

C. Site and Supporting Facilities Identified

One of the functions of NuPEA is to identify appropriate sites for construction of a nuclear power plant (NPP). Identification of these sites involves consideration of the best national site option for locating nuclear power facilities. Site selection that comprised regional screening, reconnaissance visits, site surveys, ranking and selection of sites based on a set of national criteria, regulatory requirements and quality assurance mechanisms was successfully completed.

The next stage after site selection preparatory work for the contracting and construction of a nuclear power plant commences with site assessment to justify the acceptability of the preferred sites based on detailed investigations and site characterizations. The site assessment results in the derivation of the site related design basis, which should be reflected in the bid invitation specifications for the nuclear power plant.

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With the establishment of the Mombasa office to undertake preparatory siting activities and the findings by the Land Access Committee (LAC) that the preferred land is government owned and had a school establishment, access to this land was acquired under an agreement with Uyombo Girls High School Management. Land was allocated at Konza City thereby allowing for the Preparatory activities for site characterization for a Research Reactor.

As part of commencing the preparatory activities in the 2022/2023 Financial Year, the Agency signed a contract for the set-up of a meteorological station at the Uyombo Site, developed requirements for a seismic monitoring station, reviewed the Expression of Interest for an Owner/Engineer firm to supervise NPP site characterization, and developed Request for Proposals and Terms of Reference for consultancy services for site characterization for the Kenya Nuclear Research Reactor.

Under the NuPEA roadmap, Bid Invitation Specification (BIS) development is supposed to have been completed by 2025. For this to be realised the various IAEA infrastructure issues require to have collected data necessary for population in the BIS. Thus, all activities being undertaken currently should have a direct connection to bidding. Land acquisition is also a very important activity that has to be carried out before requesting for bids as site has to be identified and acquired by NuPEA to avoid an unnecessary situation of the exercise that will require a vendor to acquire it for themselves that will be cumbersome and face a possible reduction on public acceptance locally and within the county.



Figure 1: One of the candidate sites at the coast

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The Agency has to date conducted a human resource gap assessment that identifies gaps of key technical disciplines required in the construction of a nuclear plant. We are currently engaged in development of a national human resource strategy that will recommend actions required to ensure a sustainable workforce to operate the nuclear power plants in terms of workforce numbers and competency/skills. Going forward in relation to inclusion of HRD/Capacity development in the BIS as NuPEA transitions into and owner/operator:

- a) Establishing a training centre equipped with full scope control room simulators within the plant site to train future Turkish operating personnel;
- b) Establish educational training institute and programs/curriculum aimed at training workforce required in all aspects of NPP construction and operation;
- c) Support the education of students in nuclear fields, through supporting of graduate education at foreign universities renowned for advanced nuclear technologies and expertise.
- d) Upon completion of nuclear education abroad, students to work in a public organization related to nuclear energy in such as Kenya Nuclear Regulatory Authority, IPPs and KenGen.

In the FY 2022/23 the Agency implemented activities towards environmental and social impact assessment (ESIA). These include stakeholder engagement whereby the Agency engaged four stakeholder organisations, an addition to engagement activities initiated in the previous 2 years targeting organisations at the Coast Region. Stakeholder engagement is key in environmental and social impact assessment in order to create ownership to the project and identify concerns on all the impacts foreseen from the activities of the construction and operation of the nuclear power plant in Kilifi County.

In the FY 2023/24, the Agency will implement environmental and social impact assessment activities whereby it will draft a scoping report identifying impacts and mitigation measures of the nuclear power plant project in Kilifi County.

Before preparing a bid invitation specification, the owner should have selected a qualified site for the plant, and the ESIA report should also be finished or in a very advanced stage. This ensures that a major part of the site data, including the wide range of detailed studies required to identify the sensitive environmental issues needed for bid preparation, is available. Site conditions have a great influence on the layout, design, construction and costs of the nuclear power plant. Comprehensive specification of environmental site conditions, factors, characteristics and data, including those that may seem not to be directly related to the project, should be provided in the

bid invitation specification in as much detail as possible. This will mark the end of phase 2 of the environmental component in the nuclear power programme development. The owner should offer bidders free access to all detailed site studies, including ESIA documents and collected site data. The owner should also establish a procedure for the resolution of vendors' questions regarding the interpretation of the site data and the matters mentioned above. In the event that the ESIA report is completed before the bid invitation specification is issued, the owner should include in the bid all commitments, limitations and conditions resulting from the ESIA report approval. However, if the report is not finished, the owner should ensure that these commitments, limitations and conditions are handed over to a vendor at least at the contract negotiation stage and incorporated in a contract. Otherwise, the owner can face unforeseen expenses during the course of project implementation. Furthermore, the contract should have mechanisms in place on how to resolve future possible licence and permit issues and conditions to enable continuous project implementation.

The competing bids are judged, among other factors, on the basis of environmental impacts from the proposed nuclear power plant. This means that bids should be evaluated, at a minimum, as to whether they are in conflict with ESIA report results.

D. Energy Research and Development

Sustainable and effective R&D in the energy and petroleum sectors will significantly contribute to increased productivity and efficiency. There has been considerable progress made in the sectors' R&D however, this has mainly been undertaken in a segregated manner by the various institutions. In an effort to address the identified challenges, the Agency developed and is implementing a coordination framework for R&D in the energy and petroleum sectors.

The framework provides strategies for enhancing coordination mechanisms that bring together all stakeholders involved in energy R&D. The purpose of the coordination mechanism is to share information, adopt a coordinated approach to energy and petroleum R&D, establish common objectives, harmonize efforts and utilize available (human and financial) resources efficiently to ensure effective and sustainable R&D in the sectors. The core issues in energy R&D addressed in the framework are Knowledge Management; Strategic Management; Change Management; Intellectual Property Management; External Network; Environmental Moderators; Resource Availability and Mobilization for R&D; Key performance indicators (KPI); Monitoring and

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Evaluation (M&E); Risk Management; Thematic Areas of R&D; and Cooperation and Partnerships.

E. Capacity Building in the Energy Sectors

Successful development and deployment of energy systems is knowledge intensive and therefore requires proper planning and implementation of human resource development. NuPEA recognizes the considerable efforts made by the entities in the energy and petroleum sectors towards HR capacity building, including establishment of training institutes and centres of excellence that offer various training services. However, there are still challenges to effectiveness and sustainability of such facilities and related programmes. These challenges include inadequate funding, overlaps and inefficiencies in allocation and utilization of resources, and weak linkages between the sectors' institutions and academia.

To address these challenges, the Agency developed and is implementing a Human Resource Capacity Building (HRCB) master plan and implementation framework. This framework addresses the stated challenges through: (1) providing a roadmap for a coordinated approach to development of the HRCB in the energy and petroleum sectors, (2) establishing common objectives for HRCB in the sectors, (3) harmonizing efforts to HRCB and (4) enhancing effective mobilization and utilization of available resources efficiently to ensure effective and sustainable HRCB in the sectors. The framework provides an analysis of key aspects of HRCB including education and training; human resource development; knowledge management; knowledge networks; risk management; monitoring & evaluation (M&E); skills; resource availability and mobilization for HRCB; and key performance indicators (KPI).

F. Nuclear Research & Development

Nuclear energy technologies have wide applications that have been shown to enhance economic development and improve quality of life. Research and development activities are required to sustain knowledge and competence within organizations that support or regulate/control nuclear power plant activities. Nuclear R&D is also a critical element in the development of different sectors of the economy in the country. The applications of nuclear technology/techniques in agriculture, medicine, industry, management of water resources are some of the processes that would contribute to national development.

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In the implementation of nuclear R&D, the Agency is implementing the Kenya Nuclear Research Reactor (KNRR) project which has a diverse range of applications in education and training, research, health, agriculture and industry. The Agency has conducted a Feasibility Study (FS) for the KNRR project. The FS report captures the results of all preliminary studies for establishment of a research reactor including: infrastructure assessment, project justification, strategic plan, economic cost benefit analysis, Human Resource Development Plan and site investigation report.

G. Industrial Involvement

The Agency developed a localization policy. In the policy, NuPEA proposed recommendations for consideration in the localization policy and strategy for the nuclear power programme. It highlighted challenges that limit local industry participation in national projects, proposed thematic areas for policy interventions in the localization policy and recommended strategies to enable participation of the local industry in the Nuclear Power Programme.

H. Human Resources Strategy Development

Kenya has embarked on its nuclear power programme and has recognized the need to conduct a workforce assessment of the present and future competency required to build the necessary level of human capacity to construct, operate, maintain, decommission and regulate nuclear power plants.

The report at hand provides a gap analysis which results from comparison to address the gaps (competency and labour numbers) identified in the national workforce vis a vis the NPP workforce requirements. The Nuclear Power Human Resource (NPHR) Model Simulations from the national labour workforce numbers and data obtained from mapping of national training and vocational institutions.

A workforce assessment was undertaken as a human resource development gap assessment study to identify the competency level of the national tertiary training institutes required to be addressed. It is because of this that mapping of institutions nationally was captured in the strategic plan. Various polytechnics and vocational training institutions within different regions in the country were visited and engaged to understand their training programmes, levels of staffing and student accommodation, quality of training equipment and challenges that face these institutions.

The Agency conducted a human resource planning process to identify the current and expected national technical human workforce.

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A total of 56 students have been enrolled in foreign universities (Harbin University in China, Seoul National University (SNU) and KEPCO International Nuclear Graduate School (KINGS) both in South Korea) to study masters in Nuclear Engineering and Science. Out of these, 46 have already graduated and the rest are due to graduate by 2023. A total of 58 students have been sponsored to undertake MSc Nuclear Science at the Institute of Nuclear Science and Technology, University of Nairobi.

I. Public Communication and Stakeholder Management

The stakeholder engagement aimed at increasing public awareness and understanding of Kenya's Nuclear Power Program, educating stakeholders on the production of electricity using nuclear power, informing the public on all aspects on the use of nuclear technology which is safe and secure, making them aware of the economic benefits that may occur from putting up the plant in the country.

During the Performance Period, the Agency achieved its targets by undertaking the following activities:

A). Strengthened strategic partnerships and collaborations by undertaking stakeholder mapping for Kenya's nuclear power programme and developed a stakeholder register to enhance NuPEA's engagements

B). Enhanced information sharing and stakeholders' satisfaction through implementation of the public communication and stakeholders' engagement strategy:

- Updated and disseminated information, education and communication materials totaling to during the stakeholder engagements
- Stakeholder engagement with five professional bodies in Kenya by way of sponsorships and exhibitions. The exhibitions aimed to sensitize participants on nuclear energy development and also served to enhance NuPEA's brand image and visibility. The Agency engaged the following bodies: Law Society of Kenya (LSK), Kenya Association of Manufacturers (KAM), the Institution of Engineers of Kenya (IEK), Engineers Board of Kenya (EBK) and Institute of Certified Public Accountants (ICPAK).
- Conducted five stakeholder engagements on nuclear energy development in the host counties of Kilifi and Kwale. The Agency held stakeholder engagements in Kwale County during

the stakeholder validation workshop on the Strategic Environmental and Social Assessment (SESA) report for the nuclear power programme for Kenya in October 2022

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- Produced five (5) infomercials to create and enhance public knowledge on key areas namely: NuPEA mandate; Job creation; Applications of nuclear technology; and the Nuclear Student Ambassador Programme. Media broadcast of the infomercials is scheduled in July 2023
- Undertook linkages with academia as part of the Agency’s efforts towards stimulating interest in academic institutions on STEM subjects which form a foundation to pursuing careers in the nuclear industry. This was achieved through; Essay contest for Primary and Secondary schools across Kenya under the theme, “Nuclear Technology for environmental protection, energy & food security and research for future prosperity”.
- Nuclear Student Ambassadors Programme was held in Kilifi and Kwale in April 2023 in 10 high schools with 3,578 participants.

Financial performance

NuPEA is a state-owned agency under the Ministry of Energy and is funded through Exchequer allocations. The exchequer is disbursed through the Ministry of Energy on monthly basis. Further the Agency also has externally mobilized fund from International Atomic Energy Agency (IAEA) to support Agency Capacity Building activities.

In the financial year 2022/2023, NuPEA had approved budget of **Ksh 1,598.0M** comprising of **Ksh.780.0M** for development, **Ksh.807.0M** for recurrent expenditure. During supplementary one and two cycles the initial approved budget was revised downwards by a total **Ksh.629.0M** resulting to a final budget of **Ksh.958.0M**. This represents a 40% reduction in the annual budgetary allocation. The reduction has negatively affected the planned activities.

However, the Agency received **Ksh.918.0M** being **Ksh.340.0M** development and **Ksh.578.0M** recurrent. This represents 96% of the final budget allocation resulting to 4% unfavourable variance. During the financial year 2022/2023 the Agency recorded a slight increase of 4% in its overall budget allocation from the previous financial year 2021/2022 as indicated in the table below.

Table 9: Comparison of budget allocation for the financial year 2022/2023 and 2021/2022

	2022/2023 Ksh Million	2021/2022 Ksh Million	Change Ksh Million	% Increase (decrease)
Development	340	280.5	59.5	21%
Recurrent	578	600.8	(22.8)	(4%)
Total	918	881.3	36.7	4%

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Revenue

Revenues are government grants in form of exchequer disbursements from the Ministry of Energy, grants from International Atomic Energy Agency. During the Financial year the Agency received 96% exchequer allocation for the period amounting to **Ksh 918.0M**, This resulted to an increase of 4% in respect to exchequer receipts from the previous year as shown above

During the period under review the Agency realized a revenue of **Ksh.206,100** being proceeds from asset disposal, **Ksh.119,027** from interest charged on staff loans and **Ksh.427,587** as compensation from WIBA. The total other incomes is **Ksh.752,714**.

Expenditure

As at the end of the financial year, the Agency had incurred a total expenditure of **Ksh. 927.8M** against **Ksh.936.9 M** in the year 2021/2022. Further the Agency spent **Ksh. 21.4M** on purchase of fixed assets and intangible assets, a total of **Ksh. 57.4M** was spent on the same in the financial year 2021/2022. The expenses were incurred under the following categories;

Table 10: Comparison of expenditure incurred for the financial year 2022/2023 and 2021/2022.

	2022/2023	2021/2022	Change	% Increase
	Ksh Million	Ksh Million	Ksh Million	(Decrease)
Use goods and services	439.9	423.7	16.2	4%
Compensation of employees	416.7	385.9	30.8	8%
Board expenses	29.1	36	(6.9)	(19%)
Repairs and maintenance	21.2	3.9	17.3	444%
Purchase of non-financial assets	21.4	57.4	(36)	(63%)
Employee mortgage and car loans	-	30	(30)	(100%)
Total	928.3	936.9	(8.6)	(1%)

The Agency's revenue and expenditure has grown gradually over the last five years as depicted in the table below:

Table 11: Revenue and expenditure analysis for the last five years

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
	Kshs	Kshs	Kshs	Kshs	Kshs
Total Revenue	518.2	907.8	813.6	805.4	918.8

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Total Expenditure	329.4	640.1	712.2	869.5	927.8

Over the period of five years (2018-2023) the Agency revenue has marginally grown from Ksh.518M in the FY 2018/2019 to Ksh.918M in the financial year under review.

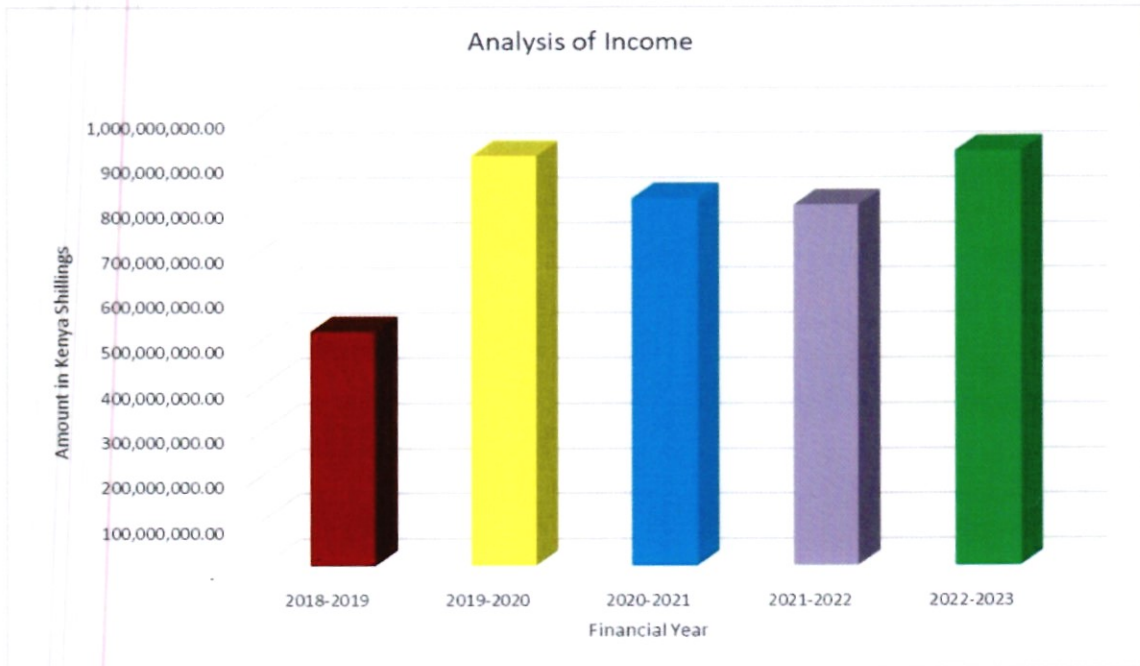


Figure 2: Agency Analysis of Income

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During the period between the FY 2018/2019 to FY 2022/2023 the expenditure has gradually grown from Ksh.329M to the current financial year 2022/2023 expenditure of Ksh.928M.

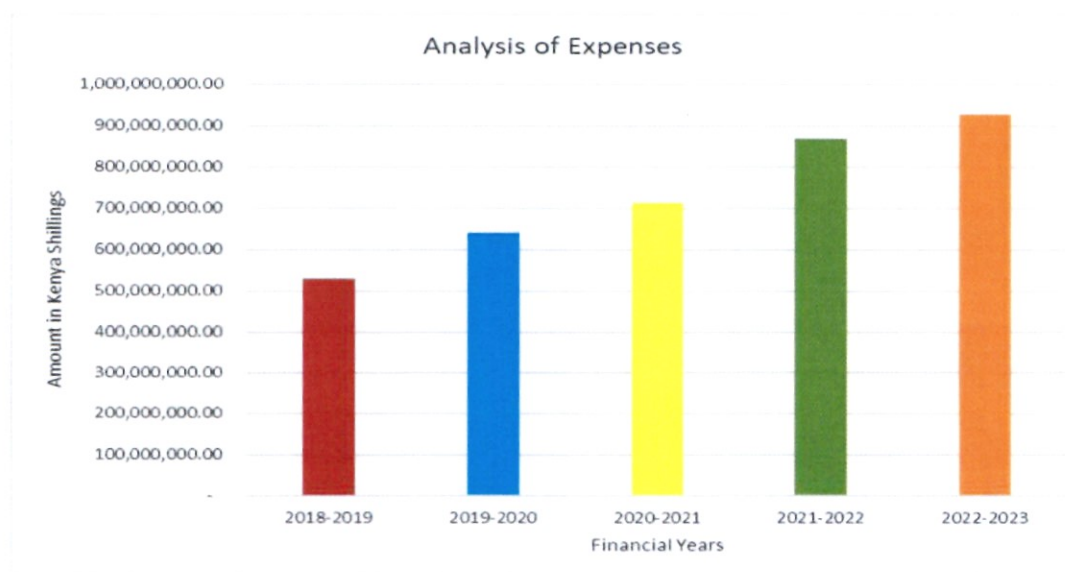


Figure 3: Agency Analysis of Expenses

Compliance with Statutory requirements

NuPEA complied with all the statutory provisions in terms of reporting requirements, taxation returns, and payment and all financial obligations related to payroll statutory deductions.

There was no non-compliance that may expose the Agency to potential contingent liabilities of any future financial loss.

I. Major Risks facing NuPEA

Risk management is an integral part of the Agency’s control and corporate governance structures.

The framework is based on an ongoing process designed to identify the principal risks to the achievement of NuPEA’s objectives, evaluate the nature and extent of those risks and manage risks efficiently, effectively and economically within the risk appetite set by the Agency.

The Risk Management Framework as defined by ISO 31000 is a set of components that provide the foundations and organizational arrangements for designing, implementing, reviewing and continually improving risk management throughout the organization.

In the FY 2018/2019, the Agency adopted a proactive process-based approach towards identification, mitigation and management of risks that could impede the realization of its objectives. Departmental Risk Registers were developed in line with ISO 9001:2018 and the

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Agency's Quality Procedures. During the FY 2022/2023, the Agency continued to implement its risk management framework by reviewing the corporate risk register and training risk champions, Management and Board on risk Management.

A summary of the major risks and mitigation strategies is provided in the table below:

Table 12: Major risks and mitigation strategies

Strategic Risk	Risks arising during the strategic management process (planning, implementation, monitoring and evaluation).	<ol style="list-style-type: none"> 1. Failure to achieve the strategic objectives. 2. Weak monitoring, evaluation and reporting. 	<ol style="list-style-type: none"> 1. Stakeholder involvement during planning. 2. Develop and implement a Monitoring and Evaluation system/plan. 3. Implement a performance management system.
Operational Risk	Risks arising from activities engaged in including systems, processes and procedures.	<ol style="list-style-type: none"> 1. Lack of requisite policies, procedures and systems. 	<ol style="list-style-type: none"> 1. Develop/Review requisite policies and procedures. 2. Implement appropriate organizational systems (i.e. ISO 90001:2015, ISO/IEC 27001:2013, ISO 31000).
Technology Risk	Risks arising from technological, process and service delivery innovations	<ol style="list-style-type: none"> 1. Resistance to adoption of new technologies. 2. Information security and cybercrime. 	<ol style="list-style-type: none"> 1. Undertake staff training on new systems adopted by the Agency. 2. Continuous monitoring and strengthening of information system security.
Political Risks	Change in government laws and policies	<ol style="list-style-type: none"> 1. Change in government priorities 	<ol style="list-style-type: none"> 1. Undertaking of Legal and Regulatory Framework programme 2. Legal Audits 3. Public Communication and Stakeholder Management strategy

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Human Resource Risk	This entails adequacy of staff capacity and support initiatives	<ol style="list-style-type: none"> 1. Inadequate staff capacity - number and skill mix. 2. Inadequate support of various initiatives 	<ol style="list-style-type: none"> 1. Hire staff with requisite skills. 2. Staff training and development. 3. Develop and implement strategies that will facilitate retention of qualified and productive staff. 4. Monitor and evaluate Job Descriptions and specifications.
Financial Risk	This involves the adequacy and accessibility of funds to finance the Agency's projects and programmes.	<ol style="list-style-type: none"> 1. Inadequate funding. 2. Delays in disbursement of resources to programmes/activities. 3. Delayed project implementation 	<ol style="list-style-type: none"> 1. Pitch for allocation of adequate resources from the government. 2. Seek support from development partners. 3. Synchronize work plans, budgets and procurement plans. 4. Alignment of financial statements to prescribed timelines and requirements. 5. Adherence to the procurement plan 6. Strengthen internal controls; Implement internal audit recommendations"
Legal and Regulatory Risk	These are risks that arise as a result of change in laws and regulations, amendment of laws and inability of the Agency to meet its contractual commitments /obligations	<ol style="list-style-type: none"> 1. Inadequate regulatory framework. 2. Litigation. 	<ol style="list-style-type: none"> 1. Propose review and development of relevant laws and regulations. 2. Ensure full compliance with applicable laws and regulations. 3. Enhance public participation and stakeholder engagement.

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II. Material arrears in statutory and financial obligations

NuPEA has no material arrears in statutory and financial obligation.

III. NuPEA's financial probity and serious governance issues

The Agency did not have any financial impropriety reported by either internal audit, Board Audit Committee, external auditors, or any other National Government Agencies providing oversight. There were no serious governance issues among the Board and top management including conflict of interest.

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10 Environmental and Sustainability Reporting

The Nuclear Power and Energy Agency (NuPEA) is a State Corporation established under the Energy Act 2019. The Agency's mandate as stipulated in Section 56(1) of the Energy Act, 2019, is to be the nuclear energy programme implementing organization and promote the development of nuclear electricity generation in Kenya; and to carry out research, development and dissemination activities in the energy and petroleum sectors in Kenya. Below is a brief highlight of the Agency's achievements in the following four sustainability pillars:

i) Sustainability strategy and profile

a) Nuclear Infrastructure Development

The Government's objective in implementation of a nuclear power programme is the provision of safe, reliable and competitively priced electricity to power successful implementation and operationalization of Vision 2030 flagship projects and other future power intensive development projects.

Kenya's development of a nuclear power programme is a major undertaking that requires long term commitment to the highest standards of safety, security and operational excellence. NuPEA has continued to effectively coordinate and build sustainable nuclear infrastructure that will provide governmental, legal, regulatory, managerial, technological, human resource, industrial and stakeholder support throughout the nuclear power programme's life cycle. The following projects have been implemented successfully;

- a) Enactment of the Kenya Nuclear Regulatory Act, 2019, that established the country's nuclear regulatory authority. The Act provides a comprehensive framework for the regulation of safe, secure and peaceful utilization of atomic energy and nuclear technology; the production and use of radiation sources and the management of radioactive waste;
- b) Developed a Draft National Nuclear Policy.
- c) Developed a framework for ascension of international nuclear safety treaties and conventions.
- d) Finalized technical requirements for site characterization of nuclear power plants in Kenya.
- e) Designed grid interconnection schemes for Kenya's NPP from both preferred and alternate sites.
- f) Evaluated emergency planning framework for the nuclear power programme.
- g) Developed a framework for environmental assessment of nuclear power plants in Kenya.
- h) Conducted studies on requirements for security and physical protection threat assessment and design basis threats of nuclear power plants and nuclear material.

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- i) Prepared a model case for the Kenya Nuclear Power Human Resource development strategy.
- j) Reviewed the current State System of Accounting and Control of Nuclear Material (SSAC) including obligations and commitments to international safeguards instrument and developed a plan for the transition from the Small Quantities Protocol to Comprehensive Safeguards Agreement.
- k) Conducted stakeholder engagement in various counties and implemented school outreach programs.

NuPEA is committed towards establishment of requisite infrastructure for efficient implementation of Kenya's nuclear power programme.

b) Energy Research & Development and Capacity Building

In addition to the role of development of infrastructure necessary for establishment of a nuclear power programme in Kenya, the Energy Act, 2019 additionally mandates NuPEA to coordinate research and development and capacity building in the energy and petroleum sectors in Kenya. The Agency implemented the following:

- a) Mapping out of potential partners for collaborative research and technologies adaptation;
- b) Development of a draft energy research outputs dissemination framework;
- c) Updating of the draft self-evaluation report on infrastructure issues for Kenya Nuclear Research Reactor (KNRR) project;
- d) Development of draft bid invitation specification report for the KNRR facility;
- e) Review of the monitoring and evaluation (M&E) framework for Human and institutional Capacity development (HICD) in the energy and petroleum sector; and
- f) Development of draft capacity building resource requirements.

NuPEA continues to build adequate capacity towards provision of excellent leadership to the energy and petroleum sectors through efficient coordination of R&D and capacity building.

ii) Environmental performance

The Nuclear Power and Energy Agency is charged with the responsibility of promoting and implementing Kenya's Nuclear Power Programme and carrying out research and development for the energy sector. Towards attainment of its mandate, the Nuclear Power and Energy Agency is currently developing policies and legislation, identifying suitable sites for the construction of Nuclear Power Plants; carrying out research, development and innovation on energy technologies as well as capacity building for the energy sector.

Currently, NuPEA does not generate any waste streams. However, future prospects and goals of undertaking its mandate will be the construction of the first nuclear power plant for

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generation of electricity and also the construction of the first research reactor facility for utilization in the medical sector, education sector, industry, agriculture and research and development. These facilities will generate waste streams in the form of radioactive waste and spent fuel (irradiated nuclear fuel in the reactor core). Therefore, a clear policy and strategy needs to be in place to realize safe management of radioactive waste and spent fuel, in terms of storage, transport, processing, and eventual disposal (geological disposal) with minimal or no release to harm people and the environment. Another possibility of waste generation that is beyond radioactive waste and spent fuel generation is during construction and decommissioning of the mentioned facilities and construction Kenya's first deep and near-surface geological disposal facilities for spent fuel material and radioactive waste.

With these in mind, current guidance laws that shall achieve the above objectives and align to the mandate of NuPEA are:

- a) The Environmental Management and Coordination Act (EMCA) - a framework law on environmental management and conservation. The Act provides for environmental protection through;
 - i. Environmental impact assessment of a facility and public participation.
 - ii. Environmental audit and monitoring.
 - iii. Environmental restoration orders, conservation orders, and easements.
 - iv. Strategic Environmental Assessment (SEA) for integrating environmental consideration into Policies, Plans, and Programs (PPP) and evaluating the inter-linkage with economic and social considerations through public participation.
- b) NEMA subsidiary legislations on environment protection
 - i. NEMA has established subsidiary legislations for regulations of activity that would result in generation of any waste to minimize harmful environmental impact to any activities, in this case the nuclear power programme.
- c) Nuclear Regulatory Act establishment of Kenya Nuclear Regulatory Authority - a comprehensive framework for the regulation of safe, secure and peaceful utilization of atomic energy and nuclear technology; the production and use of radiation sources and the management of radioactive waste and spent fuel management
 - i. The act provides provisions for classification of radioactive waste, regulations, responsibility, export and import controls and safety requirements of a facility licensed for management/ production of waste, to ensure no release of radioactive material that could bring harm, damage to people and the environment.

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d) KNRA subsidiary legislations on nuclear regulations and environmental protection

- i. KNRA shall provide subsidiary legislation to regulate activities that would result in generation of radioactive waste, through inspection, requirements, licensing and quality management and planning.

iii) Employee welfare

The Nuclear Power and Energy Agency recognizes all its employees as the most valuable resource and that the welfare of all staff is essential in achieving the Agency's Vision and Mission. The Agency is committed to providing a caring and supportive working environment which is conducive to the welfare of all staff to enable them to develop and optimize their full potential. The staff welfare is a joint responsibility and members of staff are expected to contribute and participate effectively. The Agency has in place staff welfare policies and schemes such as staff medical, group life and work injury benefits, mortgage and car loan among others.

a) Recruitment

The Agency recognizes that human capital is a critical asset to achievement of its strategic objectives and is fundamental to its success. The Agency has adopted a strategic and systematic approach to resourcing in order to attract and retain competent staff with requisite skills, knowledge and capabilities.

The Agency is an equal opportunity employer and is committed to ensuring that the recruitment and selection of employees is conducted in a manner that is competitive, promotes equal opportunity, equality, diversity and does not discriminate on the basis of race religion, ethnicity or any other form of discrimination.

Ethnic distribution in NuPEA

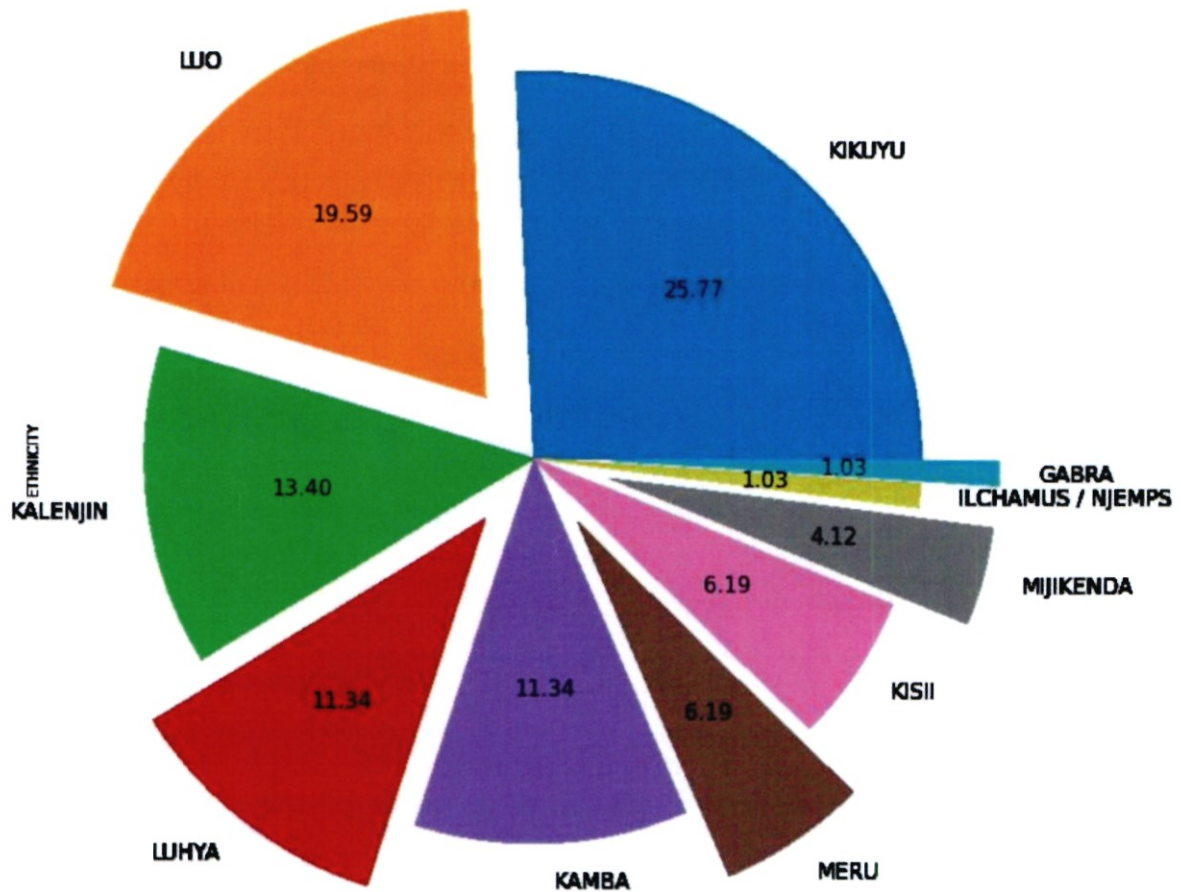


Figure 4: Ethnic composition of the NuPEA staff members

The Constitutional requirements on mainstreaming of gender and persons with disabilities as stipulated in Article 52 and 57 of the Constitution Kenya 2010 are observed alongside other policies issued by the National Cohesion and Integration Commission.

The Agency has a gender policy in place and gender-based policies that are aligned to the national values.

Gender distribution in NuPEA

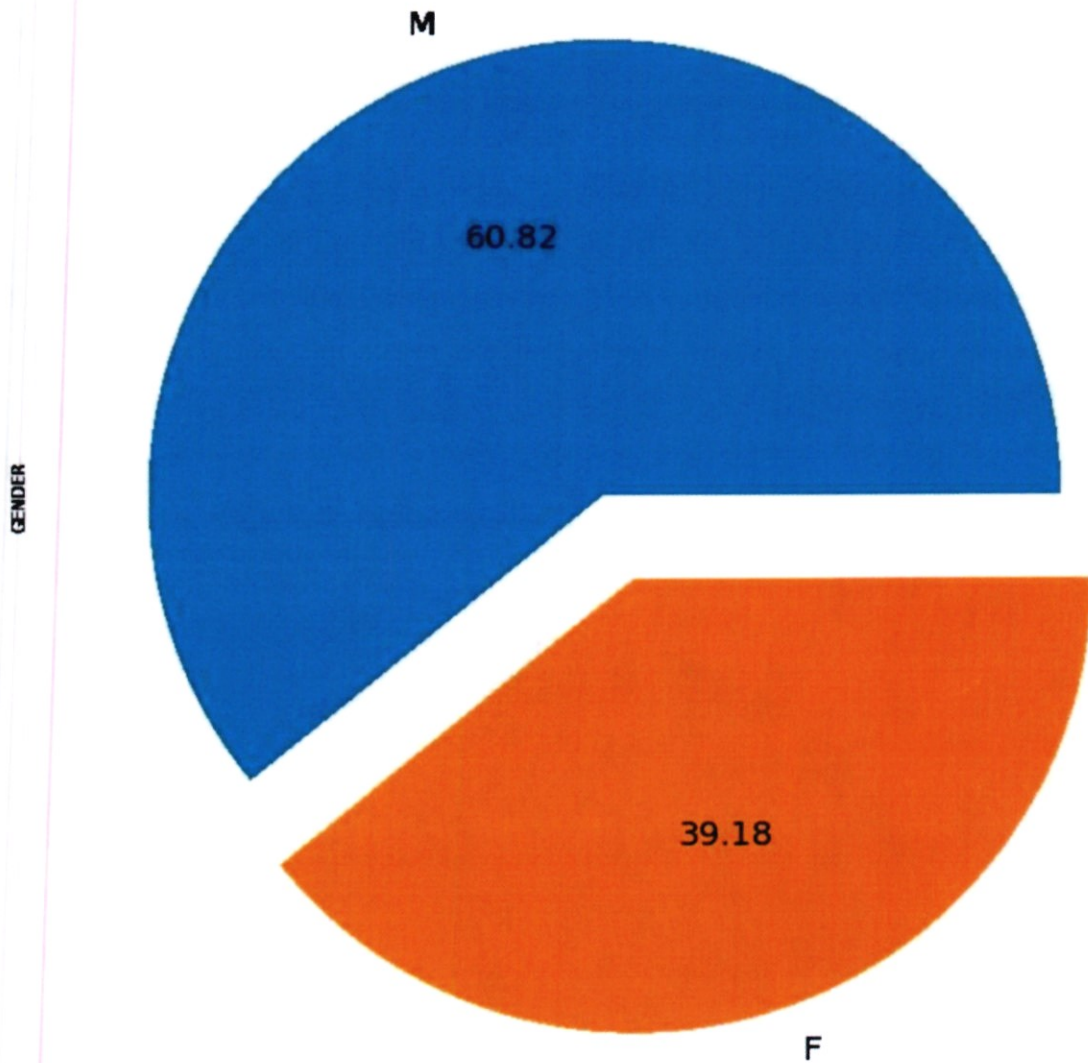


Figure 5: NuPEA percentage gender composition

b) Career guidelines

The Agency has a Career Guidelines Policy that guides on appointment and promotion of employees in their respective field of employment in order to promote career growth and motivate employees. The Career Guidelines Policy outlines the competency framework, experiences and qualifications required for career progression. It also defines and documents the Agency's succession plan by defining positions, responsibilities and accountabilities in a progressive manner.

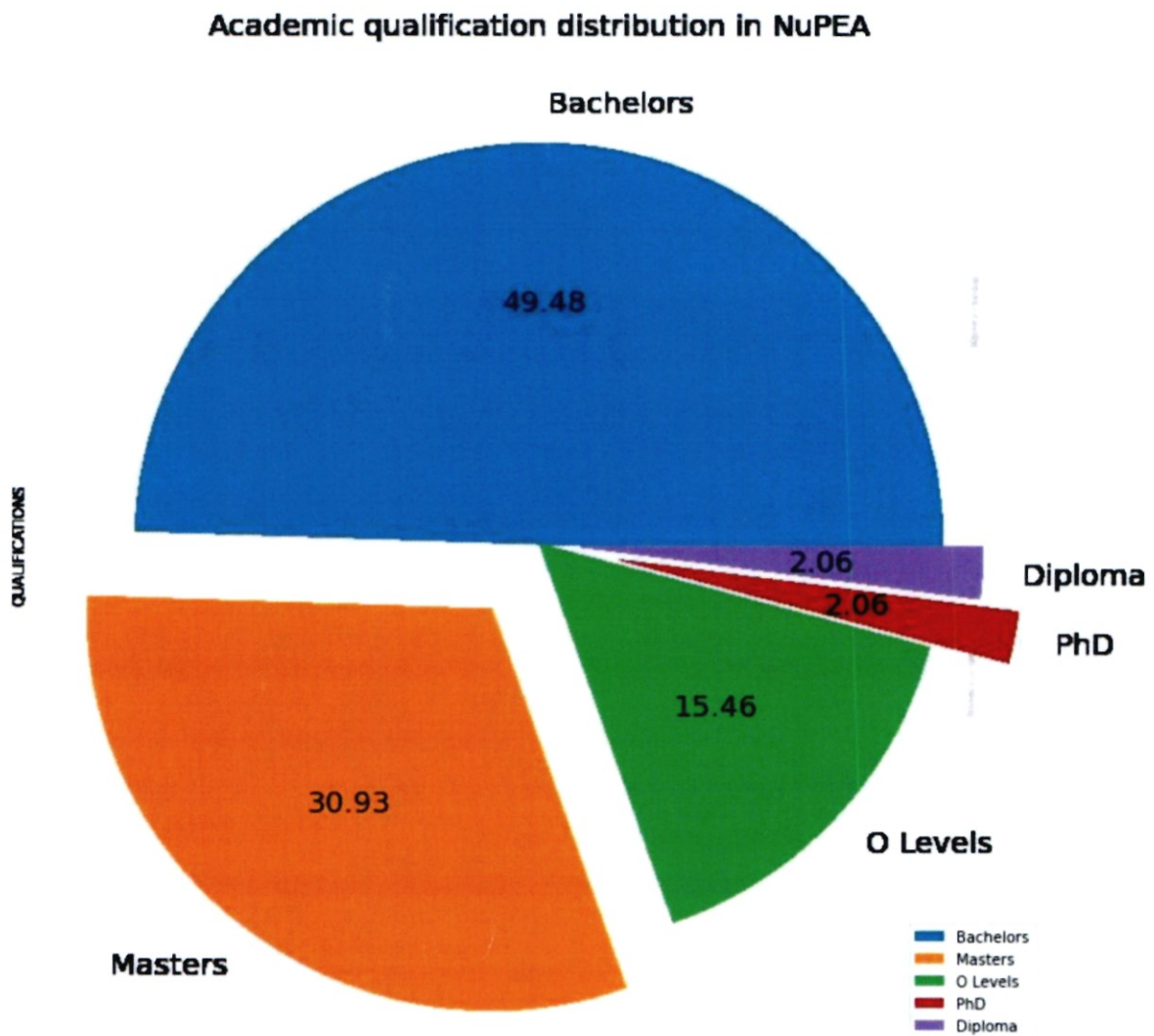


Figure 6: Academics qualification

c) Performance Management

The Agency is committed to promoting high performance standards in order to achieve its overall mandate and strategic objectives. To this end, the Agency has adopted the application of performance contracting, a results-oriented system of management aimed at introducing a systematic process of planning work, setting goals and expectations, continually monitoring performance, developing the capacity to perform and periodically rating performance. The Agency Performance contract is anchored on national development goals with clear linkage to the Agency's strategic plan. It is cascaded to all Departments/ Divisions, levels and cadres of employees.

The Staff Performance Appraisal system (SPAS) is grounded on the principle of work planning, setting of agreed performance targets, feedback and reporting. It is linked to other human resource systems and processes including employee development, career guidelines, placement, rewards and sanctions.

The Agency has put in place an incentive scheme aimed at rewarding members of staff based on the value they are adding to the Agency in relation to their performance, approved experience and professional skills/competence. The Rewards and Sanction framework establishes a basis for rewarding exemplary performance and administering sanctions for poor performance, motivating employees to have a positive attitude to work and to enhance productivity in the Agency.

d) Training and Development

Whilst the Agency will recruit competent personnel, it endeavours to continuously upgrade employee's core competencies, knowledge, skills and attitudes of its employees to ensure that their performance meets and/or exceeds the minimum expectations and benchmarks best practices. The Agency therefore recognizes the need for training and development of all employees in order to ensure effective delivery of its mandate. The Agency is committed to providing training and development opportunities to all staff in a fair and equitable manner without any form of discrimination.

In the year under review, NuPEA conducted internal training needs assessment and facilitated employees to undertake Continuous Professional Development (CPD) courses offered by their respective professional bodies. The Agency also facilitated other trainings and conferences for staff members which has been of great importance in improvement of NuPEA's work execution.

e) Occupational Health and Safety

The Management of NuPEA is committed to the health and safety of its employees and stakeholders at large. Management is committed to continuing improvement toward an accident-free workplace through effective administration, education and training. To this end, the Agency has developed OHS Policy that provides guidelines for NuPEA to make conscious effort to conserve and improve safe and healthy working conditions for staff, clients and visitors in compliance with Occupational Safety and Health Act No. 15 of 2007 and any other relevant occupational safety and health legislation and regulations. The policy seeks to reduce the number of work-related accidents and diseases, and equitably provide compensation and rehabilitation to those injured at work or who contract occupational diseases.

iv) Marketplace practices

NuPEA is committed to public advertising as a part of enhancing knowledge and understanding of Kenya's nuclear power programme and its mandate. This is also geared towards strengthening its brand and corporate visibility. The target audience is both national and international stakeholders including members of the general public. The Agency's advertisements are intended to publicise packaged key messages about nuclear energy, job vacancies, NuPEA events, and procurement opportunities among other infomercials.

In order to realize sustainable advertising, NuPEA deploys an intensive multimedia approach. The Agency majorly utilizes electronic and print media such as paid-up advertorials on television, radio and newspaper supplements particularly on MyGov. Further, the Agency undertakes digital media advertising which entails proactive publishing of content on its website and social media platforms (Twitter, Facebook, Instagram and YouTube). Other forms of advertising used by the Agency include Information, Education and Communications (IEC) materials such as brochures, fliers, banners and assorted branded merchandise which help to boost its brand image and visibility.

a) Responsible competition practice

The Agency gives the suppliers opportunities to register with the Agency on different categories to provide goods, works and services on the expertise they have. Further, the Agency invites registered suppliers on rotational basis to ensure equal chances in bidding process.

b) Responsible Supply chain and supplier relations

The Agency ensures supplier relationships through collaboration and working as a team with its suppliers. This involves having a two-way information flow and resolving any arising conflicts amicably.

In the year under review, the Agency awarded tenders worth **Kshs.252,604,212** out of which **Kshs. 172,537,756** being 68% of the total procurement was awarded to youth, women and Persons with Disabilities (PWDs). This is in accordance with the Procurement act, regulations and Government preferential procurement policy on Access to Government Procurement Opportunities (AGPO). The regulation provides for a public entity to allocate at least 30% of its procurement budget for procuring goods, works and services from micro and small enterprises owned by youth, women and Persons with Disabilities (PWDs). These procurement opportunities have created diverse financial benefits for the special groups as well as enhancing the NuPEA's corporate image and reputation.

The Agency is committed to ensuring that supplier's payment documents are compiled on a timely basis to ensure that the payments for the goods/ works/services are done within the stipulated period.

c) Responsible marketing and advertising

The Agency advertises its open tenders via MyGov and the Agency's official website as per the government guidelines on public procurement.

d) Product stewardship

The Agency ensures that the goods and services procured meet the standard requirements.

v) Corporate Social Responsibility (CSR)/ Community Engagements

As a corporate citizen, NuPEA values and cherishes the rich tapestry, variety and diversity of the country's social fabric through its commitment to supporting endeavours that better the lives of Kenyans. Concurrently with its operations, the Agency continued implementing CSR initiatives in communities with a view to make a positive impact in the lives of the people living in them. NuPEA is committed to environmental conservation and partnership with other parties towards the attainment of the presidential directive on tree planting and increase in forest cover in the country. In the FY 2022/23, the Agency made a strong pitch for environmental conservation during tree planting exercises where 3,000 tree seedlings were planted in Nyeri and Narok. This is in line with the Agency's commitment and efforts to contribute to the global mitigation of climate change by promoting sustainable environmental stewardship.

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Further, the Agency undertook a collaborative CSR initiative together with Kilifi North and Kilifi South Constituencies. This involved in-kind donations to the local residents including academic institutions and organized youth groups. The items included 14,000 exercise books, 1,200 market sheds, 2,000 dust coats and 7,000 safety reflector jackets.

NuPEA recognizes that many girls continue to miss out on education due to absenteeism that is related to reproductive health issues as they are forced to stay away from school when they are not able to manage their menstruation. The Agency made efforts to support the Government Sanitary Towels Programme steered by the Ministry of Public Service, Youth and Gender Affairs. The Programme is geared toward addressing the menstrual challenge faced by school girls in the reproductive age bracket. In the year under review, the Agency disseminated 23,000 sanitary towels and accessories to less privileged girls in public primary and secondary schools in Kilifi County. This was aimed at helping the girls to access uninterrupted education and retain them in school during their menstrual periods and thereby enhance their academic performance.

Lastly, the Agency constructed a perimeter fence in Uyombo Girls Secondary School in Kilifi County. The School was strategically selected for this purpose on the basis that it sits on one of the potential sites identified to host nuclear power plants. Also, NuPEA has planned to install a meteorological station to assist in scientific data collection and prior to the installation of this facility, there was need to enhance security in the School.

11 Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the Nuclear Power and Energy Agency affairs.

i) Principal activities

The principal activities of the Agency as stipulated in the Energy Act of 2019 is;

- (a) To be the nuclear energy programme implementing organization & promote the development of nuclear electricity generation in Kenya
- (b) Carry out research, development and dissemination activities in the energy and nuclear power sector.

ii) Results

The results of the Entity for the year ended June 30, 2023, are set out on page 1 to 25

iii) Directors

The members of the Board of Directors who served during the year are shown on page xi to xvii.

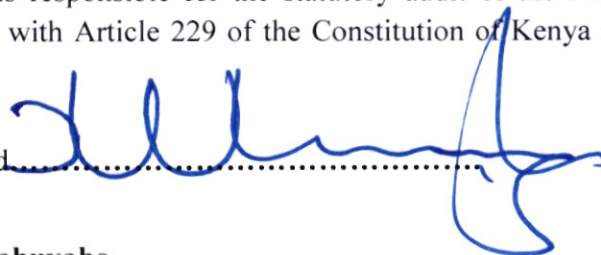
iv) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into the Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. Nuclear Power and Energy Agency realised a deficit during the year FY 2022-2023 and hence no remittance to the Consolidated Fund.

v) Auditors

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

By Order of the Board.....



Name: CS Justus Wabuyabo

Corporation Secretary

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12 Statement of Directors' Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act require the Directors to prepare financial statements in respect of the Agency, which give a true and fair view of the state of affairs of the Agency at the end of the financial year/period and the operating results of the Agency for that year/period. The Directors are also required to ensure that the Agency keeps proper accounting records which disclose with reasonable accuracy the financial position of the Agency. The Directors are also responsible for safeguarding the assets of the Agency.

The Directors are responsible for the preparation and presentation of the Agency's financial statements, which give a true and fair view of the state of affairs of the Agency for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes:

- i. Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- i. ii. Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Agency;
- ii. 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;
- iii. iv. Safeguarding the assets of the Agency;
- iv. v. Selecting and applying appropriate accounting policies; and
- v. vi. Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Agency'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 and the State Corporations Act. The Directors are of the opinion that the Agency's financial statements give a true and fair view of the state of the Agency's transactions during the financial year ended June 30, 2023, and of the Agency's financial position as at that date.

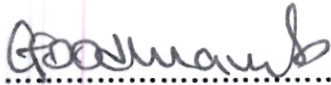
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The Directors further confirm the completeness of the accounting records maintained for the Agency, which have been relied upon in the preparation of the Agency's financial statements as well as the adequacy of the systems of internal financial control.

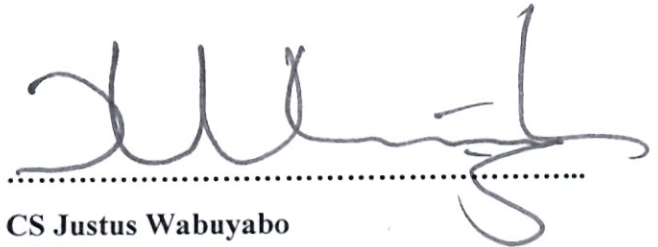
Nothing has come to the attention of the Directors to indicate that the Agency will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Agency's financial statements were approved by the Board on 14th March 2024 2023 and signed on its behalf by:



**Mr. Ezra Odondi Odhiambo
CHAIRMAN OF THE BOARD**



**CS Justus Wabuyabo
AG. CHIEF EXECUTIVE OFFICER**

REPORT OF THE AUDITOR-GENERAL ON NUCLEAR POWER AND ENERGY AGENCY FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of the Nuclear Power and Energy Agency set out on pages 1 to 28, which comprise of the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and

other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Nuclear Power and Energy Agency as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Energy Act, 2019.

Basis for Opinion

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of 2021/2022 financial year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not resolved the issues or given any explanation for failure to resolve them.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Utilization of Petroleum Development Levy Funds

Review of the financial records revealed that the Agency received a total of Kshs.918,000,000 which includes an amount of Kshs.200,000,000 from the Petroleum Development Fund which were utilized on implementation of nuclear projects. This was contrary to Section 4(4) of the Petroleum Development Fund Act, 2012 which states that there shall be paid out of the Petroleum Development Funds such monies as are necessary for the development of common facilities for distribution or testing of oil products and matters relating to the development of the oil industry.

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

2. Failure to Prepare Financial Statements for Staff Mortgage and Car Loan Fund

Note 14 (b) to the financial statements reflects non-current receivables of Kshs.317,285,000 in respect of staff mortgage and car loans fund. However, the financial statements for the Funds were never prepared and submitted for audit contrary to Section 47(1) of the Public Audit Act, 2015 on time limit of submission of accounts which provides that the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

3. Irregular Procurement for Consultancy Services – Enterprise Resource Planning (ERP) Implementation

The Agency under Note 8 to the financial statements spent a total of Kshs.439,943,721 in respect of use of goods and services. Included in the expenditure is consultancy fees amounting to Kshs.9,692,300 for procurement of a consultant for PRE-ERP-implementation process.

However, Management used their list of the prequalified suppliers under consultancy to seek for proposal for the consultant, contrary to Section 122(1) of the Public Procurement and Asset Disposal Act, 2015 which stipulates only those candidates who qualified after submitting their expression of interests were to be invited to put in their proposals. Management invited bids from firms that had not put in their expression of interests and qualified to be invited.

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

4. Irregular Reallocation of Funds

The Agency spent a total of Kshs.16,429,506 on gratuity and Kshs.30,185,316 on medical expenses against an approved budget of Kshs.15,000,000 and Kshs.25,000,000 respectively as reflected in Note 9 to the financial statements. This resulted to an over expenditure of Kshs.1,429,506 and Kshs.5,185,315 for gratuity and medical expenses

respectively contrary to Public Finance Management Act, 43, 2 (b) which states that an Accounting Officer, may reallocate funds between programs, or between Sub-Votes, in the budget for a financial year if a request for the reallocation has been made to The National Treasury explaining the reasons for the reallocation and The National Treasury has approved the request.

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

5. Outstanding PAYE Penalties and Interest

The Kenya Revenue Authority itax portal for Income Tax assessment for the Agency reflects cumulative penalty and Interest charges of Kshs.1,473,814 contrary to Section 105 of the Income Tax Act which states that tax is recoverable if it is proved to the satisfaction of the Commissioner that, in respect of a year of income, tax has been paid by or on behalf of a person, whether directly or by deduction or otherwise, which is in excess of the amount payable by that person as finally determined in respect of that year of income, the Commissioner shall refund the amount of the excess, together with any interest which may be payable thereon under this Act, to the person entitled to the refund. Additionally, when tax is due and payable by a person in respect of an assessment, any amount refundable to that person under this section shall be applied towards the satisfaction of the tax so due and payable to the extent of that tax and the amount so applied shall not be refunded.

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

6. Non-Compliance of Mortgage Loan Terms

The Agency mortgage facility as per Section E part 48 of the scheme regulations had a maximum duration of twenty-five (25) years which is contrary to Section 7 of Circular SRC/ADM/COR/1/13 Vol. III /128 of 2014 states that the maximum duration of the mortgage facility is twenty (20) years. The policy further allows staff on contract to access the facility contrary to the eligibility criteria stipulated in the 2014 car and mortgage loan circular. This is contrary to Section 1 of SRC circular on staff car and mortgage defines the scope and eligibility of the car and mortgage facility as state officers employed on permanent and pensionable basis as well as state officers working on part time or full-time basis.

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

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the 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

Excess Composition of Board Members and Committees

The Agency had nine (9) Board Members and hence the membership of committees should be a third (1/3) of the board which translates to a maximum of 3 members. This, however was not adhered to as the four (4) committees of the board had four (4) members. The number of members to any Committees should be no more than one third (1/3) of the full board to obviate the risk of a committee conducting its business within the framework of a full board structure.

In the circumstances, the effectiveness of the governance structure of the board could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Agency's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Agency or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Agency to cease to continue sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Agency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

22 March, 2024

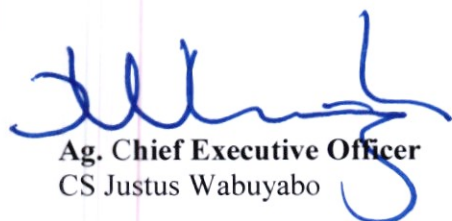
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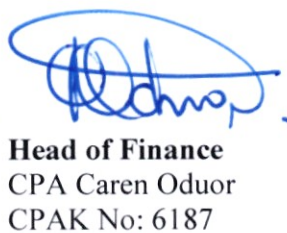
14 Statement of Financial Performance for the Year Ended 30 June, 2023

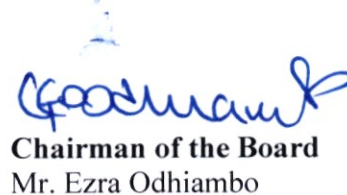
	Notes	FY 2022-2023	Period ended 30 June 2022
Revenue from non-exchange transactions		Kshs	Kshs
Transfers from other government entities	6	896,645,711	795,000,000
Other Income	7	752,714	4,332,983
Total Revenue		897,398,425	799,332,983
Expenses			
Use of goods and services	8	439,943,721	423,727,451
Employee costs	9	416,651,566	385,911,321
Remuneration of Directors	10	29,105,737	35,985,797
Depreciation and amortization expense	11	20,841,926	20,050,243
Repairs and maintenance	12	21,214,640	3,866,096
Total expenses		927,757,590	869,540,909
Surplus before Tax		(30,359,165)	(70,207,926)
Taxation		-	-
Surplus(Deficit) for the period		(30,359,165)	(70,207,926)

The notes set out on pages 6 to 26 form an integral part of these Financial Statements

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


Ag. Chief Executive Officer
CS Justus Wabuyabo


Head of Finance
CPA Caren Oduor
CPAK No: 6187


Chairman of the Board
Mr. Ezra Odhiambo

Date: 14th March 2024


Date: 14th March 2024

Date: 14th March 2024

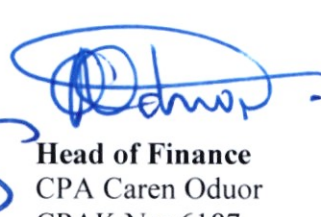
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15 Statement of Financial Position as at 30 June, 2023

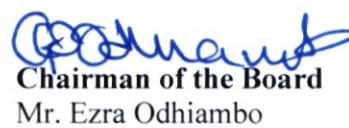
	Notes	FY2022- 2023	FY2021-2022
Assets		Kshs	Kshs
Current assets			
Cash and cash equivalents	13	67,784,388	142,339,169
Receivables from non-exchange transactions	14(a)	57,322,718	15,709,488
Total Current Assets		125,107,106	158,048,657
Non-current assets			
Property ,plant and equipment	15	107,865,558	105,629,191
Intangible Assets	16	16,343,645	18,067,649
Staff Mortgage/ Car Loan fund	14(b)	317,285,000	317,285,000
Total non - current assets		441,494,204	440,981,840
Total assets		566,601,309	599,030,497
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	17	113,905,827	89,508,797
Provisions	18	12,468,000	13,164,000
Total current liabilities		126,373,827	102,672,797
Non-current liabilities			
Non-current employee benefit obligation	19	10,707,362	56,412,617
Total non-current liabilities		10,707,362	56,412,617
Total liabilities		137,081,189	159,085,414
Net assets			
Reserves		118,518,313	118,518,313
Accumulated surplus		311,001,807	321,426,770
Total net assets		429,520,120	439,945,083
Total net assets and liabilities		566,601,309	599,030,497


Ag. Chief Executive Officer
CS Justus Wabuyabo

Date: 14th March 2024


Head of Finance
CPA Caren Oduor
CPAK No: 6187

Date: 14th March 2024


Chairman of the Board
Mr. Ezra Odhiambo

Date: 14th March 2024

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16 Statement of Changes in Net Assets for the Year Ended 30 June, 2023

	Fund Account	Accumulated Surplus	Total
	Kshs	Kshs	Kshs
At 1 July 2021	118,518,313	382,464,847	500,983,160
Deficit for the period		(70,207,926)	(70,207,926)
Prior period Adjustments		3,065,409	3,065,409
Revaluation Reserve		6,104,440	6,104,440
At 30 June 2022	118,518,313	321,426,770	439,945,083
At 1 July 2022	118,518,313	321,426,770	439,945,083
Deficit for the period		(30,359,165)	(30,359,165)
Prior period adjustments		*(1,420,087)	(1,420,087)
Capital/Development grants received during the year	-	21,354,289	21,354,289
At 30 June 2023	118,518,313	311,001,807	429,520,120

***Note**


Prior year adjustments relate to staff receivables for prior year that were accounted in the financial under review.

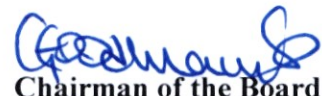
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17 Statement of Cash flows for the Year Ended 30 June, 2023

	Notes	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other government entities	6(a)	873,000,000	795,000,000
Prior year Exchequer Receipts			75,000,000
Other income	7	752,714	114,719
Total Receipts		873,752,714	870,114,719
Payments			
Use of goods and services	8(a)	418,619,476	465,301,768
Employees costs	9(a)	458,013,352	384,505,752
Remuneration to directors	10(a)	29,105,737	32,745,797
Repairs and maintenance	12	21,214,640	3,866,096
Total Payment		926,953,206	886,419,414
Net cash flows from operating activities		(53,200,492)	(16,304,695)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	15	(21,354,289)	(33,702,187)
Increase in non-current receivables		-	(30,000,000)
Net cash flows used in investing activities		(21,354,289)	(63,702,187)
Net increase/(decrease) in cash and cash equivalents		(74,554,781)	(80,006,882)
Cash and cash equivalents at 1 July 2022	13	142,339,169	222,346,051
Cash and cash equivalents at 30 June 2023	13	67,784,388	142,339,169


Ag. Chief Executive Officer
CS Justus Wabuyabo


Head of Finance
CPA Caren Oduor
CPAK No: 6187


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Date: 14th March 2024

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18 Statement of Comparison of Budget and Actual Amounts for the Year Ended 30 June, 2023

	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	% of Utilization
	a	b	c=a+b	d	e(c-d)	e=d/c%
	KShs	KShs	KShs	KShs	KShs	KShs
Revenue						
Government grants and subsidies	1,587,000,000	(629,000,000)	958,000,000	918,000,000	40,000,000	96%
Other incomes	-	-	-	752,714	(752,714)	0%
Total income	1,587,000,000	(629,000,000)	958,000,000	918,752,714	39,247,286	96%
Expenses			-		-	
Goods and services	1,106,004,200	(660,864,200)	445,140,000	418,619,476	26,520,524	94%
Compensation of employees	378,195,800	83,264,200	461,460,000	458,013,352	3,446,648	99%
Repairs and Maintenance	6,000,000	15,400,000	21,400,000	21,214,640	185,360	99%
Directors Emoluments	30,000,000	-	30,000,000	29,105,737	894,263	97%
Total expenditure	1,520,200,000	(562,200,000)	958,000,000	926,953,206	31,046,794	97%
					-	
Deficit for the period	66,800,000	(66,800,000)	-	(8,200,492)		
Purchase of non-financial assets	68,800,000	(46,000,000)	22,800,000	21,354,289	1,445,711	94%

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Notes on Statement of Comparison of Budget and Actual amounts

Note 1.Reconciliation of Budget and Statement of Financial Performance

Deficit as per Financial Performance	(30,359,165)
Add	
Add Depreciation Expense	20,841,926
Purchase of non-financial assets	21,354,289
Less	
Accrued use of goods and services FY2022/2023	21,324,245
Employee costs for FY 2021/2022 paid	(41,361,786)
Deficit as per Statement of Budget	(8,200,492)

19 Notes to the Financial Statements

1. General Information

The Nuclear Power and Energy Agency (NuPEA), formerly Kenya Nuclear Electricity Board (KNEB), is a State Corporation established under the Energy Act 2019. It is charged with the responsibility of promoting and implementing Kenya’s nuclear power programme, carrying out research and development for the energy sector. Towards attainment of its mandate, the Nuclear Power and Energy Agency shall develop policies and legislation, undertake public education and awareness, identify suitable sites for the construction of Nuclear Power Plants; carry out research, development and innovation on energy technologies as well as capacity building for the energy sector.

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. 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 Agency’s accounting policies.

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

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act, the State Corporations Act, Energy Act 2019 and International Public Sector Accounting Standards (IPSAS) (Accrual Basis). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial

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	<p>assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</p> <ul style="list-style-type: none"> • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p>The Agency is in the process of assessing the impact of the standard on the Agency's financial statements</p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. <p>The standard did not have any impact on the Agency's financial statements</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging

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<p>Instruments</p>	<p>and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p>The standard did not have any impact on the Agency's financial statements</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> ● <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> ● <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> ● IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p> <p>The standard did not have any impact on the Agency's financial statements</p>

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

<p>IPSAS 43</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>The standard did not have any impact on the Agency's financial statements.</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>The standard did not have any impact on the Agency's financial statements.</p>

iii. Early adoption of standards

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

Notes to the Financial Statements (Continued)

4. Summary of Significant Accounting Policies

a) Revenue Recognition

i) Revenue from non-exchange transactions

Transfers from other government entities and International Atomic Energy Association

Revenues from non-exchange transactions with other government entities and International Atomic Energy Association 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 Agency and can be measured reliably.

b) Budget Information

The original budget for FY 2022-2023 was approved by the National Assembly in June 2022. 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 entity upon receiving the respective approvals in order to conclude the final budget.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under page 5 of these financial statements.

c) 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 Agency recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

d) Intangible Assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non- exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. The Agency Intangible Assets are amortized at a rate of 10% reducing balance.

e) Research and Development Costs

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

f) Provisions

Provisions are recognized when the Agency 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 Agency 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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

g) Contingent liabilities

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

h) Nature and purpose of reserves

The Agency creates and maintains reserves in terms of specific requirements. The reserve maintained by the Agency is capital reserve, where funds are set aside to purchase fixed assets. By setting aside a reserve, the Agency segregates funds from the general operations.

i) Changes in accounting policies and estimates

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

j) Employee benefits

Retirement benefit plans

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

k) Related parties

The Agency 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 Agency, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

l) Service concession arrangements

The Agency analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Agency 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 Agency also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

m) Cash and cash equivalents

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

n) Comparative figures

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

o) Subsequent Events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Agency'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 Agency 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 Agency. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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 Agency
- 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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

The assets of the Agency are depreciated on a reducing balance method; The following are the depreciation rates applied for NuPEA Property and Equipment;

Asset Type	Depreciation Rate
Motor Vehicle	25%
Office Equipment	12.50%
Furniture and Fittings	12.50%
Computers	33.30%

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 17 and 18

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.

Assumptions were used in determining the provision gratuity payable to employees at the end of contractual period and provision for payment of directors' fees upon approval by National Treasury.

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Notes to the Financial Statements

6. Transfer from Ministries, Departments and Agencies (MDAs)

Name of the Entity sending the grant	Amount recognized to Statement of Financial Performance	Total grant income during the period ended 30 June 2023	Total Transfers FY 2022-2023	Period ended 30 June 22
	KShs	Kshs	Kshs	KShs
Ministry of Energy	896,645,711	896,645,711	896,645,711	795,000,000
Ministry of Energy(Capital)	-	21,354,289	21,354,289	-
Total	896,645,711	918,000,000	918,000,000	795,000,000

6 (a). Transfers from Other Government Entities

	Kshs
Total Exchequer receipts	918,000,000
Less	
Exchequer receipts after end of year (July 2023)	(45,000,000)
Actual exchequer as per cash flow statement	873,000,000

The grant from the Ministry of Energy relates to actual exchequer receipt from The National Treasury during the financial year which is disbursed through the parent Ministry.

7. Other Incomes

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Grant from International Atomic Energy Agency	-	4,218,263.48
Disposal of assets	206,100	-
Interest on staff loans	119,027	114,719.08
Compensation from WIBA	427,587	-
Total other income	752,714	4,332,982.56

The other incomes were raised through disposal of obsolete assets, interest charged on staff loans and compensation from WIBA as per policy.

8. Use of goods and services

Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
Telephone and internet services	11,796,919	4,024,583

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Audit fees	348,000	348,000
Conferences ,seminars and workshops	33,466,973	26,997,818
Consultancy fees	9,692,300	23,967,248
Staff welfare	5,369,785	3,652,664
Water and Electricity	1,174,296	1,549,622
Office Supplies	6,241,685	4,839,981
Personal Protective Devices & Staff Uniform	975,000	2,979,950
Fuel and oil	5,881,734	3,618,362
Insurance	1,080,477	1,223,317
Cleaning Services	8,440,472	3,956,346
Litigation and Legal fees	4,053,680	-
Licenses and permits	10,282,851	13,904,404
Training	22,310,685	14,249,958
Travelling expenses	8,160,103	15,166,476
Security expenses	1,839,062	2,097,489
Rent	5,914,139	5,534,143
Postage	109,402	620,258
Printing and stationery	14,513,518	14,511,995
Bank Charges	390,522	421,332
Membership and subscriptions	2,809,217	2,726,082
Publicity and advocacy(PA)	48,061,415	43,876,577
Nuclear plant siting expenses(NPPD)	24,065,089	48,841,964
Nuclear policy Legislation(NPL)	38,320,911	21,431,820
Resource development for Nuclear power programme (RDNPP)	140,429,428	105,308,634
Research and development (RD)	7,751,869	37,400,822
Strategic Environmental and Social Assessment	26,464,189	20,477,608
Total Use of goods and services	439,943,721	423,727,451

8(a). Use of goods and services

		-
Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
Total use of goods and services	439,943,721	465,301,768
Trade payables accrued 2021/2022	88,334,517	-
Trade payables accrued 2022/2023	(111,774,850)	-
Audit accrued 2021/2022	1,044,000	-
Audit accrued 2022/2023	(348,000)	-
Prior year adjustment	1,420,087	-
Total use of goods and services paid	418,619,476	465,301,768

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9. Employee Costs

Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
Salaries and wages	366,713,344	332,116,260
Gratuity	16,389,493	30,070,533
Medical Expenses	30,049,559	21,419,731
Staff Group life insurance	3,499,170	2,304,797
Employee costs	416,651,566	385,911,321

9(a). Employee costs

Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
Total employee costs	416,651,566	-
Accrued staff receivables 2021/2022	(11,709,488)	-
Accrued staff receivables 2022/2023	8,322,717	-
Employee benefit obligation 2021/2022	1,174,280	-
Employee benefit obligation 2022/2023	(2,130,977)	-
Total non-current employee benefit obligation 2021/2022	56,412,617	-
Total non-current employee benefit obligation 2022/2023	(10,707,362)	-
Total Employee costs paid	458,013,352	384,505,752

10. Remuneration of Directors

Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
Chairman's Honoraria	960,000	689,032
Directors fees	-	3,240,000
Directors emoluments	15,138,263	16,275,398
Traveling Expenses	12,141,555	14,869,589
Medical expenses	865,920	911,778
Total director emoluments	29,105,737	35,985,797

10(a).Remuneration of directors

Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
Total director emoluments	29,105,737	35,985,797
Accrued Directors fees for the year		(3,240,000)
Total director emoluments	29,105,737	32,745,797

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11. Depreciation and Amortisation Expense

Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
Motor vehicle	10,036,040	10,624,742
Furniture and Fittings	4,362,688	3,463,905
Computers	2,702,964	1,980,700
Office equipment	2,016,229	1,703,181
Intangible assets	1,724,004	2,277,714
Total depreciation and amortization	20,841,926	20,050,243

12. Repairs and Maintenance

Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
Building	9,322,102	627,579
Equipment	7,331,408	365,824
Vehicles	4,561,130	2,872,693
Total repairs and maintenance	21,214,640	3,866,096

13. Cash and Cash Equivalents

Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
Current account	67,637,872	142,306,924
Cash in hand	146,516	32,245
Total cash and cash equivalents	67,784,388	142,339,169

13. (a) Detailed Analysis of Cash and Cash Equivalents

Financial Institution	Account number	FY 2022-2023	FY2021-2022
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1139780085	3,926,486	26,243,140
Cooperative Bank of Kenya	01136308333200	49,773,754	60,902,725
National Bank of Kenya	01071206104000	13,937,631	55,161,059
Sub- Total		67,637,872	142,306,924
e) Others(Specify)			
Cash In Hand		146,516	32,245
Sub- Total		146,516	32,245
Grand Total		67,784,388	142,339,169

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14. Receivables from Non-Exchange Transactions

Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
a)Current receivables		-
Staff Receivables	8,322,717	11,709,488
Exchequer Receivable	45,000,000	-
Deposits	4,000,000	4,000,000
Total current receivables	57,322,717	15,709,488

Ageing Analysis- Receivables from non-exchange transactions	FY2022-2023	% of the total	FY 2021-2022	% of the total
Less than 1 year	53,322,717	93%	11,709,488	75%
Over 3 years	4,000,000	7%	4,000,000	25%
Total	57,322,717	100%	15,709,488	100%

14.(b)Non-current receivables

Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
Staff Mortgage fund	239,770,000	239,770,000
Staff Car loans Fund	77,515,000	77,515,000
Total non-current receivables	317,285,000	317,285,000

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Notes to the Financial Statements (Continued)

15. Property, Plant and Equipment

	Motor vehicles	Furniture and fittings	Computers	Office Equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 30 June 2021	33,820,623	20,214,388	104,315,102	16,750,547	175,100,660
Additions	23,702,250	25,863,024	2,752,000	3,796,479	56,113,753
Adjustment on Revaluation	(1,220,623)	(7,519,332)	(98,391,002)	(681,737)	(107,812,693)
At 30 June 2022	56,302,250	38,558,081	8,676,100	19,865,289	123,401,720
Additions	-	9,461,550	10,294,550	1,598,189	21,354,289
At 30 June 2023	56,302,250	48,019,631	18,970,650	21,463,478	144,756,009
Depreciation and impairment					
At 30 June 2021	18,453,788	8,737,679	85,594,817	5,937,629	118,723,913
Acc Depreciation W/O	(18,453,788)	(8,737,679)	(85,594,817)	(5,937,629)	(118,723,913)
Depreciation	10,624,742	3,463,905	1,980,700	1,703,181	17,772,528
At 30 June 2022	10,624,742	3,463,905	1,980,700	1,703,181	17,772,528
Depreciation for year	10,036,040	4,362,688	2,702,964	2,016,229	19,117,922
At 30 June 2023	20,660,782	7,826,593	4,683,665	3,719,411	36,890,450
Net book values					
At 30 June 2023	35,641,468	40,193,038	14,286,985	17,744,067	107,865,558
At 30 June 2022	45,677,508	35,094,176	6,695,400	18,162,108	105,629,191

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16. Intangible Assets

Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
Cost		
At beginning of year	20,483,541	20,047,911
Additions	-	1,290,684
Prior year Adjustment		(855,055)
At end of the year	20,483,541	20,483,540
Amortization and impairment		
At beginning of year	2,415,892	2,004,741
Amortization	1,724,004	2,277,714
Prior year Adjustment	-	(1,866,564)
At end of the year	4,139,896	2,415,892
Net Book Value	16,343,645	18,067,649

17. Trade and Other Payables from Exchange Transactions

Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
Trade payables	111,774,850	88,334,517
Employee Benefit obligation	2,130,977	1,174,280
Total trade and other payables	113,905,827	89,508,797

Ageing analysis: (Trade and other payables)

Ageing analysis: (Trade and other payables)	FY 2022-2023	% of the Total	FY 2021-2022	% of the Total
Under one year	110,513,427	97%	89,508,797	100%
1-2 years	3,392,400	3%	-	0%
Total (tie to above total)	113,905,827	100%	89,508,797	100%

18. Current Provisions

Description	Audit	Directors fees	Total
	Kshs	Kshs	Kshs
Balance b/f	1,044,000	12,120,000	13,164,000
Additions	348,000	-	348,000
Provisions utilized	(1,044,000)	-	(1,044,000)
Total provisions year end	348,000	12,120,000	12,468,000

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19. Non-Current Provisions

Description	Gratuity	Pension	Total
	Kshs	Kshs	Kshs
Balance b/f	33,515,845	22,896,771	56,412,617
Additions	16,389,493	22,191,621	38,581,114
Provisions utilized	(40,736,254)	(43,550,114)	(84,286,368)
Total provisions year end	9,169,084	1,538,278	10,707,362

20. Cash Generated from Operations

Description	Period ended 30 June 2023	Period ended 30 June 2022
	KShs	KShs
Deficit for the period before tax	(30,359,166)	(70,207,926)
Adjusted for:		
Depreciation	20,841,926	20,050,243
Non-Current Liabilities	(45,705,254)	
Purchase of non-financial assets	21,354,289	
Working Capital adjustments		
(Increase)decrease in receivables	(41,613,229)	72,994,123
Increase(Decrease) in provisions	(696,000)	
Increase(Decrease) in payables	24,397,029	(39,141,134)
Prior year adjustment	(1,420,087)	
Net cash flow from operating activities	(53,200,492)	(16,304,694)

21. Financial Risk Management

i) Credit Risk

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

	Total Amount	Fully Performing
	Kshs	Kshs
As at June 2023		
Receivable from non-exchange transactions	57,322,717	59,986,654
Bank balances	67,637,872	67,637,872
Total	124,960,589	127,624,526
As at June 2022		
Receivable from non-exchange transactions	15,709,488	15,709,488
Bank balances	142,306,924	142,306,924
Total	158,016,412	158,016,412

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Notes to the Financial Statements (Continued)

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 hence the Agency has not made any provision for uncollectible debts as all the credit risk is employee related.

ii) Liquidity Risk

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

The table below represents cash flows payable by the entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs		Kshs
As at June 2021				
Trade payables	104,500,923	2,285,979	4,987,948	111,774,850
Provisions	348,000	-	22,827,362	23,175,362
Employee benefit obligation	2,130,977	-	-	2,130,977
Total	106,979,900	2,285,979	27,815,310	137,081,189

iii) Market risk

The Agency has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The NUPEA'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.

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The Agency has no exposure to market risks or the manner in which it manages and measures the risk since the Agency does not trade in foreign currency nor does it hold financial instruments in foreign currency.

iv) Capital Risk

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

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Revaluation Reserve	6,104,440	6,104,440
Retained Earnings		315,322,330
Capital Reserve	108,842,240	118,518,313
Total Funds	114,946,680	433,840,643
Total Borrowings	-	-
Less: Cash and Bank Balances	67,784,388	142,339,169
(Excess Cash And Cash Equivalents)	(67,784,388)	(142,339,169)

22. Events after the Reporting Period

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

23. Ultimate and Holding Entity

The entity is a State Corporation under the Ministry of Energy. Its ultimate parent is the Government of Kenya.

24. Currency

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

25. Related Parties Disclosure.

Nature of related party relationships

Entities and other parties related to the *Agency* 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.

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Government of Kenya

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

Other related parties include:

1. The Ministry of Energy and Petroleum
2. County Governments
3. Other SCs and SAGA in Kenya
4. Key management.
5. Board of directors

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties	N/A	N/A
Total	N/A	N/A
B) Purchases from related parties		
Purchases of electricity from Kenya Power	1,044,917	1,242,304
Purchase of water from govt service providers	129,379.00	307,318.00
Training and conference fees paid to govt. Agencies	12,954,490	6,240,369.99
Total	14,128,786	7,789,991
b) Grants /transfers from the government		
Grants from national government	918,000,000	795,000,000
Total	918,000,000	795,000,000
c) Expenses incurred on behalf of related party	N/A	N/A
Total	N/A	N/A
d) Key management compensation		
Directors' emoluments	29,105,737	35,985,797
Compensation to key management	109,038,180	88,977,130
Total	138,143,918	124,962,927

The Agency did not make any sale to related parties or incur expenses on behalf of related parties.

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26. Appendices

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

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

Reference No. 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)
Ref:OAG/EEI/NUPE A/2021/2022/(17)	The statement of financial performance reflects a deficit of Kshs.70, 207,926 while the statement of comparison of budget and actual amounts reflects a deficit of Kshs.66,286,079 resulting to unexplained variance of Kshs.3,921,847.In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.	The Agency provided a reconciliation to explain the variance between the deficit as per statement of financial performance and deficit as per statement of budget.	Not Resolved	

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Appendix II: Projects implemented by Nuclear Power and Energy Agency

Status of Projects completion

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
		Ksh (Million)	Ksh (Million)		Ksh (Million)	Ksh (Million)	
1152105101	Nuclear Power Plant Siting	4,000	735	19%	150	150	GoK
1152105201	Strategic Environmental and Social Assessment.	950	561	59%	13	13	GoK
1152107501	Resource Development for the Nuclear Power Programme	4,000	279	7%	18	18	GoK
1152108301	Nuclear Policy and Legislation	3,000	489	17%	50	50	GoK
1152110200	Publicity and advocacy	850	199	24%	110	110	GoK

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Appendix III: Inter-Entity Transfers

Break down of Transfers from the State Department of Energy				
FY 2022/2023				
a.	Recurrent Grants			
		Bank Statement Date	Amount (KShs)	Financial Year
		10/13/2022	49,583,334	2022/2023
		10/28/2022	49,583,333	2022/2023
		11/23/2022	49,583,333	2022/2023
		3/23/2023	143,083,333	2022/2023
		4/18/2023	47,694,444	2022/2023
		5/3/2023	95,388,889	2022/2023
		6/14/2023	47,694,444	2022/2023
		6/29/2023	95,388,889	2022/2023
		Total	578,000,000	
b.	Development Grants			
		Bank Statement Date	Amount (KShs)	Financial Year
		10/13/2022	95,000,000	2022/2023
		11/18/2022	200,000,000	2022/2023
		7/3/2023	45,000,000	2022/2023
		Total	340,000,000	

The above amounts have been communicated to and reconciled with the parent Ministry

Manager Finance
NuPEA

Sign



Head of Accounting Unit
Ministry of Energy

Sign



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Appendix IV: Recording of Transfers from other Government Entities

Name of MDA Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total amounts-KES	Statement of Financial Performance	Receivables	Total transfers during the Year
Ministry of Energy	10/13/2022	Recurrent	49,583,334	49,583,334	-	49,583,334
Ministry of Energy	10/28/2022	Recurrent	49,583,333	49,583,333	-	49,583,333
Ministry of Energy	11/23/2022	Recurrent	49,583,333	49,583,333	-	49,583,333
Ministry of Energy	3/23/2023	Recurrent	143,083,333	143,083,333	-	143,083,333
Ministry of Energy	4/18/2023	Recurrent	47,694,444	47,694,444		47,694,444
Ministry of Energy	5/3/2023	Recurrent	95,388,889	95,388,889		95,388,889
Ministry of Energy	6/14/2023	Recurrent	47,694,444	47,694,444		47,694,444
Ministry of Energy	10/13/2022	Development	95,000,000	95,000,000	-	95,000,000
Ministry of Energy	11/18/2022	Development	200,000,000	200,000,000		200,000,000
Ministry of Energy	6/29/2023	Recurrent	95,388,889	95,388,889		95,388,889
Ministry of Energy	7/3/2023	Development	45,000,000	45,000,000	45,000,000	45,000,000
Total			918,000,000	918,000,000	-	918,000,000

