

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

PARLIAMENT  
OF KENYA  
LIBRARY


**OF**

**THE AUDITOR-GENERAL**

**ON**

**KENYA INSTITUTE OF PRIMATE RESEARCH**

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

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



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**KENYA INSTITUTE OF PRIMATE RESEARCH**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2024**

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

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## 1. Acronyms, Abbreviations and Glossary of Terms

### a) Acronyms and Abbreviations

AMR	Antimicrobial Resistance
DG	Director General
KIPRE	Kenya Institute of Primate Research
COR	Chief of Research
CBK	Central Bank of Kenya
HSE	Health Safety and Environment
ICPAK	Institute of Certified Public Accountants of Kenya
ICS	Institute of Certified Public Secretaries of Kenya
IPSAS	International Public Sector Accounting Standards
K-SRIC	Kenya Snakebite Research & Intervention Centre
MOH	Ministry of Health
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OGW	Order of Grand Warrior
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PhD	Doctorate of Philosophy degree
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SCAC	State Corporations Advisory Committee
SC	State Corporations
FY	Financial Year

### b) Glossary of Terms

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

**Comparative Year-** Means the prior period.

## 2. Key Entity Information and Management

### a) Background information

Kenya Institute of Primate Research (KIPRE) previously Institute of Primate Research a Directorate under the National Museums of Kenya in the Ministry of Gender, Culture, the Arts & Heritage, State Department for Culture & Heritage is a State corporation that was established through legal notice Number 273 of 2017, and the subsequent executive order numbers 1 of 2022 and 2 of 2023 which placed KIPRE under the Ministry of Health, State Department of Public Health and Professional Standards domiciled and incorporated in Kenya. The establishment, functions and powers of the body corporation are stipulated in the Legal Notice.

### b) Principal Activities

The principal activities of Kenya Institute of Primate Research are:

- i. To conduct basic, pre-clinical and translational research using non-human primates and other experimental animals in liaison with the relevant government agencies;
- ii. Establish an incubation centre linking research and industry in the health products value chain;
- iii. Contribute to early warning systems for emerging and re-emerging diseases;
- iv. Establish and operate a notional breeding colony of non-human primates and other experimental laboratory animals for research purposes;
- v. Provide national in-vitro fertilization services for endangered wildlife of Kenya in liaison with relevant Government agencies;
- vi. Undertake studies in non-human primate conservation biology and primatology;
- vii. Create and maintain a national non-human primate database on consensus research affiliations, and geo-spatial distribution of non-human and related zoonotic diseases;
- viii. Serve as a National Research Centre for venom and anti-venom including snake bite disease;
- ix. Undertake basic and pre-clinical research on reproductive health, infectious and non-communicable diseases using non-human primates;
- x. Develop and characterize both non-human primate and other experimental animal models for priority diseases in Kenya;
- xi. Undertake research in Human African Trypanosomiasis disease
- xii. Undertake capacity building in animal welfare, ethical use and care of non-human primates and other experimental animals in laboratory settings;

#### Vision

Innovative research and conservation for better human health.

#### Mission

Promote public health through innovative preclinical and biomedical research, cultivating the next generation of scientists, and safeguarding biodiversity.

Our Mandate  
KIPRE derives its mandate from Legal Notice No. 273, The Science Technology and Innovation Act (No. 28 of 2013), Kenya subsidiary legislation 2017, which spells out its objectives and functions as follows:

- Serve as pre-clinical and translational research center using non-human primates and other experimental animals in liaison with the relevant government agencies;
  - Serve as an incubation centre linking research and industry in the health products value chain;
  - the place where research and dissemination of knowledge in all fields of scientific, cultural, technological and human interest is undertaken; and
  - Provide national in-vitro fertilization services for endangered wildlife of Kenya in liaison with relevant government agencies;
- Core Values: Research integrity, Professionalism, Good Corporate Governance, Equity, Customer Focus

c) Directors

The Entity's directors who served the entity during the year/period were as follows:

No.	Name	Designation
1.	Prof. Josephat A.O. Mulimba Prof. Johnson Kang'ethe Kinya Prof. Isaac O. Jumba Dr. Gaynor Noreh Lumbasio Prof. Mary Gikungu Mr. Paul Ndambuki Murui Dr. Peter Gichuhi Mwehnera	Board Members
2.	Dr. Atunga Nyachio	Chief of Research
3.	Daudi Salla	Head of Finance
4.	Mr. Patrick Kimathi	Head of Administration & Human Resource
5.	Mr. Victor Nthiga	Head of Procurement

**d) Entity Headquarters**

Kenya Institute of Primate Research

End of Karen Road

P.O. Box 24481- 00502

Nairobi, Kenya Phone: +254-02-2606235/6

**e) Entity Contacts**

Telephone: (254) 02-2606235/6

E-mail: [info@primateresearch.org](mailto:info@primateresearch.org)

Website: [www.primateresearch.org](http://www.primateresearch.org)

**f) Entity Bankers**

Standard Chartered Bank of Kenya  
Karen Branch

P.O. Box 24410- 00502

Karen, Nairobi, Kenya.

**g) Independent Auditor**

Auditor-General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

**h) Principal Legal Adviser**

The Attorney General

State Law Office and Department of Justice




Harambee Avenue



P.O. Box 40112



City Square 00200

Nairobi, Kenya


3. The Board of Directors

Ref	Directors	Details
1.	 <p>Professor Josephat Mulimba                      Date of Appointment: 26/07/2023</p>	<p><b>Chairman Board of Directors</b>                      Professor Josephat Mulimba, born on 15<sup>th</sup> April, 1947 is a renowned Orthopedic Surgeon who retired from the University of Nairobi after 46 years of service. He has played a major role in the development of Orthopedic surgery in Kenya, East and Central Africa for which he has won numerous awards.</p>
2.	 <p>Professor Johnson Kangethe                      Date of Appointment: 13/09/2023                      Head of the Research Board Committee</p>	<p><b>Board Member</b>                      Prof. Johnson Kang'ethe Kinyua, born on 1<sup>st</sup> January, 1970, holds a doctorate in Biochemistry from the University of Nairobi is the Dean, School of Biomedical Sciences, Jomo Kenyatta University of Agriculture and Technology is an accomplished researcher whose work has positively impacted the livelihoods of many communities with his most important contribution being the reformulation of fertilizer aimed at improving crop yields for farmers. His malaria research also resulted in a patent.</p>
3.	 <p>Professor Isaac Ogango Jumba                      Date of Appointment: 22/11/2023                      Head of Finance &amp; Staff Establishment Board Committee</p>	<p><b>Board Member</b>                      Prof. Isaac Ogango Jumba, born on 1<sup>st</sup> January, 1954, holds a Bachelor of Science Degree in chemistry and biochemistry, Master of Science and Doctor of Philosophy (PhD) degrees in chemistry from the University of Nairobi.                      He has 46 years of public service experience and a long career as a</p>

		<p>university lecturer, ultimately becoming a professor in 2006.</p> <p>He has held several administrative roles, such as chairman of the Chemistry Department, Dean of the Faculty of Education, Deputy Principal of Kenya Science Campus, and Principal of the College of Education and External Studies. He served on the University of Nairobi Senate for a record of 21 years from 2001 to 2022 and has published numerous scientific articles and research papers on ecosystem health, environmental pollution, occupational toxicology, and mineral metabolic profiles in herbivores. He has received multiple awards for his work and retired in October 2023.</p>
4.	 <p>Dr. Gaynor Noreh Lumbasio        Date of Appointment: 22/11/2023        Head of Audit Committee</p>	<p><b>Board Member</b></p> <p>Dr. Gaynor Noreh Lumbasio, born on 26<sup>th</sup> May, 1988 holds a Bachelor of Science in Microbiology and Biotechnology Genetics</p> <p>He is currently an Embryologist at The Nairobi IVF Centre Ltd.</p>
5.	 <p>Professor Mary Gikungu        Date of Appointment: 10/10/2017</p>	<p><b>Board Member</b></p> <p>Prof. Mary Gikungu, born on 28<sup>th</sup> November, 1965 holds a PhD in Natural Science and Mathematics (University of Bonn, Germany), M.Sc. in Conservation Biology (University of Nairobi) and B.Sc. in Botany and Zoology (University of Nairobi). She has published over 40 papers in peer-reviewed journals. Currently, Director</p>

		<p>General of National Museum of Kenya. She is a renowned Bee Specialist and a Conservation Biologist with wide experience in ecosystem services, climate change, environmental health and food security.</p> <p>In addition, she has been a Council Member of Kibabii University. The Director General chairs and supervises the Directors Executive Team (D.E.T)</p>
6.	 <p>Mr. Paul Ndambuki                  Date of Appointment: 10/10/2017</p>	<p><b>Board Member</b></p> <p>Mr. Paul Ndambuki Mutuvi born on 1<sup>st</sup> January 1964, holds a Diploma and, Higher National Diploma in Human Resource, Bachelor of Sciences degree in Human Resource Management. He is a member of the Institute of Human Resource Management and is currently serving as Deputy Director Pensions at National Treasury. He joined Public Service in November 1983.</p>
7.	 <p>Dr. Peter Mwethera Gichuhi, PhD, MBS                  Date of Appointment: 10/10/2017</p>	<p>Dr. Peter Gichuhi Mwethera, PhD., MBS holds a PhD (Bristol, UK); MPhil (Bristol, UK); Post Doc (North Carolina, USA); IVF (Leuven, Belgium); BSc (Hons, Kenya) is the Director General at the Kenya Institute of Primate Research offering overall directions for the institution.</p> <p>He is an accomplished Researcher with a successful career history spanning over 30 years with specific focus on Reproductive Health, an author of more than 40 publications including chapters in peer reviewed journals and has patented three medical products (UniPron, Smugel &amp; Smuscan) to improve human sexual/reproductive health and improve child and maternal health.</p>

**4. Key Management Team**

No	Management	Details
1.	 <p>Dr. Peter Gichuhi Mwethera, PhD, MBS            Director General            Date of Appointment: 14/06/2024</p>	<p>Dr. Peter Gichuhi Mwethera, PhD, MBS holds a PhD (Bristol, UK); MPhil (Bristol, UK); Post Doc (North Carolina, USA); IVF (Leuven, Belgium); BSc (Hons, Kenya) is the Director General at the Kenya Institute of Primate Research offering overall directions for the institution. He is an accomplished Researcher with a successful career history spanning over 30 years with specific focus on Reproductive Health and is an author of more than 40 publications including chapters in peer reviewed journals and innovated and patented three medical products (UniPron, Smugel &amp; Smuscan) to improve human sexual/reproductive health and improve child and maternal health. He has been a member of several boards including Punwani Maternity Hospital Management Board. He is a recipient of several awards including, The Newton Fund/Royal Academy of Engineering (UK)/KENIA (2020), Kenya Presidential Award (Kenya, 2019), The Africa Union innovation award (Brazzaville-2013), Premier Tony Elumelu Entrepreneurship Award (TEEP, Nigeria, 2015,), Kenya Public Service Innovation Award (KICC, Kenya-2012) and National Commission for Science and</p>

		Technology best Award (Kenya, 2012).
2.	 <p>Dr. Atunga Nyachieo, OGW          Chief of Research          Date of Appointment: 16/06/2015</p>	<p>Dr. Atunga Nyachieo, PhD, OGW Chief of Research (CoR), is in charge of Institutional research and training programs. Dr. Nyachieo holds a PhD in Biomedical Science (Mechanisms of Human diseases) obtained from the University of Leuven (KULeuven, Belgium), a Master's degree (MSc, Molecular Biology; 2004) from University of Leuven; KULeuven, Belgium) and a Bachelor's degree (Bsc, Biochemistry; 1999) from Jomo Kenyatta University of Agriculture and Technology (JKUAT), Nairobi, Kenya. He has experience in health research, policy and health promotion.</p>
3.	 <p>Dr. Daniel Chai          Head of Animal Science          Date of appointment: 04/07/2016</p>	<p>Dr. Daniel Chai Chivatsi, is the head of Animal Sciences, Welfare and Ethics Directorate (ASWED) since 2016. As the Head and Attending Veterinarian, he is responsible with ensuring all issues of animals including care, welfare and ethical use are adhered to both local and international standards. He holds a Bachelors of Veterinary Medicine from University of Nairobi (1985) and MSc in Veterinary Diagnostics and Pathology (Effects of Rosiglitazone on the pathology of experimentally induced endometriosis in baboons) from University of Nairobi (2009). He has 36 years' experience working with non-human primates and laboratory animals as a clinician, pathologist and surgeon.</p>

4.



Dr. Lucy Ochola  
 Head of Tropical Infectious Diseases  
 Date of Appointment: 04/07/2016

Dr. Lucy Ochola is a senior Research scientist and head of Department of Infectious Diseases at KIPRE. Lucy holds a BSc and MPhil from Manchester University, Uk and PhD in Medical Parasitology and Infection Biology from Swiss Tropical and Public Health Institute, University of Basel Switzerland.

Her overall aim is to seek solutions to tackle and manage infectious diseases that plague Kenya and other African countries. Research in her lab focuses on parasitology (malaria and schistosomiasis), understanding their immunology, disease manifestation and diagnosis in endemic populations. She has over 30 publications that include MSc and PhD theses.

5.



Dr. Jael Apondi Obiero  
 Head of Reproductive Biology  
 Date of Appointment: 17/09/2015

Dr. Jael Apondi Obiero, holds a PhD in Medical Microbiology (Development of a contraceptive microbicidal gel, UniPron, for prevention of pregnancy and sexually transmitted infections) obtained from the University of Nairobi. She also holds a Master's degree (MSc, Comparative Mammalian Physiology) from the University of Nairobi and a Bachelor's degree (Bed Science, Bachelor of Education [Botany/Zoology] from Egerton University.



She has experience in sexual and reproductive health research, Systematic Reviews Development for evidence synthesis, with the Cochrane Collaboration to inform decision making in health and policy & has also published a book (Menstrual cycle stage and baboon vaginal flora (Papio species): LAMBERT Academic Publishing (LAP): 978-3-8383-5934-2. She has also published over 20 articles in peer reviewed journals.

6.		<p>Dr. Stan Kivai is a Senior Research Scientist at KIPRE and holds a Doctorate of Philosophy degree (PhD) and Masters of Arts (MA) degree in Anthropology (Primatology major) all from Rutgers University, The State University of New Jersey, USA. Dr. Stan also holds a Master of Science Degree in Biology (Dryland Biodiversity Conservation major) from Addis Ababa University, Ethiopia, and Bachelor of Science Degree in Natural Resources Management from Egerton University.</p> <p>Dr. Stan Kivai expertise is majorly on behavioral ecology, nutrition ecology, population ecology, endangered species conservation, human-wildlife interactions &amp; health, climate change mitigation, adaptation &amp; resilience, community based conservation, conservation education &amp; public health outreach.</p> <p>He has published over twenty peer-reviewed and non peer-reviewed scientific articles and reports on same projects.</p>
7.		<p>Dr. Ngalla Jillani, PhD, is the Head of Non-Communicable Diseases Department. He holds a PhD in Neurosciences from the University of the Witwatersrand, Johannesburg, South Africa (2011), a Master's Degree in biological Anthropology from the University Of Dar-es Salaam, Tanzania (2005), and a Bachelor of Science Degree in Zoology and Botany from the University of Nairobi, Kenya (1990). Dr Jillani has served as Senior Research &amp; has actively mobilized resources for research in his areas of interest: neurosciences, tracing the brain's neuronal circuitry and its application in stroke rehabilitation,</p>

Dr. Stan Kivai  
 Head of Evolutionary Ecology, Conservation & Ecosystem Health  
 Date of Appointment: 12/05/2022

Dr. Ngalla Jillani  
 Head of Non- Communicable Diseases  
 Date of Appointment: 17/09/2015

		addiction and substance abuse, modelling diseases of the nervous using non-human primates and other animal models.
8.	 <p>Mr. Daudi Salla Head of Finance &amp; Accounts Date of Appointment: 27/01/2022</p>	<p>Mr. Salla Daudi Mohamed holds a Bachelor's degree in Business Administration from Moi University' &amp; is a Certified Public Accountant of Kenya and member of Institute of Certified Public Accountants of Kenya. He is the Principal Accountant.</p>
9.	 <p>Mr. Patrick Kimathi Manene Ag.Head of Administration &amp; Human Resources Date of Appointment: 09/10/2023</p>	<p>Mr.Patrick Kimathi Manene is a career professional in Administration and Human Resources Management. He holds a master's degree in Public Policy and Administration (Kenyatta University, 2016), Diploma in HR Management (Kenya institute of Management, 2017), and Bachelor of Arts (Kenyatta University, 2008). He is a professional member of the Institute of Human Resource Management.</p>
10.	 <p>Ms. Lucyline Mbogori Head of Pubic Relations &amp; Marketing Date of Appointment :19/02/2021</p>	<p>Ms. Lucyline Mbogori holds a Bachelor's degree in Business Administration, and Master of Science (Entrepreneurship) from Jomo Kenyatta University of 'Science and 'Technology). She has a diploma in Computer Science and over 15 years' experience in Administration. In addition, she serves as KIPRE board secretariat where she carries out the duties of Corporation Secretary. Ms. Mbogori is a member of Public Relations Society of Kenya as well as Marketing Society of Kenya.</p>

11.	 <p>Mr. Charles Akama                  Ag. Head of Information Communication &amp; Technology                  Date of Appointment: 27/06/2022</p>	<p>Mr. Akama Charles is the Ag. Head, Information Communication &amp; Technology division at KIPRE currently pursuing a master's degree in statistics at Multimedia University after acquiring a bachelor's degree in Statistics and programming from Machakos University. Additionally, he has undergone training in web development. He is enthusiastic about technological advancement and operational efficiency of KIPRE.</p>
12.	 <p>Mr. Victor Nthiga                  Head of Procurement                  Date of Appointment: 26/07/2021</p>	<p>Mr. Victor Nthiga is a seasoned procurement and supply chain management professional with over 20 years of extensive experience in the field. Mr. Mugao holds a Bachelor's degree in Procurement and Contract Management from Jomo Kenyatta University of Agriculture and Technology and a Diploma in Procurement and Material Management from the Kenya School of Government. He is a member of the Kenya Institute of Supply of Management.</p>

### 5. Fiduciary Management

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

No.	Designations	Name
1.	DG	Dr. Peter Gichuhi Mwethera
2.	Chief of Research	Dr. Atunga Nyachieo
3.	Head Of Animal Sciences	Dr. Daniel Chai Chivatsi
4.	Head of Tropical Infectious Diseases	Dr. Lucy Ochola
5.	Head of Reproductive Biology	Dr. Jael Obiero
6.	Head of Non Communicable Diseases	Dr. Ngalla Jillani
7.	Head of Evolutionary Ecology, Conservation & Ecosystem Health	Dr. Stan Kivai
8.	Head of Administration & Human Resources	Mr. Patrick Kimathi
9.	Head of Finance & Accounts	Mr. Daudi Salla

10.	Head of Public Relations & Marketing	Ms. Lucyline Mbogori
11.	Head of Information Communication & Technology	Mr. Charles Akama
12.	Head of Procurement	Mr. Victor Nthiga

## 6. Fiduciary Oversight Arrangements

### Board Committees

The Board has three standing committees, which meet regularly under the terms of reference set by the Board. In addition, there is one ad hoc committee; one for conducting interviews of senior staff.

#### i. Audit Committee

This committee reviews the integrity of financial statements and financial performance, compliance with accounting standards and maintaining of oversight on internal control systems. The Director General and Director Corporate Services may attend meetings of the committee on invitation.

#### ii. Finance and Staff Establishment committee

This committee is responsible for Monitoring and appraising the performance of senior management, review of all human resources policies, finances, budget and institutional (physical and infrastructural development).

#### iii. Research Committee

This committee deliberates on all matters pertaining to Research policy and Management.

#### iv. Ad hoc Committees

There is an Ad hoc committee, which is the interview panel. This committee deals with interviews for recruitment of the senior staff.

## 7. Chairman's Statement

I am deeply honoured to have been appointed to serve as the Chairman of Kenya Institute of Primate Research (KIPRE) during the period under review. I would like to extend my heartfelt gratitude to the entire KIPRE Board and Management team for their support throughout this financial year.

Welcome to this year's Annual Report and Accounts. It is a privilege to address those who have been instrumental in our journey—our dedicated board members, dynamic management team, and hardworking employees.

I sincerely thank our board members for your unwavering support and strategic guidance, which have been vital in navigating our successes and challenges. To our management team, I appreciate your exceptional leadership and innovative spirit. Most importantly, I want to recognize the tremendous efforts of every employee; your dedication and resilience inspire us all to strive for excellence.

KIPRE receives grants from the Government of Kenya for both recurrent and development budgets through the Parent Ministry of Health. The recurrent and development grants cater for personnel emoluments and capital projects respectively. The Kenya Institute of Primate Research generates internal revenue which supplements operations and maintenance. The grants and internally generated revenue are reflected in the KIPRE financial statements for period ending 2023/2024 financial year.

In the fiscal reporting period 2023/2024, KIPRE received Kshs.273,800,000 and Kshs.11,085,000 in recurrent and development grants respectively.

In this regard, KIPRE is grateful for the ongoing financial support from the Government of Kenya (GOK).

This year has witnessed significant achievements that highlight our commitment to advancing our strategic objectives and improving operational effectiveness:

1. **Development and Implementation of Policies:** We have made significant progress in strengthening our organizational framework through the creation and implementation of comprehensive policies. The Human Resource Instrument approved will enhance operational efficiency, ensuring regulatory compliance, and supporting our long-term strategic goals. By establishing these instruments, we have streamlined our processes and reinforced our commitment to best practices and ethical standards.
2. **Integrated Payroll Processing Database:** A major milestone this year was the initiation process of implementation of our new payroll system, which will significantly enhance our operational capabilities. This system will optimize workflows, improve data accuracy, and provide us with more robust analytical tools. This advancement represents a significant leap in our technological infrastructure, enabling us to better meet stakeholder needs and drive future growth.

3. The management also initiated the process of implementing an enterprise resource planning system.

Our governance and management framework have been essential in guiding us through a year marked by notable achievements and significant challenges. The Board of Directors has played a crucial role in:

1. **Overall Oversight:** Providing strategic direction and ensuring accountability through regular meetings and thorough discussions.
2. **Policy Approval:** Enhancing our operational framework with updated compliance guidelines, risk management procedures, and internal controls.
3. **Championing Technology:** Advocating for the integration of new technologies to improve operational processes and promote continuous improvement.

Looking ahead, we are excited about the future as we continue to innovate and adapt to the evolving market landscape. Our commitment to leveraging cutting-edge technology and fostering strategic partnerships positions us for sustained growth and success. With a dedicated team and a clear vision, we are confident in our ability to achieve even greater milestones.

Thank you for your continued support and dedication.



Prof. Josephat A.O. Mulimba FRSM

**Chairman Board of Directors**

Date: December 18<sup>th</sup>, 2024

## **8. Report of the Director General**

As we present our financial report, I want to take a moment to express my heartfelt appreciation to the many individuals and organizations that have played a pivotal role in our transition toward becoming an independent entity.

First and foremost, I would like to extend my deepest gratitude to our parent organization for initiating and supporting the delinking process. Their guidance and commitment have been invaluable in this journey. I also wish to acknowledge National Commission for Science, Technology & Innovation for their prompt legal notice, which laid the groundwork for our independence, and I am particularly thankful to our Head of State for issuing the executive order that granted us the autonomy to operate as a legal entity.

Furthermore, I want to recognize the numerous government bodies that have provided essential support in obtaining the necessary documentation that has enabled us to stand alone. A special thank you to National Treasury for their crucial financial assistance of Kshs. 273 million, which has been instrumental in operationalizing our newly created institution.

Despite these significant achievements, our transition has not been without challenges. Establishing the correct administrative structures, appointing our Board of Directors, and implementing robust operational systems within a limited timeframe has posed difficulties. I am grateful to the Cabinet Secretary for her prompt action in fast-tracking the appointment of our Board, which has been a cornerstone of our progress.

I also want to commend our dedicated staff, whose hard work and commitment have been vital in ensuring we have the requisite operational documentation approved by the relevant authorities. Their support has been essential in setting up prioritized operational systems that will enable us to function effectively as a standalone institution.

As we move forward, I am optimistic about the potential we have to thrive and make a meaningful impact in our Health sector. Together, with the continued support of our partners and stakeholders, we are well-positioned for success.



Dr. Peter Gichuhi Mwethera PhD., MBS

**Director General**

Date: December 18<sup>th</sup>, 2024

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

Kenya Institute of Primate Research has five (4) key strategic issues and five (4) strategic goals within its Strategic Plan.

The strategic Issues include:

1. Research and innovations for improved Human Health
2. Pandemic Preparedness, Biodiversity Conservation, Climate change, Environmental Antimicrobial Resistance (AMR), and Ecosystem health.
3. Institutional capability for health research excellence
4. Financial sustainability for health research

The strategic objectives are as follows:

1. To develop curative measures including vaccines, biologics (antivenom), drugs and medical technologies and preventive interventions for improved human health
2. To enhance climate change mitigation, sustainable biodiversity conservation, AMR stewardship and ecosystem health through a One Health approach.
3. To enhance capacity building and training, upgrade infrastructure and strengthen corporate governance for health research excellence.
4. To secure funding to sustain health research and innovation whilst ensuring efficient use of KIPRE finances.

KIPRE develops its annual work plans based on the above 4 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. KIPRE achieved its performance targets set for the FY 2023/2024 period for its 4 strategic pillars as indicated in the table below:

**KIPRE's Strategic Issues and Objectives**

Strategic Issue	Objectives	Key Performance Indicators	Key Activities	Achievements
<b>Issue 1: Research and innovations for improved Human Health</b>	To develop preventive and therapeutic interventions for improved human health	Strengthened national capacity for high-quality pre-clinical research for improved human health	Build capacity for health through training of staff and interns/students	a) Trained more than 100 students/interns b) Molecular Biology and Biotechnology workshop for health held on the 15 <sup>th</sup> – 26 <sup>th</sup> July 2024 c) Coordinated and hosted over 10 education trips of different institutions of higher learning d) Offered 85 student attachments e) Offered weekly training seminars

Strategic Issue	Objectives	Key Performance Indicators	Key Activities	Achievements
				at KIPRE training Hall on health research
		Enhanced innovation in vaccines, drugs, biologics (antivenom, phages) and medical technologies	Develop and test vaccines, drugs, biologics and diagnostic for major and neglected diseases	a) Created phage technology platforms for formulation of phages for combating AMR for healthcare and environmental decontamination b) Novel diagnostic tool for malaria c) Novel diagnostic tool for schistosomiasis d) Nano formulation of antimalarial drugs and testing e) Development of snakebite antivenom –Kenya Snakebite Research Intervention Centre (K-SRIC)-through collaboration with the Division of Vector borne Diseases, Ministry of Health (MoH) and the devolved Ministries of Health in Siaya, Kisumu, Busia and Migori counties, conducted a successful integration of snakebite with the National Mass Drug Administration (MDA) exercises. f) K-SRIC, KIPRE, in collaboration with Liverpool School of Tropical Medicine, DVNTD - MoH and

Strategic Issue	Objectives	Key Performance Indicators	Key Activities	Achievements
				the MoH, Turkana and Kitui Counties is currently undertaking a community and health facility project on mapping snakebite risk in Kenya.
<b>Issue 2: Pandemic Preparedness, Biodiversity Conservation, Climate change, Environmental Antimicrobial Resistance (AMR), and Ecosystem health.</b>	To enhance climate change mitigation, sustainable biodiversity conservation, AMR stewardship and ecosystem health through a One Health approach.	Enhanced pandemic preparedness & response through a one health approach	Test human samples and vector borne samples from high-risk disease interface (wildlife, livestock)	<ul style="list-style-type: none"> <li>a) Tested 1,296 human samples at high-risk disease interface (wildlife-livestock-human)</li> <li>b) Tested 812 vector born samples at high-risk disease interface (wildlife-livestock-human)</li> </ul>
		Strengthened conservation of primates and biodiversity, climate change response and ecosystem health for prosperity of nature and human health	Promote forest conservation through tree planting activities Promote ecosystem health activities through community outreach	<ul style="list-style-type: none"> <li>a) Work closely with Community Forest Association in co-ordinating their activities within Oloolua Forest such as tree planting</li> <li>b) Monitored the success of the tree seedlings planted early and last year including those in Oloolua forest and 70% were seen surviving</li> <li>c) Monitored primates' population and captured the</li> </ul>

Strategic Issue	Objectives	Key Performance Indicators	Key Activities	Achievements
				traffic wildlife road accidents in Oloolua forests. d) Continued to implement restoration activities and primate monitoring in Tana. e) Conducted community Conservation awareness and ecosystem health meetings in Tana River and Samburu counties educating them on the importance of primates and their habitats. f) Successfully organized the International Primates Day on 1/9/2023 at Tana River Primate Reserve.
<b>Issue 3: Institutional capability for health research excellence</b>	To enhance capacity building and training, upgrade infrastructure and strengthen corporate governance for health	Strengthened the Human Resource Development and Management.	Build capacity for health through training of staff	a) Molecular Biology and Biotechnology workshop for health 15 <sup>th</sup> – 26 <sup>st</sup> July 2024 b) Offered weekly training seminars at KIPRE training Hall on health research

Strategic Issue	Objectives	Key Performance Indicators	Key Activities	Achievements
	research excellence.	Modernized and expanded of infrastructure and equipment.	Construct offices and bio safety and biosecurity wall	<ul style="list-style-type: none"> <li>a) Infrastructural upgrade for KIPRE</li> <li>b) Construction of offices to support the expanded mandate for KIPRE</li> <li>c) Biosafety and Biosecurity wall</li> </ul>
		Re-engineered internal business processes.	Onboard KIPRE services through E-citizen ERP system set-up KIPRE website upgrade	<ul style="list-style-type: none"> <li>a) On boarding of KIPRE services to e-Citizen</li> <li>b) ERP system set-up</li> <li>c) KIPRE website upgrade</li> <li>d) Updated and Maintained the Institution's social media including Facebook, WhatsApp and twitter</li> <li>e) Successfully organized the International Primates Day that is to happen on 1st September 2023 at Tana River Primate Reserve.</li> </ul>
		Regular performance monitoring and reporting	Conduct monitoring for all projects	<ul style="list-style-type: none"> <li>a) Conducted project monitoring and evaluation.</li> </ul>

Strategic Issue	Objectives	Key Performance Indicators	Key Activities	Achievements
Issue 4: Financial sustainability for health research	To secure funding to sustain health research and innovation whilst ensuring efficient use of finances.	Advocacy and engagement of the government for increased research funding	Attend all Government planned activities to articulate KIPRE fundraising Agenda Market Ooloolua Nature trail	<ul style="list-style-type: none"> <li>a) Attended training organised by treasury</li> <li>b) Marketing, customer care and booking of Ooloolua nature trail and maintained a monthly revenue</li> </ul>
		Diversification of resource mobilization strategies	Establish partnership and fundraising	<ul style="list-style-type: none"> <li>a) Established 3 partnerships to support snake antivenom production program that is with Universal Corporation, India Serum Institute &amp; Liverpool school of tropical medicine.</li> <li>b) Established 3 partnerships in mental health research that are University of Toronto (Canada) on sleep and mental health, University of Witwatersrand, South Africa, on sleep and mental health &amp; University of Texas, Rio Grande valley (USA), on mental Health and HIV.</li> <li>c) Established three partners for</li> </ul>

Strategic Issue	Objectives	Key Performance Indicators	Key Activities	Achievements
				phage research for healthcare that are Phages for Global Health, USA, University of Yale, Biological Research Center, Hungary. d) Established three partnerships in 'One Health & Zoonosis Research' that are Washington State University, Global Health Program, USA, KU Leuven, Belgium & Arizona State University, Centre for Evolution and Medicine, USA
		Development of competitive proposals for funding	Write records for proposals	Proposals Developed for key thematic Areas including one health infectious diseases, Snakebite among others

KIPRE monitors the progress towards achievement of the Strategic Plan (2023-2027) through:

- i. Preparation of annual implementation plans for the period 2023-2024 by all offices and directorates
- ii. Translation of the annual implementation plans into annual performance contracts and annual monitoring plan
- iii. Development and issuance of progress reports at all levels

In addition, KIPRE undertakes rigorous and independent evaluation of completed and/or ongoing activities to determine the relevance and fulfillment of strategic objectives, development efficiency, effectiveness, impact and sustainability. The evaluation of the strategic plan shall be undertaken at the end of June in each financial year.

## **10. Corporate Governance Statement**

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

### **Board of Directors**

Kenya Institute of Primate Research Board of Directors is responsible for overall management and is accountable to the Minister in charge of the Ministry of Health, State Department of Public Health and Professional Standards for ensuring that the institution complies with the law and the highest standards of best practice in corporate governance and ethics. The Directors are committed to the need to conduct the operations of the institution with integrity, in accordance with generally accepted corporate practice, and endorse the internationally developed principles of corporate governance. All the Board members are non-executive including the Chairman of the Board except the Director General who is the chief executive officer. The Cabinet Secretary in charge of Public Health and Professional Standards appoints the Directors for a period of three years in accordance with the constitution.

### **Board Meetings**

The Board meets at least four times a year. The Directors are given appropriate and timely information so that they can maintain full and effective control over strategic, financial, operational and compliance issues. The Board has delegated the day-to-day operations to the Director General who is the Chief Executive Officer. The Board nonetheless retains responsibility for establishing and maintaining the institutions internal controls in financial, operational and compliance issues as well as implementing strategies for the long-term success of the institution.

### **Board Committees**

The Board has three standing committees, which meet regularly under the terms of reference set by the Board. In addition, there is one ad hoc committee for conducting interviews of senior staff. These committees are as follows:

#### **The Audit Committee**

The Audit & Risk Management Committee forms a key element in the governance process by providing an independent expert assessment of the activities of top management, the quality of risk management, financial reporting, financial management and internal audit, to the board of directors.

#### **The Finance and Staff Establishment committee**

The Committee is the prime mechanism through which the Board of Directors of Kenya Institute of Primate Research ensures that the institution's decisions, policies and practice in relation to Finance, Human Resources, procurement, infrastructural development and all processes are in full

compliance with relevant policies, and statutory requirements, regulations, Mwongozo Code of Governance as well as the Board Charter.

#### **Research Committee**

The Research Committee of the Board generally deliberates all matters pertaining to research policy and management.

#### **Ad hoc committee (as and when formed)**

Ad hoc committees may be formed for different tasks as determined by the Board for example conducting of interviews for senior staff.

All board committees make recommendations to the full Board of Directors for consideration.

#### **Internal Controls**

These are processes for assuring achievement of the institution's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies. This involves everything that controls the risks of the organization and relates to authorization and approval of transactions, segregation of duties, supervision and monitoring of the activities, proper record keeping, ICT controls, valuation, custody and physical safeguards of the assets of the institution. It is the means by which the institution's resources are directed, monitored, and measured. It plays an important role in detecting and preventing fraud and protecting the institution's resources, both physical (e.g., machinery and property) and intangible (e.g., reputation or intellectual property such as trademarks).

At the institutional level, internal control objectives relate to the reliability of financial reporting, timely feedback on the achievement of operational or strategic goals, compliance with laws and regulations. At the specific transaction level, internal control refers to the actions taken to achieve a specific objective (e.g. how to ensure the organization's payments to third parties are for valid services rendered). Internal control procedures reduce process variation, leading to more outcomes that are predictable. The effectiveness of the internal controls depends on:

#### **The Management**

The responsibility of ensuring that the internal controls are in place and are duly adhered to rests with the management. The Chief Executive Officer (the top manager) has the overall responsibility of designing and implementing an effective internal control system and setting the "tone at the top" that affects integrity and ethics and other factors of a positive control environment. He fulfils this duty by providing leadership and direction to senior managers and reviews the way they are controlling the resources of the organization. Senior managers, in turn, assign responsibilities for establishment of more specific internal control policies and procedures to personnel responsible for the various departmental functions.

### **Board of Directors**

Management is accountable to the Board of Directors, who provides governance, guidance and oversight. Effective Board members are objective, capable and inquisitive. They also have knowledge of the entity's activities and environment and commit the time necessary to fulfil their Board responsibilities. Management cannot at any one point in time override controls and ignore or stifle communications from subordinates, enabling a dishonest management, which intentionally misrepresents results to cover its tracks. Existence of a strong active Board particularly when coupled with effective upward communications channels and capable financial, legal and internal audit functions is often best able to identify and correct such a problem.

### **Customer Service Charter**

The Service Charter puts in place service standards that guide the Kenya Institute of Primate Research management and staff in provision of high services to its clients. This is keeping in line with existing laws, rules, regulations, norms, professional ethics and most important-customer expectations. The Service Charter thus identifies areas in which the KIPRE operates, defines the responsibilities of the management and staff, describes the rights of clients and identifies key quality control indicators that will enable delivery of high-quality services by KIPRE to all stakeholders/clients and the general public at large.

### **Directors' Allowances and Loans**

The aggregate amount paid to Directors allowances for services rendered during 2023/2024 financial year are disclosed in the notes to the financial statements. There were no Directors loans at any time during the year.

### **Board meetings**

During the financial year 2023-2024 (1<sup>st</sup> July, 2023- 30<sup>th</sup> June, 2024), Kenya Institute of Primate Research Board of Directors, a total of seventeen (17) board meetings were held. All Board members attended the meetings as required. Among the main topics discussed in the meetings were budgets and financial reports, performance contract reports, human resource matters, development projects, internal audit reports and reports on the core mandate of research and strategic issues.

### **Appointment and removal of a member, succession plan**

Appointment of the Board Chairman and Board members is provided for under the Legal Notice 273 of 2017 where the appointing Authority is the President and the Cabinet Secretary for the line Ministry of Health, State Department of Public Health and Professional Standards respectively. Their removal is also provided in the Legal Notice. Whenever there is a vacancy in an appointive Board position, the vacancy is filled by the appointing Authority by way of publication of a member's details in the Kenya Gazette.

### **Board induction, training and development**

During the Financial year 2023-2024, Board Members underwent induction in February, 2024. The induction was delivered by the State Corporations Advisory Committee (SCAC) in conjunction with the Institute of Certified Public Secretaries of Kenya (ICS).

### **Board and Member performance:**

In line with "Mwongozo", the Board conducted self-evaluation for the financial year 2023-2024 (1<sup>st</sup> July, 2023-30<sup>th</sup> June, 2024) under the guidance of the SCAC officials. Board self-evaluation is an internal tool to assist the Board to improve on its performance and that of KIPRE by instituting appropriate remedial strategies.

### **Conflict of interest**

Disclosure of conflict of interest was made by members at every Board meeting during the financial year. The position on existence of conflict of interest or lack thereof was recorded in the minutes as appropriate with Board members signing the conflict of interest register that was made available during all Board meetings.

### **Board remuneration**

Board members were paid allowances in line with the relevant Government of Kenya circulars and guidelines.

### **Ethics and conduct**

The KIPRE Board has adopted high standards and applies strict rules of conduct, based on the best corporate practices. As part of this commitment, the Board has adhered to good corporate governance by embracing the principles of good corporate governance including: Observing high

standards of ethical and moral behaviour, acting in the best interests of the Kenya Institute of Primate Research and upholding their fiduciary responsibilities and duty of care, acting honestly and in good faith to create a culture built on principles of integrity, accountability and transparency.

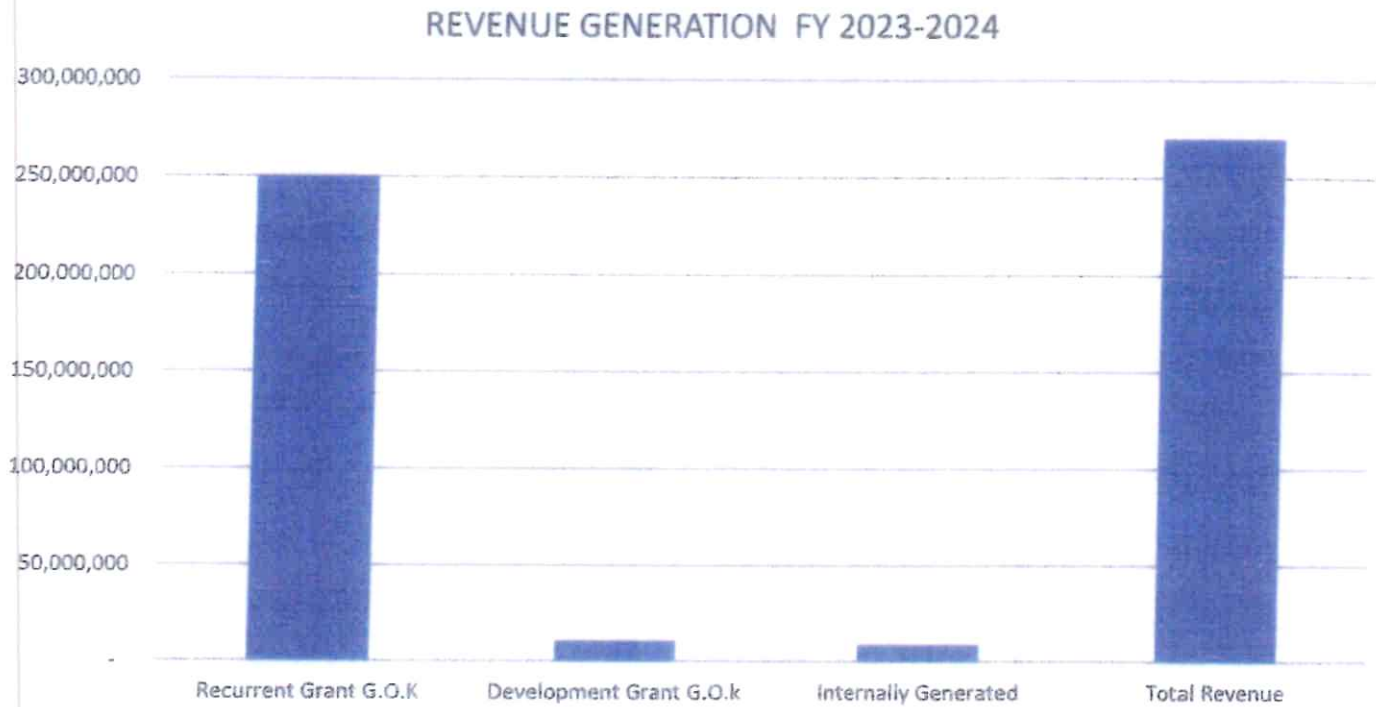
#### **Governance Audit**

Mwongozo requires Governance Audit to be conducted by a member regulated by the Institute of Certified Public Secretaries of Kenya (ICS) and accredited for that purpose. The Board looks forward to undertake Governance Audit once the list of accredited governance auditors with the requisite guidelines are published in the Kenya Gazette.

**11. Management Discussion & Analysis**

**a) The Entity's Operational And Financial Performance**

The Kenya Institute of Primate Research internally generated revenue for twelve months stood at Kshs.9,180,313. Government of Kenya Recurrent and development grants of Kshs.273,800,000 and Kshs.11,085,000 respectively. The Management noted that the organization heavily relies on revenue from non-exchange transactions, which caters for operation and maintenance.



**b) Entity's key projects**

KIPRE during the year had ongoing projects as explained below:

**Infrastructure upgrade.**

This entailed construction of the perimeter wall. The works are ongoing.

**c) Entity's compliance with statutory requirements**

KIPRE Management has no outstanding statutory requirements over the last one year.

**d) Major risks facing the organization**

The Board is ultimately accountable for the KIPRE risk management process and system of internal control. In terms of a mandate by the Board, the Audit Committee monitors the risk management process and systems of internal control of the KIPRE. The Board oversees the activities of the Audit Committee, the KIPRE internal and external auditors.

The objective of risk management in KIPRE is to establish an integrated and effective risk management framework where important risks are identified, quantified and managed. The KIPRE

risk management process that is implemented across KIPRE supports the risk management process across all the three directorate operating platforms.

KIPRE priority risk items, together with key measures taken to mitigate these risks are listed in the table below.

**Risk Management Framework**

Category	Description	Risk Likelihood	Severity	Overall Risk Level	Mitigation Measures
		L/M/H	L/M/H	L/M/H	
Strategy Risk	Risks arising from identifying and pursuing a strategy, which is poorly defined, is based on flawed or inaccurate data or fails to support the delivery of commitments, plans or objectives due to a changing macro environment	L	M	M	Ensure the Strategic Plan is aligned with national, sectoral goals as well as the mandate of KIPRE
Governance Risk	Risks arising from unclear plans, priorities, authorities and accountabilities, and/or ineffective or disproportionate oversight of decision-making and/or performance.	M	M	M	Ensure compliance with Mwongozo (Code of governance for state corporations); Regular review of the organization structure
Financial Risks	Risks arising from not managing finances in accordance with requirements and financial constraints	M	L	L	Automate financial systems; Undertake regular audits; installation of the ERP; Regular review of the financial management

	<p>resulting in poor returns from investments.                  Failure to manage assets/liabilities or to obtain value for money from the resources deployed, and/or non-compliant financial reporting.</p>				<p>policies and procedures .</p>
Project risks	<p>Risks arising from adverse events including pandemics, epidemics, ethical violations, poor quality or lack of innovations leading to damages to reputations and destruction of trust and relations.</p>	M	H	H	<p>Develop project management policy and procedures.                  Develop KIPRE's research policy.                  Create human ethics and animal ethics committees.                  Initiate an Ethics and Review Committee;</p>
Bio-terrorism	<p>Risk that may arise from the spread of an infectious or toxic biological agent that can happen without warning. It can threaten humans, animals and plants, causing widespread illness and death, and instilling fear and panic on a transnational scale.</p>	M	M	H	<p>Capacity building of staff on biosecurity, biosafety and biodefense.                  Develop risk communication strategy/plan.                  Provision of Personal Protective Equipment (PPE).                  Restrict access to labs and regulate access to dangerous pathogens.</p>
Disease outbreaks	<p>Risk caused by an infection, transmitted through</p>	M	M	H	<p>Enhance interventions that monitor disease spread.</p>

	<p>person-to-person contact, animal-to-person contact, or from the environment or other media. Outbreaks may also occur following exposure to chemicals or to radioactive materials.</p>				<p>Community engagement  Networking with relevant international organizations to strengthen preparedness and response efforts.  Train staffs on bio biosecurity.  Provision of standard PPEs.  Conduct interventions that pursue surveillance and detection for timely containment of transmissions.</p>
Security Risks	<p>Risks arising from a failure to prevent unauthorized and/or inappropriate access to KIPRE, offices and information, including cyber security and non-compliance with General Data Protection Regulation requirements.</p>	M	H	H	<p>Implement ISMS.  Enhance Security.  Secure all KIPRE's property.</p>

**e) Material arrears in statutory and other financial obligations**

The organization has no major non-compliance statutory issues that may expose it to potential contingent liabilities.

## 12. Environmental and Sustainability Reporting

KIPRE is committed to protection and enhancement of the local and global environment, health and safety in nature and research by using globally accepted scientific methods and polices when conducting research with sustainability being the ability to continue offering services to the Kenyan citizens over the long term.

### D) Environmental performance

KIPRE as an institution, its staff and stakeholders are expected to consciously think about their role in managing Environmental health and safety (EHS) issues and act in ways consistent with:

- i. Reduction of negative social and environmental risks
- ii. Conservation and prudent utilization of resources
- iii. Respect for biodiversity and natural systems.

Here is an outline of some of the many successes achieved:

- i. **EHS committee:** KIPRE has established EHS committee, which has promoted environment, health and safety inspections and undertaken awareness and education. Such as raising awareness about benefits of using protective materials in the laboratories where chemicals and reagents are used in research and exhibitions.
- ii. **Energy efficiency:** Ensuring energy efficiency and conservation throughout our operations is important, as it impacts both our greenhouse gas (GHG) footprint and our cost structure. KIPRE has appropriately replaced incandescent bulbs with energy saving bulbs.
- iii. **Water conservation:** Our operations are not relatively water intensive but as global water consumption has increased at a fast pace we work to use water carefully and responsibly in our operations. Primary water uses include mainly sanitation and employee consumption. KIPRE is constantly investing in water conservation by having checking water leakages as routine measures to minimize water wastage.
- iv. **Tree planting:** KIPRE has endeavored to invest to support seedling production at KIPRE. KIPRE has participated in tree planting exercises involving staff and management in West Pokot, Hyrax Hill in Nakuru and at KIPRE.
- v. **Biodiversity conservation:** KIPRE has a long track record of supporting biodiversity research projects. Additionally, KIPRE has been a key and relevant led agency in multi-agency committees for Environmental matters in accordance with the Environmental management and coordination Act of 1999, championing for biodiversity conservation.
- vi. **Environmental audits:** Environmental audits are undertaken as per the regulatory standards and sound environmental practice.
- vii. **Stakeholder engagement:** KIPRE has a systematic approach to stakeholder engagement. Every two years, KIPRE runs open days/scientific conferences to share the research activities and findings with key stakeholders which range from research partners, NGOs, community groups, government agencies, research institutions and scientific academies. This engagement has been essential in aiding KIPRE stay abreast

- of current trends, perspectives and policy matters that affect our service, customers and collaborators.
- viii. **Physical structures:** KIPRE has provided for adequate signage and visitor information within the KIPRE compound.
- ix. **Dust management:** KIPRE has provided for well paved roads and car parks limiting dust emission from vehicles within the compound.

**ii) Employee welfare**

The policies guiding the hiring process are borrowed from the Public Service Commission-Human Resource Policies and Procedures Manual for the Public Service, May, 2024 and the KIPRE Terms and Conditions of Service and Procedures Manual.

Recruitment is undertaken on the basis of fair competition and merit; representation of Kenya's diverse communities; adequate and equal opportunities to all gender, youth, members of all ethnic groups, persons with disabilities and minorities.

All vacant positions are filled in competitively through advertisements, followed by interviews conducted by relevant committees.

Policies are reviewed after every three (3) years.

Efforts have been done in:

- a) Improving skills and managing careers; mentoring, training and development of staff, job rotation, and staff attend seminars and workshops relevant to their areas of specialization.
- b) Appraisals- done annually

It is the policy of KIPRE to enforce appropriate measures to control and monitor health and safety procedures to ensure a safe and healthy working environment for all employees, and those who may be affected by our undertakings. The Health Safety and Environment (HSE) Committee has the ultimate responsibility for health and safety in the organization, and the protection of its environment.

The Kenya Institute of Primate Research is committed to protection and enhancement of the local and global environment, health and safety in research and as an organization, its staff and stakeholders are expected to consciously THINK about their role in managing EHS issues and ACT in ways consistent with the following fundamental principles:

- a) (Reduction) Commitment to reduction of negative social and environmental risks,
- b) Conservation and prudent utilization of resources and
- c) Respect for biodiversity and natural systems.

**iii) Market place practices-**

**a) Responsible competition practice:**

The Kenya Institute of Primate Research is believing in inclusivity and stakeholder engagement. For this reason, KIPRE engages regularly with stakeholders in Education as well as those in the health sector as they represent the largest client groups visiting the research Institutions.

All KIPRE fees are very competitive in the market. They ensure that majority of Kenyans can afford to visit KIPRE.

In a bid to embrace safety during the pandemic, we are now accepting mobile money and card payment. This has greatly increased accountability at our ticketing office.

**b) Responsible Supply Chain and Supplier relations:**

The Kenya Institute of Primate Research ensures that the Finance Team, the Procurement Team and the Accounting Officer are working together. All procurement must be approved by the Accounting Officer who is the Director General. The Director General will only approve procurement of items he is sure KIPRE can afford to pay for.

**c) Responsible marketing and advertisement:**

One of the largest consumer groups at the Kenya Institute of Primate Research are universities and social groups. KIPRE therefore has to be extremely careful in the language used in the adverts, and the placement of the adverts. KIPRE is also careful on the type of sponsors we seek for events targeting children by being careful not to target the children directly, but to go through their guardians; teachers and parents. Our advertising is sensitive to the diverse nature of Kenya's population.

**d) Product stewardship:**

KIPRE is in constant communication with target group leads like universities, Schools, and social groups who bring feedback from their clients; the student and teachers. This has allowed us to ensure that all visitor feedback is taken seriously and addressed with urgency. There are also Visitor Books whose content is analyzed by the Public Relations Department, and an internal committee assesses the feedback.

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

**i. Principal activities**

The principal activities of KIPRE continue to be those outlined in the Legal Notice Number 273 of 2017 as indicated in page v.

**ii. Results**

The results of the Institute for the year ended June 30, 2024 are set out on page 1 to 6.

**iii. Board of Directors**

The members of the Board of Directors who served during the year are as shown on page viii to x.

**iv. Surplus remission**

In accordance with Regulation 219(2) of the Public Financial Management (National Government) Regulations, the organization did not make any surplus during the year (FY 2024 Kshs. Nil) and hence no remittance to the Consolidated Fund.

**v. Auditors**

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

By Order of the Board

Dr. Peter Mwehiera Ph.D., MBS.  
Secretary to the Board

#### 14. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and Legal Notice 273 of 2017 requires the Directors to prepare financial statements for Kenya Institute of Primate Research which give a true and fair view of the state of affairs of the Kenya Institute of Primate Research at the end of the financial year/period and the operating results of Kenya Institute of Primate Research for that year/period. The Directors are also required to ensure that the Institution keeps proper accounting records, which disclose with reasonable accuracy the financial position of the Institution. The Directors are also responsible for safeguarding the assets of the Kenya Institute of Research.

The Directors are responsible for the preparation and presentation of the Institution's financial statements, which give a true and fair view of the state of affairs of the institution for and as at the end of the financial year ended on June 30, 2024.

This responsibility includes:

- i. Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- ii. Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity;
- iii. Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- iv. Safeguarding the assets of the organization;
- v. Selecting and applying appropriate accounting policies; and
- vi. Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for Kenya Institute of Primate Research financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public 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 organization's financial statements give a true and fair view of the state of organization's transactions during the financial year ended June 30, 2024 and of the organization's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for Kenya Institute of Primate Research, that have been relied upon in the preparation of the institution 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 institution will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

Kenya Institute of Primate Research financial statements were approved by the Board on 30 September, 2024 and signed on its behalf by:



Prof. Josephat Mulimba PhD., FRSM



Dr. Peter Gichuhi Mwethera PhD., MBS

**Chairman of the Board**

**Director General**

# REPUBLIC OF KENYA

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*Enhancing Accountability*

## REPORT OF THE AUDITOR-GENERAL ON KENYA INSTITUTE OF PRIMATE RESEARCH FOR THE YEAR ENDED 30 JUNE, 2024

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### PREAMBLE

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

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

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

### REPORT ON THE FINANCIAL STATEMENTS

#### **Opinion**

I have audited the accompanying financial statements of Kenya Institute of Primate Research set out on pages 1 to 24, which comprise of the statement of financial position

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*Report of the Auditor-General on Kenya Institute of Primate Research for the year ended 30 June, 2024*

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Institute of Primate Research as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Legal Notice Number 273 of 2017 and the Public Finance Management Act, 2012.

### **Basis for Opinion**

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and amounts reflects actual expenditure of Kshs.325,312,450 against actual revenue of Kshs.423,767,754 resulting to under expenditure of Kshs.98,455,304 or 23% of the actual revenue.

The under expenditure may have affected implementation of the planned activities, negatively impacting on the operations of the Institute.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

## **Other Information**

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

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Employees in Acting Capacity Beyond Stipulated Period**

The statement of financial performance and as disclosed in Note 7 to the financial statements reflects employee costs of Kshs.31,449,926. Review of the financial statements revealed that seven (7) of the personnel in the Fiduciary Management were in acting position for over two (2) years. This was contrary to Section 34(3) of Public Service Commission Act, 2017 which states that an officer may be appointed in an acting capacity for a period of at least thirty days but not exceeding a period of six months.

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

#### **2. Operation without an Approved Budget**

During the year under review, the Institute operated without an approved budget. This was contrary to Regulation 31(1) of the Public Finance Management (National

Government) Regulations, 2015 which provides that the Accounting Officer shall ensure that the draft estimates relating to her or his department are prepared in conformity with the Constitution, the Act and these Regulations.

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Failure to Appoint Budget Implementation Committee**

During the year under review, Budget Implementation Committee was not in place. This implies that review of budget implementation progress was not performed as per the National Treasury Circular Ref. No.7/2019 dated 28th June 2019, on Terms of Reference for the budget implementation committee.

In the circumstances, the effectiveness of budget implementation process could not be confirmed.

#### **2. Lack of Board Work Plan and Board Charter**

The Institute did not have a Board work plan during the year under review. This was contrary to Section 1.9 of Mwongozo Code of Governance for State Corporations which provides that Board members should ensure the development of an annual work plan. In addition, the Institute did not have an approved Board Charter. This was contrary to Section 1.11 of Mwongozo Code of Governance for State Corporations which provides that the Board should develop and adopt a Board charter.

In the circumstances, the effectiveness of the operations of the Board during the year could not be confirmed.

### **3. Lack of an Internal Audit Function**

During the year under review, the Board did not have an Internal Audit Function. This was contrary to Section 73(1)(a) of the Public Finance Management Act, 2012 which provides that every national government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board.

In the circumstances, it was not possible to confirm the effectiveness of checks and balances in the Institute.

### **4. Failure to Develop Key Policies**

From our review, we noted that the Institute did have key policies and policy documents in place including finance manual, strategic plan, ICT policy, data protection policy, training policy and human resource policy.

In the circumstances, the effectiveness of internal controls, risk management and overall governance could not be confirmed.

### **5. Inadequate Staffing Levels**

Review of the approved staff establishment for the Institute revealed three hundred and thirty-four (334) established positions out of which one hundred and sixty-five (165) had been filled resulting in understaffing of one hundred and sixty-nine (169). Further, six (6) positions that were not approved were filled while for sampled nine (9) cadres, eighteen (18) positions were filled against eight (8) that were approved resulting into an excess of ten (10) staff.

In the circumstances, the understaffing may affect the effectiveness of achieving the Institute's activities.

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

### **Responsibilities of the Management and Board of Directors**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual

Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities

that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**27 December, 2024**

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

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from other governments entities	3	273,800,000	-
Project Income	4	105,902,441	-
<b>Total Revenue from non-exchange transactions</b>		<b>379,702,441</b>	<b>-</b>
<b>Revenue from exchange transactions</b>			
Rental revenue from facilities and equipment	5	2,712,500	-
Other income	6	6,467,813	-
<b>Total Revenue from exchange transactions</b>		<b>9,180,313</b>	<b>-</b>
<b>Total Revenue</b>		<b>388,882,754</b>	<b>-</b>
<b>Expenses</b>			
Employee costs	7	31,449,926	-
Depreciation	8	-	-
Repairs and maintenance	9	44,473,312	-
Board Expenses	10	8,026,479	-
Use of goods & services	11	230,362,733	-
<b>Total expenses</b>		<b>314,312,450</b>	<b>-</b>
<b>Surplus/ (deficit) before tax</b>		<b>74,570,304</b>	<b>-</b>

The notes set out on pages 7 to 27 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

.....  
 Name: Dr. Peter Gichuhi      Name: Salla Daudi Mohamed      Name: Prof. Josephat

Mwethera PhD., MBS      Principal Accountant      Mulimba FRSM

**Director General**      **Principal Accountant**      **Chairman of the Board**

ICPAK M/No: 23228


Date: 18<sup>th</sup> December ,2024      Date:18<sup>th</sup> December ,2024      Date:18<sup>th</sup> December , 2024


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**17. Statement of Financial Position as at 30 June 2024**

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	12	70,058,603	-
Receivables from Exchange Transactions	13	354,000	-
Receivables from Non-Exchange Transactions	14	26,252,600	-
<b>Total Current Assets</b>		<b>96,665,203</b>	-
<b>Non-Current Assets</b>			
Property, Plant and Equipment	15	48,823,107	-
<b>Total Non- Current Assets</b>		<b>48,823,107</b>	-
<b>Total Assets (A)</b>		<b>145,488,310</b>	-
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	17	5,226,541	-
<b>Total Current Liabilities</b>		<b>5,226,541</b>	-
<b>Non-Current Liabilities</b>			
Deferred Development Grant	3	85,000	-
Project Deposits	16	54,606,465	-
<b>Total Non- Current Liabilities</b>		<b>54,691,465</b>	-
<b>Total Liabilities (B)</b>		<b>59,918,006</b>	-
<b>Net Assets(A-B)</b>		<b>85,570,304</b>	-
<b>Represented by:</b>			
Accumulated Surplus		74,570,304	-
Capital Fund		11,000,000	-
<b>Net Assets</b>		<b>85,570,304</b>	-

The notes set out on pages 7 to 24 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 6 were signed on behalf of the Board of Directors by:

  
 Name: Dr. Peter Gichuhi  
 Mwethera PhD., MBS  
 Director General

  
 Name: Salla Daudi Mohamed  
 Principal Accountant  
 ICPAK M/No. 23228

  
 Name: Prof. Josephat  
 Mulimba FRSM  
 Chairman of the Board

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


<b>Description</b>	<b>Revaluation Reserve</b>	<b>Capital grants</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>Ksh.</b>	<b>Ksh</b>	<b>Ksh.</b>	<b>Ksh.</b>
<b>Balance as at 1st July 2022</b>	-	-	-	-
Surplus/ deficit for the year	-	-	-	-
Capital/development grants received during the year	-	-	-	-
<b>Balance as at 30th June 2022</b>	-	-	-	-
<b>Balance as at 1st July 2023</b>	-	-	-	-
Surplus/ (deficit) for the year	-	-	74,570,304	74,570,304
Capital/development grants received during the year	-	11,000,000	-	11,000,000
<b>Balance as at 30th June 2024</b>		<b>11,000,000</b>	<b>74,570,304</b>	<b>85,570,304</b>

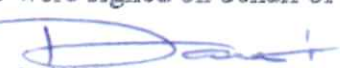
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**19. Statement of Cash Flows for the year ended 30 June 2024**

Description	Notes	2023-2024	2022-2023
		Kshs.	Kshs.
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other governments entities	3	273,800,000	-
Project Income	4	105,902,441	-
Rental revenue from facilities and equipment	5	2,712,500	-
Other income	6	6,467,813	-
<b>Total receipts</b>		<b>388,882,754</b>	-
<b>Payments</b>			
Employee costs	7	31,449,926	-
Repairs and maintenance	9	44,473,312	-
Board Expenses	10	8,026,479	-
Use of Goods & Services	11	230,362,733	-
<b>Total payments</b>		<b>314,312,450</b>	-
<b>Adjustments for working capital</b>			
Increase/decrease in receivables		(26,606,600)	
Increase/decrease in payables		5,226,541	
<b>Net cash flows from/ (used in) operating activities</b>		<b>53,190,245</b>	-
<b>Cash flows from investing activities</b>			
Purchase of PPE	15	(48,823,107)	-
<b>Net cash flows from/(used in) investing activities</b>		<b>(48,823,107)</b>	-
<b>Cash flows from financing activities</b>			
Development Grant from GOK	3	11,085,000	-
Project deposits	16	54,606,465	-
<b>Net cash flows from financing Activities</b>		<b>65,691,465</b>	-
<b>Net increase/(decrease) in cash &amp; Cash Equivalents</b>		<b>70,058,603</b>	-
<b>Cash and cash equivalents at 1 July</b>		-	-
<b>Cash and cash equivalents at 30 June</b>	12	<b>70,058,603</b>	-

The notes set out on pages 7 to 24 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

  
 Name: Dr. Peter Gichuhi  
 Mwethera PhD., MBS  
 Director General

  
 Name: Salla Daudi Mohamed  
 ICPAK M/No: 23228  
 Principal Accountant

  
 Name: Prof. Josephat  
 Mulimba FRSM  
 Chairman of the Board

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

	<b>Original budget</b>	<b>Adjustments</b>	<b>Final budget</b>	<b>Actual on comparable basis</b>	<b>Performance difference</b>	<b>% of utilization</b>
	<b>a</b>	<b>b</b>	<b>C= (a+b)</b>	<b>d</b>	<b>e=(c-d)</b>	<b>f=d/c*100</b>
<b>Revenue</b>						
Transfers from Other Governments entities						
Recurrent Grant	73,800,000	200,000,000	273,800,000	273,800,000	-	100
Development Grant	38,000,000	(26,915,000)	11,085,000	11,085,000	-	100
Rental Revenue from Facilities and Equipment	-	-	-	2,712,500	(2,712,500)	
Other Income	-	-	-	6,467,813	(6,467,813)	
Project Revenue	-	-	105,902,441	105,902,441	-	100
<b>Total Income</b>	<b>111,800,000</b>	<b>173,085,000</b>	<b>390,787,441</b>	<b>399,967,754</b>		
<b>Expenses</b>						
Employee costs	-	-	-	31,449,926	31,449,926	100
Remuneration of Directors	-	18,375,385	18,375,385	8,026,479	10,348,906	78
Repairs and Maintenance	-	59,364,552	59,364,552	44,473,312	14,891,240	74
Use of Goods & Services	-	172,260,063	172,260,063	230,362,733	(58,102,670)	133
Development Expense (GOK)	38,000,000	(26,915,000)	11,085,000	11,000,000	85,000	100
<b>Total Expenditure</b>	<b>38,000,000</b>	<b>(26,915,000)</b>	<b>261,085,000</b>	<b>325,312,450</b>		
<b>Surplus for the period</b>				<b>74,655,304</b>		

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1. The financial statements reflect material difference between the budget and actual amounts.

The internal revenue budget based on trend analysis on various sources of revenue was captured under the parent organization during the year.

The Kenya Institute of Primate Research personnel emoluments for the FY 2023-2024 was budgeted and expensed under the National Museums of Kenya which was the parent organization to enable KIPRE to set up structures.

Repair and maintenance decreased due to less activities contracted during the year.

The assets acquired by Kenya Institute of Primate Research were not depreciated as per institutional policy in the Finance Policy and Procedure Manual. In addition, the institution did not incorporate other assets as the transition procedure and handover not yet completed.

In relation to Board Expenses, overall, they were few members of the board constituted during the year to give guidance and strategic direction of the newly created institution.

The over expenditure of use of goods & services includes project expenses supported by donor funded activities carried out during the year.

2. Changes from original budget are a consequence of government variations through normal budgetary process for both recurrent and development grants.

## **21. Notes to the Financial Statements**

### **1. General Information**

Kenya Institute of Primate Research is established by and derives its authority and accountability from Legal notice No. 273 of 2017. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is pre-clinical translational biomedical research.

### **2. Statement of Compliance and Basis of Preparation**

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Kenya Institute of Primate Research . The cash flow statement is prepared using direct method.

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

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**Notes to the Financial Statements (Continued)**

**3. Adoption of New and Revised Standards**

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

<b>Standard</b>	<b>Effective date and impact:</b>
<b>IPSAS 43</b>	<p><b>Applicable: 1<sup>st</sup> January 2025:</b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<b>IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations</b>	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
<b>IPSAS 45: Property Plant and Equipment</b>	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<b>IPSAS 46: Measurement</b>	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <p>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</p>

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Standard	Effective date and impact:
	<p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>

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

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

iii. *Early adoption of standards*

The Entity did not early – adopt any new or amended standards in the financial year 2023/2024.

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from government entities**

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

**Government Grants**

- i. Recurrent government grant credited to the Statement of Financial Performance based on the payment made by the government of Kenya.
- ii. Development grant is credited to the Statement of Financial Performance based on the amount spent. The unspent amount is deferred until spent.

**Project income**

These are funds earmarked for specific projects mostly dealing with Research in particular areas. The projects funds are credited to a deposit Account when received and only transfer the amount spent each month to income. In this case, income and expenditure are always the same. The balance remains in the respective deposit account.

**a) Taxation**

The Kenya Institute of Primate Research adheres to taxation laws through timely filing of its tax obligations. VAT and excise duty are exempted on case by case-on application to the National Treasury and Kenya Revenue Authority.

**b) Revenue from exchange transactions**

**Rendering of services**

The entity recognizes revenue from rendering of services to the public through gate admissions.

**Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably.

**Interest income**

Interest income is accrued using the negotiated rate.

**Rental income**

Rental income arising from operating leases on investment properties is accounted for upon realization.

**c) Property, Plant and Equipment**

Property, Plant and Equipment is stated at historical cost less accumulated depreciation. No depreciation is charged for the assets in the year of purchase while full depreciation is charged in the year of disposal. Depreciation is calculated on the reducing balance basis to write down the cost of each asset to its residual value over its estimated useful life using the following rates:

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- Motor Vehicles 25%
- Equipment and furniture 12.5%
- Computers 33.33%
- Buildings 1%

**d) Purchase of Animals for research**

Purchase of non-human primates is expensed in the financial performance statement at the time of purchase.

**e) Financial Instruments**

**(i) Financial Assets**

**Initial recognition and measurement**

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the organization commits to purchase or sell the asset.

The Kenya Institute of Primate Research financial assets include cash, trade and other receivables.

**Derecognition**

The organization derecognizes a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when: The rights to receive cash flows from the asset have expired or is waived, the organization has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either: (a) the organization has transferred substantially all the risks and rewards of the asset; or (b) the organization has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**(ii) Financial Liabilities**

**Initial Recognition and Measurement**

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit as appropriate. The Kenya Institute of Primate Research determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of borrowings, plus directly attributable transaction costs.

The organization's financial liabilities include trade and other payables, bank overdrafts, financial guarantee contracts.

**f) Employee Benefits**

**(i) Short Term**

KIPRE has employees who carries out day-to-day operations and are entitled to salaries and allowance. The organization recognises these salaries and allowances as expenses, which are charged to financial performance statement.

**(ii) Retirement Benefits**

KIPRE operates a defined contribution staff Retirement Benefit Scheme for its employees. The Scheme is administered by Insurance Company of East Africa and is funded by contribution from both KIPRE and the employees. It also pays gratuity to staff on contract. KIPRE's contribution is charged to the financial performance statement in the year to which they relate. KIPRE also contributes to a statutory defined scheme; the National Social Security Fund (NSSF) contributions are determined by local statute and are currently vary according to basic salary per employee per month.

**g) Nature and Purpose of Reserves**

**(a) Capital Reserve**

The organization creates and maintains reserves in terms of specific requirements. Kenya Institute of Primate Research has capital reserves and revaluation reserves. Reserves are monies budgeted, collected and set aside for replacement or deferred maintenance to the capital improvements. Boards establish reserve accounts for the future replacement or deferred maintenance of the common areas.

Reserve funds enable the organization to maintain the common areas with a reduced risk of special assessments and minimize the impact of financial challenges. The fund establishes and preserves reserves for a strong financial position to meet future expenditures and reduce the potential for reduction in property values.

**(b) Revenue Reserve**

A reserve, which is created out of the revenue profit, is called revenue reserve. Revenue profit is earned in the normal course of the business. Revenue reserve refers to the undistributed revenue profit. It is created for strengthening the financial position, replacing depreciable assets, redeeming liabilities and conducting research and development functions.

**(c) Revaluation Reserve**

A revaluation reserve is an increase in the value of fixed assets. Asset revaluation reserve is an accounting concept and represents a reassessment of the value of a capital asset as at a particular date. The reserve is considered a category of the equity of the entity. An asset is originally

recorded in the accounts at its cost and depreciated periodically over its estimated useful life as a measure of the amount of the assets value consumed in that period. In practice, the actual useful life of an asset can be miscalculated or an event can cause a change to the useful life. Consequently, assets occasionally need to be revalued in order to reflect a closer approximation to their "worth" in the accounts. When the asset is revalued, the offsetting entry (in a double entry accounting system) would be made either to the profit or loss accounts or to the equity of the entity.

**(d) Translation of Foreign Currency**

Translations in foreign currencies during the year are converted into Kenya Shillings at rates ruling at the transaction dates. Assets and liabilities, which are expressed in foreign currency, are translated into "Kenya Shillings" at rates ruling at the date in the financial position statement. The resulting difference from the conversion and translation are dealt with in the financial performance statement in year, which they arise.

**(e) Research and Development**

Research and Development expenses are expensed through Financial Performance statement in the year are incurred.

**(f) Budget Information**

The annual budget for the period 2023/2024 was prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the entity. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity 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.

**(g) Related Parties**

The Kenya Institute of Primate Research 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 organization, or vice versa. Members of key Management are regarded as related parties and comprise the Directors Executive Team.

**(h) Comparative Figures**

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

**(i) Provisions**

Provisions are recognized when the organization 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.

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

**(j) 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 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 authorised officers, which were not surrendered or accounted for at the end of the financial year.

**(k) Inventories**

Inventory is measured at the lower of cost and net realizable value.

**(l) Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the Entity'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 Entity 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 Entity. Such changes are reflected in the assumptions when they occur.

**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:

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

**u) Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

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**3. Transfers from Other Government entities**

Description <sup>73</sup>	2023-2024	2022-2023
	KShs	KShs
<b>Unconditional Grants</b>		
Operational Grant	273,800,000	-
<b>Total Unconditional Grants</b>	<b>273,800,000</b>	<b>-</b>

The operational recurrent grant is to cater for employee costs while the development grant is for capital projects.

**Transfers from Ministries, Departments and Agencies (MDAs)**

Name of The Entity Sending the Grant	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total transfers (Current FY)	FY 2022-2023
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Ministry of Health, State Department of Public Health and Professional Standards	250,000,000	-	-	250,000,000	-
Ministry of Health, State Department of Public Health and Professional Standards	23,800,000	-	-	23,800,000	-
Ministry of Health, State Department of Public Health and Professional Standards	-	85,000	11,000,000	11,085,000	-
<b>Total</b>	<b>273,800,000</b>	<b>85,000</b>	<b>11,000,000</b>	<b>284,885,000</b>	<b>-</b>

**4. Project Income**

Details	2023-2024	2022-2023
	KShs	KShs
Project Admin Income	3,982,613	-
Project income	101,919,828	-
<b>Total</b>	<b>105,902,441</b>	<b>-</b>

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Project Administration Incomes represents overheads charged from grant while project income represents project expenditure whereby its KIPRE's policy to treat project expenditure equal to project income.

**5. Rental Revenues from Facilities and Equipment**

Details	2023-2024	2022-2023
	KShs	KShs
Staff houses	2,712,500	-
<b>Total</b>	<b>2,712,500</b>	<b>-</b>

Rental Income is from staff houses domiciled at KIPRE

**6. Other Income**

Details	2023-2024	2022-2023
	KShs	KShs
Nature trail income	4,603,740	-
Sundry income	1,864,073	-
<b>Total</b>	<b>6,467,813</b>	<b>-</b>

**7. Employee Costs**

Details	2023-2024	2022-2023
Salaries and Wages	18,761,093	-
Training	4,968,815	-
Staff welfare and uniforms	7,720,018	-
<b>Total</b>	<b>31,449,926</b>	<b>-</b>

**8. Depreciation**

The assets were acquired during the year. There was no depreciation charge since no depreciation is charged in the year of acquisition.

**9. Repair and Maintenance**

Details	2023-2024	2022-2023
	KShs	KShs
Vehicle expenses- Maintenance/spares	3,821,212	-
Equipment repairs and maintenance	9,385,354	-
Maintenance of buildings	24,814,925	-
Maintenance of grounds	231,800	-
Cage maintenance	72,000	-
Cage construction	6,148,021	-
<b>Total</b>	<b>44,473,312</b>	<b>-</b>

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**10. Board of Directors Expenses**

Details	2023-2024	2022-2023
	KShs	KShs
Lunch	52,000	-
Airtime	45,000	-
Sitting allowance	1,808,571	-
Accommodation/Per diem	1,261,080	-
Airfare fare	375,700	-
Board meeting expenses	2,974,000	-
Mileage	594,948	-
Honoraria for Chairman	800,000	-
Visa	115,180	-
<b>Total</b>	<b>8,026,479</b>	<b>-</b>

**11. Use of Goods & Services**

Details	2023-2024	2022-2023
	Ksh	Ksh
Administrative costs	1,087,868	-
Transport and travel	151,117,367	-
Contracted professional Services	2,958,858	-
Office and other expenses	29,413,643	-
Advertising and publicity	3,886,938	-
Telephone and postage	1,547,236	-
Electricity and water	6,928,307	-
Purchases and other direct inputs	33,422,516	-
<b>Total</b>	<b>230,362,733</b>	<b>-</b>

**12. Cash and Cash Equivalent**

Details	2023-2024	2022-2023
	Ksh	Ksh
Current accounts	70,058,603	-
<b>Total cash and cash equivalents</b>	<b>70,058,603</b>	<b>-</b>

Detail Analysis of the cash and cash Equivalents		2023-2024	2022-2023
Financial Institution	Account Number	Kshs	Kshs
<b>a) Current Account</b>			
National Museum of Kenya - IPR	01020-447000-01	2,541,112	-
National Museum of Kenya - IPR - Dollar (Kshs equivalent)	87020-447000-00	8,595,587	-
National Museum of Kenya- IPR	0102044700000	5,010,291	-
National Museum of Kenya - CNHR	01020-447000-02	98,740	-
IPR /MMUST Training Program	0108044700000	34,244,592	-

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Detail Analysis of the cash and cash Equivalents		2023-2024	2022-2023
Financial Institution	Account Number	Kshs	Kshs
NMK-IPR Predict II Account	0102044700004	12,916,075	-
NMK-IPR Rutgers Field School Account	0102044700003	76,973	-
National Museum of Kenya(Snake Bite) SCB Chiromo	0108035107802	6,575,233	-
<b>Sub-Total</b>		<b>70,058,603</b>	-

**13. Receivables from Exchange Transactions**

Description	2023-2024	2022-2023
	Kshs	Kshs.
<b>Receivables</b>		
Trade Receivables	354,000	-
<b>Total Current Receivables</b>	<b>354,000</b>	-

**14. Receivables from Non-Exchange Transactions**

Description	2023-2024	2022-2023
	Kshs	Kshs.
Staff Debtors	26,252,600	-
<b>Total</b>	<b>26,252,600</b>	-

**15. Property, Plant and Equipment**

COST	PROPERTY PLANT AND EQUIPMENT				
	WORK IN PROGRESS	FURNITURE	COMPUTERS	VEHICLES	
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
As at 1st July, 2022	-	-	-	-	-
Additions during the year	-	-	-	-	-
<b>As at 30th June 2023</b>	-	-	-	-	-
As at 1st July 2022	-	-	-	-	-
Charge for the Year	-	-	-	-	-
<b>As at 30th June, 2023</b>	-	-	-	-	-
As at 1st July, 2023	-	-	-	-	-
Completed works during the year	-	-	-	-	-
Additions during the year	11,000,000	2,897,105	5,213,002	29,713,000	48,823,107
Revaluation gain	-	-	-	-	-

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As at 30 <sup>th</sup> June 2024	11,000,000	2,897,105	5,213,002	29,713,000	48,823,107
As at 1st July 2023	-	-	-	-	-
Charge for the Year	-	-	-	-	-
As at 30 <sup>th</sup> June 2024	-	-	-	-	-
As at 30 <sup>th</sup> June 2024	11,000,000	2,897,105	5,213,002	29,713,000	48,823,107
As at 30th June, 2023	-	-	-	-	-

**15. (a) Property, Plant and Equipment at Cost**

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs.	Kshs.	Kshs.
Land	-	-	-
Buildings	-	-	-
Motor Vehicles, Including Motorcycles	29,713,000	-	29,713,000
Computers and Related Equipment	5,213,002	-	5,213,002
Office Equipment, Furniture, And Fittings	2,897,105	-	2,897,105
<b>Total</b>	<b>37,823,107</b>	<b>-</b>	<b>37,823,107</b>

**16. Project Deposits**

Details	2023-2024	2022-2023
	Kshs	Kshs
Opening balance	-	-
Add receipts during the year	160,508,906	-
<b>Total Deposits</b>	<b>160,508,906</b>	-
Less expenditure (note 4)	(105,902,441)	-
<b>Balance c/f</b>	<b>54,606,465</b>	-

Project revenue is donor funds used for research activities carried out by scientists.

**17. Trade and Other Payables**

Description	2023/ 2024	2022/2023
	Kshs.	Kshs.
Trade payables	5,226,541	-
Payments received in advance	-	-
Third-party payments	-	-
Other payables	-	-

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Total trade and other payables	5,226,541		-	
Ageing analysis: (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	5,226,541	100%	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total (tie to above total)</b>	<b>5,226,541</b>		<b>-</b>	

18. **Cash Generated from Operations**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Surplus for the year before tax</b>	<b>74,570,304</b>	-
<b>Adjusted for:</b>		
Depreciation	-	-
<b>Working capital adjustments</b>		
Increase in inventory	-	-
Increase in receivables	(26,606,600)	-
Increase in payables	5,226,541	-
Development expenditure	-	-
<b>Net cash flow from operating activities</b>	<b>53,190,245</b>	-

**Financial Risk Management**

The organizations activities expose it to a variety of financial risks including credit risk, liquidity risks, interest rate and the effects of changes in foreign currency rates. The Kenya Institute of Primate Research's overall risk management programme focuses on unpredictability of changes in the operating environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Entity's financial risk management objectives and policies are detailed below:

**i. Credit risk**

The organization's credit risk is primarily attributable to its other receivables and bank balances.

The amounts of receivables presented in the statement of financial position, estimated by the organization's management based on prior experience and their assessment of the current economic environment.

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**Notes to the Financial Statements (Continued)**

The credit risk on receivables is limited because the organization does not rely on them. The credit risk on liquid funds with financial institutions is also low, because the counter parties are banks with high credit ratings.

The amount that best represents the organization's maximum exposure to credit risk as at 30 June 2024 is as follows:

	<b>Fully Performing</b>	<b>Past Due</b>	<b>Total</b>
	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>
Bank Balances	70,058,603	-	70,058,603
Trade Receivables	354,000	-	354,000
Staff Debtors	26,252,600	-	26,252,600
<b>Total</b>	<b>96,665,203</b>		<b>96,665,203</b>

The amount that best represents the Centre's maximum exposure to credit risk as at 30 June 2023 is as follows:

	<b>Fully Performing</b>	<b>Past Due</b>	<b>Total</b>
	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>
Bank Balances	-	-	-
Trade Receivables	-	-	-
Staff Debtors	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Financial Risk Management**

The organizations activities expose it to a variety of financial risks including credit risk, liquidity risks, interest rate and the effects of changes in foreign currency rates. The Kenya Institute of Primate Research's overall risk management programme focuses on unpredictability of changes in the operating environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

**Interest Rate Risk**

The interest rate risk exposure arises mainly from interest rate movements on the company's cash balances.

At 30 June 2024, if the interest rates on the bank balances had decreased/increased by 5 percentage points with all other variables held constant, the impact on surplus for the year would have been Kshs. 3,502,930 (2023: Sh. Nil) higher/lower.

There has been no change to the company's exposure to interest rate or the manner in which it manages and measures the risk.

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

Description	Total Amount	Fully performing	Past Due	Impaired
	Kshs.	Kshs.	Kshs.	Kshs.
<b>As at 30<sup>th</sup> June 2024</b>				
Receivables from exchange transactions	354,000	354,000	-	-
Receivables from non-exchange transactions	26,252,600	26,252,600	-	-
Bank balances	70,058,603	70,058,603	-	-
<b>Total</b>	<b>96,665,203</b>	<b>96,665,203</b>	-	-
<b>As at 30 June 2023</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-

**Financial Risk Management**

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

**ii. Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Organization's directors, who have built an appropriate liquidity risk management framework for the management of the Organization's short, medium and long-term funding and liquidity management requirements. The Organization manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

The table below shows the maturity analysis of the financial liabilities that affect liquidity:

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As at 30 June 2024

	Less than 1 Year	Over 1 Year	Impaired	Total
	Kshs.	Kshs.	Kshs.	Kshs.
Payables	5,226,541			5,226,541
<b>Total</b>	<b>5,226,541</b>			<b>5,226,541</b>

As at 30 June 2023

	Less than 1 Year	Over 1 Year	Impaired	Total
	Kshs.	Kshs.	Kshs.	Kshs.
Payables	-	-	-	-
Payables	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**iii. Market risk**

The Entity has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

**iv) Capital Risk Management**

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

Description	2023 – 2024	2022 – 2023
	Kshs.	Kshs.
Revaluation Reserve	-	-
Retained earnings	74,570,304	-
Capital Reserve	11,000,000	-
<b>Total funds</b>	<b>85,570,304</b>	<b>-</b>
<b>Total borrowings</b>	<b>-</b>	<b>-</b>
Less: Cash and bank balances	70,058,603	-
Net debt (Excess cash and cash equivalents)	70,058,603	-
<b>Gearing</b>	<b>100%</b>	

**21. Related Party Disclosures**

**Nature of related party relationships**

Entities and other parties related to the Organization include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel and Board of directors.

**Government of Kenya**

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

**Other related parties include:**

- i. The Parent Ministry.
- ii. County Governments
- iii. Other SCs and SAGAs
- iv. Key management.
- v. Board of directors.
- vi. Collaborators.

**22. Events after the Reporting Period**

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

**23. Ultimate and Holding Entity**

The Entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Health, State Department of public Health and Professional standards. Its ultimate parent is the Government of Kenya.

**24. Currency**

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

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**Appendix I: Projects implemented by Kenya Institute of Primate Research**

Projects implemented by the State Corporation/ SAGA Funded by development partners and/ or the Government.

**Status of Projects completion**

S N	Project	Total Project Cost	Total Expended To date	Completion % to date	Budget	Actual	Source s of Funds
	KIPRE Infrastructure Upgrade	251,000,000	124,000,000	70	38,000,000	11,085,000	GOK