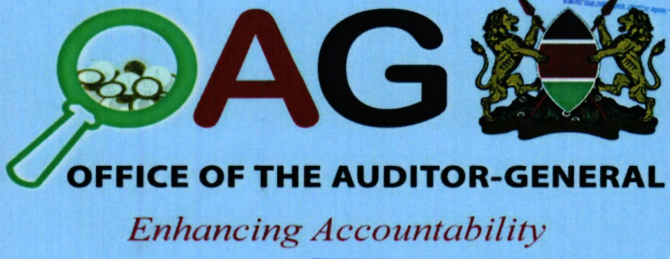



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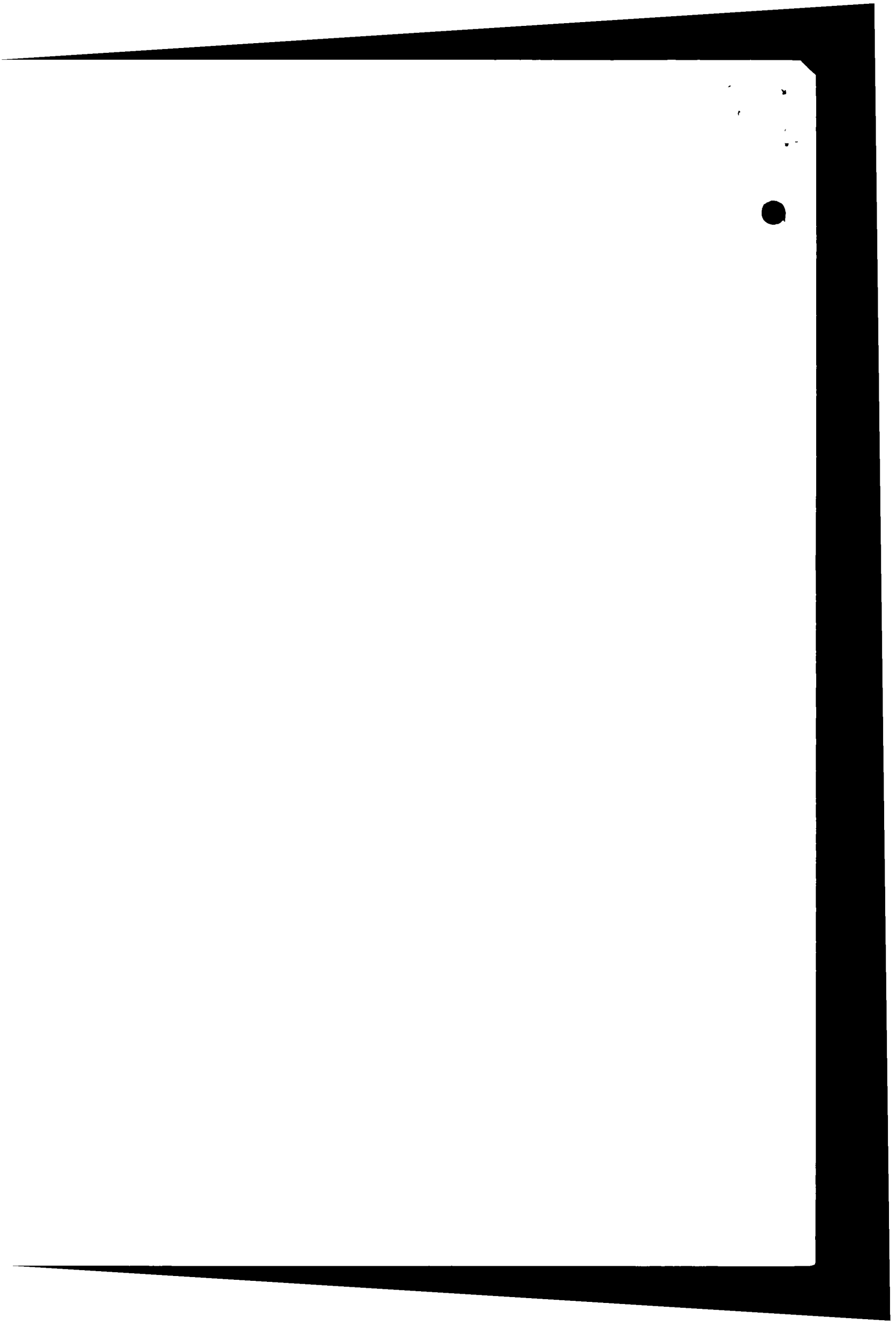
OF

THE AUDITOR-GENERAL

ON

**ENERGY AND PETROLEUM REGULATORY
AUTHORITY STAFF MORTGAGE AND
CAR LOAN SCHEME**

**FOR THE YEAR ENDED
30 JUNE, 2021**



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ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report and Financial Statements
for the year ended 30 June 2021

Prepared in accordance with the accrual basis of accounting method under the
International Public Sector Accounting Standards (IPSAS)

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Table of Content

	Page
Key Entity Information and Management	1
Board members	6 - 11
Management Team	12-14
Chairman's Statement	15
Report of The Director General	16
Review of EPRA's performance for 2020/2021	17 - 21
Corporate Governance Statement	22 - 31
Management discussion and Analysis	32
Environmental and Sustainability Reporting	33-35
Report of the Directors	36
Statement Of Directors Responsibilities	37
Report of The Independent Auditors on the Energy & Petroleum Regulatory Authority	38
Statement of Financial Performance for the year ended 30 June 2021	39
Statement of Financial Position as at 30 June 2021	40
Statement of Changes in Net Assets/Equity for the year ended 30 June 2021	41
Statement of Cashflow for the year ended 30 June 2021	42
Statement of Comparison of Budget and Actual Amounts for the year ended 30 June 2021	43
Notes to the Annual Report And Financial Statements	44 - 52
Appendix I: Progress on Follow up of Auditor Recommendations	53

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Key Entity Information And Management

1. Background information

1.1. Legal framework

The Energy Regulatory Commission was established under the Energy Act, 2006. In March 2019, the Energy Act 2019 and the Petroleum Act 2019 were enacted. The Energy Act 2019 provides for the establishment of the Energy and Petroleum Regulatory Authority as the successor to the Energy Regulatory Commission..

1.2 Principal activities

The principal activity of EPRA is to regulate the energy sector with responsibility for economic and technical regulation of electric power, renewable energy, and mid & downstream petroleum sub sectors. Its functions include tariff review and setting, licencing, enforcement, dispute settlement and approval of power purchase and network services contracts. EPRA staff mortgage and car loan is a scheme that support the Authority's staff to own a home and/or a car.

2. Key management

2.1. Board members

Name	Designation	Changes
Hon. Prof. Jackton Boma Ojwang	Chairman	
Mr. Daniel Kiptoo	Representative of PS MoPM	Appointed Ag. DG effective 14/12/2020
Mr. Pavel Robert Oimeke	Director General (DG)	Resigned on 14/12/2020
Eng. Joseph Njoroge	PS, Ministry of Energy (MOE)	
Mr. Andrew Kamau	Board Member	
Eng. Samuel N. Mugo	Board Member	Retired on 6th June 2021
Dr. Sellah Kebenei	Board Member	
Ms. Lilian Mahiri-Zaja	Board Member	Retired on 6th June 2021
Prof. George Achoki	Board Member	
Mr. Moses P. Gitari Muriuki	Board Member	
Ms. Jacqueline Mogeni	Representative of Council of Governors	Retired on 3rd June 2021
Mr. Albert Mwenda	Alternate to PS National Treasury	Appointed 17th July 2020
Mr. James Mbugua	Alternate to the PS Ministry of Petroleum & Mining	Appointed on 26/04/2021
Mr. Wanjuki Muchemi	Board Members	

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Key Entity Information And Management

2.2 Management

Designation	Name	Changes
Ag. Director General	Mr. Daniel Kiptoo Bargoria	
Board Secretary & Director Legal Services	Ms. Mueni Mutung'a	
Director Petroleum & Gas	Eng. Edward Kinyua	
Director Electricity & Renewable Energy	Eng. Joseph Oketch	
Director Economic Regulation	Dr. Frederick Nyang	Retired on 3rd March 2021
Ag. Director Corporate Services	CPA. James Kilonzo	
Director Enforcement & Consumer Protection	Mr. Cyprian Nyakundi	
Manager, Supply Chain Management	Ms. Loise Thuge	
Ag. Manager Corporate Strategy & Performance	Ms. Esther Njengah	
Manager, Internal Audit & Risk Assurance	CPA. Everlyne Orengo	
Ag. Director Economic Regulation	Dr. John Mutwii Mutua	Appointed on 3rd March 2021

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Key Entity Information And Management

2.3. Fiduciary Oversight Arrangements

The Authority

The Authority under which the scheme is managed is chaired by a non-Executive Chairman Hon. Justice(Prof) Jackton B. Ojwang (Chairman) appointed by the President. All Board members have extensive business and administrative experience in private and/or public sectors that is applied in the management of the EPRA. Authority meetings are held regularly to review EPRA's performance against set targets and business plans as well as to formulate and implement strategy. Various committees whose chairpersons report to the Board supplement the functions of the Authority.

Board Finance and Administration Committee

The Authority's Finance and Administration Committee is chaired by a non-Executive Board members and meets at least once on quarterly basis. The members are Prof. George Achoki (Chair), Mr. Wanjuki Muchemi, Mr. James Mbugua and the Director General. The Committee's responsibilities are to ensure sound financial reporting, internal system controls, business plans and budgets, procurement, ICT, Public Relations, administration and staff matters.

Board Audit & Risk Committee

The Audit Committee is chaired by a non-executive Director and the members are non-Executive Directors. The members are Dr. Sellah Kebenei (Chair), Mr Moses Gitari, and Mr. Albert Mwenda. The responsibilities of the committee are to review the financial information of the Authority, monitoring the effectiveness of management information and internal control systems, deliberate on significant findings arising from both internal and external audits, and review the overall risks facing the Authority.

Board Technical Committee

The Technical Committee is chaired by a non-Executive director and meets at least on quarterly basis. The members are Mr. Wanjuki Muchemi, James Mbugua, Mr. Albert Mwenda and the Director General. The Committee's responsibilities are to provide strategic technical direction of EPRA and to approve technical plans, activities, reports and budgets.

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Key Entity Information And Management

3. Authority headquarters

Eagle Africa Centre
Longonot Road, Upperhill
P O Box 42681
00100
Nairobi

4. Authority contacts

Telephone (254) 20 2847200
Email: info@epra.go.ke
website: www.epra.go.ke

5. Authority bankers

5.1 KCB Bank

Moi Avenue Branch
P.O Box 48400
00100
Nairobi, Kenya

5.2 National Bank of Kenya

Harambee Avenue Branch
P.O Box 41862
00100
Nairobi, Kenya

NCBA Bank

Upperhill Branch
P.O Box 30437
00100
Nairobi, Kenya

6. Auditors

Auditor General
Annivesary Towers
P.O Box 30084-00100
Nairobi, Kenya

**ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE
AND CAR LOAN SCHEME**

Annual Report And Financial Statements for the year ended 30 June 2021

Key Entity Information And Management



7. Principal legal advisor

The Attorney General
State Law Office-Harambee Avenue
P.O Box 40112-00200
Nairobi, Kenya

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Board members

 <p>Hon. (Prof) Jackton Boma Ojwang Chairman</p>	<p>Hon. Justice (Prof) Jackton B. Ojwang, was appointed Chairman of EPRA’s Board of Directors for a four-year term with effect from 12th May 2020. Prof. Ojwang is a retired judge of the Supreme Court of Kenya with a span of 45 years’ experience in the legal profession.</p> <p>Prof. Ojwang has had an illustrious 17-year career in the Judiciary after having been first appointed a high court Judge in 2003 and then elevated to the Supreme Court in 2011 as one of the key seven Judges of the newly created apex court.</p> <p>He holds Bachelor’s and Master’s degrees in Law from the University of Nairobi and a PhD in Comparative Constitutional Law from Downing College, Cambridge. In 2015, he earned a Doctor of Laws degree (LLD) from the University of Nairobi making him the first sitting judge to receive the Degree. He is an accomplished scholar and who has authored numerous academic papers and other scholarly works. He has also taught at reputable universities around the world including the University of Nairobi where he served for 27 years. He has also been a visiting Associate Professor of Law at the J. Reuben Clark Brigham Young University Law School in the United States.</p> <p>Prof. Ojwang was awarded the University of Nairobi’s Staff Merit Award in recognition of his outstanding contribution towards the University’s mission. He was also bestowed the coveted East African Law Society Senior Lawyer of Year Award in 2013 for his remarkable legal and judicial career. Up to February 2020, he sat on the Council of Legal Education Board where he chairs the Quality Assurance & Compliance Committee.</p> <p>Date of Birth: 10th February, 1950</p>
 <p>Mr. Daniel Kiptoo Director General</p>	<p>Mr. Daniel Kiptoo was appointed as the EPRA Acting Director General on 14th December 2020 and subsequently confirmed as Director General of the Authority on 1st July 2021. Prior to his appointment, he was the Legal Advisor in the State Department of Petroleum and the Chairman of the Government’s First Oil Committee charged with delivery of First Oil for Kenya. The committee brought together technical officers from different Government Ministries and agencies. Mr. Kiptoo is a qualified lawyer with experience in the Energy and Petroleum sectors with a specific focus in policy formulation, regulation and project & structured financing. He is one of the drafters of the Energy Act (2019) and Petroleum Act (2019).</p> <p>He is a Certified Public Secretary in Kenya (CPS), Chartered Secretary of the Institute of Chartered Secretaries and Administrators UK (ICSA) and is a member of the Association of International Petroleum Negotiators (AIPN). He holds a master’s degree in Petroleum Law and Policy from University of Dundee. Prior to his role as Legal Advisor in the State Department of Petroleum, he worked with the Energy and Petroleum Regulatory Authority (EPRA) as a Technical Officer and in the private sector with an Africa centric Oil & Gas risk consultancy as the Oil & Gas and Legal Affairs Director.</p> <p>Date of Birth: 17th February, 1984</p>

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Board members

 <p>Eng. Joseph Njoroge Principal Secretary, Ministry of Energy</p>	<p>Eng. Dr. Joseph K Njoroge has wide experience in power engineering and management. He joined KPLC in 1980 and rose through the ranks to become Managing Director in June 2007. Eng. Njoroge holds a Bachelor of Science degree in electrical engineering and Master of Business Administration with a major in strategic Management and a PhD in Business Administration.</p> <p>He is a Chartered Electrical Engineer, a member of the Institution of Engineering and Technology, UK, a Registered Consulting Engineer, and is a Fellow of the Institution of Engineers of Kenya. He is also Chairman of the MBA Chapter of University of Nairobi Alumni Association.</p> <p>Date of Birth: 16th June, 1958</p>
 <p>Mr. Andrew Kamau, CBS Principal Secretary, State Department for Petroleum</p>	<p>Mr Kamau has vast experience in the oil and gas sector spanning more than twenty-five (25) years.</p> <p>Prior to his appointment, he worked for multinationals in East Africa and major trading organisations in Europe and South Africa in the energy and mining sector. He was awarded the dealmaker of the year 2005 by Global Pacific partners.</p> <p>Mr. Kamau has advised on various petroleum upstream, mid/downstream ventures in countries in the region. He has extensive experience in the mining and Oil & Gas exploration sectors, having been a director of the oldest Johannesburg Stock Exchange listed mining company, Sallies Ltd, Drillex Ltd, a mineral exploration drilling company with drilling rigs in South Africa, Mozambique and Zambia. In addition, he has been a director of Gulf of Guinea Petroleum Company, a junior oil exploration company with acreage in Republic of Congo and Gabon.</p> <p>Date of Birth: 18th November, 1966</p>
 <p>Mr. James Mbugua Alternate to the PS Ministry of Energy and Petroleum</p>	<p>Mr James Mbugua is currently the Principal Superintending Geologist and Acting Secretary in the Directorate of Petroleum at the State Department of Petroleum and Mining. His directorate is responsible for overseeing the exploration of Oil and Gas fields, determination of their commerciality, licensing and ensuring compliance with environmental protection policies.</p> <p>He has extensive experience spanning over 25 years, and has been involved in the exploration of geothermal, coal, oil and gas in Kenya.</p> <p>Mr. Mbugua holds a Bachelor of Science Degree in Geology from the University of Nairobi and a Master of Science Degree in Structural Geology from the University of Leeds, UK. He also holds a Post Graduate Diploma in Geothermal Technology from Auckland University, New Zealand and a Certificate in Geothermal Energy and Environmental Sciences from Kyushu University, Japan.</p> <p>He is a member of the Geological Society of Kenya (GSK) and the Geologist Registration Board (GRB)</p> <p>He was appointed Board member of the Authority on 6th June 2021</p> <p>Date of Birth: 30th June 1962</p>

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021



Board members

 <p>Mr. Albert Mwenda Representative National Treasury</p>	<p>Mr. Albert Mwenda was appointed to the position of Director General, Budget, Fiscal and Economic Affairs on an acting capacity in November 2018.</p> <p>He holds a Masters degree in Public and Economic Policy from the London School of Economics and Political Science (LSE), UK as well as a Masters of Business Administration (Finance) from the University of Nairobi (UON). He also holds a Bachelor of Arts degree in Economics from the University of Nairobi (UON).</p> <p>He has over 20 years of experience in central government and private sector organisations. Albert was appointed as an Advisor to the National Treasury of the Government of Kenya in 2011. In this capacity, he advised the National Treasury on public finance management reforms as well as fiscal decentralisation.</p> <p>Prior to his current appointment he served as the Director of the Intergovernmental Fiscal Relations Department of the National Treasury which he helped to establish. He has made significant contributions in the recent development of Kenya's policy and legislative framework for public finance management, including the management of fiscal relations between the two levels of government. He was appointed Board member of the Authority on 10th August 2020</p> <p>Date of Birth: 10th May 1971</p>
 <p>Eng. Samuel N. Maugo Board Member</p>	<p>Eng. Maugo holds a Masters degree in Structural Engineering from Concordia University, Montreal Canada as well as a Bachelor of Science degree in civil engineering from the University of Nairobi.</p> <p>He is a registered consulting engineer with Engineers Board of Kenya (EBK) and a member of the Institution of Engineers of Kenya (MIEK). He was a lecturer at the Civil Engineering Department of the University of Nairobi for 18 years, a principal partner at Samez Consultants, a firm of consulting engineers and a commissioner at Electoral Commission of Kenya (2007-2008).</p> <p>Eng. Maugo has been the managing director of Multiscope Consulting Engineers Ltd from 2007 to date and has served as a Board Member at EPRA since April 2015.</p> <p>Retired on 6th June 2021</p> <p>Date of Birth: 1st January, 1955</p>
 <p>Dr. Sellah J. Kebenei Board Member</p>	<p>Dr. Kebenei, a senior lecturer (academician) at Kabarak University, has conducted extensive research in the field of Organic and Environmental Chemistry.</p> <p>She began her academic career at the University of Nairobi in 1981 where she graduated with a Bachelor of Science Degree (BSc), with a Major in Chemistry. She subsequently did Master of Philosophy (M.Phil.) Degree in Chemistry at the Moi University, Eldoret and graduated in 2003. She holds a Doctor of Philosophy Degree in Chemistry (PhD) from the same university (2009).</p> <p>From 2006 to 2015, she served as Head of Environmental and Life Science Department at the Kabarak University. Since 2016 to date, she has served as Head of Physical and Biological Sciences Department at the same University. She served as acting Dean for the School of Science, Engineering and Technology (2014) and as Director of the Institute of Post-Graduate Studies and Research (2016).</p>

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021




Board members

	<p>She was coordinator for the development of the School of Medicine and Health Science from 2009 to 2014, which resulted in the launching of Nursing and Clinical Medicine Degree program.</p> <p>Date of Birth: 28th February, 1961</p>
 <p>Ms. Lilian Mahiri Zaja Board Member</p>	<p>Ms. Lilian B. Mahiri-Zaja holds a Master of Laws Degree from the University of Reading, United Kingdom (2002); a post-graduate Diploma in Legal Education from the Kenya School of Law (1989); and an LL.B. (Hons.) Degree from the University of Nairobi, Kenya (1988).</p> <p>She was the Vice Chairperson of the Independent Electoral and Boundaries Commission (IEBC) of Kenya. She was a member of the Technical Working Group that developed a mechanism for women representation to ensure implementation of the two-third gender principle.</p> <p>Ms. Mahiri-Zaja is an Advocate of the High Court of Kenya and has served in various national and international institutions; including the Committee of Experts on Constitutional Review in 2009-2010, Presidential National Committees, Task Forces, various Commissions and the African Union Commission on International Law (AUCIL).</p> <p>Retired on 6th June 2021</p> <p>Date of Birth: 8th December, 1964</p>
 <p>Prof. George Achoki Board Member</p>	<p>Professor George O. Achoki has experience in Management, academia and board directorship spanning over twenty years. Professor Achoki's career life started in 1997 at Manpower Services (K) Limited where he worked as a Management Consultant. He had a one-year stint as a senior lecturer at Kenyatta University where he taught finance and accounting. He is currently an associate Professor of Accounting and Finance at United States International University (USIU) where he has taught for over 20 years.</p> <p>Professor Achoki holds a Bachelor's degree in Commerce, a Master's degree, Commerce in Accounting and Statistics and a Doctor of Philosophy in Human Resource Accounting, all from Sukhadia University, India.</p> <p>He has published in the International Journal of Economics and Finance, the American Journal of Finance, and the Journal of Business and Management among others. Between 2016-2018, he served as a Council Member at the Export Promotion Council where he Chaired the Strategy, Product Development and Promotion and the Finance and Resource Mobilization Committees.</p> <p>Date of Birth: 24th April, 1966</p>

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Board members

 <p>Wanjuki Muchemi CBS, FCI, Arb Board Member</p>	<p>Mr. Muchemi is a senior legal practitioner with a wealth of experience in International Commercial Law, Arbitration, Alternative Dispute Resolution, Multilateral and Bilateral Finance negotiations. He is currently serving as a non- Executive Director in the Boards of several listed and private companies.</p> <p>Previously, Mr. Muchemi served as the Solicitor General of the Republic of Kenya and the Principal Assistant to the Attorney General. During his tenure, he was awarded the Chief of the Order of the Burning Spear (CBS) (First Class) by His Excellency, President Mwai Kibaki, for his dedicated service. In addition, he previously served as a Director in several State Corporations as well as at the Centre for Corporate Governance for 10 years.</p> <p>He holds a Master of Business Administration (MBA) degree in Strategic Management and a Bachelor of Laws (LL.B. Hons.) degree from University of Nairobi. He is an Advocate of the High Court of Kenya, Fellow of The Chartered Institute of Arbitrators, London, U.K. (FCI Arb.), Member of The Institute of Certified Public Secretaries of Kenya (CPS (K)), and The Law Society of Kenya.</p> <p>Date of Birth: 30th November 1951</p>
 <p>CPA. Moses Gitari Alternate to the PS, Ministry of Energy</p>	<p>CPA Moses Gitari is the Head of Accounting Unit, State Department for Energy and the Alternate Director on the EPRA Board. He holds an MBA in Strategic Management from Nairobi University and BBA in Accounting and Finance from KEMU. CPA Gitari is a practicing Accountant and a member of Institute of Certified Public Accountant of Kenya (ICPAK). He has vast experience in Accounting Systems Implementation and Business process re-engineering.</p> <p>He has previously worked in the Ministry of Health as an Accountant and at the National Treasury IFMIS Department as the Head of Business process re-engineering.</p> <p>Date of Birth: 22nd July, 1971</p>
 <p>Mrs. Jacqueline Mogeni (Council of Governors Representative)</p>	<p>Mrs Jacqueline Mogeni is the Chief Executive Officer of the Council of Governors. Ms. Mogeni is an advocate of the High Court of Kenya and a Human Rights Specialist. In her previous capacities, Jacqueline has worked as a member of the Transition Authority as the Chairperson of the Legal and Intergovernmental Committee. She also worked as the Gender and Advocacy Development Advisor with SNV Development Organization. She holds a Master's Degree in International Studies and a Bachelor of Law both from the University of Nairobi.</p> <p>Jacqueline is passionate about promoting women and children's rights. She is the Chairperson of the East African Women Lawyers Association and also sits as a Board Member of Senior Women Citizens for Change. She has championed for the rights of women through various published works including, Women's silent cries: Cases of Violence against women in the Printed Media (1988-2001) and the book dubbed 'A look at Child Abuse, its perpetrators and the Law (Publication of the SNV- Street Children Program). Ms. Mogeni is an active member of the International Commission of Jurists (Chapter one) and the Law Society of Kenya. She received an awarded from H.E Uhuru Kenyatta, President of the Republic of Kenya where she was honoured as Moran of the Order of the Burning Spear (MBS) for her good work in the devolution space in Kenya since 2013.</p> <p>Retired on 3rd June 2021</p> <p>Date of Birth: 1st May 1969</p>

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Board members



Ms. Mueni Mutunga - Board Secretary

Mueni holds a Master's in Business Administration and a Bachelor of Laws degree both from the university of Nairobi, and a diploma in legal practice from the Kenya School of Law. She is an advocate of the High Court of Kenya, a member of the Institute of Directors, the Institute of Certified Secretaries of Kenya and Chartered Institute of Arbitrators. She has also trained extensively in Good Corporate Governance





She started her career as an advocate and worked as an associate with the law firm of Robson Harris & Co advocates. She later moved to Total Kenya Ltd where she worked as a legal officer. Thereafter she worked as the Corporation Secretary and Head of Legal services at Kenya Wildlife Service prior to taking up her current appointment as the Board Secretary and Director Legal Services.

Date of Birth: 28th February, 1964

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND

Annual Report And Financial Statements for the year ended 30 June 2021





Management Team

 <p>Mr. Daniel Kiptoo Director General</p>	<p>Director, General: Board Member and Chief Executive Officer of the Authority. Appointed Acting Director General on 14/12/2020 and confirmed on 01/07/2021</p>
 <p>Dr. John Mutwii Mutua PhD (Economics)</p>	<p>Ag. Director, Economic Regulation: Heading the Economic Regulation function of the Authority.</p>
 <p>Ms. Mueni Mutung'a MBA, LL. B (Hons), CPS (K), Dip. Law (KSL)</p>	<p>Board Secretary & Director Legal Services: Secretary to the Authority and Head of the Legal function of the Authority.</p>
 <p>Eng. Joseph Oketch MBA, BSc (Elec. Eng.), R. Eng., MIEK</p>	<p>Director, Electricity & Renewable Energy; Heading the electricity & renewable energy subsector regulation function of the Authority.</p>

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND

Annual Report And Financial Statements for the year ended 30 June 2021

Management Team

 <p>Eng. Edward Kinyua Msc (Energy Management), B.Tech (Mech. & Prod. Eng)</p>	<p>Director, Petroleum & Gas: Heading the downstream petroleum & gas regulation function of the Authority.</p>
 <p>Mr. Cyprian Nyakundi MBA, Bcom, CPA(K)</p>	<p>Director, Enforcement & Consumer Protection: Heading the Enforcement & Consumer Protection function of the Authority.</p>
 <p>CPA James Kilonzo MBA, Bcom, CPA(K), CISA</p>	<p>Ag. Director, Corporate Services: Heading the Corporate Services functions of the Authority (Finance & Accounts, HR & Admin, Corporate Communications & ICT)</p>
 <p>CPA Everlyne Orege MBA, Bcom, CPA (K)</p>	<p>Manager, Internal Audit and Risk Assurance: Heading the Internal Audit and Risk Assurance function of the Authority.</p>

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND Annual Report And Financial Statements for the year ended 30 June 2021

Management Team

 <p>Ms. Loise Thuge Msc, BA MCIPS(UK), MKISM</p>	<p>Manager, Supply Chain Management: Heading the supplies and procurement functions of the Authority.</p>
 <p>Ms. Esther Njengah MBA, Msc, PGDip, HRM. MIHRM, IHRM(P),MKIM</p>	<p>Ag. Manager Corporate Strategy & Performance: Heading the Corporate Strategy and Performance department of the Authority.</p>

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Chairman's Statement

Significant social, economic and demographic changes have led entities to review staff management and support. These are geared towards improving staff motivation and productivity. The Authority is committed towards the attainment of this goal and thus introduced the Staff Mortgage and Car Loan Schemes in the Financial Year 2015/2016.

The Scheme running into its sixth year, is implemented in line with the Salaries and Remuneration Commission recommendation. The Scheme is contributing towards attraction and retention of requisite skills within the Authority which has helped to reduce staff exit since inception due to additional benefits offered by the scheme towards improving welfare of the employees.

The Authority has consistently funded the scheme with amounts totalling Kshs.359.6 million as at 30 June 2021. The Scheme is managed by KCB Bank in a revolving fund portfolio. The surplus arising from the Scheme is ploughed back for sustainability. The governance and management of the fund is guided by the loan entitlement and conditions stipulated in the detailed Staff Mortgage and Car Loan Scheme policies and regulations.

It is further noted that the staff complement continues to increase. Therefore, the Authority will continue to fund the scheme to cater for increased demand.

I urge members of staff to take the opportunity to utilize this facility, which contributes to the overall government goal of providing decent housing for Kenyans in line with the Big 4 Agenda.



Hon. Prof. Jackton Boma Ojwang
Chairman

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

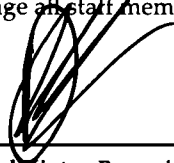
Report Of The Director General

Staff welfare is a major concern for the Authority. In this respect, the Authority Initiated the Staff Mortgage and Car Loan Scheme in line with Government regulation. Consequently I have the pleasure of presenting the Annual Report and Financial Statements for the Staff Mortgage and Car Loan Scheme for the Financial Year ending 30th June 2021.

The financial statements comprise of the Statement of Financial Performance, Statement of Financial Position, Statement of Changes in Net Assets and Statement of Cash Flow. The Authority ensured prudent financial management and reporting in line with Public Finance Management Act (PFMA), 2012, Public Finance Management Regulations, 2015 and International Public Sector Accounting Standards (IPSAS) resulting in efficient and effective administration of the Scheme.

The Scheme financial allocation has grown to Kshs.359.6 million from its introduction six years ago. The scheme is a revolving fund whose surplus is ploughed back for sustainability. Surplus for the year ending 30th June 2021 was Kshs.1.1 million. Staff uptake of the facility is encouraging with 45 members having taken up the mortgage facility and 18 taking up the car loan facility. Additional funding is necessary to ensure more staff benefit given the growing number of employees as the Authority expand. The Authority will endeavour to attract all categories of staff including the lower cadre who have shied away from the facility. Staff on contract will also be considered.

I encourage all staff members to utilise the facility to improve their welfare.



Mr. Daniel Kiptoo Bargarior
Director General

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Review of EPRA's performance for 2020/2021

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

entity has - strategic pillars and objectives within its Strategic Plan for the FY 2020/2021 - 2024/2025. These strategic pillars are as follows:

Pillar 1	Enabling Environment
Pillar 2	Service Delivery
Pillar 3	Stakeholder Focus
Pillar 4	Institutional Capability

EPRA develops its annual work plans based on the above pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Authority achieved its performance targets set for the FY 2020/2021 period for its - strategic pillars, as indicated in the diagram below:

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

<u>Strategic Pillar</u>	<u>Objective</u>	<u>Key Performance Indicators</u>	<u>Activities</u>	<u>Achievements</u>
Pillar 1- Enabling Environment	To promote energy sector growth and development (Sustainable Development)	a) Regulations, codes and guidelines b) Energy Efficiency c) Licensing, permits and approvals d) Energy Sector performance, security and quality) Competition and investor protection	a) Issuing regulating codes and guidelines b) Energy Efficiency c) Licensing, permits and approvals d) Energy Sector performance, security and quality) Competition and investor protection	a) A set of 11 Petroleum regulations were reviewed and taken through public stakeholder consultation; b) 4 capacity building forums on energy efficiency and 2 seminars for licensed energy auditors were organised; c) Processed a total of 19,984 petroleum and LPG business licences within an average of 9.59 days; d) Licensed 343 electrical workers and 146 electrical contractors within an average of 129 days and 18 days respectively. The delay in licensing was occasioned by the suspension of licensing activities in adherence to COVID 19 containment measures;

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

<p>Pillar 2- Service Delivery</p>	<p>To strengthen energy and petroleum sector research, data management and information dissemination (innovation and data management)</p>	<p>a) Energy and petroleum research. b) Energy and petroleum information and statistics. c) Energy and petroleum planning. d) Knowledge management and innovation.</p>	<p>a) Energy and petroleum research. b) Energy and petroleum information and statistics. c) Energy and petroleum planning. d) Knowledge management and innovation.</p>	<p>a) Research week was undertaken virtually in June 2021. b) Energy and Petroleum statistics report of 2020 was published. c) Coordinated the sector LCPDP to review assumptions of electricity demand and supply forecasting within the framework of Integrated National Energy Plan. d) Undertook estimation of electricity demand and supply for the period 2020-2040. e) Capacity building training on knowledge management was undertaken for directors and managers.</p>
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ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

<p>Pillar 3-Stakeholder Focus</p>	<p>To enhance regulatory awareness, compliance and safety (Consumer Protection)</p>	<p>a) Stakeholder engagement and capacity development b) Enabling work environment c) Communication strategy d) Enforcement e) Consumer protection and public safety f) Strategic collaborations and partnerships</p>	<p>a) Stakeholder engagement and capacity development b) Enabling work environment c) Communication strategy d) Enforcement e) Consumer protection and public safety f) Strategic collaborations and partnerships</p>	<p>a) Stakeholder engagement were undertaken for Draft Solar Photovoltaic Systems Regulations and Draft Energy Management Regulations b) Conducted 4 stakeholder awareness and education campaigns on the Authority's social media platforms e.g. "Stori ya Gas" campaign; c) Hosted a total of 12 public awareness workshops across the country. Some of the workshops were streamed live to enable remote participation. d) A total of 22,370 tests were conducted at 4,887 petroleum sites. From the tests, 4880 (99.03%) of the sites were found to be compliant. However, tests from 47 sites (0.97%) turned out to be non-compliant; e) 2 joint workshops were undertaken with CAK.</p>
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ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Pillar 4-Institutional Capability	To enhance our institutional capabilities (Institutional Capabilities)	a)Staff management & development b) Corporate Planning & Performance c) Good Governance d) Risk assurance and management e) Prudent financial management and planning f) System integration g) ICT Infrastructure	a)Staff management & development b) Corporate Planning & Performance c) Good Governance d) Risk assurance and management e) Prudent financial management and planning f) System integration g) ICT Infrastructure	a) Engaged a total of 26 interns; b) Board Evaluation was undertaken on 29th July, 2020 and Board induction on 12th – 13th August, 2020; c) KEBS surveillance audit was undertaken in November at the Kisumu office, Nyeri office and the Headquarters;d) Realized a total of KSh 1,510,211,435.34 as compared to the revised projected revenue of KSh 1,887,092,148.887 representing 80.03%. e) Utilized KSh 1,295,714,731.04 out of a revised budgeted amount of KSh. 1,891,024,267.04 which represents 68.52% budget utilization.f) Awarded contracts worth KES 18,963,075.84 to Youths, Women and PWD categories of suppliers g) Awarded tenders worth KES 221,231,401.00 for supply of locally produced goods and servicesh) Disaster recovery site was setup in Kisumu
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ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Corporate Governance Statement

1. Introduction

The Board of Directors acknowledge the need to conduct the business and operations of the Authority with integrity and in accordance with generally accepted corporate practice and internationally developed principles of corporate governance. The Board recognize corporate governance as an essential element towards achieving the Authority's regulatory mandate provided in both the Energy Act, 2019 and Petroleum Act, 2019. The Board members adhere to good corporate governance by embracing the following principles:

- Observation of high standards of ethical and moral behaviour;
- Act in the best interests of the Authority;
- Ensure fair staff remuneration and promotion
- Promotion of legitimate interests of all stakeholders;
- Ensure that the organization acts as a good corporate citizen.

The Board members will continue to focus their attention on maintaining the highest standards of corporate governance and business ethics in the Authority's operations.

2. Board members

2.1 Board Composition, Appointment and Size

The Board of Directors of the Authority as provided under section 12 of the Energy Act, 2019 consist of the Chairman, the Principal Secretary in the Ministry of Energy or his representative, the Principal Secretary in the Ministry of Petroleum and Mining or his representative, the Principal Secretary in the National Treasury or his representative, one County Executive Committee member or his representative nominated by the Council of County Governors, the Director General and five other members who represent the private sector. The Chairman and the five members from the private sector are appointed by the President and the Cabinet Secretary respectively. The Chairman (Hon. Justice (Prof) Jackton B. Ojwang) is Non-Executive. The Chairman's term is four years and that of the other Board members is three years and the respective terms are renewable once for the same duration. The Director General is the Chief Executive of the Authority appointed by the Cabinet Secretary through competitive selection for a term of three-year renewable once. The Director General is an ex officio member of the Board with no voting rights at the Board meetings.

The Board is well composed in terms of diversity in skills, knowledge of business and administrative experience acquired from both private and public sectors that is essential in the effective management of the Authority's operations.

The appointment of the Board members can be terminated in accordance with the provisions of Second Schedule of the Energy Act, 2019 or through voluntary resignation.

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Corporate Governance Statement

2.2. Independence and Separation of Roles and Responsibilities

The Board members exercise independent judgment in discharging their duties. The Board sets the strategic plan of the organization, oversees implementation of policies, evaluates the performance and reports to the stakeholders.

The Chairman of the Board is primarily responsible for the activities of the Board and its Committees. The Chairman in consultation with the Director General sets the agenda for Board meetings, chairs the meetings and ensure effective communication to stakeholders. The Chairman acts as the spokesperson for the Authority and is the principal contact for the Director General. The Director-General who is the Chief Executive of the Authority, is responsible for the day-to-day management of the Authority subject to the Board's direction.

2.3. Board Responsibilities

The Board's responsibility is to promote the long-term success of the organization. The Board provides leadership, strategic direction and exercises effective control of the Authority. The Board members assume collective responsibilities though their duties are discharged through the Board or its Committees

2.4. Board and Committee Meetings

The Energy Act 2019 provides that Board meetings will be held at least four times a year, and not more than four months shall lapse between the date of one meeting and the next meeting. A schedule of dates of the meetings is agreed upon by Board members and set out in the Board Work Plan. Notices of the location and the timing of meetings are issued seven days prior to the meetings. The Work Plan is adjusted when deemed necessary by the Board.

The Committees conduct their business within the rules and procedures set by the Board. The matters deliberated by the Committees are consequently presented to the Board by the respective Chairman during the next Board meeting for adoption.

The Committees are designed to ensure the Board runs efficiently and effectively and in a manner that embraces corporate governance. The Committees enable the Board to effectively discharge its responsibility by delving into issues that require greater attention than would be possible during regular Board meetings. The Board has three Committees; Technical, Finance and Administration and Audit and Risk.

2.5. Finance and Administration Committee

The Finance and Administration Committee is responsible for ensuring overall sound financial reporting, establishing internal system of controls, business plans and budgets, procurement, ICT, public relations, administration and staff affairs. During the year, members were Prof. George Achoki (Chair), Mr. Wanjuki Muchemi, Mr. James Mbugua and the Director General.

2.6. Technical Committee

The Technical Committee's responsibilities are to provide technical and strategic direction to the Authority and approve technical plans, activities, reports and budgets. During the year The Committee members are Mr. Wanjuki Muchemi, Mr. James Mbugua, Mr. Albert Mwenda and the Director General.

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Corporate Governance Statement

2.7. Audit and Risk Committee

The responsibilities of the Audit and Risk Committee are to; review the financial information of the Authority, monitor the effectiveness of management information and internal control systems, deliberate on significant findings arising from both internal and external audits, and reviewing the overall risks facing the Authority. During the year the Committee members were Dr. Sellah Kebenei (Chair), Mr. Moses Gitari, and Mr. Albert Mwenda.

2.8. Board Charter and Work Plan

The Authority has formulated a Charter, which defines the role and responsibilities of the board in executing their strategic oversight function of the organization. The board members prepare an annual Work Plan. The Plan sets out the specific activities to be undertaken by the Board members towards fulfilling their mandate.

2.9. Directors Induction and Skills Development

The Authority provides new directors with an effective induction programme in order to familiarize them with their responsibilities as Board members and with general principles of corporate governance. The programme also provides the members with an orientation of the organization, strategic plan, financial status and policies, risk management, compliance programmes and the Code of Conduct and Ethics. The Authority ensures that a competence needs assessment is carried out periodically and an Annual Development Plan prepared to address identified gaps. The Authority ensures that its members are up-to-date with continuous professional development in their respective professional bodies.

2.10. Board Effectiveness and Evaluation

The Board, its composition and performance evaluation is central to corporate governance. Further, Article 1.12 of Mwongozo requires Boards to undertake performance evaluation. It is in this regard that the Authority under the guidance of a representative of the State Corporation Advisory Committee (SCAC) conducts Board performance evaluation.

The Authority conducts an annual evaluation to appraise its performance. This evaluation is carried out in accordance with the Evaluation Tool. The Board evaluation provides an opportunity for Board members to identify strengths, collective skill gaps and individual areas of improvement. The Authority also reviews the performance of each committee against the set Terms of Reference.

The Evaluation is undertaken at three levels:

- Peer Review
- Self-evaluation
- Board evaluation

The results are analyzed and a mean score rate for each of the levels determined. Through this exercise, the Board identifies areas of strength and weaknesses and the Board is committed to addressing areas of challenges that are identified

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Corporate Governance Statement

2.11. Remuneration of the Board of Directors

The remuneration of the Chairman and the other Board members is determined by SCAC as provided in the State Corporations Act. The members are paid taxable sitting allowance. The Chairperson is paid a monthly fee and honoraria and the other members are paid monthly fee. The Board members are entitled to daily subsistence allowances while attending official duties. The members are reimbursed their transport expenses at the prevailing AA rates. The Board members are also provided with outpatient and inpatient medical and personal accident covers.

2.12. Ethical Leadership and Corporate Citizenship

The Board members are required to act in the best interest of Authority and uphold their fiduciary responsibilities and duty of care. This involves not disclosing confidential information, avoiding real and perceived conflicts of interest, and favouring the interests of Authority over other interests. The Directors on appointment are sensitized on the requirements of the Mwongozo Code of Governance and have expressly committed to adhere to it.

Both the Board members and employees of the Authority are expected to act honestly and in good faith so as to create a culture built on principles of integrity, accountability and transparency. The Authority has developed a Code of Conduct and Ethics to guide the Directors and the employees when undertaking their duties. All the Board members and employees sign a declaration of interest form indicating they will disclose any interest that may conflict with the interest of the organization. The Board members declare their interest at every Board or Committee meeting. The Board members and employees declare their wealth status as per the Public Service Commission requirements. The organization maintains a Register of gifts as per the requirements of the Public Officer Ethics Act, 2003 and this register is continuously updated.

2.13. Succession Plan

Succession planning is an ongoing process of systematically identifying, assessing and developing talent and capacity to ensure continuity in specific positions within the organization. The Plan is designed to identify and prepare candidates for positions that become vacant due to retirement, resignation or death. The Energy Act requires that the Board members are appointed at different times so that the respective expiry dates of their terms of office falls at different times.

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Corporate Governance Statement

2.14. Compliance with the statutory requirements

The Authority conducts its business affairs in compliance with all applicable laws, regulations, policies and accepted national and international standards. The Authority is in compliance with the Constitution, the Energy Act 2019, the Petroleum Act 2019, Leadership and Integrity Act, 2012, the Public Officers Ethics Act, 2003, the Public Procurement and Assets Disposals Act, 2015, the Public Finance Management Act, 2012, the Employment Act among other legislation. The Board complies with the requirements of the Mwongozo Code of Governance and has developed a Board Charter that is based on the Mwongozo principles of good governance.

I. COURT CASES

The following are significant cases in which the Authority is a party during the reporting period:

1) Council of County Governors vs ERC and 7 Others HC Pet. 279 of 2017

This matter was instituted by the Petitioners challenging the constitutionality of the functions and mandate of ERC as was provided for by the Energy Act, 2006. The Petitioners sought to have some of the mandate vested on the Authority transferred to Counties. The other parties enjoined in the matter include; Rural Electrification Authority, National Transport and Safety Authority, Kenya Urban Roads Authority, Kenya Rural Roads Authority, Kenya Ferry Services and Kenya Roads Board. The Council of County Governors alleges that the statutory laws establishing these government entities are unconstitutional. The matter is awaiting hearing in Court.

2) High Court Constitutional Petition No. 380 of 2019: Kenya Independent Petroleum Distributors Association Ltd v EPRA & IG of Police.

The suit relates to allegations that EPRA (1st Respondent) and the IG (2nd Respondent) on 19th September 2019 as well as on other occasions, unlawfully raided the premises of one of the members of the Petitioner (Mr. John Mwangi Kiarie) as well as other members of the Petitioner and preferred charges against him for not having an oil retailers license from EPRA. The Petitioner claims that the sought licenses as per the Energy Act, 2019 ought to be issued from the respective county government and not EPRA. The Petitioner is seeking temporary restraining orders against EPRA and the IG from raiding and closing down the business premises of the Petitioner's members pending the hearing and determination of the suit. The matter is awaiting a hearing date.

3) ELC Petition No.31 of 2019: Justin Karionji Nyagah V EPRA and two others

The Petitioner seeks orders compelling EPRA to commence mediation proceedings to ensure resolution of a dispute brought about by the purported unlawful intrusion through electric poles into his property in Gumba Estate. The matter is awaiting a mention date.

4) Mombasa Civil Suit No. 2372 of 2018: Marine Waste Collection Dealers Ltd v ERC.

The Plaintiff alleges that the Commission forcefully invaded the Plaintiff's yard on 14th November 2018, assaulted three employees and confiscated working tools. The Plaintiff seeks orders restraining the Commission from entry and interference with the Petroleum business on LR.MN/1V/2457 Port Reitz, Changamwe Area, Mombasa County. The matter is awaiting mention date in court.

5) Bungoma Civil Suit No.77 of 2019: Margaribi Service Station Limited v ERC.

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Corporate Governance Statement

The matter was initiated by a licensed retail filling station operator disputing the existence of export bound petroleum in the products found his facility. Further, the operator disputes the mandate of the Commission to sub-contract the fuel marking and monitoring program. The matter is awaiting a hearing date in court.

6) JR Misc. Application No. 60 OF 2020- Swift Energy Distributors Ltd. VS. EPRA

The Applicant filed this suit seeking leave to apply for Judicial review remedies of Certiorari, Mandamus and prohibition and for stay of EPRA's decision to close its premises. The matter is awaiting a mention date in court.

7) Constitutional Petition No. 5 of 2020: Swift Energy Distributors Limited Vs. EPRA and 2 Others

The Petitioner filed this Petition challenging the decision by the authority to revoke its license for storage and filling of cylinders. The matter is awaiting a mention date in Court.

8) Commercial Suit No. E728 of 2020: Moregas Limited vs. EPRA

The Plaintiff filed this suit seeking, inter alia, Injunctive Orders to have its premises unsealed, the release of a motor vehicle and cylinders belonging to the Plaintiff as well as an award of damages. The Plaintiff further filed an Application dated 5th October, 2020, under Certificate of Urgency seeking inter alia; interim injunctive orders against the Authority. The matter is awaiting a hearing date in Court.

9) Nakuru Civil Case No E3 of 2020 Excellent Logistics vs Topline Traders Limited & EPRA

The Plaintiff instituted this suit vide Plaint dated 21st October, 2020 seeking a permanent injunction restraining the 1st Defendant, Topline Traders Limited from trading, advertising, marketing, possessing the Plaintiff's LPG branded cylinders or cylinders closely resembling or incorporating the Plaintiff's trademarks. The Plaintiff alleges that the 1st Defendant infringed its Trademark and committed torts amounting to Passing off. The Plaintiff further alleges that the 2nd Defendant (EPRA) breached its statutory duties. The matter is awaiting a mention date in Court.

10) Nanyuki Law Courts Civil Case No. 1 OF 2020 Excellent Logistics Ltd VS. Oxx Energy Ltd. & EPRA

The Plaintiff instituted this suit seeking inter alia, a permanent injunction restraining the 1st Defendant, OXX Energy Limited from trading, advertising, marketing, possessing the Plaintiff's LPG branded cylinders or cylinders closely resembling or incorporating the Plaintiff's trademarks; an order directing the 2nd Defendant (EPRA) to commence investigations into the activities of the 1st Defendant; and an order directing the 2nd Defendant to close the 1st Defendant's premises where the alleged illegal refilling and selling of the Plaintiff's cylinders is undertaken. The Plaintiff alleges that the 1st Defendant infringed its Trademark and committed torts amounting to Passing off. The Plaintiff further alleges that the 2nd Defendant (EPRA) breached its statutory duties. The matter is awaiting a mention date.

11) Milimani Commercial Courts Civil Case No. E435 of 2021 Alfa Gas Limited VS. EPRA.

The Applicant instituted this suit seeking orders inter alia, that the Respondent (EPRA) be directed to reopen and unseal the Applicant's LPG storage and filling plant. The matter awaits a mention date in Court.

12) Kerugoya HCJR E001 OF 2021: Republic VS. EPRA & 3 Others and Jeremiah Gateri

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Corporate Governance Statement

The Applicant instituted the subject suit seeking judicial review orders of certiorari, prohibition and mandamus against EPRA, KEBS, KRA and the Deputy County Commissioner of Kirinyaga County for allegedly illegally sealing and closing down his petrol station. On 10th November 2020 during the fuel monitoring program at the station, the presence of domestic kerosene marker was detected in the Premium Motor Spirit (PMS) tank at the station confirming that the PMS product was adulterated. The matter awaits a mention date in Court.

13) Kiambu Civil Case No. E109 OF 2019- Hunkar Trading Co. Ltd. vs. ERPA, PIEA & DCI

The Plaintiff filed this suit seeking, inter alia, Injunctive Orders to have its premises unsealed. The Plaintiff further filed an Application dated 4th March 2021, under Certificate of Urgency seeking inter alia; interim injunctive orders against the Authority. This was following an enforcement activity at the Plaintiff's facility on 3rd March 2021 wherein the plaintiff's agents and or employees, refilling nine (9) LPG cylinders belonging to other brand owners without their authorization or consent. The matter awaits a mention date in Court.

14) Judicial Review Application No.E021 OF 2021-Joseph Karanja Nganga T/A Simkel Traders vs. EPRA

The Applicant has filed a Chamber Summons Application seeking leave to apply for JR orders compelling the Respondent to forthwith release, handover, deliver back, restore possession use and control of Petroleum Tanker KAS 231B. the matter awaits a ruling date in Court.

15) Milimani Civil Case No. E1854/ 2021- Country Choice Limited vs. EPRA

The Plaintiff instituted the present suit seeking, inter alia, orders restraining the Authority from interfering with their business. On 23rd March, 2021, they filed a further Application seeking orders to have their facility unsealed and reopened. The Applicant was granted interim ex-parte orders directing the Authority to re-open the facility. The matter awaits a mention date in court.

16) Nakuru HCJR No. 6 OF 2021- Smart Gas Energy Limited VS. EPRA

The Applicant commenced the present proceedings seeking leave to apply for Judicial Review orders of Mandamus, Prohibition and Certiorari and stay of the Authority's decision to close and seal its LPG storage and filling facility. On 31st March 2021, the Court via Order dated on even date, granted the Applicant to leave apply for Judicial Review. The matter is awaiting a mention date.

17) Makadara Misc Case No. 201 OF 2021- Green Energy Limited VS. EPRA.

The Applicant filed this suit on 6th April, 2021 seeking, inter alia, Injunctive Orders to have its premises unsealed. The matter is awaiting a ruling date.

18) Milimani Civil Suit No. E777 OF 2021 - Salama Gas Ltd vs EPRA

The Applicants filed this suit seeking, inter alia, Injunctive Orders to have its premises unsealed. The Applicant was then granted interim ex-parte orders directing the Authority to re-open the facility. The matter is awaiting a hearing date in Court.

19) Constitutional Petition No.173 OF 2021 City Gas East Africa Ltd vs EPRA, IG, DCI & AG

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Corporate Governance Statement

The Petitioner filed the Petition seeking a declaration that the action by the Respondent of sealing the Petitioner's facility amounted to violation of the Petitioners' right to own property as well as the Petitioners' right to fair hearing. The matter awaits a mention date in Court.

20) Milimani Commercial Suit No. E.877 OF 2021- Kofurow Gas Limited vs. EPRA.

The Applicants filed this suit seeking, inter alia, Injunctive Orders to have its premises unsealed. The Applicant was then granted interim ex-parte orders directing the Authority to re-open the facility. The matter is awaiting a hearing date in Court.

II. GOVERNANCE AUDIT

The Mwongozo Code requires all State Corporations to comply with governance parameters as set out in the Constitution, applicable laws and best practices. It sets out the modalities of compliance on governance matters within State Corporations. State Corporations are required to conduct a governance audit annually with an objective of establishing their level of compliance with relevant regulatory requirements and sound governance practices.

This makes it necessary for the Authority to carry out periodic governance audits to ensure that their structures, policies, systems and practices are in conformity with the Constitution and relevant regulatory requirements as well as the highest standards of good governance and identify areas for improvement.

Within the financial year 2019-2020, the Authority engaged a consultant, M/s Munyao, Muthama and Kashindi Advocates to undertake a Governance Audit of the Authority. The implementation of the recommendations of following the Governance Audit was undertaken during the financial year 2020-2021.

The audit exercise enabled the Authority to minimize governance risks and ensure it conducts and operates in accordance with the Constitution, all relevant laws and best practices anchored in principles of good governance, accountability and transparency. In addition, the audit ascertained the Authority's compliance and enforcement levels.

III. LEGAL AUDIT

The Mwongozo Code of Governance for State Corporations (Mwongozo Code) requires all State Corporations to conduct a legal compliance audit at least once every two years to check on their level of compliance with the Constitution of Kenya 2010, applicable laws, regulations, policies, guidelines and circulars.

Within the financial year 2020-2021, the Authority engaged a consultant, M/s Munyao, Muthama and Kashindi (MMK) Advocates in association with KPMG to conduct a legal compliance audit as required by the Mwongozo Code. The legal compliance audit covered the 2018/2019 and 2019/2020 financial years.

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Corporate Governance Statement

2.15. Delegation of Responsibilities

The preparation of Authority's financial statements is a role that has been delegated to management. These financial statements have been prepared in accordance with internationally accepted accounting principles based on appropriate accounting policies consistently applied and supported by reasonable judgment and estimates. Management ensures that adequate internal financial control systems are developed to provide reasonable certainty in respect of;

- The completeness and accuracy of accounting records
- The integrity and reliability of Authority's annual financial statements and
- The safeguarding of Authority's assets

Responsibility for the integrity, reliability and objectivity of the Authority's financial statements lies with the Board. External auditors are responsible for independently examining and expressing an opinion on the reasonableness of the financial statements based on their audit.

2.16. Statement of Risk Management and Internal Control

The Board has recognized its responsibility to manage both internal and external risks as a key component of good corporate governance and is committed to embedding risk management into the daily operations of the Authority; from the setting of objectives, to financial planning towards achieving the set objectives, through to departmental processes established to aid provision of services by the Authority. It is believed that effective risk management will help the Authority to achieve its corporate objectives and provide better services. The Authority has developed and is implementing an Institutional Risk Management Policy Framework (IRMPF).

2.17. Responsibility

Risk management is one of the most important activities of the Authority. The Authority through the Audit and Risk Committee has a responsibility for overseeing risk management within Authority by ensuring that appropriate risk management strategies and policies are in place, and that processes established are adequate and effective. The Board defines the Authority's overall level of risk tolerance and ensures that there are adequate tools and resources for managing risks. The Board has assigned responsibility for risk management to the Director General; hence management ensures that sound risk management processes are implemented and functioning effectively. The costs and resources employed in risk management are proportional to obtainable benefits.

2.18. Internal Controls

Internal controls are designed to support the Authority in achieving its objectives. The risks related to the achievement of objectives need to be identified and evaluated in order to manage them. Thus, identification and assessment of risks is a prerequisite for internal control in EPRA. The continuity of operations is ensured by safeguarding critical functions and essential resources.

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Corporate Governance Statement

3. Number of scheduled meetings and attendance

Board of Directors	Designation	Board Meeting Total No. of Meetings (21)	Finance & Administration Committee - Total No. of Meetings (14)	Technical Committee - Total No. of Meetings (8)	Audit & Risk Committee - Total No. of Meetings (3)	Pension Board Meetings (2)
Hon. Justice Jackton Ojwang	Board Chairman	19/21				
Eng. Samuel Maugo	Member	12/21	1/14	1/8	3/3	2/2
Dr. Sellah Kebenei	Member	18/21	1/14	2/8	3/3	2/2
Ms. Lilian Mahiri-Zaja	Member	13/21	1/14	5/8	3/3	
Prof. George Achoki	Member	21/21	13/14	2/8		2/2
Mr. Moses Gitari	Member	18/21		2/8	3/3	
Mr. Wanjuki Muchemi	Member	21/21	13/14	6/8		
Mr. Albert Mwenda	Member	13/21	12/14	1/8	1/3	
Ms Jacqueline Mogeni	Member	14/21	12/14	5/8		
Mr. Daniel Kiptoo	Director General	14/21	10/14	7/8		

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Management discussion and Analysis

The “Big Four” is an economic blueprint developed by the Government to foster economic development and provide a solution to the various social-economic problems facing Kenyans. The Big Four transformative agenda identifies four priority initiatives to be implemented during the 2018-2022 plan period. These initiatives include; food security and nutrition, universal healthcare, affordable housing and manufacturing. At the global level, Big Four agenda is aligned to the United Nations Agenda 2030 Sustainable Development Goals (SDGs). In the national context, the Big Four are hinged on the Kenya Vision 2030 and mainstreamed in the Third Medium Term Plan 2018-2022 (MTPIII) for the Vision.

Article 43 (1) (b) of the Constitution of Kenya 2010 bestow the right to accessible and adequate housing to every citizen of the Republic of Kenya. Sustainable Development Goal number eleven seeks to make cities sustainable by creating career and business opportunities, safe and affordable housing, and building resilient societies and economies. Affordable housing is a fundamental right provided by this constitution to every citizen. The constitution demands that the government ensures provision of this right to every one of its citizen. The government also subscribes to the SDGs and has the obligation to ensure they are achieved.

The Energy and Petroleum Regulatory Authority on its part supports this agenda by providing housing to its staff through an affordable mortgage financing model in partnership with the KCB Bank who are the scheme administrators. The scheme is cash backed and include a fund for purchase of motor vehicle for EPRA staff who desire. The scheme provides mortgage facilities at 3% and 4% for car loan respectively.. EPRA has since the 2015/2016 financial year, consistently funded the scheme investing an average of Kshs. 30 million every financial year. The fund had grown to Ksh. 359.6 million as at 30th June 2021 with a revenue reserve of Kshs. 9.3 million. The surplus generated from the fund is ploughed back to the scheme to grow the fund. In the 2020/2021 financial year, the Authority realized a surplus of Kshs.1.1M from the mortgage and car loan fund.

Since inception, 45 employees have benefited from the scheme by purchasing houses in various georgaphical locations within Nairobi and its surburbs. The fund allows for purchase of a house in any municipality in the Republic of Kenya.

On the other hand, 18 employees have successfully obtained car loans to purchase motor vehicle of their choices within a set limit of funding.

Management of EPRA will endeavour to provide more funding to ensure all employees interested in purchasing houses or motor vehicles are facilitated. It is expected that the fund will be self sustaining in the not so distant future. Employees are also encouraged to take advantage of these facilities with favourable rates to fulfil their ambitions of becoming home owners and/or car owners.

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Environmental and Sustainability Reporting

During the review period, the Authority revised the Corporate Social Responsibility (CSR) Policy to align it with the dynamic strategic environment and the growing stakeholder base. The policy identifies Corporate Governance and Ethical Business Practices, Environmental Rehabilitation, Responsibility to Communities, Promoting Energy Efficiency, Support for Education causes, Responsibility for Consumers and Staff as the key pillars of EPRA's CSR programs.

During the Financial Year 2020/21, the Authority undertook the following CSR activities:

Health

The Covid-19 pandemic that started as a health crisis in Quarter three (3) later escalated into an economic crisis putting a financial burden on governments around the world. The Kenyan government set up an Emergency Response Fund and appealed to both individuals and corporates in the country to assist in the fight against the virus through donations to the Fund.

The Authority responded to the appeal by donating Kshs. 10 Million to the Fund. The donation was used to support the government's efforts in the supply of medical facilities and equipment and support for vulnerable communities.

Environmental Performance

The regulation activities of the Authority contribute to environmental conservation. Apart from these, the Authority is also keen on undertaking extra activities, outside its regulatory mandate, to promote environmental stewardship. One of the activities is under the Presidential Directive to dedicate 10% of the CSR budget towards tree planting activities. In the year under review, the Authority planted an additional 10,000 trees in Menengai forest, Nakuru County. The exercise was conducted in collaboration with the Kenya Forest Service and the Menengai Forest Service. The former allocated the land and the latter provided support for the pitting and maintenance of the seedlings. During project implementation, all procurement related to manpower, food & beverage, seedlings and other logistics was done within the surrounding communities to ensure they directly benefit from the project. The Authority is monitoring the performance of the project, for the last three years. The report will be ready by the end of the second quarter, after maintenance scheduled for November 2021.

Employee Welfare

EPRA recruitment is guided by the Human Resource Policy and Procedures Manual. In addition, the Authority has welfare policies (Workplace Guidelines) that are established not only to comply with the legal requirements, but also to ensure from onboarding to exit, employees' welfare are taken care of in a conducive working environment. Conducive work environment entails everything from services, facilities and benefits that are provided by an employer for the advantage or comfort of an employee. The policies include Disability mainstreaming, HIV and Aids, Gender Mainstreaming, Sexual harassment, Drug and Alcohol Abuse.

EPRA is compliant with OSHA (2007), and audits are carried out annually, recommendations shared with management and implemented to improve the welfare of the employees.

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

To ensure that employees maintain a positive psychological contract, EPRA has an elaborate training and development policy, which focuses on wholesome development, through mentorship, coaching, on the job training and networking opportunities, workshops and conferences among other methods of training and development. This ensures a healthy balance between an individual's aspirations, career growth and the needs of the Authority.

Responsible Supply chain and supplier relations

The Authority maintains good business practices by working closely with its key suppliers long after a contract has been signed by embracing supplier relationship management through observance of the highest ethical standards as laid out in the supply chain policy document. This is done by ensuring continuous capacity building of suppliers and communication with the suppliers with the aim of improving their bidding experience and ensuring dedicated services thus enhancing value for money for the organisation.

EPRA engages suppliers through valid contracts and purchase orders which have clear obligations to be met by all the parties from time to time. Compliance to the relevant laws and guidelines in the procurement process is wholly observed.

The supply chain function also engages the internal customers actively involved in the procurement process by soliciting feedback and information regarding their objectives and business needs to ensure continuous availability of supplies and increased responsiveness to customers' changing needs.

Education

The Authority understands and appreciates the important role education plays towards bridging students to their future and achieving the goals set out in Vision 2030. Consequently, the Authority funded the construction of a classroom in St. Mary's Girls Secondary School in Nakuru County. This project aimed at supporting learning and promoting the quality of education in the school. EPRA unveiled the 60 seat capacity modern classroom on 24th June 2021.

Corporate Governance and Ethical Business Practices

The Authority also heeded to calls by the President, Hon. Uhuru Kenyatta to support the Kazi Mtaani II initiative. During the 2020/2021 Financial Year, the Authority procured 2000 reflector jackets and 1000 face masks in support of the project.

This project ensured that the Youth based in communities around the country benefited economically amidst the Covid -19 pandemic by engaging in clean up exercises that was geared towards improving sanitation.

Responsible Marketing and Advertisement

The Authority has been at the forefront of promoting responsible marketing to ensure business continuity in the midst of the Covid-19 pandemic. The marketing and advertising priorities were centered on having socially conscious consumers, align stakeholders to the Authority's strategic objective number two (2) on consumer awareness, and ensure business continuity. The Authority deploys a mix of communication channels including, radio, television, newspaper and social media in a bid to ensure that it reaches every stakeholder in their various preferred choice of media.

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

During the 2020/2021 Financial year, the Authority aired a public campaign dubbed '*Story Ya Gas Campaign*' which was aimed at sensitizing LPG dealers, retailers and the general public on LPG safety, LPG Licensing and the 2019 LPG regulations. The campaign also won the Public Sector Campaign of the year during the 2020 PRSK awards.

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Report of the Directors

The Board of Directors submit their report together with the audited financial statements for the year ended 30 June 2021 which shows the state of the scheme's affairs.

1. Principal activities

The principal activities of the Authority are: -

a) To regulate: -

- Importation, exportation, generation, transmission, distribution, supply and use of electrical energy;
- Importation, exportation, transportation, refining, storage and sale of petroleum and petroleum products;
- Production, distribution, supply and use of renewable and other forms of energy;

b) Protect the interests of consumer, investor and other stakeholder.

2. Results

The results of the entity for the year ended June 30, 2021, are set out from page 39.

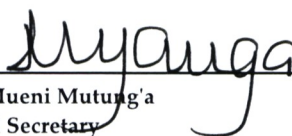
3. Directors

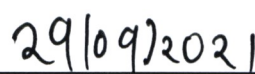
The members of the Board of Directors who served during the year are shown on page 2. The Directors are appointed in line with the second Schedule of the Energy Act, 2019. During the year, Eng. Samuel Mugo, Ms. Lilian Mahiri-Zaja and Ms. Jacqueline Mogeni retired. Mr. Pavel Robert Oimeke resigned as the Director General on 14th December 2021. Mr. Albert Mwenda was appointed on 17th July 2020, Mr. Daniel Kiptoo Bargoria was appointed Ag. Director General on 14th December 2020 and Mr. James Mbugua appointed on 26th April 2021.

4. Auditors

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

By Order of the Board


Ms. Mueni Mutung'a
Board Secretary


Date

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Statement Of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and second schedule 8 (3) of the Energy Act, 2019 require the Directors to prepare financial statements in respect of that scheme, which give a true and fair view of the state of affairs of the scheme at the end of the financial year and the operating results of the scheme for that year. The Directors are also required to ensure that the scheme keeps proper accounting records which disclose with reasonable accuracy the financial position of the scheme. The Directors are also responsible for safeguarding the assets of the scheme.

The Directors are responsible for the preparation and presentation of the scheme's financial statements, which give a true and fair view of the state of affairs of the scheme for and as at the end of the financial year ended on June 30, 2021. 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 fund; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the fund; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the scheme's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Energy Act, 2019. The Directors are of the opinion that the scheme's financial statements give a true and fair view of the state of scheme's transactions during the financial year ended June 30, 2021, and of the scheme's financial position as at that date.

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


Nothing has come to the attention of the Directors to indicate that the scheme 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 scheme's financial statements were approved by the directors on 29/09/2021 and signed on its behalf by:



Mr. Daniel Kiptoo Bargarora
Director General



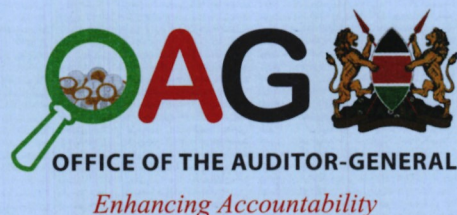
Hon. Prof. Jackton Boma Ojwang
Chairman

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REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON ENERGY AND PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Energy and Petroleum Regulatory Authority Staff Mortgage and Car Loan Scheme set out on pages 39 to 53, which comprise the statement of financial position as at 30 June, 2021, and the statement

Report of the Auditor-General on Energy and Petroleum Regulatory Authority Staff Mortgage and Car Loan Scheme for the year ended 30 June, 2021

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Energy and Petroleum Regulatory Authority Staff Mortgage and Car Loan Scheme as at 30 June, 2021, and of its financial performance and cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Energy Act, 2019 and the Public Finance Management Act, 2012.

Basis of Opinion

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Irregular Charge of Interest

Review of the car loan contract and amortization schedules revealed that the interest charge for the Car Loan Scheme was set at 4%. This is contrary to the Salaries and Remuneration Commission guidelines vide Circular 13/Vol III dated December, 2014 which set the interest charge applicable to both car loan and mortgage scheme at 3% per annum on a reducing balance for the duration of the loan.

Management was in breach of the guidelines.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance on whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities which 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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance, were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Scheme'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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

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


 CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

08 March, 2022



ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

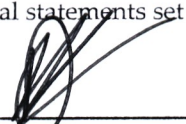
Annual Report And Financial Statements for the year ended 30 June 2021

Statement of Financial Performance for the year ended 30 June 2021

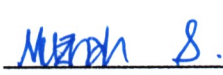
Figures in Kenyan Shillings	Note(s)	2020/2021	2019/2020
Revenue			
Revenue from exchange transactions			
Interest received from staff mortgage and car loan	3	7,397,036	6,062,937
Interest received from bank balances	4	1,065,861	894,066
Total revenue from exchange transactions		8,462,897	6,957,003
		8,462,897	6,957,003
		-	-
Expenses			
Scheme administration fees	5	(7,397,036)	(6,062,937)
Bank charges	6	(1,065)	(1,065)
Total expenses		(7,398,101)	(6,064,002)
Surplus before taxation		1,064,796	893,001
Taxation		-	-
Surplus for the year		1,064,796	893,001

The notes set out on pages 44 to 53 form an integral part of these financial statements.


The financial statements set out on pages 39 to 43 and were signed on behalf of the Board of Directors by:



Mr. Daniel Kiptoo Bargarior
Director General



Ms. Muznah Sisiwa
Ag. Manager, Finance & Accounts
ICPAK No. 21186



Hon. Prof. Jackton Boma Ojwang
Chairman

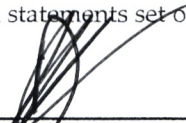
ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

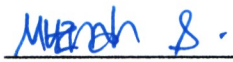
Statement of Financial Position as at 30 June 2021

Figures in Kenyan Shillings	Note(s)	2020/2021	2019/2020
Assets			
Current Assets			
Cash and cash equivalents	7	10,755,784	48,832,629
Short term receivables from staff mortgages and car loans	8	24,363,087	-
		35,118,871	48,832,629
Non-Current Assets			
Long term receivables from staff mortgages and car loans	9	333,800,583	279,022,029
Non-Current Assets		333,800,583	279,022,029
Current Assets		35,118,871	48,832,629
Total Assets		368,919,454	327,854,658
Liabilities			
Capital & Liabilities			
Mortgage and car loan revolving fund	11	359,586,616	319,586,616
Accumulated surplus	12	9,332,838	8,268,042
Total Net Assets/Equity		368,919,454	327,854,658
Total Net Assets and Liabilities		368,919,454	327,854,658


The financial statements set out on pages 39 to 43 were signed on behalf of the Board of Directors by:



 Mr. Daniel Kiptoo Bargarora
 Director General



 Ms. Muznah Sisiwa
 Ag. Manager, Finance & Accounts
 ICPAK No. 21186



 Hon. Prof. Jackton Boma Ojwang
 Chairman

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Statement of Changes in Net Assets/Equity for the year ended 30 June 2021

Figures in Kenyan Shilling	Revaluation reserve	Accumulated surplus	Total net assets/equity
Balance at 01 July 2019	229,586,616	7,375,041	236,961,657
Changes in net assets/equity			
Transfer from EPRA	90,000,000	-	90,000,000
Surplus for the year	-	893,001	893,001
Total changes	90,000,000	893,001	90,893,001
Balance at 01 July 2020	319,586,616	8,268,042	327,854,658
Changes in net assets/equity			
Transfer from EPRA	40,000,000	-	40,000,000
Surplus for the year	-	1,064,796	1,064,796
Total changes	40,000,000	1,064,796	41,064,796
Balance at 30 June 2021	359,586,616	9,332,838	368,919,454


ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Statement of Cashflow for the year ended 30 June 2021

Figures in Kenyan Shillings	Note(s)	2020/2021	2019/2020
Cash flows from operating activities			
Receipts			
Interest income from bank balances		1,065,861	894,066
Interest income on mortgage and car loan		7,397,036	6,062,937
		<u>8,462,897</u>	<u>6,957,003</u>
Payments			
Bank charges		(1,065)	(1,065)
Scheme administration fees		(7,397,036)	(6,062,937)
		<u>(7,398,101)</u>	<u>(6,064,002)</u>
Total receipts		8,462,897	6,957,003
Total payments		(7,398,101)	(6,064,002)
Net cash flows from operating activities		1,064,796	893,001
Cash flows from investing activities			
Transfer in from EPRA (for mortgage and car loan)		40,000,000	90,000,000
Disbursed for staff mortgage and car loan		(79,141,641)	(48,915,493)
Net cash flows from investing activities		(39,141,641)	41,084,507
Net increase/(decrease) in cash and cash equivalents		(38,076,845)	41,977,508
Cash and cash equivalents at the beginning of the year		48,832,629	6,855,121
Cash and cash equivalents at the end of the year	7	10,755,784	48,832,629

The financial statements set out on pages 39 to 43 were signed on behalf of the Board of Directors by:


 Mr. Daniel Kiptoo Bargoria
 Director General


 Ms. Muznah Sisiwa
 Ag. Manager, Finance & Accounts
 ICPAK No. 21186


 Hon. Prof. Jackton Boma Ojwang
 Chairman

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts for the year ended 30 June 2021

Budget on Accrual Basis

	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	% of utilization
Figures in Kenyan Shilling						
Revenue						
Transfer from EPRA	45,000,000	-	45,000,000	40,000,000	(5,000,000)	88.9%
Interest from mortgage and car loan	7,000,000	-	7,000,000	7,397,036	397,036	105.7%
Interest from bank balances	1,000,000	-	1,000,000	1,065,861	65,861	106.6%
Total revenue from exchange transactions	53,000,000	-	53,000,000	48,462,897	(4,537,103)	
Expenditure						
Staff mortgage and car loan	(45,000,000)	-	(45,000,000)	(40,000,000)	5,000,000	88.9%
Scheme administration fees	(7,999,000)	-	(7,999,000)	(7,397,036)	(601,964)	92.6%
Bank charges	(1,000)	-	(1,000)	(1,065)	(65)	106.5%
Total expenditure	(53,000,000)	-	(53,000,000)	(47,398,101)	4,397,971	
Surplus/Deficit before taxation	-	-	-	1,064,796	(139,132)	
Taxation	-	-	-	-	-	
Surplus for the year	-	-	-	1,064,796	(139,132)	

Budget notes

Transfer from EPRA is below the budget by Kshs.5,000,000 (-11.1%). This is due to lower scheme uptake than projected which determines the amount transferred to the scheme.

Disbursement towards staff mortgage and car loan is below budget by Kshs.5,000,000 (11.1%). This was due to lower number of applications by staff for the mortgage and car loan than projected.

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Notes to the Annual Report And Financial Statements

Figures in Kenyan Shilling	Note(s)	2020/2021	2019/2020
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1. General Information

The Energy Regulatory Commission was established under the Energy Act, 2006. In March 2019, the Energy Act 2019 and the Petroleum Act 2019 were enacted. The Energy Act 2019 provides for the establishment of the Energy and Petroleum Regulatory Authority as the successor to the Energy Regulatory Commission. EPRA is wholly owned by the Government of Kenya and is domiciled in Kenya. The Authority's principal activities are regulation of all forms of energy except nuclear power.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual report and financial statements, are disclosed below.

1.1 Statement of Compliance and Basis of Preparation

The scheme's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Authority. The accounting policies have been consistently applied to all the years presented.

The Authority adopted IPSAS in the year 2014 following the gazette of the Public Sector Accounting Standards Board (PSASB), which was established by the Public Financial Management Act (PFM) No. 18 of 24th July 2012. PSASB issued financial reporting standards and guidelines to be adopted by all state organs and public sector entities, which the Authority complies with.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis. The accounts are presented in Kenya Shillings (KES) which is the functional and reporting currency of the Authority and all values are rounded to the nearest shilling

1.2 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the Authority, which represents an increase in net assets, other than increases relating to contributions from owners.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the Authority satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Notes to the Annual Report And Financial Statements

1.2 Revenue from non-exchange transactions (continued)

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the Authority.

When, as a result of a non-exchange transaction, the Authority recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

1.3 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the Authority has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the Authority retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the Authority; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the Authority;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Notes to the Annual Report And Financial Statements

1.4 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one reporting period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the Authority; and
- the cost or fair value of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or assets, or a combination of assets and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the Authority or from other rights and obligations.

1.7 Financial instruments

a) Financial assets

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Notes to the Annual Report And Financial Statements

1.7 Financial instruments (continued)

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial instruments: Recognition and measurements are classified as financial assets at fair value through surplus or deficits, loans and receivables, held-to-maturity investments or available for sale financial assets as appropriate. The scheme determines classification of its assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit. The scheme did not have any losses arising from impairment.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or a entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- i) The debtors or an entity of debtors are experiencing significant financial difficulty.
- ii) Default or delinquency in interest or principal payments
- iii) The probability that debtors will enter bankruptcy or other financial reorganization.
- iv) Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults)

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Notes to the Annual Report And Financial Statements

1.7 Financial instruments (continued)

b) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

1.8 Financial risk management

Credit Risk Management

The carrying amount of financial assets recorded in the financial statements representing the Scheme's maximum exposure to credit risk is mitigated by the charge on the property and the motor vehicles purchased. The charges are held by the scheme administrator. It is also a requirement for the loanee to separately have a Comprehensive Car Insurance, Mortgage Protection Insurance Cover and Comprehensive House Owners Cover which include retrenchment cover and cover for social perils for the full market value of the property for which the loan is advanced. So far all the loanees are paying their debts and the loans are all fully performing. The credit risk associated with these receivables is minimal.

Liquidity Risk Management

Ultimate liquidity risk management rest with the Authority's Board of Directors. The Directors have built an appropriate liquidity risk management framework for the management of the Authority's ad by extension the scheme's short, medium and longterm funding and liquidity management requirements. The Authority manages liquidity risk through continuous monitoring of ferecasts and actual cashflows. The scheme does not carry any payables or other forms of liabilities and hence not exposed to any significant liquidity risks.

Market Risk

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

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Notes to the Annual Report And Financial Statements

1.8 Financial risk management (continued)

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

The Authority's Finance and Accounts department is responsible for the development of detailed risk management policies (subject to review and approval by the Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the Authority's exposure to market risks or the manner in which it manages and measures the risk. The scheme has no significant exposure to market risks.

1.9 Provisions and contingencies

Provisions are recognised when:

- The Authority has a present obligation 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 obligation.

1.10 Employee benefits

Employee benefits are all forms of consideration given by the Authority in exchange for service rendered by employees or for the termination of employment.

1.11 Cash and cash equivalent

Cash and cash equivalents comprise cash at bank and short-term deposits 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.

1.12 Related parties

Related party disclosures

Nature of related party relationship

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

Energy & Petroleum Regulatory Authority.

The Energy and Petroleum Regulatory Authority is the Principal source of funds for the scheme which is cash backed.

Key Management

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Notes to the Annual Report And Financial Statements

1.12 Related parties (continued)

Heads of Directorates are considered as key management and are beneficiaries of the mortgage scheme

Key Management	Receivable balance 30/06/2021	Receivable Balance 30/06/2020
Heads of Directorates	39,032,012	26,707,889

Key management are those persons responsible for planning, directing and controlling the activities of the Authority which funds the scheme, including those charged with the governance of the Authority in accordance with legislation, in instances where they are required to perform such functions.

1.13 Budget information

The Authority is subject to budgetary limits in the form of budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

The approved budget is prepared on an accrual basis and presented by programmes linked to performance outcome objectives.

The approved budget covers the fiscal period from 01/07/2020 to 30/06/2021.

The scheme report and financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.14 Significant judgements and sources of estimation uncertainty

In preparing the scheme report and financial statements, management is required to make estimates and assumptions that affect the amounts represented in the scheme report and financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the scheme report and financial statements. Significant judgements include:

Provisions

Where provisions are raised, management determine an estimate based on the information available.

2. Adoption of new and revised standards

2.1 Relevant new standards and amendments to published standards effective for the years ended 30th June 2021

IPSAS 40-Public Sector combination	01 January 2019
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ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Notes to the Annual Report And Financial Statements

2. Adoption of new and revised standards (continued)

2.2 New and amended standards and Interpretations in issue, but not yet effective in the year ended 30th June 2021

The Authority has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 July 2021 or later periods:

Standard/Interpretation:	Effective date: Year beginning on or after	Expected impact:
-IPSAS 41 Financial Instruments	01 January 2023	
- IPSAS 42. Social Benefits	01 January 2023	
- Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	01 January 2023	

2.3 Early adoption of standards

The Authority The entity did not early – adopt any new or amended standards in year 2020/2021.

3. Interest received from staff mortgage and car loan

Interest received from mortgage scheme	6,926,468	5,790,403
Interest received from car loan	470,568	272,534
	7,397,036	6,062,937

4. Interest received from bank balances

Interest on deposits (unutilized funds)	1,065,861	894,066
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5. Scheme administration fees

Mortgage interest paid to scheme administrator	6,926,468	5,790,403
Car loan interest paid to scheme administrator	470,568	272,534
	7,397,036	6,062,937

6. Bank charges

Bank charges	1,065	1,065
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7. Cash and cash equivalents

Cash and cash equivalents consist of:

Unutilized funds available for mortgage lending	4,782,012	12,515,798
Unutilized funds available for car loan lending	5,973,772	36,316,831
	10,755,784	48,832,629

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME

Annual Report And Financial Statements for the year ended 30 June 2021

Notes to the Annual Report And Financial Statements

Figures in Kenyan Shilling	2020/2021	2019/2020
8. Short term receivables from mortgage and car loan		
Short term receivables from staff mortgages	20,200,436	-
Short term receivables from car loans	4,162,651	-
	24,363,087	-
9. Longterm receivables from mortgage and car loan		
Long term receivables from staff mortgages	324,345,331	271,946,152
Long term receivables from staff car loans	9,455,252	7,075,877
	333,800,583	279,022,029
10. Receivables from exchange transactions		
10 (a) Current receivables from exchange transaction		
Current receivables	24,363,087	-
	-	-
Total current receivables	24,363,087	-
10 (b) Long term receivables from exchange transaction		
Total receivables	358,163,670	279,022,029
Current portion transferred to current receivables	(24,363,087)	-
Total non-current receivables	333,800,583	279,022,029
Total receivables (a+b)	358,163,670	279,022,029
11. Mortgage and car loan resolving fund		
Opening balance	319,586,616	229,586,616
Transfer for the year	40,000,000	90,000,000
	359,586,616	319,586,616
12. Accumulated surplus (Reserves)		
Opening balance	8,268,042	7,375,041
Change during the year	1,064,796	893,001
	9,332,838	8,268,042

ENERGY & PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME
Annual Report And Financial Statements for the year ended 30 June 2021

Appendix I: Progress on Follow up of Auditor Recommendations

There were no issues raised by the external auditor in the previous audit.



Director General



Chairman of the Board

29/09/2021

Date:



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