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THE AUDITOR-GENERAL

ON

NUCLEAR POWER AND ENERGY AGENCY

**FOR THE YEAR ENDED
30 JUNE, 2019**



NUCLEAR POWER AND ENERGY AGENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2019

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

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NUCLEAR POWER AND ENERGY AGENCY INFORMATION AND MANAGEMENT

(a) Background information

Nuclear Power and Energy Agency (NuPEA), formerly Kenya Nuclear Electricity Board (KNEB), is a State Corporation established under the Energy Act 2019. It is charged with the responsibility of promoting and implementing Kenya's nuclear power programme, carrying out research and development for the energy sector.

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

(b) Principal Activities

The mandate of the Agency as stipulated in the Energy act of 2019 are;

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

In addition to the powers and functions of the Agency under section 56(1) of the Energy Act 2019 the Agency is also mandated by the same Act, sec 56(2) to:-

- Be the nuclear energy programme implementing organization and promote the development of nuclear electricity generation in Kenya; and
- Carry out research, development and dissemination activities in the energy and nuclear power sector
- Propose policies and legislation necessary for the successful implementation of a nuclear power programme;
- Undertake extensive public education and awareness on Kenya's nuclear power programme;
- Identify, prepare and facilitate implementation of an approved roadmap for a nuclear power programme;
- In collaboration with the relevant Government agencies develop a comprehensive legal and regulatory framework for nuclear electricity generation in Kenya;
- Develop a human resource capacity to ensure Kenya has the requisite manpower to successfully establish and maintain a nuclear power programme;
- Identify appropriate sites in Kenya for the construction of nuclear power plants and their related amenities;

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- Enter into collaborative programmes with other countries, international and national organizations in relation to nuclear electricity research and development;
- Identify a suitable operator for nuclear power plants;
- Enhance research linkages between industry and academia in matters relating to energy;
- Continuously train and upgrade human resource capacity in the energy sector to keep up with the changing technological issues in collaboration with training institutions;
- Advise on training curriculum and training needs targeting key areas in the energy sector;
- Direct, monitor, conduct and implement energy research and technology development in all fields of energy;
- Promote energy research and technology innovation;
- Establish facilities for the collection and dissemination of information in connection with research, development and innovation in the energy sector.
- Undertake any other duties as may be necessary for the execution of its mandate.

Further our Vision, Mission and core values are as tabulated below

1.	Vision	Safe, efficient and reliable nuclear technology for electricity generation
2.	Mission	To promote safe and secure application of nuclear technology for sustainable electricity generation and distribution in Kenya
3.	Core values	<ul style="list-style-type: none"> • Safety & Security, • Clean Environment Integrity, • Professionalism • Transparency and Accountability, • Innovation, • Efficiency

(c) Key Management

The Agency's day-to-day management is under the following Key organs:

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

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(d) Fiduciary Management

The key management personnel who held office during the financial year Ended 30th June 2019 and who had direct fiduciary responsibility were:

No	Designation	Name
1	Chief Executive Officer	Eng. Collins Juma
2	Head of Finance & Strategy	CPA. L. M. Ong'onge
3	Head Human Resource & Administration	Ms. Sophia Githuku
4	Head of Legal & Regulatory	Mr. Philip Mutai
5	Head of Publicity & Advocacy	Mr. Basett Buyukah
6	Head of Technical Affairs	Ms. Winfred Ndubai
7	Head of Procurement	Mr. Haroun Otieno

(e) Fiduciary Oversight Arrangements

i. The Board Audit & Risk Committee

The Audit & Risk management Committees duties are based on six broad functions namely the Internal Control, Risk Management and compliance, financial reporting, internal audit, external audit, compliance with laws and regulations; and compliance with NuPEA's Code of Conduct and ethical guidelines. The Committee assesses effectiveness of the Agency's internal control and risk management and compliance framework, it reviews the impact of significant accounting and reporting issues such as professional and regulatory pronouncement; meets management and both external and internal auditors to review the financial statements and results of the audit process and assesses if generally accepted accounting principles have been consistently applied in the preparation of preliminary announcement & interim financial statements.

The Audit & Risk Committee was constituted in line with Treasury Circular No.16/2005 on establishment and operationalization of audit committees in the Public Service. The Committee comprised five non-executive directors and is chaired by a non-executive director. The committee held six (6) meetings during the financial year.

ii. The Board Finance and General Purpose Committee

The principal responsibility of the committee is developing and overseeing the implementation of the finance strategy and human resource strategy. The committee is also responsible for the approval of the annual procurement plan and annual budget and for ensuring prudent financial management. The Committee is also responsible for spearheading the development of the corporate strategic plan, monitoring implementation of the strategic and operation plans and coordinating the Performance contracting process. The committee held eight (8) meetings during the financial year.

iii. Parliamentary Oversight Committees

Parliament has a constitutional mandate to scrutinize government spending and oversight functions are vested in the legislature as a fundamental principle of the separation of powers. The National Assembly, through its committees, exercises oversight over national revenue and expenditure. It approves the national government borrowing and sets public debt ceiling. The established committees are mandated with:

- Reviewing and approving the budget and expenditures;
- Scrutinizing governance activities, policies and programmes, assessing whether they meet the intended objectives of legislation, policy frameworks and development plans;
- Conducting investigations on special issues;
- Monitor state department on spending according to their budget plan, and if they underspend, the agency is made to account for that.

iv. Inspectorate of State Corporations

It's a body mandated to appraise and monitor services of all state departments. Inspectorate of State Corporation is domiciled at the presidency. The body is tasked with:

- Surcharging those responsible for loss and restitute the lost funds to the state corporations;
- Ensuring efficient public management system in parastatals;
- Carrying out management audits in State Corporations to ensure compliance with set policies, rules and procedures; and providing advisory services to Government and other stakeholders on matters affecting State Corporations

v. International Atomic Energy Agency (IAEA)

The objectives of the IAEA's dual mission – to promote and control the Atom – are defined in Article II of the IAEA Statute.

“The Agency shall seek to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world. It shall ensure, so far as it is able, that assistance provided by it or at its request or under its supervision or control is not used in such a way as to further any military purpose”.

The IAEA also works, among others, with the International Renewable Energy Agency and the National Oceanic and Atmospheric Administration to maximize the contribution of nuclear science and technology to the achievement of development priorities. Kenya, as a member state makes the following contributions:

- Working capital fund: Contribution based on country's ability for a specific project earmarked by the agency.
- Regular budget contribution: Annual contribution to finance the agency's operations.
- Technical cooperation fund: This is to fund the technical projects.
- National participation costs: For all projects conceptualized nationally, we pay 5% of the total project costs.

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vi. Office of the Auditor-General

The Office of the Auditor-General is one of the Independent Offices recognized by the Kenyan Constitution 2010. Its core mandate is to ensure that accountability and transparency are adhered to at the three arms of government; Judiciary, Legislature and Executive as well as constitutional commissions and independent offices established under the constitution 2010. It audits and reports on; accounts of the national government, county governments, the judiciary, every commission and every independent office set up by the Constitution, state corporations, National Assembly, the Senate, political parties that receive funding from public funds, public debt (how much the government owes to lenders); and any other office as prescribed by the national assembly.

(f) Nuclear Power and Energy Agency Head quarters

Nuclear Power and Energy Agency
Kawi House Complex
South C - Red Cross Road,
Nairobi, Kenya

(g) Agency Contacts

P.O. Box 26374-00100
Telephone: (254) 020 2219407
E-mail: info@nuclear.co.ke
Website:
www.nuclear.co.ke

(h) Bankers

1. Kenya Commercial Bank Moi
Avenue Branch
P.O Box 48400-00100
Nairobi, Kenya
2. Co-operative Bank of Kenya
Mombasa Road Branch
P O Box 48231-00100
Nairobi, Kenya
3. NIC Bank
Harambee Avenue Branch
P O Box 44599-00100
Nairobi, Kenya

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(i) Independent Auditors
Auditor General
Office of the Auditor -General
Anniversary Towers, University Way
P.O.Box 30084 GPO 00100
Nairobi, Kenya

(j) Principal Legal Adviser
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

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BOARD OF DIRECTORS

The Following Board Members held office in the year under Review:

Name	Notes	
1. Mr. Ezra Odondi Odhiambo	Chairman of the Board of Directors	Appointed in February 2019
2. Hon. Josephine Sinyo	Independent Board Member	Re appointed in February 2019
3. Mr. Stephen Karanja	Independent Board Member	Re appointed in February 2019
4. Dr. Kipkorir Koross Geoffrey Kiptoo	Independent Board Member	February 2019
5. Mr. Ernest Orito	Independent Board Member	Retired in September 2019
6. Ms. Teresiah Mbaika	Independent Board Member	Re appointed in February 2019
7. Mr. Chrispin O. Lupe	Alternate to PS Ministry of Energy	March 2018
8. Mr. Joseph Odhiambo	Alternate to PS, State Department of Science and Technology	January 2014
9. Ms Belinda Kiilu	Alternate to Attorney General- State Law Office	May 2013
10. Mr. George Muthemba	Alternate to P S, National Treasury	October 2015
11. Eng. Collins Juma	Chief Executive Officer	August 2017

The profiles of the above Agency Members are as follows:

CHAIRMAN OF THE BOARD OF DIRECTORS



Mr Ezra Odondi Odhiambo

He has expertise in strategic planning, business process re-engineering and improvement, change management, project management, telecommunications systems, computer systems, human resource management and design development and implementation of application software. His expertise has been acquired through holding Board positions and undertaking consultancy works such as sugar company operations, financial services, postal services, and telecommunication services among others. He is a member of the Board of Directors at Chemlil Sugar Company. Previously, he has served as a Member of the Board of Directors of National Irrigation Board 2016-2017; Kenya National Bureau of Statistics 2014-2016; Nctcom Information System Ltd 1992 to date; BOMAS of Kenya 2004-2007; Kokuro Secondary School 2003-2006. He also served as Chairman, Apex Construction Company Ltd 2013-2017; Executive Committee Member, Information Standards Technology Association (Kenya) 1992-1997. He is a member of Computer Society of Kenya.

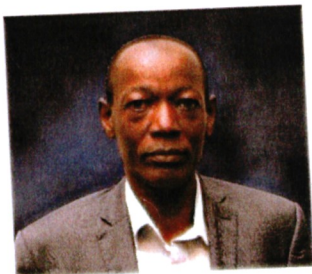
BOARD MEMBER



**Hon. Josephine Sinyo,
(OGW, EBS) - Director**

She is an advocate of the High Court of Kenya. She attended the University of Nairobi and The University of Hull in England for LLB and LLM Degrees respectively. She has over 30 years of experience in human rights, policy development, legislative research, and training in addition to service as a State Counsel in the Attorney General's office. She was involved in the Constitutional Review process championing the agenda for children, women and Persons Living With Disabilities (PLWDs) during her tenure as a nominated Member of Parliament, 1998 – 2002. Further, she has worked with Non-Governmental Organizations (NGOs) including International Federation of Women Lawyers (FIDA, Kenya Chapter); Forum for Women Education (FAWE, Kenya Chapter); the Law Society of Kenya; Kenya Breast Health Programme; Kenya Union of the Blind; Kenya Society for the Blind and the United Disabled Persons of Kenya (UDPK). In 2006, 2015 and 2017, she received State commendation from the President of Kenya awarding her the Order of the Grand Warrior (OGW); the Excellence Service Award and the Elder of the Burning Spear (EBS) respectively in appreciation of her contribution in nation building.

BOARD MEMBER



Mr. Stephen M. Karanja

He holds a Master's Degree in Nuclear Science from the University of Nairobi, Bachelor of Education in Science from Kenyatta University and a Diploma in Sales and Marketing from the University of Nairobi. He has also undertaken various nuclear and energy related courses such as: Building capacity for the implementation of a nuclear power programme, Nuclear energy management, Energy audit and Non Destructive Testing (NDT) course for trainers. He specializes in NDT using nuclear techniques. He is experienced in teaching and lecturing at secondary schools and university respectively. He also has a broad experience as a marketer where he has worked as a Regional Manager in the book selling industry and in the insurance industry as a Unit Manager.



**Dr. Kipkorir Koross
Geoffrey Kiptoo**

BOARD MEMBER

He is a lecturer at University of Eldoret, School of Environmental Studies. He holds a Doctor of Philosophy Degree, Environmental Health from University of Eldoret, Master of Science, Integrated Pollution Control from Middlesex University, UK and Bachelor of Science (Hons), Environmental Management from University of North London (London Metropolitan University), UK. He has over 10 years of teaching experience from Kenyan academic institutions. He is a member of the Institute of Environmental Science of UK, a registered Environmental Impact Assessment/Audit Lead Expert with National Environmental Management Authority (NEMA), member of Forest Society of Kenya and is trained implementer of ISO 9000 Standards by Kenya Bureau of Standard.



Mr. Ernest Orito

BOARD MEMBER

Born in 1984, Eng. Ernest Orito has a wide range of experience in chemical and process engineering and management. He holds a Masters in occupational and safety health. Bachelor of Technology in chemical and process engineering. Currently he is the Technical Director of Focus OSHE LTD.



Ms. Teresiah Malokwe

BOARD MEMBER

Born in 1985, Ms. Teresiah Malokwe holds a Masters in Health Economics and Policy from University of Nairobi and Bachelor of Science (Environmental Health from Kenyatta university). She is a Board member at Kenya Nuclear Electricity Board where she chairs the Finance and General Purpose committee.



Mr. Chrispin O. Lupe

**ALTERNATE DIRECTOR TO THE PRINCIPAL
SECRETARY, MINISTRY OF ENERGY**

Mr. Lupe holds a Bachelor of Science Degree in Geology from the University of Nairobi and Master of Science Degree in Geo-informatics from International Institute for Geo-Information Science and Earth Observation (ITC), Netherlands. He is a registered Geologist with the Geologists Registration Board and a professional member of the Geological Society of Kenya. He has served in the Civil Service for 28 years as a Geologist at various levels. He is currently heading the Geo-Exploration Directorate in the Ministry of Energy.



Mr. Joseph Odhiambo

ALTERNATE DIRECTOR TO THE PRINCIPAL SECRETARY, STATE DEPARTMENT FOR UNIVERSITY EDUCATION AND RESEARCH - MINISTRY OF EDUCATION

He holds BSc, Msc. and PhD in Biochemistry. He has worked for International Laboratory for Research on Animal Diseases (ILRAD), International Livestock Research Institute (ILRI), International Centre of Insect Physiology and Ecology (ICIPE), Tulane University (USA), Maseno University, and Ministry of Education - State Department for University Education and Research. He has over 20 years' experience in research in Biomedical and Science Technology and Information policy formulation.



Ms. Belinda Kiilu

ALT. TO ATTORNEY GENERAL-STATE LAW OFFICE

Ms. Belinda Kiilu, is an advocate of the High Court of Kenya with over ten years' experience and is currently a Principal State Counsel in the Office of the Attorney General and Department of Justice, with experience in advising the Government on its transactions, commercial contracts as well as international agreements, bilateral and multi-lateral treaties and legal instruments as well as negotiations of contracts and agreements.

She is experienced in advising the Government on its legal, policy and regulatory affairs and is an expert on Public International Law, International Criminal Law, International Cooperation, Energy Law, Water and Environmental Law, Intellectual Property and Nuclear Law.

She holds an LLB degree from University of Nairobi and a post graduate diploma in Law. She is a member of the Law Society of Kenya.



Mr George Muthemba

ALT. TO PRINCIPAL SECRETARY- NATIONAL TREASURY

Born in 1959, Mr. Muthemba holds Bachelor of Commerce degree with a CPA(K). He has a wide experience in Government Accounting and Budgeting, and actively involved in the development of PFM Act, 2012 and PFM Regulation, 2015.



Eng. Collins Juma, MBS

CHIEF EXECUTIVE OFFICER

Eng. Collins Juma has been serving as Chief Executive Officer of the Kenya Nuclear Electricity Board since 2016. He holds a Bachelor of Engineering Degree (Mechanical) from the Indian Institute of Technology and a Masters degree in Operations Management from the University of Nairobi. Eng. Juma is the current President of the Institution of Engineers of Kenya having been elected earlier this year. He is also a registered Consulting Engineer with Engineers Board of Kenya and has worked in the energy sector for over 20 years, including stints at Kenya Power and KENGEN. He is currently pursuing a PhD in Operations Management from the University of Nairobi.

MANAGEMENT TEAM



Sophia Githuku
*MBA - HR
Diploma in HRM
Director, Human Resource &
Administration*



Eng. Collins Juma, MBS
*MBA - Operations Mgt
CEO*



Philip Mutai
*LLM, Diploma in Law
Kenya School of Law
Director, Legal & regulatory
Affairs*



CPA L. M. Ong'onge
*MBA - Finance CPA(K) CPS(K)
Director, Finance & Strategy*



Basett Buyukah
*Post Graduate Diploma In
Communication
Director, Publicity & Advocacy*



Ms Winfred Ndubai
*MBA: Finance
Post Graduate Diploma : Financial Management
Ag. Director, Technical affairs*

CHAIRPERSON'S STATEMENT FOR FINANCIAL YEAR 2018/2019



The Financial year 2018/2019 marked a watershed for Nuclear Power and Energy Agency (NuPEA). The organization witnessed momentous changes that catapulted it forward on the long and eventful journey towards nuclear electricity generation.

During this period the Board was reconstituted following the expiry of term of the immediate former Board of Directors. On 8th February 2019 I was appointed the chairman for Nuclear Power and Energy Agency. Further, on the same date, new Board of Directors were appointed as follows: Hon. Josephine Sinyo, Dr. Geoffrey Kipkorir Koross, Ms. Teresiah Mbaika and Mr. Stephen Karanja for a period of three years.

Another change that took place during the Financial Year was, Kenya Nuclear Electricity Board changed its name to Nuclear Power and Energy Agency (NuPEA) this was following the enactment of Energy Act 2019 that took effect from 28th March, 2019. The Energy Act 2019, underpins the nuclear power programme in law and bestowed the organization new mandate that entails: Development of Nuclear Power Programme for electricity generation in Kenya, carrying out research for development of energy technologies and capacity building for the energy sector. The organization is currently in transition to fully align itself to its new mandate and relevant laws.

During this year the Board approved a new organizational structure for effective management and delivery of its mandate in addition to other Human Resource instruments that include: Human Resource Manual, and scheme of service.

During the period NuPEA made great strides towards facilitation of the creation of a nuclear regulator for Kenya's Nuclear Power Programme. A regulatory framework is a key component of a successful programme. NuPEA in collaboration with the National Assembly Department Committee of Energy and Radiation Protection Board (RPB) conducted public hearing on the Draft Nuclear Regulatory Bill across 13 Counties: Busia, Kajiado, Nakuru, Kericho, Kitui, Kisumu, Uasin Gishu, Mombasa, Kilifi, Kwale, Kiambu, Nairobi and Garissa County. The Draft nuclear regulatory Bill is at the second reading stage of legislative process that requires public participation before enactment by National Assembly. The Bill will establish an independent and robust nuclear regulatory body that will oversee safe application of nuclear technology in the country including electricity generation.

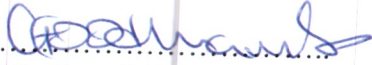
Through the nurture and development of strategic partnerships in nuclear power cooperation-both home and abroad- NuPEA hosted an international meeting on nuclear security with the International Atomic Energy Agency (IAEA) for ten African countries: Ghana, Zimbabwe, Botswana, Uganda, Tanzania, Nigeria, Malawi Namibia and Kenya to promote the Universalization of the Amendment to the Convention on the Physical Protection of Nuclear Material (CPPNM) in Mombasa.

All-in all, the 2018/2019 financial year has been a highly successful period in Kenya's journey towards nuclear electricity generation by 2027.

My gratitude goes to the Ministry of Energy, for wise counsel, guidance and support. To the other entities in the energy sector, we salute their passionate support in building synergy and reciprocity.

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We also bear a debt of gratitude to some of our key stakeholder such as parliament: National Assembly and Senate, National and County Governments, to name but a few. To the citizens of Kenya, we assure them that we are equal to the task of helping Kenya achieve the vision 2030 development agenda.



Mr. Ezra Odhiambo,
Chairman, Nuclear Power and Energy Agency (NuPEA)

REPORT OF THE CHIEF EXECUTIVE OFFICER FOR FINANCIAL YEAR 2018/2019



The Financial year 2018/2019 was an eventful year for Nuclear Power and Energy Agency (NuPEA). Indeed, the Agency grew by leaps and bounds in its endeavor towards nuclear electricity generation in Kenya.

During the period following the enactment of Energy Act 2019 KNEB changed its name to Nuclear Power and Energy Agency (NuPEA) with a new mandate. The organization successfully established a management transition committee to ensure it fully aligns to its mandate and launch the new organization in compliance with the Energy Act 2019.

In support of the Big Four Agenda initiative, we aligned our operations, strategic objectives and activities with Big Four Agenda.

An outstanding achievement was the successful identification of potential nuclear sites for building Kenya's nuclear power plants based on their suitability and kick starting the process of detailed studies of the identified sites. During the year NuPEA initiated the process of sourcing for an expert to develop Terms of Reference (ToR) for conducting site characterization on the potential sites for constructing the nuclear power plants. This is a long term and detailed process that require high level of expertise and experience.

During the period NuPEA completed the Strategic Environment Assessment (SEA) of Kenya's nuclear power programme and submitting the final report to National Environmental Management Authority (NEMA) for approval. The study analyzed the impact of introducing nuclear electricity generation in the country and the benefits it will bring against Environmental law requirements which is critical and essential in the setting up and running a nuclear power plant.

It was also during this period that the Agency conducted media training to about five hundred (500) journalists across the country on nuclear energy reporting in collaboration with other utilities in the energy sector, ministry of Energy and State Department of Petroleum under the Ministry of Petroleum and Mining. This was under the Energy Journalism Excellence Awards (EJEA) IV media workshops.

During the financial year 2018/2019 NuPEA continued to closely consult and collaborate with the bicameral Parliament: Senate and National Assembly on the development of nuclear electricity in Kenya. The organization further reached out to the broader stakeholder web through county forums in areas as diverse as Kwale, Kilifi, Busia, Garissa, Kitui, Uasin Gishu, Kericho, Nakuru, Kiambu, Nairobi, Kisumu, Kajiado and Mombasa, Participation in 2019 Devolution conference, Agricultural Society of Kenya shows, nuclear talks in high schools and tertiary institutions and various other stakeholder engagements including, organized a study tour Members of Parliament to a nuclear operating country in Russia and China and conducted industrial visits across the country.

Despite the challenges of enough office space, all in all the 2018/2019 financial year has been a highly successful period for Nuclear Power and Energy Agency in our journey towards nuclear electricity generation in the country in about a decade from now.

I am confident that we have the right initiatives and strategies in place to enable us realize our new mandate and goals of introducing nuclear electricity generation in Kenya.

.....
Eng. Collins Juma, MBS
CHIEF EXECUTIVE OFFICE

CORPORATE GOVERNANCE STATEMENT

Corporate Governance comprises the rules, practices and processes by which NuPEA is directed and controlled and involves balancing the interests of stakeholders who include, management, customers, suppliers, government and the community. It also provides the framework for attaining our objectives; and encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

NuPEA has engrained corporate governance as the pivotal institutional framework, through which its strategic objectives are set, attained and its performance monitored. The Board has embraced this function to direct, control and be held to account by the shareholders. Governance dictates the modus operandi of engagement and interaction between the Organization's Board, management, stakeholders and regulators for the sustainable benefit of the shareholders.

This Statement sets out the main practices in operation during the year under review.

Statement of Compliance

The Agency complies with the governance tenets of the recently developed "Code of Governance for Government Owned Entities (Mwongozo Code)" which are inherent in good Governance Guidelines. The Mwongozo Code offers a corporate governance code for all state corporations in which Government holds ownership.

As a law abiding corporate citizen, the Agency is living the tenets of the Constitution of Kenya and complying with the provisions of relevant statutes such as the Public Procurement and Asset Disposal Act, 2015, Employment Act 2007 and Occupational Safety & Health Act 2007.

Internal Controls & Risk Management

Internal controls comprise methods and procedures adopted by Management to provide reasonable assurance in safeguarding assets, prevention and detection of errors, accuracy and completeness of accounting records together with reliability of financial statements.

The Agency has systems and processes to ensure requisite internal controls, physical security of assets and reporting of accurate and up to-date information. Whereas the Board has overall responsibility for the systems of internal control, which are fully embedded in the operations of the Agency, certain responsibilities, such as review of the effectiveness of the internal control systems are delegated to the Audit Committee of the Board.

Implementation of Enterprise Risk Management was set up in line with the Treasury Circular No. 03 of 2009. In the FY 2018/2019, the agency has continued implementing risk management by imbedding risk in all its key activities. This can be evidenced by existence of departmental risk registers.

Board of Directors.

The board of directors are appointed by the respective Cabinet Secretaries for a term of three years. Currently the Agency has nine Board members comprising of a Chairperson and eight other members. The Board meets at least four times a year, with additional meetings held on a need basis. The board has delegated authority for the day-to-day operations to the Chief Executive Officer who is also the Secretary to the board. The board has developed and approved a board charter that clearly spells out its duties and responsibility. The members of the Board are provided with appropriate and timely information to enable them discharge their responsibility and maintain full

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and effective control over strategic, financial, operational and compliance issues.

In the FY 2018/19, the term of office for the old Board expired in October 2018 and thereafter, a new Board was appointed through a special gazette notice of 8th February 2019. In line with succession planning, one independent member of the former Board was dropped while the other three were reappointed, also, a substantive Chair of the Board was appointed by the President of the Republic of Kenya.

Board Evaluation.

In line with the requirements of Mwongozo, the board audit committee was evaluated by the Institute of Internal Auditors on 28th September 2018 where respective members of the committee were awarded with certificates; in addition, the agency's full Board was evaluated by the State Corporations Advisory Committee (SCAC) on the same day (28th Sep, 2018) and thereafter awarded certificates.

Board induction and Training.

As required by the code of governance for state corporations (MWONGOZO) the agency took the Board through a three days Board induction at Lake Naivasha Resort, in addition the Board members were facilitated to attend the Annual Governance and Ethics training organized by the Institute of Certified Public Accountants of Kenya (ICPAK).

E-Board System.

The NuPEA Board is committed towards embracing technology to effectively and efficiently conduct its business. In this regard, the Board introduced an electronic system for conducting board meetings and other functions reducing paperwork and increasing confidentiality of documents. Members of the board have been trained on the usage of the system.

Committees of the Board

The Board has established the following four standing committees to which it has delegated certain responsibilities. The committees were reconstituted in the course of the year due to the new appointments. Members of the committees are shown below:

Previous Committee Members.

Finance & General Purpose Committee	Technical & Legal Committee
1.Ms. Teresiah Mbaika - Chairperson	1.Mr. Stephen Karanja- Chairperson
2.Ms. Belinda Kiilu	2.Ms. Belinda Kiilu
3.Mr. Ernest Orito	3.Dr. Josephine Sinyo
4.Mr. George Mothemba	4.Mr. Joseph Odhiambo
	5.Ms. Teresiah Mbaika
Publicity & Advocacy Committee	Audit & Risk Committee
1.Mr.Ernest Orito- Chairperson	1.Dr. Josephine Sinyo- Chairperson
2.Mr.Joseph Odhiambo	2.Mr. Stephen Karanja
3.Mr.Stephen Karanja	3.Mr. Joseph Odhiambo
4.Ms Teresiah Mbaika	4.Ms Belinda Kiilu
5.Dr. Josephine Sinyo	5.Mr. George Mothemba

New Board Committee Members

Human Resource and Finance Committee.	Technical & Legal Committee
1. Dr. Josephine Sinyo - Chairperson	1.Mr. Stephen Karanja- Chairperson
2.Ms. Belinda Kiilu	2.Ms. Belinda Kiilu
3.Dr Kiptoo Koross	3.Dr. Josephine Sinyo
4. Mr. Chrispin Lupe.	4.Mr. Joseph Odhiambo
5.Mr. George Mothemba	5.Mr.Chrispin Lupe
	6.Dr. Kiptoo Koross
Strategy and Research Committee	Audit Committee
1.Dr. Kiptoo Koross- Chairperson	1.Ms.Teresiah Mbaika - Chairperson
2.Mr. Joseph Odhiambo	2.Mr. Stephen Karanja
3.Mr. Stephen Karanja	3.Mr. Joseph Odhiambo
4.Ms. Teresiah Mbaika	4.Ms Belinda Kiilu
5.Dr. Josephine Sinyo	5.Mr. George Mothemba

Each Committee meets at least four times in a year under the terms of reference approved by the board, however during this period, due to expiry of contract for the previous Board and longer duration taken to appoint the new Board, the committees did not manage to meet the minimum number of meetings required per financial year. The main responsibilities of the committees are as follows: -

1. Human Resource and Finance Committee

The principal responsibility of the committee is to develop and oversee the implementation of the strategies, policies and plans of Human Resource, Finance, Procurement and ICT departments.

2. Technical & Legal Committee.

The Technical Committee is responsible for overseeing Technical and Legal Department matters.

3. Strategy and Research Committee.

The Committee deals with issues pertaining to research, strategy, publicity and risk.

4. Audit Committee

The Audit Committee duties are based on five broad functions namely the Internal Control, compliance, financial reporting, internal audit, external audit, compliance with laws and regulations; and compliance with NuPEA's Code of Conduct and ethical guidelines.

Nuclear Power and Energy Agency (NuPEA)
Annual Reports and Financial Statements
For the year ended June 30, 2019

Meetings held by the Board and Committees (1st July, 2018 to 30th June, 2019)

Board/Committee	Number of Meetings Held
Full Board	2
Finance & General Purpose Committee	6
Technical & Legal Committee.	2
Strategy and Research Committee.	2
Audit Committee.	2

Summary of Attendance in Meetings

Name	Full Board Meeting		Committee Meetings								Total Meeting.	
	App.	Att.	Fin & Human resource.		& Tech. & Legal		Strategy & Research formally publicity & Advocacy		Audit		App.	Att.
Ms. Teresiah Mbaika	2	2	4	4	1	1	2	1	1	1	10	9
Mr. Ernest Orito	1	1	4	4	-	-	1	1	-	-	6	6
Dr. Kiptoo Koross.	1	1	2	2	1	1	1	1	-	-	5	5
Mr. Chrispin Lupe.	1	1	2	1	1	1	-	-	-	-	4	3
Mr. Stephen Karanja.	2	2	-	-	2	2	2	1	2	2	8	7
Hon. Josephine Sinyo	2	2	2	2	2	2	2	2	1	1	9	9
Mr. Joseph Odhiambo	2	2	-	-	2	1	2	2	2	2	8	7
Ms. Belinda Kiilu	2	2	6	5	2	2	-	-	2	2	12	11
Mr. George Mothemba	2	0	6	2	-	-	-	-	2	0	10	2

Key:

App. – Applicable

Att. – Attended

Note: Applicable refers to the number of meetings member were eligible to attend during the period

ACCOUNTABILITY AND AUDIT

Directors' responsibilities in relation to financial statements

The State Corporation Act requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. The Directors are responsible for ensuring that suitable accounting policies are consistently applied supported by reasonable and prudent judgements and estimates and those applicable accounting standards are followed.

The Directors have responsibility of ensuring that the company keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Agency and enable them to ensure that the financial statements comply with the State Corporations Act.

They also have general responsibility for the systems of internal control for safeguarding the assets of the Company and to prevent and detect fraud and other irregularities.

Communication with Stakeholders

The Agency places a great deal of importance on open communication with its stakeholders. This is achieved through press releases, updates posted on the Company website www.nuclear.co.ke, and circulation of audited financial statements on an annual basis. Open forums are also organized with stakeholders to discuss progress on the implementation of Strategic plan.

Major Stakeholders

In the course of doing business, NuPEA takes cognizance and fully engages with the following major stakeholders: The Government of Kenya through the Ministry of Energy & Petroleum, The National Treasury; International Atomic Energy Agency (IAEA) for necessary technical support. Others include the Kenya Power; Kenya Electricity Generating Company Limited (KenGen); Geothermal Development Company Limited (GDC); Rural Electrification and Renewable Energy Corporation (REREC), Energy & Petroleum Regulatory Authority (EPRA) and other electricity sub-sector players.

MANAGEMENT DISCUSSION AND ANALYSIS

NuPEA is a state owned Agency and is fully funded by the Government of Kenya through allocations from the Ministry of Energy

1. FINANCIAL PERFORMANCE

During the financial year 2018/2019, the Agency had an approved budget of Ksh.602M comprising of 594M from Government grants and 8M from development partners grants. The government grant was revised downwards by Ksh 5M during supplementary cycle, resulting to a final budget of Ksh 597M compared to a budget of 547M for the previous financial year 2017/18. The total expenditure excluding provisions and depreciation for the year amounted to Ksh.528M resulting to 88% budget utilization and absorption, while that of the previous year 2017/18 was Ksh.578M and 106% respectively. The Agency therefore realized a net increase of 8% on the budget allocation for the year 2019/18 against that of 2017/18. Similarly, there was a 18% reduction in absorption rate in comparison with the previous year.

	2018-2019	2017-2018	Var Ksh (M)	% Var
Approved budget (Ksh (M))	597	547	50	8%
Expenditure	528	578	(50)	(9)%
Budget absorption rate %	88%	106%		(18)%

a) Development partners' grants

The Agency mobilized funds from International Atomic Energy Agency (IAEA) to support Agency Capacity Building activities amounting to Ksh 8M compared 9.4M realized in the previous year. This amount was 100% utilized during the year under review.

b) Exchequer Transfers

The Ministry of Energy disbursed exchequer amounting to Ksh.509M against the 589M budgetary allocation, This resulted to a budgetary deficit of Ksh 80M. In the financial year 2017/18, the exchequer transfers amounted to Kshs 538M reflecting a reduction of 5% in the year under review.

Further, as at the close of the year, the Agency had not received Ksh 129,373,070 of the exchequer amount from the Ministry of Energy. The amount was received in the subsequent period but was reported as receivables in the year under review. The management continues to engage with The National Treasury to ensure all disbursements are made on timely basis.

2. OPERATIONAL PERFORMANCE

During the financial year 2018-2019, the agency undertook the several programs. The performance for each program is as discussed below;

a) Strategic Environmental Assessment Report Developed.

In order to comply with Environmental (Impact Assessment and Audit) Regulations of 2003, the Board is undertaking a Strategic Environmental Assessment (SEA) as part of the Environmental Protection Program for the Nuclear Power Programme. The SEA will assist Kenya systematically and comprehensively address the unique environmental issues of nuclear power plant operation.

During the FY 2018/2019, the Agency undertook capacity building of staff on SEA, held several workshops to review the draft SEA report with consultant, subjected the draft SEA Report to peer review by academics and professional groups and submitted report to NEMA for comments.

b) National Nuclear Policy

The National Nuclear Energy Policy supports the legislative framework for the Nuclear Power Programme and covers all existing applications of nuclear science and technology in Kenya. The activities undertaken in the FY 2018/2019 were geared towards finalisation of the draft National Nuclear Policy. These included several technical working group workshops to review the draft National Nuclear Policy. The final draft policy was approved by the board for validation workshops and approval in the FY 2019/2020.

c) Nuclear Regulatory Bill 2018 (National Assembly Bill No. 27)

The Nuclear Regulatory Bill is a comprehensive Bill covering the areas of nuclear safety, security and safeguards. The Bill seeks to establish an independent regulator to ensure the safe use of conventional uses of radiation and nuclear power. This Bill is currently before the departmental committee on energy in the National Assembly and has been subjected to public hearings. The activities in the FY2018/2019 were all geared towards approval of the Bill by Cabinet and transmission of the Bill for publishing by the National Assembly, subjecting the Bill to public participation by the National Assembly, NuPEA, and Radiation Protection Board (several county forums were held)

d) Accession to International Nuclear Conventions Regime

Acceding to relevant international nuclear instruments allows the country to participate in the global nuclear regime and provides a basis for regulatory, technical and international cooperation between nuclear countries. In the FY 2018/2019, The Agency reviewed and re-submitted the Cabinet Memo on Accession to Nuclear Safety Conventions to the Cabinet Secretary, Ministry of Energy for comments and approval.

e) Nuclear Power Plant Siting

This project intends to identify suitable site(s) for nuclear power plants, acquire, secure and develop the best site in preparation for construction of the nuclear power plant.

The activities of site selection involve site surveys, ranking of the sites, and selection of sites based on a set of national criteria, regulatory requirements and quality assurance mechanisms that are currently being developed.

The output of the project is a suitable site with internationally acceptable standards for nuclear

power plants.

The project risks include relocation of the community living within the sites, high cost of land acquisition and potential delays in decision making process through public participation.

Currently, the project is being conducted alongside the following studies;

- a. Reactor Technology Assessment (RTA): to determine the optimal nuclear reactor for Kenya based on electric grid capacity, demand for power, availability in the market, design and site envelop parameters based on characteristics of the sites
- b. Grid Study: to determine the type of grid infrastructure required from the potential sites
- c. Emergency planning: to develop an emergency planning and response framework required at the potential sites
- d. Industrial Involvement: to develop a framework for the Kenyan Nuclear Industrial and localization policy.
- e. Environmental protection: to develop an environmental framework for a nuclear power plant.

f) Resource Development for the Nuclear Power Programme

One of the mandates of NuPEA is to develop human resource capacity in preparation for the construction of the first nuclear power plant in Kenya. The agency recognizes that the Nuclear Power Program is knowledge intensive and has therefore prioritized capacity building as one of the drivers for nuclear power development. The Nuclear Power Program comprises three main institutions: Promoter, Operator and a regulator. These three organizations require personnel with various skills and professional competencies. NuPEA has commenced the training of these personnel by facilitating for their training in Bachelors, Masters, Doctorate, fellowship and short courses in nuclear related disciplines.

To date 37 students have undertaken MSc Nuclear Engineering at Kepco International Nuclear Graduate School (KINGS) in South Korea out of which 29 have already graduated. A total of 58 students have been sponsored to undertake MSc Nuclear Science at the Institute of Nuclear Science and Technology, University of Nairobi. The project is on course and the projections will cater for continuous training on nuclear related courses. NuPEA is finalizing the development of Human Resource Strategy for the nuclear power program using the Stella software provided by the IAEA.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

As a corporate citizen, Nuclear Power and Energy Agency (NuPEA) values and cherishes the rich tapestry variety and diversity of the country's social environment. In its quest to stay ahead of the pack, NuPEA has been involved in numerous Corporate Social Responsibility (CSR) projects across the country, which has a direct impact on various segments of the population.

During the financial year 2018/19, NuPEA supported various initiatives whose import was to benefit Kenyans at community, local, sectoral and /or national level. Some of the area of focus included youth and women empowerment, environmental conservation, charitable causes, county trade and investment forums and sponsoring of professional member organizations' annual conferences through partnerships and sponsorship.

In April 2019, NuPEA in its quest to promote energy efficiency sponsored the 2019 Energy Management Awards (EMA) to a tune of three hundred thousand shillings. NuPEA's consistent participation in EMA exhibits our enthusiasm in promoting energy efficiency across the country by addressing environmental pollution, waste reduction initiatives, recycling and enhancing energy efficiency.

During the Financial 2018/2019, NuPEA participated in the Annual charity walk organized by Starehe Girls Centre towards raising funds to support needy girls in payment of school fees to access education to a tune of three hundred thousand shillings. This is in line with NuPEA's CSR policy that identifies education as key area of focus as a corporate citizen.

In May 2019, NuPEA continued implementing its environmental conversation activities by planting 400 tree seedlings at Nyabondo High School in Kisumu County. The adds to the already over 6000 trees planted in Machakos and Uasin Gishu County with High School students as a way of sharing responsibility and inculcating the nurturing culture in environmental protection amongst students.

During the financial Year 2018/19 NuPEA in its quest to promote culture, recreation and sport, sponsored a number of activities that included golf tournament in support of charitable causes. Further, in partnership with Ministry of Education to promote Science and innovation amongst the Youth, in April 2019 NuPEA sponsored the 2019 Kenya Science and Engineering Fair (KSEF) National competition in Nakuru County.

The Agency is fully committed to supporting endeavors that better the lives of Kenyans. As a responsible corporate citizen, NuPEA is unswerving in enhancing its corporate social responsibility programmes.

REPORT OF THE DIRECTORS

The Board of Directors submits their report together with the Audited Financial Statements for the year ended 30 June 2019, which disclose the state of Nuclear Power and Energy Agency affairs.

Principal Activities

The principal activities of the entity are to be the nuclear energy programme implementing organization & promote the development of nuclear electricity generation in Kenya; and carry out research, development and dissemination activities in the energy and nuclear power sector. These are as outlined in the Energy Act 2019.

Results

The results of the entity for the year ended June 30, 2019 are set out on page 1

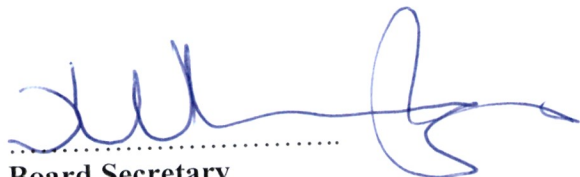
Directors

The members of the Board of Directors who served during the year and to the date of this report are set out on page vi.

Auditor

The Agency Auditor, The Auditor-General, will continue to be in the office in accordance with Article 229 of the Constitution of Kenya and Public Audit Act 2015.

By order of the Board,



.....
Board Secretary
Nairobi

Date. 15/01/2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

The Directors are responsible for the preparation and presentation of the Agency's financial statements, which give a true and fair view of the state of affairs of the Agency for and as at the end of the financial year ended on June 30, 2019. 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 Agency;
- (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 Agency;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Agency's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Directors are of the opinion that the Agency's financial statements give a true and fair view of the state of Agency's transactions during the financial year ended June 30, 2019, and of the Agency's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Agency, which have been relied upon in the preparation of the Agency's financial statements as well as the adequacy of the systems of internal financial control.

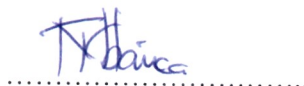
Nothing has come to the attention of the Directors to indicate that the Agency will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the Financial Statements

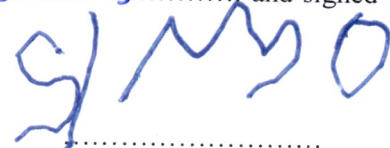
The Agency's financial statements were approved by the Board on 15th January 2020 and signed on its behalf by:


.....

Chairman


.....

Director


.....

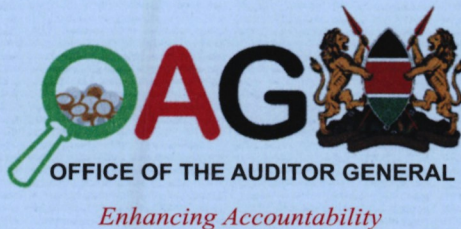
Director

**Nuclear Power and Energy Agency (NuPEA)
Annual Reports and Financial Statements
For the year ended June 30, 2019**

**REPORT OF THE AUDITOR-GENERAL ON NUCLEAR POWER AND ENERGY AGENCY FOR
THE YEAR ENDED 30TH JUNE 2019**

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON NUCLEAR POWER AND ENERGY AGENCY FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Nuclear Power and Energy Agency set out on pages 1 to 20, which comprise of the statement of financial position as at 30 June, 2019, statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Nuclear Power and Energy Agency 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 that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Budget Control and Performance

The statement of comparative budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.597,270,000 and Kshs.518,166,683 respectively resulting to an under-funding of Kshs.79,103,317 or 13% of the budget.

Similarly, the Agency spent an amount of Kshs.527,919,684 against an approved final budget of Kshs.597,270,000 resulting to an under-expenditure of Kshs.69,350,316 or 12% of the budget.

The under funding and under expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

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, I confirm that, nothing 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

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 about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance, were not effective.

Basis for Conclusion

1. Incomplete Fixed Assets Register

As disclosed under Note 14 to the financial statements, the statement of financial position reflects property, plant and equipment with a net book value of Kshs.52,578,525. However, the review of the detailed fixed assets register revealed that the Agency had not maintained a comprehensive register reflecting the cost, disposals, depreciation, accumulated depreciation, location of the asset, tagging and officer responsible for each asset.

It has not, therefore, been possible to determine the status of these assets and whether proper custody and safeguard of assets have been put in place.

2. Unfunded Employee Gratuity

As disclosed under Note 16 to the financial statements, the statement of financial position reflects accrued employee gratuity amounting to Kshs.52,128,879. It was observed that Management has opened a separate bank account for the purpose of managing the accrued gratuity. However, Management has not set aside and transferred any funds into the bank account, for purposes of payment of the accrued gratuities, for three (3) years.

Consequently, I am unable to confirm existence the gratuity amounts for the all the employees is safeguarded.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 Board of Directors

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

In preparing the financial statements, Management is responsible for assessing the Agency's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to liquidate the Agency or to cease operations. Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

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

The Board of Directors is responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Agency's 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 that includes my opinion in accordance with the

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

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with 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 going concern 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 Agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Agency to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Agency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with 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 to communicate with them all relationships and other matters which may reasonably be thought to bear on my independence, and where applicable, related safeguards.


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

01 February, 2021

Nuclear Power and Energy Agency (NuPEA)
Annual Reports and Financial Statements
For the year ended June 30, 2019

STATEMENT OF FINANCIAL PERFORMANCE FOR YEAR ENDED 30 JUNE 2019

	Note	2018/19	2017/18
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other government entities	5	509,984,600	537,702,237
Other income	6	8,182,083	8,668,382
Total revenue from non-exchange transactions		518,166,683	546,370,619
Revenue from exchange transactions			
Finance income		-	742,260
Profit on disposal of assets		-	1,456,714
Total revenue from exchange transactions		-	2,198,974
Total revenue		518,166,683	548,569,593
Expenses			
Employee costs	7	256,487,930	222,421,545
Board expenses	8	27,535,263	25,318,522
Depreciation expense	9	19,513,078	26,326,777
Repairs and maintenance	10	1,916,289	9,552,744
General expenses	11	204,956,746	212,503,214
Grants and subsidies		-	2,500,000
Finance costs		-	334,701
Total expenses		510,409,306	498,957,503
Surplus for the year		7,757,377	49,612,090

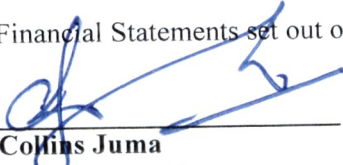
The notes set out on pages 7 to 20 form an integral part of the Financial Statements

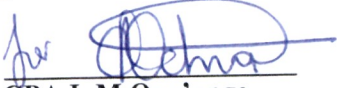
Nuclear Power and Energy Agency (NuPEA)
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For the year ended June 30, 2019

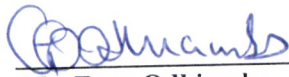
STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2019

		2018-2019	Re-stated 2017-2018
	Note	Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	12	6,011,602	10,965,841
Receivables from non-exchange transactions	13(a)	140,715,981	96,945,896
Total Current Assets		146,727,583	107,911,737
Non-current assets			
Receivables from non-exchange transactions	13(b)	131,785,000	54,300,000
Property, plant and equipment	14	52,578,525	144,720,087
Total non - current assets		184,363,525	199,020,087
Total assets		331,091,108	306,931,824
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	15	100,770,259	44,564,421
Non-current liabilities			
Non-current employee benefit obligation	16	52,128,879	28,499,836
Total liabilities		152,899,138	73,064,257
Fund Account		118,518,313	118,518,313
Accumulated Surplus		59,673,657	115,349,254
Net assets		178,191,970	233,867,567
Total net assets and liabilities		331,091,108	306,931,824

The Financial Statements set out on pages 1 to 6 were signed on behalf of the Board of Directors by;


Eng. Collins Juma
Chief Executive Officer


CPA L.M. Ong'onge
Director, Finance & Strategy


Mr. Ezra Odhiambo
Board Chairperson

Date: 08/06/2020

ICPAK M/No.2761
Date: 08/06/2020

Date: 08/06/2020

Nuclear Power and Energy Agency (NuPEA)
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STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE 2019

	Fund Account	Accumulated Surplus	Total
	Kshs	Kshs	Kshs
At 30 July 2017	118,518,313	65,737,164	184,255,477
Surplus for the year	-	49,612,090	49,612,090
At 30 June 2018	118,518,313	115,349,254	233,867,567
At 1 July 2018	118,518,313	115,349,254	233,867,567
Surplus for the year	-	7,757,377	7,757,377
Prior year adjustments	-	*(63,432,974)	(63,432,974)
At 30 June 2019	118,518,313	59,673,657	178,191,970

*The prior year relate to the following adjustments:

Work in Progress capitalized in prior years not capital in nature hence re-stated	(77,051,638)
Staff car loan and mortgage fund understated in the prior years	13,618,966
Total	(63,432,672)

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STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2019

	Note	2018-2019	Re-stated 2017-2018
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfer from other Government entities		380,611,530	448,952,275
Other Income		8,182,083	8,668,382
Finance Income		-	742,260
Total Receipts		388,793,613	458,362,917
Payments			
Employees costs		190,740,085	193,921,709
Board expenses		27,535,263	25,318,522
Repairs and maintenance		1,916,289	9,552,744
General expenses		91,647,759	222,120,847
Grants and subsidies		-	2,500,000
Finance cost		-	334,701
Total Payments		311,839,396	453,748,523
Net cash flows from operating activities	17	76,954,217	4,614,394
Cash flows from investing activities			
Purchase of property, plant and equipment	14	(4,423,456)	(70,598,462)
Proceeds from disposal of assets		-	2,300,000
(Increase) in Receivables from non-exchange transactions	13(b)	(77,485,000)	(34,400,000)
Net cash flows used in investing activities		(81,908,456)	(102,698,462)
Net decrease in cash and cash equivalents		(4,954,239)	(98,084,068)
Cash and cash equivalents at 1JULY 2018		10,965,841	109,049,909
Cash and cash equivalents at 30 JUNE 2019		6,011,602	10,965,841

Nuclear Power and Energy Agency (NuPEA)
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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2019

	Original Budget	Adjustments	Final Budget	Actual on Comparable basis	Performance Difference	Notes
Revenue	2018-2019 Kshs	2018-2019 Kshs	2018-2019 Kshs	2018-2019 Kshs	2018-2019 Kshs	
Government Grants & Subsidies						
Other Income	594,270,000	(5,000,000)	589,270,000	509,984,600	(79,285,400)	1
Total Income	8,000,000	-	8,000,000	8,182,083	182,083	
Expenses	602,270,000	(5,000,000)	597,270,000	518,166,683	(79,103,317)	
Employee Costs	269,870,000	2,160,000	272,030,000	256,487,930	13,542,070	
Board Expenses	25,000,000	-	25,000,000	27,535,263	(2,535,263)	
General Expenses	219,400,000	840,000	220,240,000	204,956,746	15,283,254	
Repairs and Maintenance	2,000,000	-	2,000,000	1,916,289	83,711	
Staff Mortgage	19,000,000	-	19,000,000	18,400,000	600,000	
Staff Car loans	18,000,000	(2,000,000)	16,000,000	14,200,000	1,800,000	
Acquisition of Assets	49,000,000	(6,000,000)	43,000,000	4,423,456	38,576,544	
Total Expenditure	602,270,000	(5,000,000)	597,270,000	527,919,684	67,350,316	2
Deficit	-	-	-	(9,753,001)	(11,753,001)	3

Nuclear Power and Energy Agency (NuPEA)
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NOTES ON STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Note 1

The Agency during the financial year did not receive an amount of Ksh.80M budgeted under Ministry of Energy A.I.A thus affecting its operations.

Note 2 Reconciliation of Budget and Statement of Financial Performance

Details	Amount
Expenditure as per statement of budget	527,919,684
Add	
Depreciation Expense	19,513,078
Total	547,432,762
Less	
Staff Mortgage	(18,400,000)
Staff Car Loans	(14,200,000)
Acquisition of Assets	(4,423,456)
Total Expenditure as per Financial Performance	510,409,306

Note 3 Reconciliation of Surplus /(deficit)

Surplus as per Financial Performance	7,757,377
Add	
Depreciation Expense	19,513,078
Less	
Staff Mortgage	(18,400,000)
Staff car Loans	(14,200,000)
Acquisition of Assets	(4,423,456)
Deficit as per Statement of Budget	(9,753,001)

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Nuclear Power and Energy Agency (NuPEA), formerly Kenya Nuclear Electricity Board (KNEB), is a State Corporation established under the Energy Act 2019. It is charged with the responsibility of promoting and implementing Kenya's nuclear power programme, carrying out research and development for the energy sector.

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

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Agency's accounting policies.

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

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act, the State Corporations Act, Legal Notice No. 131 dated 16th November 2012 and International Public Sector Accounting Standards (IPSAS) (Accrual Basis). The accounting policies adopted have been consistently applied to all the years presented.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

i) Revenue from non-exchange transactions – IPSAS 23

Transfers from other government entities and International Atomic Energy Association

Revenues from non-exchange transactions with other government entities and International Atomic Energy Association are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Agency and can be measured reliably.

ii) Revenue from exchange transactions – IPSAS 9

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net

NOTES TO THE FINANCIAL STATEMENTS (Continued)

carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

b) Budget Information – IPSAS 24

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Agency. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or Agency differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

c) Property, Plant and Equipment – IPSAS 17

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Agency recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Intangible Assets – IPSAS 31

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

e) Research and Development Costs

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

f) Provisions – IPSAS 19

Provisions are recognized when the Agency has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

g) Nature and purpose of reserves

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

h) Changes in accounting policies and estimates – IPSAS 3

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

i) Employee benefits – IPSAS 25

Retirement benefit plans

The Agency provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an Agency pays fixed contributions into a separate Agency (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

j) Related parties – IPSAS 20

The Agency regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Agency, or vice versa. Members of key management are regarded as related parties and comprise the councilors, the executive mayor, mayoral committee members, the city manager, deputy city manager and senior managers.

k) Service concession arrangements – IPSAS 32

The Agency analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Agency recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Agency also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

l) Cash and cash equivalents

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

m) Budget Information

The original budget for FY 2018-2019 was approved by the National Assembly on 30 June 2018. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of on the 2017-2018 budget following the governing body's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas

NOTES TO THE FINANCIAL STATEMENTS (Continued)

the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

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

n) Comparative figures

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

o) Subsequent Events -IPSAS 14

There have been no events subsequent to the financial year-end with a significant impact on the financial statements for the year ended June 30, 2019.

4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY – IPSAS 1

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Agency based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Agency. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the Agency
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Provisions

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

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Assumptions were used in determining the provision gratuity payable to employee at the end of contractual period.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2018/19	2017/18
	Kshs	Kshs
Development Grants	300,000,000	421,249,737
Recurrent Grants	209,984,600	116,452,500
Total	509,984,600	537,702,237

6. OTHER INCOME

Description	2018/19	2017/18
	Kshs	Kshs
Grant from International Atomic Energy Agency	8,182,083	8,668,382

7. EMPLOYEE COSTS

Description	2018/19	2017/18
	Kshs	Kshs
Salaries and allowances	201,098,844	174,307,747
Gratuity	33,358,016	34,107,173
Medical Expenses	15,531,404	10,561,773
Group Life	3,696,017	3,139,261
Interns	2,803,650	305,591
Total	256,487,930	222,421,545

8. BOARD EXPENSES

Description	2018/19	2017/18
	Kshs	Kshs
Sitting Allowances	9,829,674	13,959,171
Travelling Expenses	15,963,410	9,797,653
Directors Fees	1,134,066	1,230,000
Medical expenses(Insurance)	608,113	331,698
Total	27,535,263	25,318,522

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. DEPRECIATION EXPENSE

	2018/19	2017/18
Description	Kshs	Kshs
Motor Vehicle	4,937,322	6,583,097
Furniture and Fitting	1,168,379	1,042,526
Computers & Accessories	12,853,518	18,068,173
Office Equipment	553,859	632,982
Total	19,513,077	26,326,778

10. REPAIRS AND MAINTAINANCE

	2018/19	2017/18
Description	Kshs	Kshs
Property and Equipment	962,749	7,263,818
Vehicles	953,539	2,288,926
Total	1,916,289	9,552,744

11. GENERAL EXPENSES

	2018/19	2017/18
Description	Kshs	Kshs
Advertising	37,966	137,000
Audit fees	348,000	348,000
Conferences	4,496,613	9,599,325
Cleaning Services	1,104,848	887,871
Water and Electricity	618,918	2,300
Computer Consumables	170,151	2,371,226
Local Travelling Expenses	21,966,573	15,715,425
Fuel and oil	2,223,924	1,685,304
Consultancy	237,800	5,654,637
Licenses and Fees	9,292,878	2,656,400
Office refreshments	1,205,052	2,275,593
Postage	127,501	50,780
Printing and stationery	6,880,008	4,303,102
Overseas Training	18,549,441	24,296,257
Nuclear Capacity Building	22,446,289	29,429,818

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Legal Services	7,091,399	-
National Liaison Office	10,341,399	16,135,595
Resource Persons Allowance	6,500	480,000
Library	76,575	118,200
Security costs	1,343,980	795,502
Nuclear Bill Development	23,445,082	-
Publicity and Advocacy	34,758,530	48,937,974
Membership and Subscription	1,309,629	2,062,885
Office supplies	4,177,330	6,511,003
Telephone and Internet	3,828,428	3,523,197
Local Training	17,116,124	15,695,370
Insurance	579,499	348,602
Hotel Fares & Accommodation	2,012,975	10,865,632
Staff Welfare	1,705,000	721,060
Risk Framework	2,177,524	6,895,154
Performance Contract activities	3,312,460	-
Nuclear Power Siting	1,700,450	-
Bank Charges	267,900	-
Total	204,956,746	212,503,214

12. (a) CASH AND CASH EQUIVALENTS

	30 June 18	Actual Audited
	2018/19	2017/18
Description	Ksh	Ksh
Cash and Bank	5,812,026	10,765,885
Cash on hand and Transit	199,576	199,956
Total	6,011,602	10,965,841

12.(b) DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

a) Current account			
Financial institution	Account number		
		2018/19	2017/18
Description		Ksh	Ksh
Kenya Commercial bank	1139780085	3,708,096	(12,984,884)
Co-operative Bank	1136308333200	2,056,372	23,703,209
NIC Bank	1001126217	47,559	47,559

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Sub-total		5,812,026	10,765,885
c) Others(specify)			
cash in hand		199,576	199,956
Sub- total		199,576	199,956
Grand total		6,011,602	10,965,841

13. (a) RECEIVABLES FROM NON EXCHANGE TRANSACTIONS

	2018/19	2017/18
Description	Ksh	Ksh
Treasury Receivable	129,373,070	88,749,962
Staff Advances	3,748,352	3,374,632
Staff insurance Advances	3,594,559	821,302
KPLC Medical Deposit	4,000,000	4,000,000
Total	140,715,981	96,945,896

13 (b). RECEIVABLES FROM NON EXCHANGE TRANSACTIONS

	2018/19	2017/18
Description	Ksh	Ksh
Stima Sacco Staff Mortgage Fund	36,770,000	9,400,000
Development Bank of Kenya Staff Mortgage Fund	45,000,000	25,000,000
Stima Sacco Staff Car loan Fund	50,015,000	19,900,000
Total	131,785,000	54,300,000

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14. PROPERTY PLANT AND EQUIPMENT

	Motor vehicles	Furniture and fittings	Computers	Office Equipment & Buildings	Work in Progress	Total
Cost	0	0	0	0		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2017	7,450,540	9,375,561	64,620,303	6,484,527	61,618,813	149,549,744
Additions	24,261,300	2,813,288	26,508,290	1,582,759	15,432,825	70,598,462
Transfers/adjustments	- 5,330,700	-	-	-	-	(5,330,700)
At 30th June 2018	26,381,140	12,188,849	91,128,593	8,067,286	77,051,638	214,817,506
Additions	-	2,049,349	2,374,107	-	-	4,423,456
Transfers/adjustments	-	-	-	-	(77,051,638)	(77,051,638)
At 30th June 2019	26,381,140	14,238,198	93,502,700	8,067,286	-	142,189,324
Depreciation						
At 1 July 2017	48,754	3,848,643	36,869,815	3,003,429	-	43,770,641
Depreciation	6,583,097	1,042,526	18,068,173	632,982	-	26,326,778
At 30 June 2018	6,631,851	4,891,169	54,937,988	3,636,411	-	70,097,419
Depreciation charge for year	4,937,322	1,168,379	12,853,518	553,859	-	19,513,078
At 30th June 2019	11,569,173	6,059,548	67,791,506	4,190,270	-	89,610,497
Net book values						
At 30th June 2019	14,811,967	8,178,650	25,710,892	3,877,016	-	52,578,525
At 30th June 2018	19,749,289	7,297,680	36,190,605	4,430,875	77,051,638	144,720,087

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

	2018/19	2017/18
Description	Kshs	Kshs
Trade Payables	71,930,855	26,925,307
Directors Fees Payable	2,400,000	2,368,411
Audit Fees Payable	852,000	504,000
Payroll Liabilities	10,078,800	4,512,087
Medical Liabilities	15,508,604	10,254,616
Total	100,770,259	44,564,421

16. NON-CURRENT EMPLOYEE BENEFIT OBLIGATION

	2018/19	2017/18
Description	Kshs	Kshs
Employee Gratuity	52,128,879	28,499,836
Total	52,128,879	28,499,836

17. CASH GENERATED FROM OPERATIONS

	Note	2018-2019	2017-2018
		KShs	KShs
Surplus for the year before tax		7,757,377	49,612,090
Adjusted for:			
Depreciation	14	19,513,078	26,326,777
Gains on disposal of assets		-	(1,456,714)
Working Capital adjustments			
(Increase) in Receivables from non-exchange transactions	13(a)	(43,770,085)	(49,585,767)
Increase/(Decrease) in trade and other payables	15	56,205,838	(53,850,158)
Increase in employee benefit obligation	16	37,248,009	33,568,166
Net cash flow from operating activities		76,954,217	4,614,394

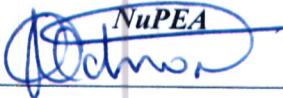
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APPENDIX I: INTER-ENTITY TRANSFERS

ENTITY NAME:		NUCLEAR POWER AND ENERGY AGENCY		
Breakdown of Transfers from the State Department of Energy				
FY18/19				
a.	Recurrent Grants	Bank statement Date	Amount(Kshs)	Financial Year
		03/10/2018	22,000,000	2018/2019
		31/12/2018	62,611,530	2018/2019
		28/03/2019	71,000,000	2018/2019
		08/07/2019	54,373,070	2018/2019
	Total		209,984,600	
b.	Development Grants	Bank statement Date	Amount(Kshs)	Financial Year
		19/10/2018	37,500,000	2018/2019
		19/10/2018	25,000,000	2018/2019
		23/10/2018	12,500,000	2018/2019
		07/01/2019	12,500,000	2018/2019
		07/01/2019	25,000,000	2018/2019
		07/01/2019	37,500,000	2018/2019
		13/03/2019	12,500,000	2018/2019
		13/03/2019	37,500,000	2018/2019
		13/03/2019	25,000,000	2018/2019
		02/07/2019	25,000,000	2018/2019
		14/08/2019	50,000,000	2018/2019
	Total		300,000,000	

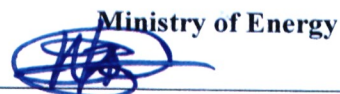
The above amounts have been communicated to and reconciled with the parent Ministry

Manager Finance and Accounts

NuPEA


Sign

Head of Accounting Unit

Ministry of Energy


Sign

Nuclear Power and Energy Agency (NuPEA)
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APPENDIX II: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of MDA	Date received as per bank statement	Nature: Recurrent/Development	Total Amount	Where Recorded/Recognized		Total transfers during the Year
				Statement of Financial Performance	Receivables	
Ministry of Energy	03/10/2018	Recurrent	22,000,000	22,000,000	-	22,000,000
Ministry of Energy	31/12/2018	Recurrent	62,611,530	62,611,530	-	62,611,530
Ministry of Energy	28/03/2019	Recurrent	71,000,000	71,000,000	-	71,000,000
Ministry of Energy	08/7/2019	Recurrent	54,373,070	-	54,373,070	54,373,070
Ministry of Energy	19/10/2018	Development	37,500,000	37,500,000	-	37,500,000
Ministry of Energy	19/10/2018	Development	25,000,000	25,000,000	-	25,000,000
Ministry of Energy	23/10/2018	Development	12,500,000	12,500,000	-	12,500,000
Ministry of Energy	07/1/2019	Development	12,500,000	12,500,000	-	12,500,000
Ministry of Energy	07/1/2019	Development	25,000,000	25,000,000	-	25,000,000
Ministry of Energy	07/1/2019	Development	37,500,000	37,500,000	-	37,500,000
Ministry of Energy	13/3/2019	Development	12,500,000	12,500,000	-	12,500,000
Ministry of Energy	13/3/2019	Development	37,500,000	37,500,000	-	37,500,000
Ministry of Energy	13/3/2019	Development	25,000,000	25,000,000	-	25,000,000
Ministry of Energy	02/7/2019	Development	25,000,000	-	25,000,000	25,000,000
Ministry of Energy	14/08/2019	Development	50,000,000	-	50,000,000	50,000,000
Total			509,984,600	380,611,530	129,373,070	509,984,600