

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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THE AUDITOR-GENERAL

ON

KENYA NUCLEAR REGULATORY AUTHORITY

**FOR THE YEAR ENDED
30 JUNE, 2024**

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 14 MAR 2025	
DAY: FRIDAY	
TABLED BY:	DEPUTY MAJORITY LEADER (HON. OWEN BAYA, MP)
CLERK-AT THE-TABLE:	IRENE NDUKU

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

17 DEC 2024

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**KENYA
NUCLEAR
REGULATORY
AUTHORITY**

Safety, Security and Peace in Nuclear

KENYA NUCLEAR REGULATORY AUTHORITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

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

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

Table of Contents	Page
1. Acronyms, Abbreviations and Glossary of Terms	iii
2. Key Entity Information and Management	iv
3. The Board of Directors/Council	vii
4. Key Management Team	xi
5. Chairman's Statement	xv
6. Report of the Director General	xvi
7. Statement of Performance against Predetermined Objectives for FY 2023/2024	xix
8. Corporate Governance Statement	xx
9. Management Discussion and Analysis	xxii
10. Environmental and Sustainability Reporting	xxiv
11. Report of the Directors	xxvi
12. Statement of Directors Responsibilities	xxvii
13. Report of the Independent Auditor for the Financial Statements of Kenya Nuclear Regulatory Authority for the year ended 30 th June 2024	xxix
14. Statement of Financial Performance for the year ended 30 June 2024	1
15. Statement of Financial Position as at 30 June 2024	2
16. Statement of Changes in Net Assets for the year ended 30 June 2024	4
17. Statement of Cash Flows for the year ended 30 June 2024	5
18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024	6
19. Notes to the Financial Statements	7

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

1. Acronyms, Abbreviations and Glossary of Terms

AIA	Appropriation-In-Aid
CBRN	Chemical, Biological, Radiological and Nuclear
CRWPF	Central Radioactive Waste Processing Facility
CSTD	Commission on Science and Technology for Development
DCI	Directorate of Criminal Investigation
DOB	Date of Birth
DO	District Officer
ECA	Eastern and Central Africa
HRAFC	Human Resource Administration and Finance Committee
KASNEB	Kenya Accountants and Secretaries National Examination Board
KNRA	Kenya Nuclear Regulatory Authority
LPSC	Legal, Policy and Strategy Committee
LTAC	Licensing and Technical Advisory Committee
NHIF	National Health Insurance Fund
PAYE	Pay As You Earn
RPB	Radiation Protection Board
IPSAS	International Public Sector Accounting Standards
SCAC	State Corporations Advisory Committee
UNCTAD	United Nation Conference on Trade and Development
UNEP	United Nation Environmental Program
UNSCR	United Security Council Resolution

B: Definition of Key Terms

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

Comparative Year- Means the prior period.

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Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

2. Key Entity Information and Management

(a) Background information

The Kenya Nuclear Regulatory Authority (KNRA) is a State Corporation established by the Nuclear Regulatory Act, Cap 243. KNRA is the successor to the former Radiation Protection Board. Parent Ministry remains the Ministry of Health.

The Nuclear Regulatory Act provides for 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; the management of radioactive waste and protection of people and the environment against the hazards associated with the use of radiation sources, nuclear materials, associated technologies and facilities.

(b) Principal Activities

The principal activities of the regulator are set out in its mission and vision statements stated below:

Mission: To Provide effective regulation of radiation and nuclear technology for the well-being of persons, society and the environment for optimal socioeconomic benefits.

Vision: To be a trusted and effective regulator of radiation and nuclear technology application in Kenya

(c) Key Management

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

- I. Director Generals Office
- II. Standards and Licensing Directorate
- III. Nuclear Safety and Protection and Resource Center Directorate
- IV. Complaine Directorate
- V. Corporate Secretary & Legal Services Directorate
- VI. Partnerships and Public Awareness Directorate
- VII. Planning Directorate
- VIII. Corporate Services Directorate
- IX. Supply Chain Management Department
- X. Internal Audit Directorate.

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

Key Entity Information and Management (continued)

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Director General	Mr. James Keter
2.	Director Corporate Services	CPA.Patrick Ataro
3.	Corporate Secretary & Legal Services Director	Ms.Beth Mushi
4.	Director Compliance and Enforcement	Mr. John Opar
5.	Director Licensing and Standards	Mr. Anthony Kiti
6.	Director Partnership and Public Awareness	Mr. Edward Mayaka
7.	Director Nuclear Safety, Protection, and Research Centre	Mr. Isaac Mundia
8.	Deputy Director Finance & Accounts	Mr. Anthony Nzau
9.	Head of Procurement	Nolasco Miriti

(e) Fiduciary Oversight Arrangements

- *Audit ,Risk and Compliance Committee*
- *Human Resource and Finance Committee*
- *Licencing and Technical Advisory Committee*
- *Legal,Policy and Strategy Committee*

(f) KNRA Headquarters

P.O. Box: 19841-00202
KASNEB TOWERS/9TH FLOOR
UPPER HILL
Nairobi, KENYA

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

Key Entity Information and Management (continued)

(g) KNRA Contacts

Kenya Nuclear Regulatory Authority
P.O. Box 19841-00202, Nairobi
Tel: +254 769 545 288
Email: info@knra.co.ke
Website: <https://knra.co.ke>

(h) KNRA Bankers

I. KCB Milimani Branch

Address: NSSF Building, Bishops Road, Block A, Ground Floor, Nairobi

II. Co-Operative Bank Upper Hill Branch

Address: Kuscco Center, Kilimanjaro Rd, Nairobi

(i) Independent Auditor

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



Chairman of the Board of Directors

Name: Hon Peter Edick Omondi Anyanga

DOB: 23/ 08/ 1966

Qualifications: Hon. Peter Edick Omondi Anyanga is an exceptional leader with a stellar career spanning over 35 years, encompassing governance, technology, and strategic management. Appointed as the Chairman of the Kenya Nuclear Regulatory Authority (KNRA) on 10th February 2023, he brings a rich blend of legislative acumen and policy-making expertise to the role. Prior to this, he served as a

Board Director at the National Government-Constituency Development Fund (NG-CDF) and the Agricultural Finance Corporation (AFC). During his two terms (10 years) as a Member of the National Assembly for Nyatike Constituency, he distinguished himself through impactful committee work in; Public Accounts, Budget, Energy, Transport and Defence & Foreign Relations. In the private sector, he's spearheaded strategic growth and HR best practices in various firms. A former Civil Servant in technology roles, Hon. Anyanga holds an MBA with a specialization in Global Financial Administration and a Bachelor of Business Administration. He is also a member of the Chartered Management Institute (CMI).



Board Member/Chairperson LPSC

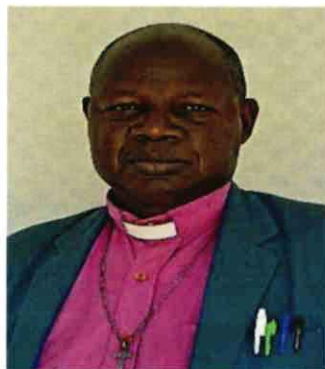
Name: Mr. Kakai Kissinger

D.O.B: 1st July 1975.

Qualification: Mr. Kakai Kissinger is an Advocate of the High Court of Kenya of twenty-two (22) years' standing having been admitted to the Bar in 2001. He holds a Master's Degree in Law from Harvard Law School USA, a Post Graduate Diploma in International Trade Law from University of Turin Italy and a Bachelor's Degree in Law from the University of Nairobi, Kenya. He previously served a five-year stich as the Executive Director of Independent Medico -Legal Unit, served as Senior Governance Advisor with German Technical Cooperation, has taught over the years at the Kenya School of Law and at Catholic University of Eastern Africa, and has served as the

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

Deputy Chief Registrar of the Judiciary.



Board Member

Name: Vainadu Titus Zakayo Ingana

DOB: 27/09/1966

Qualifications: BSc, MSc. Ed

Experience: He is currently serving as acting director of research in the Ministry of Education. He is the Kenyan Focal Point Officer on Science, Technology and Development (ST&D) to the Commission for Science, Technology and Development (CSTD), UNCTAD, Geneva. His task is to spearhead the development of Kenya's Issues Papers on various themes as requested for annually by CSTD/UNCTAD.



Board Member

Name: Mr. Adan Gedow Harakhe HSC

D.O.B: 1/2/1967

Qualifications: He is the alternate to the Principal Secretary, State Department for Public Health and Standards Professional Standards in the Ministry of Health at the Board.

He holds a Masters of Arts in Education and Bachelor of Arts in Education from the University of Nairobi, Mr Harakhe has a wealth of experience having served over thirty-three years in the Public Service in areas with different Challenges and environments both in the field and in various ministries.



Board Member

Name: Bonn Bett

Qualification: Bonn Bett is an advocate of the high court and an employee at the office of the Attorney General where he serves as a state counsel at the commercial litigation arbitration section since the year 2020. Before then, he was a practicing Associate Advocate where he dealt with commercial and conveyance matter from the year 2017 to the year 2020 before joining the Office of the Attorney General.

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

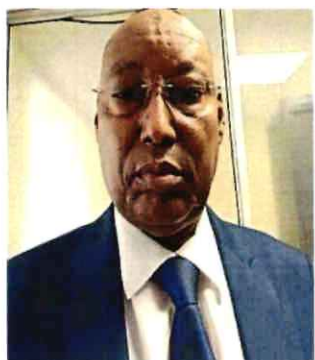


Board Member

Name: Stephen Nzioka

DOB: 25th April 1965

Experience: Mr Stephen has a stellar career spanning over 30 years in various leadership roles and is currently the Director Renewable energy in the Ministry of Energy. His vast experience in the energy sector in the area of policy making and implementation will greatly impact the Authority in achieving its mandate.



Board Member/Chairperson HRAFC and LTAC

Name: Ahmed S. Fankey

Experience: Ahmed S. Fankey is a retired public servant from Geothermal Development Company under the Ministry of Energy, having served as HoD in the departments of Quality Assurance and Safety and Corporate Planning and Strategy for twelve and half years. He has been instrumental in the development of strategic Plans, business plans, resource mobilization, and coordination of performance contracting activities.



Board Member

Name: Mr. David Kiprop

Experience: Mr. David Kiprop has been critical in the establishment of the Public Investment Management framework in the Country. The officer is a graduate of both Maseno University and Jomo Kenyatta University of Agriculture and Technology. Mr. Kiprop has worked both at the State Department of Planning and the National Treasury. The officer has played a significant role in the establishment of the Public Investment Management framework in Kenya.



Board Member/Chairperson ARCC

Name: Ms. Mary Nyokabi

Qualification: Mary Nyokabi Kamau is a lead consultant in Environmental and Waste Management with National Environment Management

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

Authority and the founder of Green Health and Safe Environs Limited that has been in operation since 2010. She has been an Independent Board Member at Kenya Nuclear Regulatory Authority for a year running.

She has over 14 years' experience in public health, Environmental and Social Impact Assessments and Audits, waste management across different sectors, monitoring and evaluation and green energy. Mary is a graduate of Bachelor of Science Environmental Health and currently Ongoing Master of Science (Occupational Safety and Health) at JKUAT. She also undertook trainings in Sustainable Solid Waste Management For African Countries (A) from JICA-Yokohama City, Japan and Strategic Environmental Assessment from ChromAfrica.



Director General

Name: Mr. James Keter Chumba

DOB: 29/12/1977

Qualifications: MSc. in Nuclear Science and MSc. In Nuclear Power Plant Engineering

Experience: Mr. James Keter Chumba is the Director General of the Kenya Nuclear Regulatory Authority, having been appointed on 2nd March 2023 in an acting capacity and confirmed on 12th October 2023.

He has served for over 20 years as a regulator in the former Radiation Protection Board and has risen through the ranks to be at the top management of the Authority.



Corporation Secretary & Head of Legal Services

Name: Beth Mushi

Qualification: LLB,LLM-Law

Experience: Ms. Beth Mushi is an Advocate of the High Court of Kenya, CS Mushi holds a Master's degree in Law (LLM) from the University of Nairobi; a Bachelor of Laws degree (LLB) from Moi University; a Post Graduate Diploma in Law from Kenya School of Law and currently pursuing a PhD in International Relations from United States

International University. She is a Certified Public Secretary from Institute of Certified Secretaries.

4. Key Management Team



Director General

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International University. She is a Certified Public Secretary from Institute of Certified Secretaries.



Director Cooperate services

Name: Patrick Ataro

Qualification: B/COM,MBA,CPA(K)

Experience: A highly experienced and result-oriented professional with over 20 years of experience, particularly in the public sector, both County and National Government. He holds a Master's degree in Business Administration (MBA) Finance option and a Bachelor of Commerce Degree (Accounting), both from Jomo Kenyatta University of Agriculture and Technology. CPA Ataro is a Certified Public Accountant, CPA (K) and a registered member of the Institute of Certified Public Accountants of Kenya (ICPAK). He has also undertaken various

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

professional courses such as the Strategic Leadership Management Courses and Performance contracting from Government Training Institutes.



Director Compliance and Enforcement

Name: John Opar

Qualification: BSc

Experience: Mr. Opar area of specialty is in Safety and Security in Transport of Radioactive Material with extensive expertise to ensure regulatory adherence and operational excellence within the organization. He has undergone a fellowship in Safe Transport of Radioactive Material from Cairo, Egypt.



Director Licensing and Standards

Name: Anthony Kiti Shadrack

Qualification: BSc, MSc. - Nuclear Engineering

Experience: Mr Shadrack Anthony Kiti has a Master's Degree in Nuclear Power Plants Engineering from KEPCO International Nuclear Graduate School (KINGS), South Korea, a Master's Degree in Nuclear & Quantum Engineering, from Korea Advanced Institute of Science; Technology(KAIST), South Korea; a Master's Degree in International Nuclear Safety from Korea Institute of Nuclear Safety (KINS), South Korea and Masters of Science (MSc) in Nuclear Physics from Jomo Kenyatta University Agriculture, Science ; Technology.



Ag. Director Partnership and Public Awareness

Name: Edward Mayaka

Qualification: BSc, Msc - Geographic Information System

Experience: Mr. Mayaka has demonstrated expertise in radiation protection and nuclear security. Notably, he led collaborative efforts with other agencies in conducting Chemical, Biological, Radiological, and Nuclear (CBRN) preparedness and response training, as well as countering the proliferation of weapons of mass destruction.



Ag. Director, Nuclear Safety, Protection and Research Centre

Name: Isaac Mundia

Qualification: Bsc Chemistry

Experience: Mr Mundia started his career as a regulator in 2007 when he joined the former Radiation Protection Board as a Radiation Protection Officer. He has served in various positions in the as in-charge of Inspection and Authorization functions, Senior Deputy Chief Radiation Protection Officer and Deputy Director Nuclear Safety. He is also an international expert with the International Atomic Energy Agency (IAEA), where he provides expertise in regulatory issues related to radiation safety and nuclear security, to assist IAEA members states to enhance their legal and regulatory framework for radiation safety and nuclear security.



Deputy Director, Licencing and Standards

Name: Michael Atogo

Qualification: Bsc, ME Nuclear Engineering

Experience: He has vast experience in radiation and nuclear safety matters spanning over 16 years, and has previously headed the Kisumu and JKIA KNRA regional offices. He has also published research papers on Radioactive Waste Management, Environmental Radioactivity among other areas.



Deputy Director Finance & Accounts

Name: Anthony Nzau

Qualification: Msc, B/Com, CPA



Deputy Director, Corporate Communication

Name: Mark Oloo

Qualification: BA, MA Communications & Journalism

Experience: Mr Oloo is a seasoned media and communications practitioner. For 15 years, he worked for Kenya's mainstream press, including Nation Media Group and Standard Group, in senior editorial

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

capacities. In 2017, he was named the World Press Institute fellow. Twice in 2016 and 2019, he was an EJN climate journalism fellow in Morocco and Spain.

5. Chairman's Statement

I hereby present the Annual Report and Accounts for Kenya Nuclear Regulatory Authority (KNRA) for the year ended 30th June 2024. In the year under review, KNRA continued to provide technical and scientific services and expertise in radiation safety, nuclear security, radioactive waste management; threat assessment; radiological or nuclear emergency preparedness, response coordination, and mitigation; radioactivity (radio-contamination) analysis and nuclear forensics to Government Ministries, Departments, Agencies and private entities. These are services and expertise that are not provided by any other institution in the country, yet they are critical for purposes of public safety and national security.

KNRA continues to be the regional focal point/lead agency on regulatory matters and implementation of national obligations in the following:

- European Union's Chemical, Biological, Radiological and Nuclear Centre of Excellence Risk Mitigation Initiative
- International Atomic Energy Agency (IAEA)
- Forum for Nuclear Regulatory Bodies in Africa (FNRBA)
- UN Security Council Resolution 1540
- UN Scientific Committee on the Effects of Atomic Radiation
- The Treaty on Non-proliferation of Nuclear Weapons, among others.

The Authority continues to face acute financial and human resource constraints. This is attributable to the increase in regulatory scope and the programs and activities arising therefrom. The Authority has, however, made efforts towards increasing AIA collection through the provision of essential services towards addressing the shortage of funds.

The Authority has made progress in implementing the approved human resource instruments that begun in earnest towards the end of the financial year 2022/2023. The Authority has also drafted implementing regulations under the Nuclear Regulatory Act and has also embarked in reviewing its five-year Strategic Plan to align with the Bottom Up Economic Transformation Agenda (BETA). Enhanced funding for staff transfer and recruitment and for the completion of the Central Radioactive Waste Processing Facility is our priority and will enable the Authority to fully and effectively operationalize.



HON. PETER EDICK OMONDI ANYANGA
CHAIRMAN

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

6. Report of the Director General

It is with great pleasure and honour that we present the Financial Statement for the fourth time for the Kenya Nuclear Regulatory Authority. The Kenya Nuclear Regulatory Authority (KNRA) is a State Corporation established by the Nuclear Regulatory Act Cap. 243 which commenced on 10th January 2020.

The Nuclear Regulatory Act Cap. 243 Laws of Kenya and transitioned Board members of the former Radiation Protection Board to be Board members of Kenya Nuclear Regulatory Authority for the remainder of their unexpired term.

The former Radiation Protection Board was a technical Board under the Ministry of Health and did not have the Human Resource and Finance functions. The Board operated as a department under Preventive and Promotive Health within the Department of Standards and Regulatory Services in the Ministry of Health.

When the Nuclear Regulatory Act came into force, KNRA inherited the assets and liabilities of the former Radiation Protection Board but it was not until July 2020 that KNRA started receiving and administering grant funds and AIA collections through its own bank accounts as a State Corporation.

It is worthwhile to note that the safe, secure and peaceful use of radiation, radioactive sources and nuclear technology has demonstrated significant and sustainable benefits in global socio-economic development ranging from medicine, agriculture, food security, industry, teaching, research, oil and mineral exploration, telecommunications to nuclear-generated electricity.

However, as is well known, radiation and nuclear technology poses special risks to the health and safety of persons, the environment and future generations. Nuclear Security – the unauthorized access, removal or transfer of radioactive or nuclear material – is among risks that must be carefully identified, managed and mitigated in this error of nuclear terrorism.

Uncontrolled exposure to radiation, radioactive or nuclear materials, beyond established limits, may lead to birth defects/abnormalities, cancers, debilitating health effects, death or long-term contamination of the environment – rendering contaminated places uninhabitable for hundreds or thousands of years.

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

A robust, effective and efficient national regulatory system is therefore a level enabler and an active incentive for investment in the peaceful application of radiation– and nuclear–based technology in all national social-economic sectors.

The Nuclear Regulatory Act provides for 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; the management of radioactive waste and protection of people, property and the environment against the hazards associated with the use of radiation sources, nuclear materials, associated technologies and facilities.

The Nuclear Regulatory Act is a further demonstration of the commitment by the Kenya Government to fulfil its obligations under the United Nations Security Council Resolution 1540 as well as bilateral and international instruments under the International Atomic Energy Agency.

In the FY 2023/2024, KNRA was formally designated as issue KNRA with a certificate of designation as a Regional Designated Centre (RDC) for training of Radiation Protection Professionals (RDC) by the International Atomic Energy Agency (IAEA).

The 1st Cohort of 25No. students from Africa was hosted by KNRA for a period of 6 months to for the Postgraduate Educational Course (PGEC) in Radiation Protection and the Safety of Radiation Source. This s is a ‘long-duration’ course that provides the initial basic professional training for young professionals who are expected to become, over the course time, Regulators, Decision makers, Qualified Experts in radiation protection or Trainers in radiation protection and safety of radiation sources in their home countries. The course was first held in Argentina in 1981. By the end of 2022, PGEC will be on its 115th edition with about 2,000 students. In Africa, about 50No. students are trained each year and IAEA is looking forward to having this number increased.

There are a total of eight regional centers offering PGEC in the Africa, Latin America and the Caribbean and Middle East regions. In Africa, there are three centers namely Ghana, Algeria and Morocco. Kenya is expected to be the second center to host PGEC programme for English speaking member states.

Hosting of the PGEC programme by Kenya is a great opportunity for KNRA to showcase its regional presence as well as develop the infrastructure to train regulatory staff, health professionals, radiation protection officers and operators in radiation protection and the safety of radiation sources.

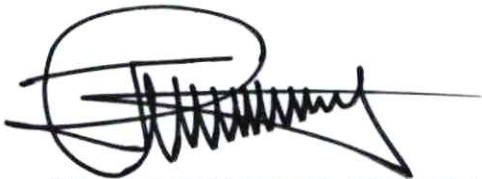
Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

KNRA has developed the following nine draft NRA regulations to be submitted through the parent ministry:

- Radioactive consumer products
- Security of nuclear material
- Safe transport of radioactive materials
- Radioactive waste management
- Physical protection of radioactive materials
- Non ionizing radiation
- Ionizing radiation safety
- Foodstuffs regulation
- Emergency preparedness and response

The Kenya Nuclear Regulatory Authority therefore provides the national regulatory framework and undertakes its mandate in accordance with the Nuclear Regulatory Act and related national, regional and international instruments.

This ensures radiation protection and safety, nuclear safety, nuclear security, nuclear non-proliferation and the safe and secure management of radioactive waste in order to safeguard society and the environment, now and in the future.



MR. JAMES KETER CHUMBA
DIRECTOR GENERAL

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

7. Statement of Performance against Predetermined Objectives for FY 2023/2024

The Kenya Nuclear Regulatory Authority (Authority) is a State Corporation established by the Nuclear Regulatory Act Cap 243. KNRA is the successor to the former Radiation Protection Board under the Ministry of Health. The authority was also able to achieve its core objectives as highlighted in the key output areas below;

Key output	Key performance indicator	Target	Actual Achievement
		2023/2024	2023/2024
Development of a national nuclear power programme infrastructure	Number of draft nuclear power programme regulations developed	3	3
	Number of nuclear security regulations developed	2	2
Strengthening nuclear security and non-proliferation of nuclear materials	Number of enforcement officers qualified and able to respond to nuclear security events	30	25
	Cumulative percentage of nuclear safety and security detection at ports of entry	30%	20%
	Proportion of category I and II radiation facilities complying with physical protection measures	100%	100%
Safety of radiation sources and materials	Percentage of development and implementation of the national radiation workers database	50%	30%
	Proportion of environmental radiological mapping and characterization of High Background Radiation Areas	20%	10%
	Number of persons who have completed the International Atomic Energy Agency postgraduate educational certificate in radiation protection	25	25
Radioactive waste management	Percentage of radioactive waste collected and conditioned at the central radioactive waste processing facility	30%	20%

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

8. Corporate Governance Statement

The Kenya Nuclear Regulatory Authority Board understands that Corporate Governance is critical for the achievement of the Regulators mission and vision. The Board recognizes that it has overall responsibility for the governance of the Regulator and is committed to providing strategic direction, oversight, the necessary support, and advice to management. The Board is committed to high standards of Corporate Governance and ethical behavior characterized by effective and responsible leadership, accountability, fairness, integrity, transparency, efficiency, and effectiveness. The Board is responsible for the governance of the Regulator and is accountable to the citizens of this country for ensuring that the Regulator complies with the law and maintains the highest standards of corporate governance and ethics.

The Board attaches great importance to the need to conduct the activities and operations of the Regulator with integrity, fairness, and transparency. The Director General is the Secretary to the Board.

Conflict of Interest, Code of Conduct & Ethics

KNRA has fully adopted the Code of Ethics that is enshrined in the Mwongozo, which is the Code of Governance for Government-owned entities. The code of ethics entails, among other things declaration of Conflict of Interest which must be embraced by both the Board and the employees of the organization.

Risk Management

The Regulator's Risk management policy is currently under development by the Audit, Risk, and Compliance Committee.

Compliance with Statutory Requirements

The Regulator strived to make timely remittance of statutory deductions, including; PAYE, NHIF etc, in order to protect the welfare of its staff and comply with statutory requirements during the year under review.

Statement of Board Members' Responsibility

The Authority's board is ultimately responsible for;

- a) The mission and vision of the Authority;
- b) Promoting the aims and objectives of the Authority;
- c) Setting strategic directions for the Authority;
- d) The appointment and performance management of the Director General;
- e) Oversight of management;
- f) Monitoring Authority's performance against strategic objectives;

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

- g) Setting and critically monitoring Board policy and risk management;
- h) Extending links and communication between the Authority and the wider Community;

Remuneration of Board members

Board members are paid taxable sitting allowances as approved by the Chief of Staff and Head of the Public Service following guidelines from the State Corporations Advisory Committee. The Chairman is paid honoraria at a rate approved by the Government.

Transport expenses are reimbursed on travel for Board business at the prevailing AA rates. The members are also entitled to outpatient and inpatient medical cover and a personal accident cover as applicable.

Authority's Board Meetings

The meetings of the Board members are held at least once every quarter in a calendar year.

In order to facilitate the smooth running of its affairs, the Authority's board establishes committees with membership and terms of reference as it may deem fit. A calendar of Authority's board and its committees is prepared before the beginning of each financial year.

The board membership and meeting attendance during the Financial Year 2023/2024 is as indicated below;

Meeting	No of Meetings	Membership	Attendance	Average Attendance %
Full Board	6	10	58	96
Special Board	1	10	8	80
LTAC Committee	5	5	20	80
HRFC Committee	7	7	36	73
LPS Committee	2	5	8	80
Audit Committee	5	4	18	90

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

9. Management Discussion and Analysis

Operational Performance

Events that Shaped KNRA in 2023/2024

In the year under review the Authority was able to launch the IAEA post graduate course. The IAEA Postgraduate Education Course (PGEC) took place from 1st October 2023 to 30th March 2024. It drew together 20 participants from 13 countries. Kenya is now one of the four countries in Africa that offer this IAEA six-month course. These countries are Morocco and Algeria for French speaking African countries; Ghana and Kenya for English speaking African countries. Kenya Nuclear Regulatory Authority is now a Regional Designated Centre (RDC) for education and training in radiation protection. Following this recognition, Kenya is now hosting officers from other countries. For example, KNRA hosted (six weeks) four officers from Malawi and trained them on authorization and inspection of radiotherapy facilities. The event brought benefits to our country's economy by promoting tourism and hospitality sector, and foreign exchange benefit.

Kenya Nuclear Regulatory Authority (KNRA), in collaboration with the World Institute for Nuclear Security (WINS), spearheaded roundtable meeting in the to explore the various challenges facing the Nuclear industry. The engagement brought together a total of 28 young professionals in nuclear security, from 8 Sub-Saharan Africa countries. Participants were from law enforcement, border control agencies, regulatory authorities, operators in nuclear and radiation field and regulatory authorities, The was funded by the World Institute for Nuclear Security. The roundtable meeting explored on challenges faced by young people in the industry, opportunities in nuclear security and recommendation on tackling challenges in nuclear security.

The meeting brought out clearly Kenya's potential in supporting the region in competence and capacity building in nuclear security. This led to proposed MoU between KNRA and WINS which was signed during the 68th IAEA General Conference, on 17th September 2024. Kenya will serve as the Africa Hub for WINS. Kenya will be hosting the WINS Academy programs related to professional training in nuclear security and nuclear security professional certification programs for Africa countries.

In April 28, 2004, the UN Security Council unanimously voted to adopt Resolution 1540, a measure aimed at preventing non-state actors from acquiring nuclear, biological, and chemical weapons, their means of delivery, and related materials. The resolution filled a gap in international law by addressing the risk that terrorists might obtain, proliferate, or use weapons of mass destruction.

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

The EU CBRN Initiative, whose secretariat is hosted and headed by Kenya aims at building capacity and competence in implementation of the Resolution 1540. In the Year under review the regulator held several workshop bringing together policy makers from the region who were trained on how to carry out threat assessment and developing plans and mitigation measures using the threat assessment report.

The Regulator attained great milestone in terms of capacity building and training of KNRA staff on regulatory control of radiotherapy practices.. A total of 12 officers from KNRA were taken through theoretical and practical lessons on inspection and authorization of radiotherapy facilities, that is external beam radiotherapy and brachytherapy. This led to a review of our guidelines for inspection and authorization of radiotherapy facilities. The guidelines are now in line with the international best practices for nuclear safety and security. The program was funded by the IAEA. This is impacting positively on ongoing Government initiative for expansion of radiotherapy facilities to fight cancer menace. Lecturers were drawn from United States of America, Spain, IAEA and Nigeria, there were two observers from Morocco and Burkina Faso. Lessons drawn from this course have also been incorporated into two draft regulations: Ionizing Radiation Safety regulations and Regulations on Security of Radioactive Materials and associated facilities.

10. Environmental and Sustainability Reporting

Our Approach to Sustainability

The Authority's Strategic Plan takes into consideration Sustainable Development Goals and strategies for its implementation. KNRA uses an integrated approach for planning and reporting on significant sustainable development matters which are embedded in the strategic initiatives and responsibilities assigned. This approach makes it easier for the whole institution to understand, manage and evaluate sustainability related data and performance. Transparency for our Stakeholder is increased through continuous and proactive monitoring and reporting on our progress in delivering towards them.

Below is an outline of the organisation's policies and activities that promote sustainability.

i) Sustainability strategy and profile

The management remains cognizant of the fact that sustained economic growth cannot be achieved without social progress and the well-being of all communities.

ii) Environmental performance

The Board has put in place the system for the protection of persons and property and the environment against the harmful effects of radiation aimed at protecting the environment, conserving natural resources and where possible, to repair damage and reverse negative trends.

iii) Employee welfare

The Board has policies in place to ensure hiring process adheres to affirmative action on gender, ethnicity and regional distribution. Boards has Rewards and Recognition in addition to a training done to improve competence of staff . In ensuring that employees are safe, the Board has availed a policy detailing issues of safety as well as provisions for compliance with Occupational Safety and Health Act of 2007.

iv) Market place practices

The board has policies and practises in place to ensure good market place practises are adhered to as outline below:

a) Responsible competition practice.

The Board's marketing guidelines as well as a communication policy which provides mechanisms for retention and growth of its market share and provides a clear marketing strategy aimed at maintaining responsible involvement in creating brand awareness.

b) Responsible Supply chain and supplier relations

The Board maintains a good working relationship with its suppliers cognizant of compliance with the Public Finance and Management Act 2012 and its regulations, Public Procurement and Assets Disposal Act 2015 and its regulations and Issued circulars and guidelines in meeting contractual obligations.

c) Responsible marketing and advertisement

The board has in place marketing guidelines in place which provide mechanisms for creating brand awareness and reaching out to the public and stakeholders. Further, the board has established awareness programs in radiation safety and nuclear security.

d) Product stewardship

Additionally, the Board is in the process of developing appropriate regulatory laws, standards and guides consistent with international standards that will guide the entity in its operation to ensure the needs of stakeholder are well taken care of.

e) Corporate Social Responsibility / Community Engagements

The board is in continuous Communication and consultation with relevant parties and stakeholders on radiation and nuclear matters. This will assist the stakeholders to raise relevant information to the board that will help them in drafting laws and regulations to ensure and establish appropriate awareness methods and procedures for informing and consulting the public and other interested parties about the regulatory process and the safety, health and environmental aspect of regulated activities including incidents, accidents and abnormal occurrences.

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

11. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the *Kenya Nuclear Regulatory Authority's* affairs.

i) Principal activities

The Board is primarily engaged in management of Kenya Nuclear Regulatory Authority together with other mandates specified in Kenya Nuclear Regulatory Authority Act.

ii) Results

The results of the Kenya Nuclear Regulatory Authority for the year ended June 30, 2024 are set out on page 1-31.

iii) Auditors

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

By Order of the Board

A handwritten signature in black ink, appearing to read 'James Keter Chumba', is written over a horizontal dotted line. The signature is stylized and somewhat cursive.

Name: Mr. James Keter Chumba

Secretary of the Board

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 Kenya Nuclear Regulatory Authority, which give a true and fair view of the state of affairs of the Authority at the end of the financial year and the operating results of the Authority for that year. The Directors are also required to ensure that the Authority keeps proper accounting records which disclose with reasonable accuracy the financial position of the Authority. The Directors are also responsible for safeguarding the assets of the Authority.

The Directors are responsible for the preparation and presentation of the Authority's financial statements, which give a true and fair view of the state of affairs of the Authority for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Entity; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the Authority ; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Authority's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and section 14 of the State Corporations Act. The Directors are of the opinion that the Authority's financial statements give a true and fair view of the state of KNRA transactions during the financial year ended June 30, 2024, and of the Authority's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the Authority, which have been relied upon in the preparation of the Authority's financial statements as well as the adequacy of the systems of internal financial control.

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

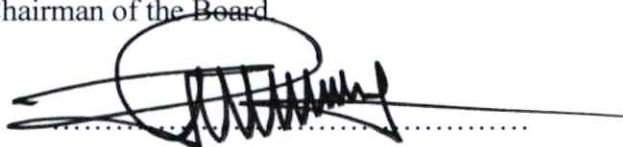
Nothing has come to the attention of the Directors to indicate that the Authority will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Kenya Nuclear Regulatory Authority financial statements were approved by the board on 26th September 2024 and signed on behalf by the Chairman of the Board



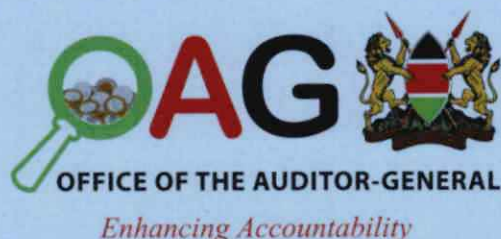
Hon. Peter Edick Omondi Anyanga
Chairperson of the Board



Mr. James Keter Chumba
Director General

REPUBLIC OF KENYA

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HEADQUARTERS
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA NUCLEAR REGULATORY AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Nuclear Regulatory Authority set out on pages 1 to 31, which comprise of the statement of financial

performance, statement of financial position as at 30 June, 2024 and the statement of statement of net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenya Nuclear Regulatory Authority as at 30 June, 2024 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 Nuclear Regulatory Act, 2019 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Undisclosed Cash and Bank Balances

The statement of financial position and as disclosed in Note 12 to the financial statements reflects cash and bank balances of Kshs.8,357,357. However, this balance excludes Kshs.7,384,323 held in two bank accounts of the former Radiation Protection Board which had not been transferred to the Authority. Further, review of the bank statements for the two bank accounts disclosed in Note 12 revealed a balance of Kshs.7,118,038 resulting to unreconciled variance of Kshs.265,285.

In the circumstances, the accuracy and completeness of cash and bank balances of Kshs.8,357,357 could not be confirmed.

2. Long Outstanding Trade and Other Receivables

The statement of financial position reflects trade and other receivables balance of Kshs.32,197,117 as disclosed in Note 11 to the financial statements out of which Kshs.15,666,818 was outstanding for more than three (3) years. In addition, Management did not indicate the measures put in place to ensure that the amounts outstanding are recovered. Further, the Authority did not have a debt management policy.

In the circumstances, the accuracy and recoverability of trade receivables balance of Kshs.32,197,117 could not be confirmed.

3. Lack of Land Ownership Documents

The statement of financial position and as disclosed in Note 13 to the financial statements reflects property, plant and equipment balance of Kshs.544,041,659. The balance includes Kshs.45,000,000 in respect of a parcel of land whose ownership documents

were not provided for audit. Further, the land on which the Central Radioactive Waste Processing Facility sits was not disclosed in the financial statements.

In the circumstances, the accuracy, completeness and ownership of property, plant and equipment of Kshs.45,000,000 could not be confirmed.

4. Unconfirmed Revaluation of Assets

The statement of financial position reflects revaluation reserve balance of Kshs.634,974,333 being a decrease of Kshs.31,212,454 from Kshs.666,186,787 reported in the previous year. However, the decrease was not supported since Management did not provide evidence to confirm that revaluation of assets was carried out during the year under review.

In the circumstances, the accuracy and completeness of the revaluation reserve balance of Kshs.634,974,333 could not be confirmed.

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

Emphasis of Matter

1. Recurring Deficit

The statement of financial performance reflects a deficit of Kshs.56,328,735 being an increase of Kshs.30,484,660 from a deficit Kshs.25,844,075 in the comparative period. This resulted to a decline in the accumulated surplus by a similar amount.

Management did not provide strategies put in place to reverse this trend which if not addressed, may lead to financial challenges in the future.

2. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final income budget of Kshs.274,000,000 and actual on comparable basis of Kshs.265,376,040 resulting to underfunding of Kshs.8,623,960. Similarly, the Authority spent an amount of Kshs.321,704,775 against actual on comparable basis income of Kshs.265,376,040 resulting to unexplained over-expenditure of Kshs.56,328,735 or 21%.

The underfunding may have affected achievement of the Authority's key Mandate. In addition, the over-expenditure may lead to accumulation of accounts payable.

Other Matter

Unresolved Prior Year Issues

In the audit report of the previous year, various issues were raised under the report on the Financial Statement, Lawfulness and Effectiveness in Use of Public Resources and Report of Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2024 or given any explanation for the failure to resolve them. In addition, all the prior year issues were not disclosed under Progress on Follow up of Auditor Recommendations section of the financial statements.

My opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report,

I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Budget Imbalance

The statement of comparison of budget and actual amounts reflects final budgeted income of Kshs.274,000,000 and final budgeted expenditure of Kshs.247,900,000 resulting to budget deficit of Kshs.26,100,000. This was contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which states that budget for national government entities shall be balanced.

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

2. Unauthorized Expenditure

The statement of comparison of budget and actual amounts reflects final income budget of Kshs.274,000,000 and actual expenditure of Kshs.321,704,775. The actual expenditure includes Kshs.2,101,300 incurred on tree planting which was not in the approved budget but was paid out and charged under public celebrations. This was contrary to Regulation 54(1) of the Public Finance Management (National Government) Regulations, 2015 which prohibits an Accounting Officer to authorize payments out of funds earmarked for specific activities for purposes other than those activities.

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

3. Irregular Payment of Acting Allowances

The statement of financial performance reflects personal emoluments of Kshs.62,748,384 out of which Kshs.577,920 was in respect of acting allowance for two (2) employees who had served in acting positions for seven (7) months. In addition, the acting allowance paid was over the 20% threshold of the employees' basic salary by Kshs.91,280 and as at the time of audit in the month of November 2024, these employees continued to act in these positions for an additional four (4) months after the year end contrary to Paragraph C.14 (1) of the Human Resource Policies and Procedures Manual for the Public Service May, 2016 which requires acting allowance to be paid at a rate of 20% of the employee's substantive basic salary for not more than six (6) months'

In the circumstances, Management was in breach of the Human Resource Policies and Procedures Manual for the Public Service.

4. Irregular Use of Low Value Procurement Method

The statement of financial performance reflects general expenses of Kshs.169,342,525 as disclosed in Note 4 to the financial statements. Included in the amount is

Kshs.17,044,800 expenditure on stationery and stores out of which Ksh.3,777,900 was cash purchases. This amount exceeded Kshs.50,000 threshold stipulated in the second schedule of the Public Procurement and Asset Disposal Regulations, 2020.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

1. Inadequate Staffing Levels

Review of the staff establishment revealed one hundred and thirty-four (134) established positions out of which eighty-six (86) had been filled resulting into understaffing of forty-eight (48).

In the circumstances, the inadequate staffing levels may affect the effectiveness of achieving the Authority's mandate of ensuring safe, secure and peaceful use of nuclear science and technology.

2. Failure to Maintain Fixed Assets Register

The statement of financial position reflects property, plant and equipment balance of Kshs.544,041,659 as disclosed under Note 13 to the financial statements. However, Management did not maintain a fixed asset register indicating assets details including asset name, tag number, asset value and specific asset location. It was therefore difficult to identify specific assets for assets verification.

In the circumstances, the effectiveness of internal controls on the management of fixed assets could not be confirmed.

3. Weakness in Information Technology

During the year under review, Management did not establish an information technology (IT) strategic plan, steering committees and there was no disaster recovery plan and business continuity plan.

In the circumstances, the effectiveness of risk assessment and information technology controls could not be confirmed.

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

Responsibilities of the Management and Board of Directors

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

In preparing the financial statements, Management is responsible for assessing the Authority's ability to continue to sustain 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 cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

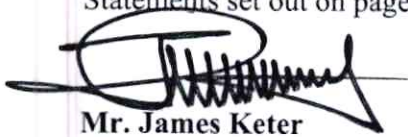
23 December, 2024

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

14. Statement of Financial Performance for the year ended 30 June 2024

REVENUE	NOTE	2023/2024	2022/2023
		KSHS	KSHS
Revenue from Non-Exchange Transactions			
Government Recurrent Grants	1	174,000,000	144,999,996
Revenue from Exchange Transactions			
Levies	2	91,376,040	144,406,802
Total Revenue		265,376,040	289,406,798
EXPENSES			
Personnel Costs	3	62,748,384	29,998,794
General Expenses	4	169,342,525	183,715,202
Use of Good & services	5	32,638,354	57,842,160
Repair and Maintenance	7	20,299,111	16,616,982
Contracted Services	8	9,077,600	9,966,256
Board Expenses	6	25,386,236	17,111,479
Insuarance and Medical	9	2,212,566	
Total Expenses		321,704,775	315,250,873
Surplus/ (Deficit) for the year		(56,328,735)	(25,844,075)

The notes set out on pages 7 to 31 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 6 were signed on behalf of the Board of Directors by:

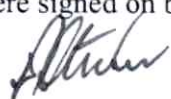


Mr. James Keter

Director General

Date:

17/12/2024



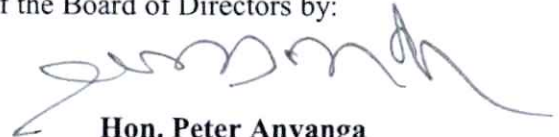
CPA Patrick Ataro

ICPAK Member No: 13572

Head of Finance

Date:

17-12-2024



Hon. Peter Anyanga

Chairman of the Board

Date:

17/12/2024

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

15 Statement of Financial Position as at 30 June 2024

	<u>NOTE</u>	<u>2023/ 2024</u>	<u>2022/ 2023</u>
		KSHS	KSHS
ASSETS			
CURRENT ASSETS			
Inventories	10	7,115,751	14,342,911
Trade and Other Receivables	11	32,197,117	17,868,857
Cash and bank balances	12	8,357,357	24,965,412
Total Current Assets		47,670,225	57,177,180
NON CURRENT ASSETS			
Property, Plant and Equipment	13	544,041,659	585,321,916
Intangible Asset- ERP	14	1,764,000	2,352,000
Biological Assets			-
Total Non-Current Assets		545,805,659	587,673,916
TOTAL ASSETS		593,475,884	644,851,096
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	15	9,461,908	4,508,384
Total Current Liabilities		9,461,908	4,508,384
			-
NET ASSETS AND LIABILITIES		584,013,976	640,342,712
NET ASSETS			
Capital Fund			
Revaluation Reserve		634,974,333	666,186,787
Accumulated Surplus/(Deficit)	16	(50,960,357)	(25,844,075)
Total Net Assets		584,013,976	640,342,712
Total Net Assets and Liabilities		593,475,884	644,851,096

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

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



Mr. James Keter

Director General

Date: 17/12/2024



CPA Patrick Ataro

ICPAK Member No: 13572

Head of Finance

Date: 17-12-2024



Hon. Peter Anyanga

Chairman of the Board

Date: 17/12/24

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

16. Statement of Changes in Net Assets for the year ended 30 June 2024

Period	Capital Fund	Revaluation Reserve	Accumulated Surplus	TOTAL
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2023	-	634,974,333	5,368,378	640,342,712
Additions in the Year 2024	-	-		-
Surplus for the Year 2024	-	-	(56,328,735)	(56,328,735)
As at 30th June 2024	-	634,974,333	(50,960,357)	584,013,976

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

17. Statement of Cash Flows for the year ended 30 June 2024

	Notes	<u>2023/ 2024</u>	<u>2022/ 2023</u>
Cash Flows from Operating Activities		KSHS.	KSHS.
Receipts			
Government Recurrent Grants	1	174,000,000	144,999,996
Levies	2	91,376,040	144,406,802
Total Receipts		265,376,040	289,406,798
Payments			
Personnel Emolument	3	62,748,384	29,998,794
General expenses	4	169,342,525	183,715,202
Use of Good & services	5	32,638,354	57,842,160
Repair and Maintenance	7	20,299,111	16,616,982
Contracted Services	8	9,077,600	9,966,256
Board Expenses	6	25,386,236	17,111,479
Insurance & Medical	9	2,212,566	
Total Payments		321,704,775	315,250,873
Cash Generated from operations	16	64,905,613	69,357,991
Net cash generated from Operating Activities		8,576,878	43,513,917
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Purchase of Computers and Equipment	13	-6,111,622	-11,684,003
Purchase of Furniture	13	-5,583,310	-14,251,504
Purchase of Motor Vehicles	13	-13,490,000	-
Net cash used in Investing Activities		-25,184,932	-25,935,507
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Capital Fund		-	-
Net cash flow from financing Activities		-	-
Net Increase (Decrease) in cash and cash equivalents		-16,608,055	17,578,410
Cash and cash equivalents at beginning of year 1 July 2023		24,965,412	7,387,003
Cash and cash equivalents at end of Period June 30, 2024		8,357,357	24,965,412

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024

	ORIGINAL BUDGET	ADJUSTMENTS	FINAL BUDGET	ACTUAL	PERFORMANCE	% age	Note
INCOME	<u>2023/2024</u>	<u>2023/2024</u>	<u>2023/2024</u>	<u>2023/2024</u>	<u>2023/2024</u>		
	KSHS	KSHS	KSHS	KSHS	KSHS		
Government Grant -Recurrent	174,000,000	-	174,000,000	174,000,000	-	0%	
Total Government Recurrent Grant	174,000,000	-	174,000,000	174,000,000	-	0%	
levy	100,000,000	-	100,000,000	91,376,040	-8,623,960	-9%	
Sub Total	100,000,000	-	100,000,000	91,376,040	-8,623,960	-9%	
Total Income	274,000,000	-	274,000,000	265,376,040	-8,623,960	-3%	
EXPENDITURE		-					
General Expenses	95,400,000	-10,600,000	106,000,000	102,280,335	3,719,665	4%	
Use of Goods & services	74,000,000	38,000,000	36,000,000	32,638,354	3,361,646	9%	
Repair and Maintenance	17,500,000	-3,400,000	20,900,000	20,299,111	600,889	3%	
Contracted Services	7,300,000	300,000	7,000,000	9,086,600	(2,086,600)	-30%	
Board Expenses	13,700,000	-	13,700,000	25,386,236	(11,686,236)	-85%	a
personnel cost	30,000,000	-30,000,000	60,000,000	62,748,384	(2,748,384)	-5%	
Insurance & Medical	5,700,000	1,400,000	4,300,000	2,212,566	2,087,434	49%	
Depreciation/Armotization	0	0	0	67,053,189			
Total Expenditure	243,600,000		247,900,000	321,704,775	(8,839,020)		
Surplus for the year	30,400,000		26,100,000	(56,328,735)			

Explanation of Variances

- a. The board expenses were exceeded because the authority is still a very new organization and there was a need for the board to engage in some of the setup activities. The Authority sought approval from the Ministry and the National Treasury as the law provided.
- b. The authority reallocated the unutilised funds from insurance vote in order to provide for security services and cleaning services.

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

19. Notes to the Financial Statements

1. General Information

Kenya Nuclear Regulatory Authority (KNRA) is a public entity established under Section 5 of the Nuclear Regulatory Act No. 29 of 2019, which commenced on 10th January 2020, to provide protection of persons, property and the environment against the harmful effects of ionizing and non-ionizing radiation through the establishment of a system of regulatory control.

KNRA is a successor of the former Radiation Protection Board (RPB), which was founded in 1986. Powers and responsibilities of the former RPB are now vested with KNRA under expanded regulatory scope. The Nuclear Regulatory Act No. 29 of 2019 gives KNRA powers to grant, amend and revoke authorisations, and to impose such conditions upon authorisation holders as it deems necessary. The principal activities are:

- a) To strengthen the Regulatory Framework for the effective control of radiation sources, radioactive waste management and nuclear technology.
- b) To protect persons, society and the environment from the hazards associated with the use of radiation and nuclear technology.
- c) To strengthen national capability for responding to a radiological or nuclear emergency.
- d) Strengthen national, regional and international partnerships in radiation safety and nuclear security.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *KNRA's* accounting policies. The areas involving a higher degree of judgement or complexity, or

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *KNRA*. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2024.*

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

- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024*

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at</p>

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

Standard	Effective date and impact:
Discontinued Operations	<p>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>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

Standard	Effective date and impact:
	<p>measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

Standard	Effective date and impact:

iii. *Early adoption of standards*

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

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

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

KNRA recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

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

Sale of goods

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

b) Budget information

The original budget for the Current FY 2023/24 was approved by the National Assembly and 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.

KNRA 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 in these financial statements.

c) Taxes

Current income tax

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

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

date in the area where the *KNRA* operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to KNRA and the same taxation authority.

Sales tax

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

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

d) Investment property

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

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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.

Depreciation is calculated on a straight-line basis at the following rates:

Description	Annual Rate
Freehold land	Nil
Buildings	2%
Motor vehicles	20%
Fixtures, furniture & fittings	10%
Computers and Equipment	30%
Plant and Machinery	10%

Capital work in progress is not depreciated until such a time as the asset is brought into use.

f) Leases

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

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to KNRA. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

h) Research and development costs

The Development costs on an individual project are recognized as intangible assets when the *KNRA* 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.

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

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

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

b) Financial liabilities

Classification

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

j) Inventories

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

k) Provisions

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

l) Social Benefits

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

m)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.

n) Contingent assets

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

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

o) Changes in accounting policies and estimates

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

p) Foreign currency transactions

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

q) Cash and cash equivalents

Cash and cash equivalents comprise cash at 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 Commercial Banks and Mpesa holding account at the end of the financial year.

r) Comparative figures

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

s) 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, 2024.

Useful lives and residual value

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

The condition of the asset based on the assessment of experts employed by the Entity.

- a) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.

Kenya Nuclear Regulatory Authority

Annual Report and Financial Statements for the year ended June 30, 2024.

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

Provisions

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

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

Transfers from Other Government entities

1. GOVERNMENT GRANTS	2023/2024	2022/2023
	KSHs	KSHs
Recurrent Grants	159,500,000	144,999,996
Recurrent Grants Receivable	14,500,000	0
	174,000,000	144,999,996

2. Levies	2023/2024	2022/2023
	KSHs	KSHs
RSA Verification fees	347,900	438,100
Personal Monitoring Fees	246,900	237,500
Annual Licence Renewal Fee	8,060,731	9,333,380
Registration and Annual Licence Fee	1,234,600	2,225,150
Cost, insurance, and freight (CIF) Fees	14,643,875	5,718,065
Screening & Radio Analytical fees	66,780,984	126,300,007
Other Income	61,050	154,600
	91,376,040	144,406,802

3. PERSONNEL EMOLUMENT	2023/2024	2022/2023
	KSHs	KSHs
Salaries and wages	37,293,089	14,649,833
Passage and baggage		1,468,418
Housing benefit and other allowances	25,455,295	13,880,544
	62,748,384	29,998,794

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

4.GENERAL EXPENSES		2023/2024	2022/2023
		KSHs	KSHs
Audit Fees		696,000	696,000
Bank Charges		342,352	330,753
Travelling & Accommodation		11,444,148	10,494,961
Cleaning Expenses			2,976,422
Conferences & Seminars		4,450,843	4,562,141
Stationery & Stores		17,044,800	14,887,558
Advertising & publicity		1,941,975	93,000
Telephone Expenses			178,000
Motor Vehicle Expenses		524,000	202,500
Entertainment		2,142,079	1,766,755
Internet Expenses		1,892,511	2,469,253
Electricity Expenses		1,351,852	146,626
Regional Offices Cost		9,857,166	8,098,078
Training & Research cost			6,937,186
Rent & Water		17,508,350	16,392,851
Recruitment Cost		2,635,815	
Restructuring Cost		5,822,120	17,728,100
Insurance			1,073,406
Printing			173,380
Fees and Subscriptions		5,353,359	3,249,334
Public Celebration/Funerals		3,236,900	
Maintenance of Grounds		4,943,456	
Depreciation		66,465,189	71,802,323
Amortization of erp		588,000	588,000
Fuel expenses		6,999,838	6,788,408
Foreign Travelling Expenses		4,101,772	12,080,165
Total		169,342,525	183,715,202

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

5.USE OF GOODS		2023/2024	2022/2023
		KSHs	KSHs
Inspection & Field Cost		11,499,358	47,978,150
Lab & Consumables		8,330,560	7,316,210
Regulation Development cost		6,739,100	2,547,800
Research/Training&Development		6,069,336	0
		32,638,353	57,842,160

6.BOARD EXPENSES		2023/2024	2022/2023
		KSHs	KSHs
Chairman Honoraria		1,020,000	1,020,000
Sitting Allowances		8,620,000	7,220,000
Travel & Accommodation		9,617,666	6,963,670
Other Expenses		6,128,570	1,907,809
		25,386,236	17,111,479

7.REPAIR AND MAINTENANCE		2023/2024	2022/2023
		KSHs	KSHs
Property		12,698,746	6,665,833
Others		7,600,365	9,951,149
		20,299,111	16,616,982

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

8.CONTRACTED PROFESSIONAL SERVICES		2023/2024	2022/2023
		KSHs	KSHs
Outsourced Services-Landscaping			4,943,456
Outsourced Services-Cleaning		4,463,100	5,022,800
Security Services		1,228,500	
Strategic Plan Development		2,400,000	
Outsourced services-Board Induction		986,000	
		9,077,600	9,966,256

9. Insuarance and Medical		2023/2024	2022/2023
		KSHs	KSHs
Medical Insurance		1,041,508	0
Motor Vehicle Insurance		1,171,058	0
Totals		2,212,566	0

10.INVENTORIES		2023/2024	2022/2023
		KSHs	KSHs
Finance stores		7,115,751	14,342,911
Total		7,115,751	14,342,911

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

11. Receivables from Exchange Transactions

(a) Receivables from Exchange Transactions

TRADE & RECEIVABLES		2023/2024	2022/2023
		KSHs	KSHs
Capitation		14,500,000	-
Other receivables		17,697,117	17,868,857
		32,197,117	17,868,857

(b) Ageing analysis for Receivables from exchange transactions

Description	2024	
	Kshs	
	Current FY	% of the total
Less than 1 year	1,388,385	8%
Between 1- 2 years	141,992	1%
Between 2-3 years	499,922	3%
Over 3 years	15,666,818	88%
Total	17,697,117	100%

12. Cash and Cash Equivalent

CASH & BANK		2023/2024	2022/2023
		KSHs	KSHs
Co-operative Bank		5,429,932	24,871,778
Kenya Commercial Bank		2,927,425	93,634
		8,357,357	24,965,412

Kenya Nuclear Regulatory Authority took over operations of the former Radiation Protection Board. The Radiation Protection Board operated bank accounts in Kisumu and Mombasa

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

which had the following balances at the time of take over. However, the amount has not been transferred to the authority yet.

No	Location	Bank	Account Number	Amount (Kshs)
1	Kisumu	Kenya Commercial Bank	1184150656	286,926
2	Mombasa	Kenya Commercial Bank	1226231519	7,097,397
	Total			<u>7,384,323</u>

13. PROPERTY, PLANT AND EQUIPMENT								
	WORK IN PROGRESS	LAND	BUILDINGS	COMPUTER & EQUIPMENT	FURNITURE & FITTINGS	PLANT & MACHINERY	MOTOR VEHICLES	TOTAL
Rates			0.02	0.3	0.1	0.1	0.2	
Cost/valuation 01.07.2023	-	45,000,000	12,000,000	63,520,799	58,436,415	532,232,314	24,209,340	735,398,868
Additions in the year				6,111,622	5,583,310		13,490,000	25,184,932
As at 30.06.2023	-	45,000,000	12,000,000	69,632,421	64,019,725	532,232,314	37,699,340	760,583,800
Accumulated Depreciation 01/07/2023			- 475,200	29,941,967	9,820,283	101,124,140	8,715,362	150,076,952
Charge for the period 30.06.2024			230,496	11,907,136	5,419,944	43,110,817	5,796,796	66,465,189
Accumulated as at 30.06.2024			- 705,696	41,849,103	15,240,228	144,234,957	14,512,158	216,542,142
NBV(30.06.2024)	-	45,000,000	11,294,304	27,783,318	48,779,497	387,997,357	23,187,182	544,041,659
NBV(30.06.2023)	-	45,000,000	11,524,800	33,578,832	48,616,132	431,108,175	15,493,978	585,321,916

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

14.Intangible Assets

INTANGIBLE ASSETS	2023/2024	2022/2023
	KSHs	KSHs
ERP	2,352,000	2,940,000
Amortization (5yrs)	588,000	588,000
Balance	1,764,000	2,352,000

15.Trade and Other Payables

TRADE PAYABLES	2023/2024	2022/2023
	KSHs	KSHs
	9,461,908	4,508,384
	9,461,908	4,508,384

16. CASH GENERATED FROM OPERATIONS

	KSHs	KSHs
Depreciation Charge & amortization	67,053,189	72,390,323
Decrease(increase) in Debtors	(14,328,260)	(2,042,177)
Decrease(increase) in Stocks	7,227,160	(2,097,715)
Increase(Decrease) in creditors	4,953,524	1,107,560
	64,905,613	69,357,991

17.Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the *KNRA* 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.

Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

Government of Kenya

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

Other related parties include:

- i) The Parent Ministry.
- ii) Key management.
- iii) Board of directors.

Description	2023	2022
	Kshs	Kshs
a) Grants /transfers from the government		
Grants from national govt	174,000,000	144,999,996
Total	<u>174,000,000</u>	<u>144,999,996</u>

18.Events after the Reporting Period

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

19.Ultimate And Holding Entity

The Entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Health. Its ultimate parent is the Government of Kenya.

20.Currency

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

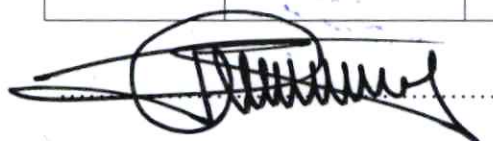
Kenya Nuclear Regulatory Authority
Annual Report and Financial Statements for the year ended June 30, 2024.

21. Appendices

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
1.	No strategic plan, organizational structure	The authority has since received SRC approved organizational structure and has a strategic plan.	Resolved	
2	No audit committee	The authority has since established an audit committee	Resolved	
3.	No internal audit	The ministry of health has since deployed an internal auditor on secondment.	Resolved	
4	Lack of risk management policies	The authority is in the process of establishing a risk management policy.	Not resolved	30 th June 2024
5	Failure to carry out risk assessment	The authority will seek to undertake risk assessment analysis	Not resolved	30 th June 2024
6	Failure to have ICT policy	The authority has since developed an ICT policy	Not Resolved	30 th June 2024



Director General

Date: 17/12/2024