

THE NATIONAL ASSEMBLY
PAPERS T A I D

DATE: 02 MAY 2023

DAY:
Tuesday

TABLED
BY:

Hon. Kimani Ichung'wah
(Leader of the Majority Party)

CLERK-AT
THE-TABLE:

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REPORT

OF

THE AUDITOR-GENERAL

ON

NATIONAL BIOSAFETY AUTHORITY

**FOR THE YEAR ENDED
30 JUNE, 2022**



NATIONAL BIOSAFETY AUTHORITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING

30TH JUNE 2022

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

NATIONAL BIOSAFETY AUTHORITY
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For the year ended June 30, 2022.

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1. Key Entity Information and Management

(a) Background information

National Biosafety Authority (NBA) was established pursuant to the provisions of the Biosafety Act No. 2, 2009 and became fully operational in 2010. The Authority is headed by a Board of Directors responsible for the general policy and strategic direction of the Authority. The ministerial responsibility is vested on the Cabinet Secretaries for Ministry responsible for Science and Technology as per the Biosafety Act No. 2 of 2009, and Ministry of Agriculture, Livestock and Fisheries as provided for in the Executive Order No. 1 of 2018. Executive Order No. 1 of 2018 (Revised), vested Ministerial responsibility on the Cabinet Secretary for Ministry of Education. The day to day Management of the Authority is carried out by a Management Team headed by the Chief Executive Officer.

(b) Principal Activities

The mandate of the Authority is to exercise general supervision and control over the transfer, handling and use of Genetically Modified Organisms with the aim of ensuring safety of human and animal health, and provision of an adequate level of protection of the environment.

The principal activities of the Authority are to;

- Consider and determine applications for approval for the transfer, handling and use of Genetically Modified Organisms and related activities;
- Co-ordinate, monitor and assess activities relating to the safe transfer, handling and use of Genetically Modified Organisms in order to ensure that such activities do not have adverse effect on human health and the environment;
- Co-ordinate research and surveys in matters relating to the safe development, transfer, handling and use of Genetically Modified Organisms, and to collect, collate and disseminate information about the findings of such research, investigation or survey;
- Identify national requirements for manpower development and capacity building in biosafety;
- Advise the Government on legislative and other measures relating to the safe transfer, handling and use of Genetically Modified Organisms;
- Promote awareness among the general public relating to biosafety; and
- Establish and maintain a biosafety clearing house to serve as a means through which information is made available to facilitate the exchange of scientific, technical,

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environmental and legal information on, and experience with Genetically Modified Organisms.

(c) Key Management

The Board of Directors is the top organ that provides the overall oversight over the management of the Authority. The Board of Directors include the following;

No.	Name	Designation	Nature of Directorship
1.	Dr. Joseph K. Chavutia	Chairman	Non-Executive/Independent
2.	Mr. Archibald Munyi	Member	Non-Executive/Independent
3.	Dr. Roselida Owuor	Member	Alternate Members
4.	Dr. Oscar Magenya	Member	Alternate Members
5.	Col. Susan Mutua	Member	Alternate Members
6.	Ms. Caroline Mweni	Member	Alternate Members
7.	Dr. Roy B. Mugiira	Chief Executive Officer	Executive Director

The Authority's day-to-day management is under the following key officers:

- Chief Executive Officer as the head of the Authority and the Accounting Officer assisted by three Directors, namely;
- Director, Corporate Services who heads the Directorate of Corporate Services in supporting the Chief Executive Officer on all matters that pertains to corporate service.
- Director, Technical Services heads the Directorate of Technical Services and supports the Chief Executive Officer on all matters regarding the Authority's core mandate.
- Corporate Secretary and Head Legal Services heads the Legal Services and supports the Chief Executive on all matters regarding legal affairs.

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(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30 June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Dr. Roy B. Mugiira
2.	Director Corporate Services	FA. Ann N. Karimi
3.	Corporation Secretary & Head Legal Services	CS. Moses Lukale Sande

(e) Fiduciary Oversight Arrangements

The key fiduciary oversight arrangements include: -

o The Board of Directors.

The Board provides the overall oversight over the management of the Authority. The Board is organized in committees, which interrogates in detail all the aspects of the Authority's operations and reports to the full Board on a quarterly basis. These committees include: -

- Audit Committee – reviews the activities of Management to ensure compliance with the Authority's policies, Government directives and legal provisions.
- Finance and Administration Committee – reviews Management activities to ensure compliance with financial prudence and administrative effectiveness.
- Technical Committee – reviews Management activities in regard to the implementation of the Authority's core mandate to ensure compliance with the provisions of the Biosafety Act and relevant international conventions on matters of Biosafety.

The Auditor General.

The Office of Auditor General reviews the Financial Statements of the Authority and renders an opinion on the state of affairs. In addition, he reviews the internal controls through systems audit and advice on the adequacy of the internal control systems in place.

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Parliamentary Committees:

- Public Investment Committee - reviews the Auditor General's reports and seeks further explanations from Management on any adverse reports with recommendations to Parliament for adoption and action by the Executive.
- Education, Science and Technology Committee – Interrogates the performance of the Authority on matters of Science and Technology.
- Agricultural Committee – Interested on role of the Authority in agricultural biotechnology regulation and provision of budgetary resources to support the Authority.
- Health Committee - Interested on role of the Authority in promoting public health through biosafety regulations on the safety of Genetically Modified Organisms.

○ Development Partners

They review the Management activities and reports in regard to the sponsored projects to ensure compliance with the agreement conditions.

(f) Entity Headquarters

P.O. Box 28251 – 00100
NACOSTI Building
Loresho – off Waiyaki Way
Nairobi, KENYA

(g) Entity Contacts

Telephone: (254) 202678667

E-mail : ceo@biosafetykenya.go.ke

Website: www.biosafetykenya.go.ke

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(h) Entity Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
NAIROBI, KENYA

2. Kenya Commercial Bank
Kipande House Branch
Kenyatta Avenue


(i) Independent Auditors

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

(j) Principal Legal Adviser

The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

2. The Board of Directors

Ref	Directors	Details
	 <p data-bbox="304 875 703 1010">Dr. Joseph Kithaka Chavutia, Bachelor of Pharmacy Chairman Board of Directors</p>	<p data-bbox="751 439 999 472">D.O.B: 23/05/1963</p> <p data-bbox="751 495 1453 954">Dr Joseph Chavutia is a registered pharmacist and holds a Bachelor of Pharmacy degree and a Post-Graduate Diploma in Education (PGDE) from Moi University. Likewise, he has participated in numerous short courses. He is the current Head of Health Sciences Department at the Eldoret National Polytechnic in Eldoret, Kenya. He has held that position since 2006. Before his appointment as the department head, he worked as a trainer in the same institution from 2005 to 2006.</p> <p data-bbox="751 976 1453 1536">Dr Chavutia has worked as an accomplished pharmacist in various organisations in Kenya. His stint as a pharmacist started at Kenyatta National Hospital (KNH) from 1988 to 1989. There, he served as an intern before joining Thika District Hospital as the pharmacist in charge. From 1989 to 1996, he worked as a Pharmaceutical Sales representative at Pfizer Laboratories Ltd. Afterwards; he joined Polymeric Pharmaceuticals and worked as a company pharmacist from 1996 to 1998. He later served as a Manager at Makenson Pharmacy from 1998 to 2006.</p> <p data-bbox="751 1559 1453 1861">Besides his career growth accomplishments, he is a long-serving member of the Pharmaceutical Society of Kenya. Also, he is a Resource Person Pharmacy & Poisons Board, Training and Assessment Committee member. Dr. Chavutia has also been a member of Board of Directors in a number of institutions.</p>



**Mr. Archibald Munyi,
Bachelor of Law, LL.B
Board Member**

D.O.B: 19/07/1981

Mr. Archibald Munyi is an Advocate of the High Court of Kenya, a Commissioner for Oaths and a Notary Public with over 13 years of experience in civil and commercial practice.

He is a Certified Arbitrator (ACI Arb) with the Chartered Institute of Arbitrators (London) and holds a Bachelor of Laws (LLB) degree from the University of Nairobi, a Post-Graduate Diploma in Law from the Kenya School of Law and a Masters in International Trade and Investment Law from University of Nairobi.

He is also a member of the Law Society of Kenya and the Chartered Institute of Arbitrators (London).

He is the chair of the Board Audit Committee and a member of the Board Technical Committee.

DOB: 13/06/1968

Dr. Roselida Owuor holds a PhD in Cell and Molecular Biology from Maseno University and MSc. in Reproductive Biology and Cellular and Applied Physiology from the University of Nairobi.

Dr. Owuor is a Deputy Director of Research in the Directorate of Research, Science and Technology in the State Department for University Education and Research, Ministry of Education.

Dr. Owuor has served at Senior Management Positions in Public and Private Sector for a period of more than eighteen years. She has been coordinating science, technology and innovation activities at national, regional and international level. She has served in the



**Dr. Roselida Owuor
PhD, Cell and Molecular
Biology
Rep of PS Science &
Technology**

		<p>Board of Management in certain national institutions and international organizations.</p> <p>Dr. Owuor participated in drafting of Biosafety Bill which was enacted in 2009. She also participated in drafting of Regulations under Biosafety Act, 2009. She recently participated in finalization of Science, Technology and Innovation Policy.</p> <p>She is the chair of the Board Technical Committee and a member of the board Audit Committee.</p>
	 <p>Dr. Oscar Magenya PhD Agricultural Entomology Rep of PS Agriculture, Livestock & Fisheries</p>	<p>DOB: 06/07/1965</p> <p>Dr. Oscar E.V. Magenya holds a PhD in Insect-Viral-Environmental interactions from Wageningen University, The Netherlands and Post-Doctoral work at ICIPE on insect science; MSc in Agricultural Entomology from Kenyatta University. He is an agro-developmental specialist currently working as Director of Research and Innovation, Ministry of Agriculture, Livestock, Fisheries and Cooperatives. Previously, Dr. Magenya was a researcher at the Kenya Agricultural Research Institute and rose through the ranks to the position of Chief Research Administrator.</p> <p>Dr. Magenya has many and varied skills, capabilities and experiences, which span over 30 years as a research and development manager in government, senior-level policy development and public administration, university-level graduate supervision, agricultural leadership and administration and innovation management to mention but a few. He has over 20 years of research, project management and technology expertise gained from years in Government, International research Organizations and Non-Governmental Organizations.</p>



Col. Susan Koki Mutua
BSC, Public Health
Rep of PS Ministry of Health

He is currently serving as a member of several National and International Boards, and previously on technical institutions and an advisor to global developmental, non-governmental and multilateral organizations. He is currently the Vice Chair of a Committee reviewing the National Agricultural Research System Policy.

He is a member of the Board Finance and Administration Committee and also a member of the Board Technical Committee.

DOB: 27/07/1977

Susan Koki Mutua is a Public Health Officer currently deployed as the Acting Head, Department of Public Health in the Ministry of Health - Kenya, where she has been coordinating matters regarding disease prevention and control during this COVID-19 pandemic period. She has had particular interest in Port Health, coordinating personnel activities and logistics to ensure that we are safe within our borders through screening of travellers and coordinating quarantine. She has spearheaded introduction of digital surveillance systems at the Jomo Kenyatta International Airport and Ground crossings, and currently working on expansion of the Airport surveillance system to all other local and international airports within the country. She is also a member of the National Taskforce which has been in place since 2018 in preparation for Ebola and later COVID-19.

Prior to secondment to MOH, she was representing Kenya Defense Forces in the taskforce. In KDF she has served as Staff Officer I (SOI) Public Health, deployed at the Defense Headquarters, tasked with matters disease prevention, taking a lead role in Disease Surveillance

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		<p>and control activities, especially with the Dengue Fever outbreaks in the coastal region and Mandera. She was deployed for one year in United Nations Mission in Sudan, where she was tasked with ensuring Hygiene and safety of troops as they fulfilled their mandate of peacekeeping.</p> <p>Susan has a degree in Public Health, Higher National Diploma in Food Science and Inspection, and currently pursuing MSC in Epidemiology.</p> <p>She is a member of the Board Finance and Administration Committee and also a member of the Board Technical Committee.</p>
	 <p>Ms. Caroline Mweni MA in Economics and Policy Management Rep of PS National Treasury</p>	<p>DOB: 19/03/1988</p> <p>Ms. Caroline Mweni is an Economist with over 11 years experience in Economic Policy and Public Finance Management. She holds a Bachelor of Science degree in Economics and Mathematics from the Kabarak University and a Master of Arts Degree in Economics and Policy Management from the University of Nairobi. She is also a member of the Economist Society of Kenya.</p> <p>She has been engaged in resource mobilization and negotiations for externally financed programmes and projects with Multilateral and Bilateral Agencies on behalf of the Government of Kenya. Further, Mweni has a robust experience in donor harmonization and coordination and; actively participated in drafting of various policy papers on Public Finance Management.</p> <p>She is the chair of the Board Finance and Administration Committee and a member of the Board Audit Committee.</p>



Dr. Roy B. Mugiira
Chief Executive Officer

Dr. Roy B. Mugiira is the Chief Executive Officer with effect from 24th February 2022.

He holds a Ph.D in the diagnosis of plant viral infections based on the alignment of their DNA sequences. He has research experience in the cloning of viral DNA genomes into gene silencing vectors for application in functional genomics.

Dr. Mugiira played a key role in the development of Kenya's Biotechnology Development Policy and the Biosafety regulatory framework for Genetically Modified Organisms. He is a member of the Biosafety Risk Assessment Panel of Experts for the Cartagena Protocol on Biosafety and served as the Acting Chief Executive Officer of the NBA at its formative stages.

Dr. Mugiira has a wide experience in policy advisory for the governance of Science, Technology and Innovation (ST&I) generally and Biotechnology Development specifically. Previously, he served as the Director of Research, Ministry of Education – Kenya and Director, Scheduled Sciences at the National Commission for Science, Technology and Innovation (NACOSTI).



CS. Moses Lukale Sande
Corporation Secretary & Head
Legal Services

CS. Moses Lukale Sande is an advocate of the High Court of Kenya of over Ten (10) years standing, a Certified Secretary of Kenya (CSK) and a member of the Law Society of Kenya (LSK) and the Institute of Certified Secretaries of Kenya (ICSK). He holds a Bachelor of Laws degree (LL.B) from the University of Nairobi, a post-graduate Diploma in law from the Kenya School of Law; and a Master of Laws degree (LL.M) in International Criminal Justice and Armed Conflict from the University of Nottingham, United Kingdom. CS.

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		<p>Sande has also successfully completed Senior Management Course from the Kenya School of Government and has vast experience in Corporate Governance, Human Rights, Peace Support Operations and Disaster Management matters. Prior to joining NBA, he held various positions in both the public and private sectors, his last appointment being Corporation Secretary and Legal Manager at the Kenya National Trading Corporation.</p>
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3. Management Team

	Management	Details
	<div data-bbox="448 445 960 918" data-label="Image"> </div> <div data-bbox="544 936 863 1021" data-label="Caption"> <p>Dr. Roy B. Mugiira Chief Executive Officer</p> </div> <div data-bbox="333 1041 1077 1982" data-label="Text"> <p>Dr. Roy B. Mugiira is the Chief Executive Officer at the National Biosafety Authority (NBA) of Kenya. He holds a Ph.D in the diagnosis of plant viral infections based on the alignment of their DNA sequences. He has research experience in the cloning of viral DNA genomes into gene silencing vectors for application in functional genomics.</p> <p>Dr. Mugiira played a key role in the development of Kenya’s Biotechnology Development Policy and the Biosafety regulatory framework for Genetically Modified Organisms. He is a member of the Biosafety Risk Assessment Panel of Experts for the Cartagena Protocol on Biosafety and served as the Acting Chief Executive Officer of the NBA at its formative stages.</p> <p>Dr. Mugiira has a wide experience in policy advisory for the governance of Science, Technology and Innovation (ST&I) generally and Biotechnology Development specifically. Previously, he served as the Director of Research, Ministry of Education – Kenya and Director, Scheduled Sciences at</p> </div>	<div data-bbox="1098 1162 1431 1193" data-label="Text"> <p>He is the Chief Executive.</p> </div>

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	<p>the National Commission for Science, Technology and Innovation (NACOSTI).</p>	
	<div data-bbox="454 392 949 918" data-label="Image"> </div> <div data-bbox="502 936 896 1014" data-label="Caption"> <p>FA. Ann N. Karimi Director, Corporate Services</p> </div> <div data-bbox="327 1016 1077 1960" data-label="Text"> <p>Ms. Ann N. Karimi is a qualified Financial Analyst with over fifteen years of experience in Pensions, Investments, Finance, Administration and the Asset Management Industry across various sectors. She is currently pursuing a Doctor of Philosophy in Business Administration with a Major in Finance. She holds a Master of Finance Degree from the University of Nairobi and a Bachelor's of Science Degree in International Business Administration (IBA) with a Major in Finance from United States International University (USIU). She is a Full member of the Institute of Certified Financial Analysts (ICIFA) and the Chartered Institute for Securities and Investments (CISI). Prior to joining National Biosafety Authority (NBA) she held various senior positions in both the public and private sector including; Financial Analyst, Head of Credit, East Africa, Head of Pensions and Institutional Business and also held Directorships in the private sector. She is a Finance and Leadership enthusiast with a certification in Strategic</p> </div>	<p>She is the Director Corporate Services</p>

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	<p>Management and Leadership from the Kenya Institute of Management.</p>	
	<div style="text-align: center;">  <p>CS. Moses Lukale Sande Corporation Secretary & Head Legal Services</p> <p>CS. Moses Lukale Sande is an advocate of the High Court of Kenya of over Ten (10) years standing, a Certified Secretary of Kenya (CSK) and a member of the Law Society of Kenya (LSK) and the Institute of Certified Secretaries of Kenya (ICSK). He holds a Bachelor of Laws degree (LL.B) from the University of Nairobi, a post-graduate Diploma in law from the Kenya School of Law; and a Master of Laws degree (LL.M) in International Criminal Justice and Armed Conflict from the University of Nottingham, United Kingdom. CS. Sande has also successfully completed Senior Management Course from the Kenya School of Government and has vast experience in Corporate Governance, Human Rights, Peace Support Operations and Disaster Management matters. Prior to joining NBA, he held various positions in both the public and private sectors, his last appointment being Corporation Secretary and Legal Manager at the Kenya National Trading Corporation.</p> </div>	<p>He is the Corporation Secretary and Head Legal services</p>

4. Chairman's Statement



With utmost delight, we welcome you to this financial report for 2021/2022. Our achievements in this report sum up our stupendous collective efforts during the financial year of 2021/2022. The analysis of financial reports provides a deep and detailed understanding of how a company or organization conducts its business. The reports also provide an understanding of an organization's stability and give insight into the performance of the organization.

To start with, during the financial year 2021/2022, the National Biosafety Authority (NBA) launched the strategic plan 2020-2025 at the Sarova Panafric hotel. The strategic plan provides a solid guide and blueprint for the National Biosafety Authority in achieving its goals, mission and vision. It also supports the Government in realizing the Big four Agendas, Medium-term plan III and Vision 2030. The strategic plan's success will ensure that the National Biosafety Authority fulfils its mandate of becoming a world-class biosafety agency and ensure the safe development, transfer, handling and use of genetically modified organisms in Kenya.

During the financial year 2021/2022, under the guidance of the National Biosafety Authority, Kenya became the second country in Africa after Nigeria to publish genome editing guidelines. The decision to publish the guidelines resulted from the constant advancement of genome editing technology. NBA developed and published a guidance document for determining the regulatory process of genome editing techniques. The published guidelines clarify which genome-edited organisms and derived products are regulated under Kenya's Biosafety Act. During the development of the genome editing regulatory framework, there were extensive stakeholder consultations. Additionally, there was benchmarking of other regulatory mechanisms in countries where such technology has been used.

The Authority commissioned the molecular laboratory during the financial year 2021/2022. Amb. Simon Nabukwesi, the Principal Secretary, State Department for University Education and Research (SDUER)- Ministry of Education, graced the event. This molecular laboratory will ensure that NBA doubles its capacity in testing and surveillance of Genetically Modified Organisms and strengthen its capacity in supervision and control over the transfer, handling and use of Genetically Modified Organisms in Kenya. In addition, the molecular biology laboratory will also offer an opportunity and contribute to training and capacity building for students and scientists in research while effectively contributing to implementing the Cartagena protocol on biosafety.

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Lastly, I take this opportunity to thank the government of Kenya through the ministry of Education Science and Technology and other strategic partners and service providers for their significant support that enabled us to achieve milestones in implementing our core mandates in Financial Year 2021/22.



DR. JOSEPH CHAVUTIA
CHAIR OF THE BOARD
NATIONAL BIOSAFETY AUTHORITY

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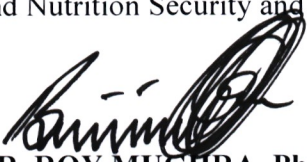
5. Report of the Chief Executive Officer



Since its establishment in 2010, the National Biosafety Authority (NBA) has strived to deliver on its mandate by ensuring that the country has a functional Biosafety regulatory framework as envisaged in the Act. As you are aware, the mandate of NBA is to exercise general supervision and control over the development, transfer, handling and use of Genetically Modified Organisms (GMOs) to ensure human and animal health safety and provide adequate protection of the environment. Under the Biosafety regulatory framework in the country, many research projects have been carried out towards improving crops and animals to address constraints in productivity. To date, the Authority has approved 37 laboratory and 14 confined field trial GMO projects undertaken in various research and academic institutions in the country. Regarding commercialization, Bt. cotton (modified for insect resistance) is already with the farmers. In addition, Bt. maize and GM cassava are in the final phase of being available to the farmers for cultivation.

Among other achievements attained in Financial Year 2021/2022, our focus was also on approval for the environmental release of the GM Cassava. Cassava is one of the significant sources of farm income and is an important food security crop for the people of Africa. Moreover, being the third African staple food crop after maize and rice, cassava remains an essential diet for millions of Africans. The genetically modified (GM) cassava is an improved cassava variety resistant to Cassava Brown Streak Disease (CBSD). Cassava brown streak disease (CBSD) is a viral disease of cassava that poses a significant threat to food security, with infections rendering plants inedible for humans and animals and can wipe out the infected crops in an entire farm.

The technology used in the modified cassava has been used globally in other already commercialized crops such as papaya, squash and plums consumed by humans in USA and China without any known negative human or animal health implications. As a result, Kenyan farmers will benefit from increased cassava root quality and marketable yield. In addition, an increase in cassava yields will address Food and Nutrition Security and expand manufacturing at the value chain.


DR. ROY MUGHIRA, Ph.D., MRSB
CHIEF EXECUTIVE OFFICER
NATIONAL BIOSAFETY AUTHORITY

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6. Statement of Performance against Predetermined Objectives for Financial Year 2021/22

National Biosafety Authority has five strategic pillars and objectives within the current Strategic Plan for the Financial Year 2020- 2025. These strategic pillars are as follows:

Pillar 1: Biosafety management system.

Pillar 2: Legal and Regulatory Frameworks.

Pillar 3: Knowledge management and corporate branding.

Pillar 4: Partnership, Linkages and collaborations.

Pillar 5: Institutional capacity and resource mobilization.

NBA develops its annual work plans based on the above Five pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The Authority achieved its performance targets set for the Financial Year 2021-2022 period for its five strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
1. Biosafety Management System	To carry out risk assessment and socio-economic impact assessments of Genetically Modified Organisms.	No. of inspection reports.	Conduct monitoring and inspection of contained use GMO Projects. Conduct GMO market surveillance.	Monitored GMO Research projects in Containment Facilities for Compliance to biosafety laws. Conducted Genetically Modified Organisms Market Surveillance in the country.
	To enhance compliance and enforcement capacities on biosafety.	No. of registered IBCs	Registration of IBCs.	Enhanced compliance to biosafety laws through strengthening of Institutional Biosafety Committees (IBCs).
	To serve as a regional Centre of Excellence	% of completion	Construction of a molecular GMO	Completion of a Molecular GMO Testing Laboratory.

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	on biosafety management.		Testing laboratory	
2. Legal and Regulatory Frameworks	To review the legal and regulatory framework on biosafety.	No. of forums held meeting report.	Convene stakeholder participation forums.	Improved on biosafety regulatory system by developing policies for Low Level Presence (LLP) Workshop and Adventitious Presence (AP) Situations.
	To advice the Government on biosafety policy issues	Draft Policy brief.	Draft policy briefs on emerging biotechnology and biosafety issues.	Prepared proposal briefs on areas of focus.
3. Knowledge management and corporate branding.	To enhance Knowledge Management framework.	Reports.	Sensitization on Biosafety Regulatory framework	Sensitized of High-Level Policy Makers on Biosafety Regulatory Framework.
	To promote public awareness and public participation on biosafety.	Reports.	Participation during the Annual Biosafety Conference	Held 10 th Annual Biosafety Conference. Participated in ASK shows.
	To enhance visibility and corporate image.	Reports.	Sustaining a vibrant social Media presence.	Sustained quality customer service and vibrant social media.
4. Partnership, Linkages and collaborations	To enhance synergies through collaboration with stakeholders and partners.	Reports.	Partnering with other regulatory agencies.	Improved biosafety coordination among Regulatory agencies.
	To strengthen linkages with partners and	% of compliance.	Gather and Provide accurate and complete	Enhanced knowledge on use and functions of the Biosafety Clearing House (BCH).

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	compliance with international obligations.		information in the BCH in accordance with the obligations under the Cartagena Protocol.	
5. Institutional capacity and resource mobilization.	To enhance staff and infrastructure capacities.	Reviewed HR policy and HR instruments (organogram, HR career progression, staff establishment).	Review HR instruments.	Developed HR instruments.
	To mobilize, optimally allocate and prudently utilize financial resources.	No. of proposals	Develop funding proposals.	Improved on resource mobilization through development of project proposals and concept notes.
	To improve quality management and good corporate governance systems.	No. of training reports.	Training of Board members.	Trained Board members.

7. Corporate Governance Statement

Overview

The National Biosafety Authority (NBA) is established under the Biosafety Act, 2009. The Authority is established to exercise general supervision and control over the transfer, handling and use of genetically modified organisms with the aim of ensuring;

- a. Safety of human and animal health; and
- b. Provision of an adequate level of protection of the environment.

The Board of Directors of the Authority has adopted high standards of corporate governance and applies strict rules of conduct based on best practice. As part of this commitment, the Board adheres to good corporate governance by embracing the following principles—

- a. To observe high standards of ethical and moral behavior;
- b. To act in the best interest of the Authority;
- c. To remunerate and promote fairly, prudently and responsibly;
- d. To recognize the legitimate interests of all stakeholders; and
- e. To ensure that the Authority acts as a good corporate citizen.

In line with Section 3 of the Leadership and Integrity Act No. 19 of 2012 of the Laws of Kenya, the Board respects the values, principles and the requirements of the Constitution, including—

- a. The national values and principles provided for under Article 10 of the Constitution;
- b. The rights and fundamental freedoms provided for under Chapter Four of the Constitution;
- c. The responsibilities of leadership provided for under Chapter 6 of the Constitution;
- d. The principles governing the conduct of State officers provided for under Article 75 of the Constitution; and
- e. The values and principles of Public Service as provided for under Article 232 of the Constitution.

Board Size, Composition, Appointment of Members and Succession Plan

The Board provides strategic direction, exercises control and remains accountable through effective leadership, enterprise, integrity and good judgment. It is diverse in its composition, independent but flexible, pragmatic, objective and focused on balanced and sustainable performance of the Authority.

The Cabinet Secretary responsible for Science and Technology selects and appoints Board members for a period of three (3) years and are eligible for reappointment for one more term of three (3) years. The renewal of a Member's tenure for a second term is subject to an acceptable evaluation as determined during Board evaluations. The Cabinet Secretary has staggered Board appointments to ensure that the respective expiry dates of the members terms fall at different time to ensure continuity. The appointment of independent Directors is by name and by notice in the Kenya Gazette. Membership of the Board may cease if the Board member—

- a. Serves the appointing authority with a written notice of resignation;
- b. Is absent, without the permission of the Chairperson, from three consecutive meetings;
- c. Is convicted of an offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding twenty thousand shillings;
- d. Is incapacitated by prolonged physical or mental illness from performing his duties as a member of the Board; or
- e. Conducts himself in a manner deemed by the appointing authority to be inconsistent with membership the Board.

The Board is composed of seven members who possess broad range of expertise and diverse professional background. The members are drawn from various ministries, public and private sectors. Their remuneration is based on Guidelines on Terms and Conditions of Service for State Corporations dated 23 November 2004. These guidelines clearly stipulate remuneration elements such taxable sitting allowances for meetings attended, travel and accommodation allowance while on Company duty as well as the monthly honoraria for the Chairman. The Directors remuneration is under Note 12 in the Notes to the financial statements. The Board of Director's remuneration for Financial Year 2021/2022 was Ksh.9,424,219.

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Two Board members had however not been appointed at the end of the Financial Year under review as follows—

- a. Under Section 6(1)(f) of the Biosafety Act, an expert in biological/environmental sciences;
and
- b. Under Section 6(1)(g) of the Biosafety Act, an expert in financial matters.

To effectively discharge its mandate, the Board has established three committees with specific terms of reference. The committees are as follows—

- a. Technical Matters Committee;
- b. Finance and Administrative committee; and
- c. Audit committee.

The Board however remains collectively responsible for the decisions and actions taken by any of its committees. A committee may only perform the tasks delegated to it by the Board and may not exceed the authority or powers of the Board.

Number of Board meetings held and attendance by the members

The Board holds quarterly meetings while special meetings are called when deemed necessary. During Financial Year 2021/2022, the Board held four (4) full Board meetings, Five (5) Special Board meetings and eleven (11) Board Committee meetings. All meetings had quorum and any member who absented him/herself from a meeting did so with the express authority of the Chairperson.

Main Board held nine (9) meetings attended as follows:

No.	Name	Attendance
1.	Dr. Joseph Chavutia	9
2.	Mr. Archibald Munyi	9
3.	Dr. Roselida Owuor	9
4.	Dr. Oscar Magenya	5
5.	Col. Susan Mutua	7
6.	Ms. Caroline Mweni	6
7.	Prof. Dorington Ogoyi	6
8.	Dr. Roy B. Mugiira	3

*Dr. Roy B. Mugiira took over in acting capacity from Prof. Dorington Ogoyi who proceeded on terminal leave pending retirement.

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The Technical committee held four (4) meetings attended as follows:

No.	Name	Attendance
1.	Mr. Archibald Munyi	4
2.	Dr. Roselida Owuor	4
3.	Dr. Oscar Magenya	4
4.	Col. Susan Mutua	4
5.	Prof. Dorington Ogoyi	3
6.	Dr. Roy B. Mugiira	1

The Finance and Administrative Committee held four (4) meetings attended as follows:

No.	Name	Attendance
1.	Mr. Archibald Munyi	1
2.	Ms. Caroline Mweni	3
3.	Dr. Oscar Magenya	3
4.	Col. Susan Mutua	4
5.	Dr. Roselida Owuor	1
5.	Prof. Dorington Ogoyi	3
6.	Dr. Roy B. Mugiira	1

The Audit Committee held three (3) meetings attended as follows:

No.	Name	Attendance
1.	Mr. Archibald Munyi	3
2.	Dr. Roselida Owuor	3
3.	Ms. Caroline Mweni	3

Role and Functions of the Board

The role and functions of the Authority's Board are premised on the objects and functions of the Authority as stipulated in the Biosafety Act. The Code of governance for State Corporations – *Mwongozo* sets out the role and functions of the Board to include—

- a. Determination of the Authority's mission, vision, purpose and core values;
- b. Setting and overseeing the overall strategy and approving significant policies of the Authority;
- c. Ensuring that the strategy of the organization is aligned to the long-term goals of the Authority on sustainability so as not to compromise the ability of future generations to meet their own needs;
- d. Approving the Authority's organizational structure;
- e. Approving the annual budget of the Authority;
- f. Monitoring the Authority's performance and ensure sustainability;
- g. Enhancing the corporate image of the Authority;
- h. Ensuring availability of adequate resources for the achievement of the Authority's objectives.
- i. Hiring the CEO on such terms and conditions of service as may be approved by the relevant government organ(s) and approve the appointment of senior management of the Authority;
and
- j. Ensure effective communication with stakeholders.

Induction and Training

The Authority's Board undertakes regular training and skills development programs to enable the fulfillment of its responsibilities. All Board members undergo an induction training on appointment to enable them to understand more about the Authority, their role and ways of working.

Board and Member Performance and Evaluation

During the year, Board conducted a self-evaluation assessment facilitated by the State Corporations Advisory Committee. During the review of the Evaluation Report, the Board and individual members interrogated their performance and pointed out issues that required their attention.

Board Charter

A Board Charter was developed in the year in order to define the Board's roles and responsibilities as well as functions, workplans and structures in a way that supports the members in carrying out their strategic oversight function. The Charter has enabled members to think creatively and critically about how their strategic and operational plans align with the Authority's strategic direction and expectations with respect to governance. The Charter was adopted by the Board acting in accordance with *Mwongozo*, the Code of Governance for State Corporations and other applicable Kenyan laws, regulations and circulars that have been issued by the Government from time to time.

Governance Audit

Whilst the need and importance of governance audit cannot be overemphasized, the Authority was not able to conduct Governance Audit during the year under review due to financial constraints. Management however, continually monitored and ensured compliance with the legal requirements and governance principles as stipulated in *Mwongozo*, the Code of Governance for State Corporations and other applicable Kenyan laws, regulations and circulars that have been issued by the Government from time to time.

Register of Conflict of Interest

The Authority maintained register of conflict of interest for recording any declarations of conflict of interest made by Board members and employees of the Authority.

Code of Conduct and Ethics

The Authority continues to apply the approved Code of Conduct and Ethics that governs the general conduct of public officers under the Leadership and Integrity Act No. 19 of 2012 and the staff have subscribed their commitment to comply with the code. The Authority continues to inculcate this ethos

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in its personnel through its core values of Professionalism, Integrity, Transparency and Accountability.

8. Management Discussion and Analysis

The Authority submitted through the MTEF Budget process for the financial year 2021/2022 a Capital project concept note requesting for construction of a state of the art Genetically Modified Organisms testing and reference laboratory estimated to cost Ksh. 1.0 Billion over a period of four years. However, the Authority was only granted Ksh.144.9 million for recurrent expenditure while the Capital grant was not approved.

During the year ended June 2020, the Authority received cumulative transfers of Ksh. 161,000,000 from the Exchequer. The total expenditure during the year ended June 2020 was Ksh. 118,026,033. During the year ended June 2021, the Authority received cumulative transfers of Ksh. 134,900,000 from the Exchequer. The total expenditure during the year ended June 2021 was Ksh. 139,104,213. During the year ending June 2022, the Authority received cumulative transfers of Ksh. 144,900,000 from the Exchequer. The total expenditure during the financial year 2021/2022 was Ksh.188,111,909 including capital expenditure of Ksh. 11,165,060.

The Authority continues to deliver on its mandate of regulating Genetically Modified Organisms (GMOs)towards safe development, handling, transfer and use of Genetically Modified Organisms. The Authority has held various key activities during the period ending June 2022, which include; conducting risk assessment of Genetically Modified Organisms (GMOs) applications specifically the virus resistant cassava meant for environmental release, monitoring of Genetically Modified Organisms (GMOs) projects within containment and confinement facilities and post market monitoring of Bt. cotton. The Authority also conducted GMO market surveillance in 32 counties across the country, and operationalized the Genetically Modified Organisms (GMOs) Testing Laboratory at NBA Headquarters. To support the regulatory systems, the Authority developed and approved a number of guidance documents namely; Manual on Post release monitoring, Monitoring Tool for commercialized genetically modified crops in Kenya, Guidelines on Managing Low Level Presence and Adventitious Presence situations of GM products and; Guidelines on Regulation of Genome Editing Technologies.

NBA participated in biosafety awareness and education programs such as; holding the 10th Annual National Biosafety Conference, exhibited at the Kenyatta University Career Week, participated in the Eldoret ASK Show and held farmers' awareness forums in Mombasa and Kisumu regions.

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The Authority continued to facilitate trade through timely processing of Genetically Modified Organisms(GMOs) Free Certificates and online clearance of cargo at the entry points through the KENTRADE Trade Facilitation online system.

The Authority continued to enforce measures to mitigate against the COVID-19 pandemic. Measures put in place include provision of personal protective equipment such as facemasks and hand sanitation facilities to its employees and clients, sensitization of staff on COVID-19 and the preventive measures advocated by the Government, proper cleaning and sanitation of the workplace, putting in place working schedules in line with Government circulars, and negotiating for COVID-19 testing of staff.

Entity's compliance with statutory requirements

The Authority has fully complied with all statutory requirements. This includes timely submission of PAYE, N.S.S.F, N.H.I.F and H.E.L.B to respective institutions during the year ended 30 June 2022.

Major risks facing the entity.

The major risk facing the Authority includes;

- (a) Outbreak of Covid 19 pandemic has slowed down implementation of programs planned by the Authority.
- (b) Reduction of budgetary allocations, for the financial year 2021/2022 the Authority was allocated Ksh. 144.9 Million only for recurrent expenditure. This will affect the implementation of the programs planned by the Authority in the Strategic Plan 2020-2025.
- (c) During the previous years, the Authority has not received any Capital Grants from the G.O.K.
- (d) The ban on Genetically Modified Organisms(GMOs) import activities has reduced the A.I.A for the Authority further affecting the implementations of programs.
- (e) Inadequate awareness on biosafety and networking. Due to reduced budgetary allocation, the Authority is limited in creating adequate awareness on biosafety among Kenyan public and creating awareness of NBA and its regulatory role.
- (f) Limited capacity due to reduction in government funding, inadequate human resources as well as inadequate infrastructure (office space, laboratory for testing, equipments and facilities)

Material arrears in statutory/financial obligations

The Authority has no material outstanding /pending bills. The Authority has continued to make payments as soon as invoices are received except for the normal trade payables.

9. Environmental and Sustainability Reporting

The National Biosafety Authority of Kenya (NBA) seeks to be a responsible corporate citizen in all aspects of its operations and activities. It exists to transform lives and through its various initiatives, the National Biosafety Authority seeks to guide all its stakeholders including its employees on its key role and obligations towards our five pillars, which include; Biosafety Management System, Legal & Regulatory Frameworks, Institutional capacity Resource mobilization, Knowledge Management & corporate branding and partnership, linkages & collaborations. The Authority is aware that good corporate responsibility practice and responsible behaviour are integral parts of sustainable development which its fully committed to conducting its work responsibly and in the best interests of its customers, employees and other stakeholders that it in interacts with that are affected by its activities. This is what guides us to deliver our mandate, which is enlisted in the Strategic Plan 2020-2025.

Below is a brief highlight of our achievements in the period 2021/2022:

i) Sustainability strategy and profile

The Authority is committed to supporting the Government to implement the United Nations' 2030 Agenda for Sustainable Development, including the Sustainable Development Goals (SDGs) adopted by the UN General Assembly on 25 September 2015. The Authority contributes towards the achievement of the following relevant SDGs;

- 1) **Poverty:** End poverty in all its forms everywhere
- 2) **Food:** End hunger, achieve food security and improved nutrition, and promote sustainable agriculture
- 3) **Health:** Ensure healthy lives and promote wellbeing for all at all ages
- 4) **Economy:** Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all
- 5) **Ecosystems:** Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation, and halt biodiversity loss

Part of the Authority's achievements during the financial year include; operationalization of the GMO Testing Laboratory at NBA Headquarters, development and approval of a number guidance documents namely; Manual on Post release monitoring, Monitoring Tool for commercialized genetically modified crops in Kenya, Guidelines on Managing Low Level Presence and Adventitious Presence situations of GM products and; Guidelines on Regulation of Genome Editing Technologies.

These achievements are geared towards the Authority's contributions to the achievement of the Big 4 Agenda in Kenya. However, one of the challenges is the slow rate of development of biotechnology regulatory regimes within the region.

ii) Environmental performance

The National Biosafety Authority promotes an effective and efficient regulatory framework that regulates modern biotechnology for, among others, maximizing productivity in agriculture and industry, protecting the environment, conserving biodiversity, bio-prospecting, and generally improving the quality of human welfare. Modern biotechnology as a Science, Technology, and Innovation tool, underpins the critical areas of national development as identified in the Vision 2030 Third Medium Term Plan programme on Biotechnology and Biosciences specifically Biotechnology stewardship. Under this, the Authority facilitates the safe application and adoption of Biotechnology through technology stewardship of the approved National Performance Trials (NPT) for the insect protected Bt. Maize and Bt. Cotton.

iii) Employee welfare

The National Biosafety Authority has continued to support training of staff (both individual and organizational level as it considers it important in improving the efficiency and service delivery. In its effort to address performance and skills gaps with the aim of enhancing service delivery, the Authority has made it a routine to train its entire staff through various training institutions. The training process is guided by the Human Resource policy and the trainings requested for by staff evaluated for approval by the Staff Development Committee, which has been put in place. Below is a summary on how the Human Resource department has continued to enhance the employee welfare in the Authority;

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1. Efforts made in improving skills;

- a) The Authority has put in place a Career progression policy.
- b) An officially appointed Training Committee is in place to assist in guiding decision making on matters training and development.
- c) There is a training and development program where all organizational, departmental and individual trainings are assessed and approved, a training plan and commensurate budget is prepared for approval by the committee while HR monitors its application and evaluates the performance at the end of the program.
- d) The Authority has also planned for on-the-job training program on employee mentorship.
- e) It also offers Internship and attachment programs for acquisition of skills.

2. Efforts made in managing careers;

The Authority has put in place;

- a) A career progression policy
- b) A performance management program for evaluating individual staff performance as a prerequisite to consideration of career growth/promotion.
- c) An appointed committee to review the process for fairness and transparency.

3. Efforts made in managing appraisal and reward systems.

- a) A policy on Performance management is in place
- b) The Authority works using Performance Contracting process and work-plans (Individual and departmental).
- c) Staff Performance management and appraisal is carried out annually.
- d) A policy on performance-based rewards management is underway for formulation.

4. The organizational policy on Safety and Health in place and in compliance with Occupational Safety and Health Act of 2007, (OSHA) provides for;

- a) General guidelines for safety of staff at the work place.
- b) Emergency preparedness plans and sensitization of staff on the same.
- c) Provision of fire protection facilities and measures to be adhered to by staff.
- d) Staff insurance for injury at the work place benefits

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- e) Undertaking annual safety and health Audit.
- f) Performance Contracting reporting on safety and health activities.
- g) Recording Accidents and incidents at the work place by the point person on safety and health.
- h) Having in place a safety and health Committee running with all matters safety and health at the work place.
- i) Procurement of PPE's
- j) Registration of the Authority with the Directorate of Occupational Safety and Health services.
- k) Ensuring staff welfare provisions are in place.

iv) Market place practices-

Good business practise in National Biosafety Authority procurement is maintained through equal and fare opportunity to all suppliers working National Biosafety Authority by rotational identification of supplier in the delivering of goods, works and service.

National Biosafety Authority procurement equally provides sensitization of all suppliers to help them understand what is expected of them together with supplier's rights through brochure accessed in National Biosafety Website and premise, which helps to promote and maintain good, and cordial business relation between National Biosafety Authority procurement and suppliers.

National Biosafety Authority procurement also ensure timely forwarding of invoices to accounts and follow-up to ensure timely payment by accounts, this is held true as it is anchored in National Biosafety Authority procurement SOPS uploaded on the organisational website.

v) **Corporate Social Responsibility / Community Engagements**

CSR-Tree Planting at Rungiri Primary School



Rungiri primary school pupils planting tree seedlings during tree planting campaign.

National Biosafety Authority sponsored and participated in a tree planting exercise at Rungiri Primary School. The initiative saw more than 1000 pupils participate in planting 1,200 tree seedlings.

Rungiri Primary School was preferred because it is a public school located in a semi-urban environment. However, tree cover within its compound had been dwindling due to tree cutting to support the school feeding programme and the construction of classrooms.

The school has an adequate land size, about 1500 pupils, and a borehole that makes it easy to care for growing seedlings through watering. Again, the teachers and pupils were committed to increasing the tree coverage; hence, it was suitable for this noble initiative.

The Authority understands trees' critical role for people and the planet. In a semi-urban environment, the trees will provide shelter and improve people's mental and physical health. They will promote health and social well-being by eradicating air pollution, reducing stress and encouraging outdoor physical activities. This will be good, especially for the pupils at Rungiri Primary School.

Additionally, the assorted indigenous trees will be ready for harvest after 5-10 years, having chosen a fast-growing variety to provide timber and firewood for the school. Availability of timber will

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minimize construction costs in the school, whereas the firewood will be helpful in cooking, thus promoting the school's feeding program.

On special request by the school administration, NBA provided 200 fruit tree seedlings (avocado, passion, lime and guava). The seedlings will be used to facilitate the pupils' CBC practical assessments. Also, they will provide fruits to the pupils once they mature.

NBA hired the services of the Kenya Forestry Research Institute (KEFRI) to assist in demonstrating the proper ways of planting and taking care of tree seedlings.

10. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended 30 June 2022, which show the state of the National Biosafety Authority affairs.

i) Principal activities

The principal activities of the Authority are to;

- Consider and determine applications for approval for the transfer, handling and use of Genetically Modified Organisms and related activities;
- Co-ordinate, monitor and assess activities relating to the safe transfer, handling and use of Genetically Modified Organisms in order to ensure that such activities do not have adverse effect on human health and the environment;
- Co-ordinate research and surveys in matters relating to the safe development, transfer, handling and use of Genetically Modified Organisms, and to collect, collate and disseminate information about the findings of such research, investigation or survey;
- Identify national requirements for manpower development and capacity building in biosafety;
- Advise the Government on legislative and other measures relating to the safe transfer, handling and use of Genetically Modified Organisms;
- Promote awareness among the general public relating to biosafety; and establish and maintain a biosafety clearing house to serve as a means through which information is made available to facilitate the exchange of scientific, technical, environmental and legal information on, and experience with Genetically Modified Organisms.

ii) Results

The results of the Authority for the year ended 30 June 2022 are set out on pages 1 to 48.

iii) Directors

The members of the Board of Directors who served during the year are shown on page vii. During the year, no director retired/ resigned and none was appointed.

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iv) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year.

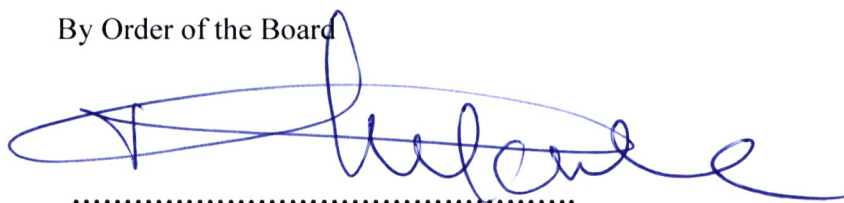
The Authority did not make any surplus during the year (Financial Year 2021 Kshs Nil) and hence no remittance to the Consolidated Fund.

The amount appearing as surplus in the Statement of financial Performance relates to activities that were on-going and spilt over to the subsequent financial year.

v) Auditors

The Auditor-General is responsible for the statutory audit of the Authority in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended 30 June 2022.

By Order of the Board



.....

CS. MOSES LUKALE SANDE
CORPORATE SECRETARY/SECRETARY TO THE BOARD

11. Statement of Directors Responsibilities

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

The Directors are responsible for the preparation and presentation of the Authority's financial statements, which give a true and fair view of the state of affairs of the Authority for and as at the end of the financial year ended on 30 June 2022. 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 Authority; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the Authority; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Authority's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management (PFM) Act, 2012. The Directors are of the opinion that the Authority's financial statements give a true and fair view of the state of National Biosafety Authority's transactions during the financial year ended 30 June 2022, and of the Authority's financial position as at that date.

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

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

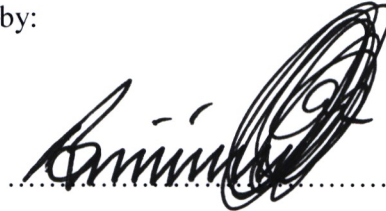
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Approval of the financial statements

The National Biosafety Authority's financial statements were approved by the Board on 28th Sept. 2022 and signed on its behalf by:



.....
DR. JOSEPH CHAVUTIA
CHAIR BOARD OF DIRECTORS



.....
DR. ROY B. MUGIIRA, Ph.D., MRSB
CHIEF EXECUTIVE OFFICER

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL BIOSAFETY AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Biosafety Authority set out on pages 1 to 43, which comprise of the statement of financial position as at

30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Biosafety Authority as at 30 June, 2022, 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 Biosafety Act, 2009 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Inaccuracies in the Statement of Comparison of Budget and Actual Amounts

The statements of comparison of budget and actual amounts revealed the following misstatements: -

- i. The statement of comparison of budget and actual amounts includes an amount of Kshs.54,068,818 disclosed as cash carried forward.
- ii. The reconciliation statement of actual amounts on a comparable basis and actual amounts in the financial statements was not prepared as required by Paragraph 47(b) of the International Public Sector Accounting Standards (IPSAS 24); and,
- iii. The statement of comparison of budget and actual amounts when compared with the statement of cash flows had unreconciled items on operating activities as detailed below;

	Cash Flow Statement (Kshs.)	Statement of Comparison of Budget and Actuals (Kshs.)	Unreconciled Amount (Kshs.)
Payments			
Use of Goods and Services	64,734,479	65,314,479	580,000
Employee Costs	80,371,296	82,473,359	2,102,063
Project Expenses	12,802,889	10,350,176	2,452,713

In the circumstances, the accuracy and completeness of the statement of comparison of budget and actual amounts could not be confirmed.

2.0 Unconfirmed Cash and Cash Equivalents Balances

The statement of financial position reflects cash and cash equivalents balance of Kshs.33,741,165 as disclosed in Note 17 to the financial statements. This balance excludes an unreconciled amount of Kshs.1,006,973 comprising of receipts in form of inward swift transfers that were credited to the Authority's bank account but had not been

recorded in the cashbook. Out of the balance of Kshs.1,006,973, an amount of Kshs.123,500 was banked during the year leaving a balance of Kshs.883,473. Management has explained that the matter is being pursued with the bank to ensure the long outstanding cash entries are resolved.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.33,741,165 could not be confirmed.

3.0 Lack of Revaluation and Policy on Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.41,749,893 as disclosed in Note 18 to the financial statements. However, the Authority did not review the residual values and useful lives of property, plant and equipment at the reporting date in accordance with Paragraph 67 of the International Public Sector Accounting Standards (IPSAS) 17 as property, plant and equipment with a gross carrying amount of Kshs.18,201,325 had a zero-net carrying amount while still being in use.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.41,749,893 could not be confirmed.

4.0 Unsupported Additional Charge to Retained Earnings

The statement of changes in net assets reflects additional charge to retained earnings of Kshs.6,086,452 which was not supported by relevant documentation and explanatory Notes to the financial statements.

In the circumstances, the accuracy and completeness of the additional charge to retained earnings amount of Kshs.6,086,452 could not be confirmed.

5.0 Unconfirmed Deferred Income Movement

The statement of financial position reflects deferred income of Kshs.1,292,642 as disclosed in Note 22 to the financial statements. Included in this balance are additions of Kshs.8,120,862 and transfers to the income statement of Kshs.9,436,927. However, their movement were not reflected in the statement of financial performance.

In the circumstances, the accuracy and completeness of deferred income balance of Kshs.1,292,642 could not be confirmed.

6.0 Unsupported Reserves

The statement of financial position reflects a reserves balance of Kshs.30,282,003 which was not supported by a disclosure note to the financial statements. Further, the reserve balance was not supported by relevant documentation, schedules and explanatory notes to the financial statements. In addition, the accounting policy disclosed in Note 4(i) does not specify the reserves maintained and the accounting policies adopted as required by Paragraph 95 (c) of the International Public Sector Accounting Standard (IPSAS 1) on the presentation of financial statements.

In the circumstances, the accuracy and completeness of the reserves balance of Kshs.30,282,003 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements. However, the Management has not resolved all the issues nor given explanations on failure to resolve the long outstanding issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Failure to Remit Surplus into Consolidated Fund

The statement of financial performance reflects a comparative surplus of Kshs.4,107,850. Review of the audited financial statements for 2019/2020 and 2020/2021 financial years revealed that the Authority had surplus amounts of Kshs.48,452,765 and Kshs.4,107,850 respectively. However, the Management had not remitted ninety per cent of its surplus funds reported in the audited financial statements after the end of each financial year in compliance with Regulation 219(2) of the Public Finance Management (National Government) Regulations, 2015.

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

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

REPORT ON THE 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 matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1.0 Knowledge Gap in Financial Expertise in the Board of Directors

Review of the composition of the Board of Directors revealed that the Authority's Board did not have a member with financial expertise.

In the circumstances, the Authority did not benefit from the oversight and advisory services of financial nature.

2.0 Lack of Risk Management Systems

The Authority has not put in place risk management policy, strategies, and risk register to mitigate against risk. Review of the Authority's risk management revealed that the authority did not have an approved risk management policy and did not maintain a risk register containing risks facing the entity. It was, therefore, not clear how the Management handle risk exposures. This is contrary to Regulation 165 (1)(a) and (b) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations.

In the absence of a risk management policy, the Authority may not be able to respond in a timely manner to risks which may have an adverse effect on the current and future business operations.

3.0 Functioning Gaps in Internal Audit

Review of the performance of the internal audit identified the following gaps about its functions: -

- i. Internal Audit did not review and evaluate budgetary performance;

- ii. Internal Audit did not review financial statements for the 2021/2022 financial year;
- iii. Internal Audit did not review procurement and disposal proceedings/transactions for the year;
- iv. Internal Audit had inadequate budgetary allocation for the year to fund their activities; and,

In the circumstances, the Authority did not benefit from the advisory services of the Internal Audit.

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 Management and the Board of Directors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Authority to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Authority to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

14 April, 2023


NATIONAL BIOSAFETY AUTHORITY
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13. Statement of Financial Performance for the year ended 30 June 2022

	Notes	2021-2022	2020-2021
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6	144,900,000	134,900,000
Other income & Donor Funds	7	8,133,722	6,030,620
		153,033,722	140,930,620
Revenue from exchange transactions			
Application Fees	8	1,584,530	1,078,000
Conference Fees	9	2,354,506	1,203,443
Total revenue		156,972,758	143,212,063
Expenses			
Use of goods and services	10	65,314,479	41,819,641
Employee costs	11	82,473,359	78,299,456
Board Expenses	12	9,424,219	3,066,503
Depreciation and amortization expense	13	6,807,118	4,557,642
Repairs and maintenance	14	2,577,498	2,973,834
Project Expenses	15	10,350,176	8,387,137
Total expenses		176,946,849	139,104,213
Surplus/(deficit) for the period/year		(19,974,091)	4,107,850
Remission to National Treasury	16	0	0
Net Surplus/(deficit) for the year		(19,974,091)	4,107,850

The notes set out on pages 10 to 41 form an integral part of these Financial Statements.

The Financial Statements set out on pages 1 to 48 were signed on behalf of the Board of Directors by:




CHIEF EXECUTIVE OFFICER
 DR. ROY B. MUGIIRA

Date 06/03/2023



HEAD OF FINANCE
 ESTHER THUKU
 ICPAK M/No: 10108

Date 06/03/2023



CHAIR OF THE BOARD
 DR. JOSEPH CHAVUTIA

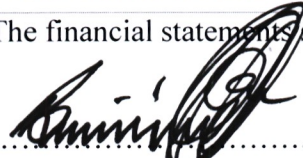
Date 06/03/2023

NATIONAL BIOSAFETY AUTHORITY
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14 Statement of Financial Position as at 30 June 2022

	Notes	2021-2022	2020-2021
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	17	33,741,165	57,843,848
Total Current Assets		33,741,165	57,843,848
Non-Current Assets			
Property, Plant and Equipment	18	41,749,893	37,391,951
Total Non- Current Assets		41,749,893	37,391,951
Total Assets		75,491,058	95,235,799
Liabilities			
Current Liabilities			
Trade and Other Payables	19	792,506	2,747,416
Contract Retention Money	20	2,395,651	2,036,089
Current Provision	21	3,262,063	6,207,752
Deferred Income	22	1,292,642	2,608,707
Total Current Liabilities		7,742,862	13,599,964
Total Liabilities		7,742,862	13,599,964
Net Assets			
Reserves		30,282,003	30,282,003
Accumulated Surplus		37,466,193	51,353,832
Total Net Assets		67,748,196	81,635,835
Total Net Assets and Liabilities		75,491,058	95,235,799


The financial statements set out on pages 1 to 48 were signed on behalf of the Board of Directors by:


 DR. ROY B. MUGIIRA
 CHIEF EXECUTIVE OFFICER

Date... 06/03/2023


 ESTHER THUKU
 HEAD OF FINANCE
 ICPAK M/No. 10108

Date... 06/03/2023


 DR. JOSEPH CHAVUTIA
 CHAIR OF THE BOARD

Date... 06/03/2023

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15 Statement of Changes in Net Assets for the year ended 30 June 2022

	Ordinary share capital	Reserves	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at July 1, 2020	-	30,282,003	-	47,245,982	-	-	77,527,985
Issued new capital	-	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-	-
Transfer of excess depreciation on revaluation	-	-	-	-	-	-	-
Deferred tax on excess depreciation	-	-	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-	-	-
Surplus/ deficit for the year	-	-	-	4,107,850	-	-	4,107,850
Capital/development grants received during the year	-	-	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-
Interim dividends paid	-	-	-	-	-	-	-
Proposed final dividends	-	-	-	-	-	-	-
As at June 30, 2021	-	30,282,003	-	51,353,832	-	-	81,635,835
As at July 1, 2021	-	30,282,003	-	51,353,832	-	-	81,635,835

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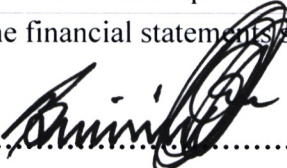
Issue of new share capital	-	-	-	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-	-	-	-
Additional charge to retained earnings	-	-	6,086,452	-	-	-	-	-	6,086,452
Deferred tax on excess depreciation	-	-	-	-	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-	-	-	-	-
Surplus/ deficit for the year	-	-	(19,974,091)	-	-	-	-	-	(19,974,091)
Capital/development grants received during the year	-	-	-	-	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
Interim dividends paid	-	-	-	-	-	-	-	-	-
Proposed final dividends	-	-	-	-	-	-	-	-	-
As at June 30, 2022	-	30,282,003	37,466,193	-	-	-	-	-	67,748,196

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16. Statement of Cash Flows for the year ended 30 June 2022

		2021-2022	2020-2021
	Notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	6	144,900,000	134,900,000
Other income	7	8,133,722	6,030,620
Application Fees	8	1,584,530	1,078,000
Conference Fees	9	2,354,506	1,203,443
Total receipts		156,972,758	143,212,063
Payments			
Use of goods and services	10 (a)	64,734,479	41,819,641
Employee costs	11 (a)	80,371,296	71,596,775
Board Expenses	12	9,424,219	3,066,503
Repairs and maintenance	14	2,577,498	2,973,834
Project Expenses	15(a)	12,802,889	9,626,923
Total payments		169,910,381	129,083,676
Net cash flows from/(used in) operating activities	23	(12,937,623)	14,128,387
Cash flows from investing activities			
Purchase of PPE and Intangible assets	18	(11,165,060)	(25,830,108)
Net cash flows from/(used in) investing activities		(11,165,060)	(25,830,108)
Cash flows from financing activities			
Net cash flows from financing Activities		0	0
Net increase/(decrease) in cash & Cash equivalents			
Cash and cash equivalents at 1 July	17	57,843,848	69,545,569
Cash and cash equivalents at 30 June	17	33,741,165	57,843,848

The financial statements set out on pages 1 to 48 were signed on behalf of the Board of Directors by:


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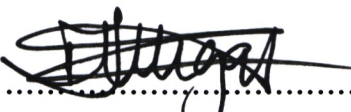
DR. ROY B. MUGIIRA
CHIEF EXECUTIVE OFFICER

Date... **06/03/2023**


.....

ESTHER THUKU
HEAD OF FINANCE

ICPAK M/No:10108
Date... **06/03/2023**


.....

DR. JOSEPH CHAVUTIA
CHAIR OF THE BOARD

Date.....

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17. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2022

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c* 100
Revenue						
Transfers from Other Governments entities	144,900,000	-	144,900,000	144,900,000	0	100
Application Fees	1,000,000	377,530	1,377,530	1,584,530	(207,000)	115
Conference Fees	1,950,000	1,337,765	3,287,765	2,354,506	933,259	71
Other Income	50,000	-	50,000	12,860	37,140	25
Partner's Support	6,963,656	1,157,207	8,120,863	8,120,863	0	100
Cash Carried Forward	54,068,818	-	54,068,818	54,068,818	0	100
Total Income	208,932,474	2,872,502	211,804,976	211,041,577	763,399	99
Expenses						
Use of Goods and Services	82,186,660	1,483,013	80,703,647	65,314,479	15,389,168	81
Employee costs	99,095,295	624,908	99,720,203	82,473,359	17,246,844	83
Remuneration of Directors	8,144,897	1,608,800	9,753,697	9,424,219	329,478	97
Depreciation and Amortization expense	0	-	0	6,807,118	(6,807,118)	-

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Repairs and Maintenance	9,724,363	-	9,724,363	2,577,498	7,146,865	27
Project Expenses	6,963,656	1,157,207	8,120,863	10,350,176	(2,229,313)	127
Total Expenditure	206,114,871	6,371,502	208,022,773	176,946,849	172,663,060	85
Surplus for the period	-	-	-	34,094,728	-	-
Capital Expenditure	2,817,603	964,600	3,782,203	11,165,060	(7,382,857)	295

Budget notes

1. *The Authority received more applications for GMO free certificates and thus had to revise the final budget of Application fees.*
2. *The Authority received support from various partners during the 10th Annual Conference hence the need to revise the budget.*
3. *The Authority signed contracts with development partners after the initial budget approval; hence the actual amounts received were included in the final budget.*
4. *The increase in the vote for Remuneration of Directors was because of planned board activities which came up after the initial budget that had to be undertaken during the year.*
5. *Use of Goods and Services: Some of the programs and activities, which had not been undertaken, were packed and carried forward to the financial year 2022/23.*
6. *Employee Costs: Exit of the CEO at the expiry of his contract in the course of the year. Top management who were recruited joined in the course of the year hence the underperformance in the vote.*
7. *Repairs and maintenance: Some of the activities in relation to office partitioning had been budgeted for under repairs and maintenance, however, the costs were capitalised.*
8. *Project expenses: The costs incurred exceeded the budget allocation because some of the activities had been provided for in the deferred income.*
9. *Capital Expenditure: The costs relate to expenditure incurred in acquisition of items of Capital nature.*
10. *Cash carried forward: The cash carried forward from the previous financial year been included the budget because it relates to activities that were packed and carried forward from the previous financial year.*

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11. *Surplus for the period in statement of comparison of budget and actual differs from the figure in the statement of financial performance because it includes the component of cash carried forward which was included in the budgeting process.*

Description	Final budget	Actual on comparable basis	Variance
	Kshs	Kshs	Kshs
Component			
Application Fees	1,377,530	1,584,530	207,000
Conference Fees	3,287,765	2,354,506	(933,259)
Other Income	50,000	12,860	(37,140)
Repairs and Maintenance	9,724,363	2,577,498	(7,146,865)
Capital Expenditure	3,782,203	11,165,060	7,382,857

Material variances between the final budget and actual amounts have been explained in the budget notes according to International Public Sector Accounting Standards (IPSAS 24) Paragraph 14 and 29. Further the Authority has prepared the reconciliation statement of the actual amount on a comparable basis and actual amounts in the financial statements as required by Paragraph 47 (b) of the International Public Sector Accounting Standards (IPSAS 24)

1. Application Fees difference of Ksh.207, 000 was as a result of increased applications for Genetically Modified Organisms (GMOs) Free Certificates.
2. Collection of the conference fees was less by K.sh. 933,259 during the financial year.
3. Other income realized during the financial year was less by Ksh. 37,140.
4. Repairs and Maintenance were higher by Ksh.7,146,865 due to expenses relating to the office partitioning that were capitalized at the end of the financial year and had been provided under the repairs and maintenance vote during the year.
5. Capital Expenditure costs were more by Ksh.7,382,857 due to the office partitioning items that were capitalized at the end of the financial year which had been provided for under the repairs and maintenance vote in the approved budget.

NATIONAL BIOSAFETY AUTHORITY
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18. Notes to the Financial Statements

1. General Information

National Biosafety Authority is established by and derives its authority and accountability from the Biosafety Act No. 2, 2009. The Authority is wholly owned by the Government of Kenya and is domiciled in Kenya. The Authority's principal activity is to ensure and assure safe development, transfer, handling and use of genetically modified organisms (GMOs) in Kenya.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

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

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012, the State Corporations Act CAP 446, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented. . The Authority has prepared the financial statements in accordance with IPSAS Accrual in line with Paragraph 28 of the International Public Sector Accounting Standard (IPSAS 1) on the preparation of financial statements.

3. Adoption of New and Revised Standards

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2022.*

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

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ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.*

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>The Authority does not deal in financial instruments; therefore, the standard does not apply.</i></p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity’s financial performance, financial position and cash flows.

**NATIONAL BIOSAFETY AUTHORITY
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<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>
<p>IPSAS 43</p>	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non- Current</p>	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p>

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Assets Held for Sale and Discontinued Operations	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: 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.
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iii. Early adoption of standards

The Authority did not early – adopt any new or amended standards in year 2021/2022

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4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Authority and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

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

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

b) Budget information

The original budget for Financial Year 2021-2022 was approved by the Board on 30th July 2021. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Authority upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Authority recorded no appropriations on the 2021-2022 budget.

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The Authority's budget is prepared on a cash basis while the financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 17 of these financial statements.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

d) Property, plant and equipment

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

- The Authority's accounting policy on property plant and equipment is stated in the approved Financial Policies and Procedures Manual which states that;

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- Items of property and equipment will be stated at historical cost less accumulated depreciation and impairment.
- Assets donated to the Authority will be included in the accounts at the value attributed to the asset by the donor and where the value is not readily provided, at a reasonable valuation.
- Depreciation will be charged on a straight-line basis over the estimated useful lives of the assets. The Authority does not charge depreciation in the year of acquisition.
- Where Impairment of assets are concerned, the carrying amounts of the assets will be reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount will be estimated and an impairment loss recognized in the income statement;

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Summary of Significant Accounting Policies (Continued)

e) Financial instruments

a) 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, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Authority determines the classification of its financial assets at initial recognition.

Loans and receivables

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

Held-to-maturity.

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

Impairment of financial assets

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

- i) The debtors or an Entity of debtors are experiencing significant financial difficulty.
- ii) Default or delinquency in interest or principal payments

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iii) The probability that debtors will enter bankruptcy or other financial reorganization.

iv) Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults)

b) Financial liabilities

Initial recognition and measurement

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

Loans and borrowing

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

f) Provisions

Provisions are recognized when the Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Authority expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

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

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h) Contingent assets

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

i) Nature and purpose of reserves

The Authority does not keep reserves and therefore has not adopted any accounting policies for the same.

j) Changes in accounting policies and estimates

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

k) Employee benefits

Retirement benefit plans

The Authority provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation

l) Related parties

The Authority 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 Authority, or vice versa.

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Members of key management are regarded as related parties and comprise the CEO, Director Corporate Services and Corporation Secretary and Head Legal Services.

m) Cash and cash equivalents

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

n) Trade and other payables

Trade and other payables will be stated at their nominal values.

o) Comparative figures

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

p) 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 30 June 2022.

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5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Authority'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. State all judgements, estimates and assumptions made:

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 Authority 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 Authority. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

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

- a) The condition of the asset based on the assessment of experts employed by the Authority.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Each component of an asset held in the asset register, excluding land, shall be depreciated separately to reflect the differing useful lives relating to each component of a depreciable asset. Any residual parts not comprising a specific component of a depreciable asset shall also be depreciated.

The Authority shall use straight line basis to write down the cost of each asset or the revalued amounts over the useful estimated lives as it is expected that the service (economic benefit) provided by the asset shall be consumed in a uniform manner throughout its useful life.

The following rates are used in computing depreciation

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Class	Name	Estimated Useful life (Years)	Rate %
1.	Buildings	40	2.5
2.	Computer and other computing equipment	3	33.3
3.	Motor Vehicles	4	25
4.	Furniture and Fittings	8	12.5
5.	Plant, Machinery and Equipment	8	12.5

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 20.

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

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Notes to the Financial Statements (Continued)

6. Transfers from Other Government entities

Description	2021-2022	2020-2021
	KShs	KShs
Unconditional Grants		
Operational Grant	144,900,000	134,900,000
Other Grants	0	0
Total Unconditional Grants	144,900,000	134,900,000
Conditional Grants		
Other Organizational Grants	0	0
Total Government Grants And Subsidies	144,900,000	134,900,000

The operational grants received by the Authority is for the purposes of financing its operations.

b) 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 2021-22	Prior year 2020-2021
	KShs	KShs	KShs	KShs	KShs
Ministry of Education, State Department of University Education & Research	144,900,000	0	0	144,900,000	134,900,000
Total	144,900,000	0	0	144,900,000	134,900,000

The details of the reconciliation have been included under appendix III.

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Notes to the Financial Statements (Continued)

7. Other Income & Donor Funds

Description	2021-2022	2020-2021
	KShs	KShs
Donor Funds		
Program for Biosafety Systems (PBS)	5,949,462	904,317
Food & Agriculture Authority (FAO)	0	3,405,111
CORTEVA	0	1,451,259
UNEP GEF	2,171,400	0
Sub- Total Donor Funds	8,120,862	5,760,687
IBC Subscription	5,000	5,000
Courier Refund	7,860	2,830
Advert Refund	0	109,760
Refund from MAHYCO	0	52,343
Refund of Last Expense	0	100,000
Total Other Income & Donor Funds	8,133,722	6,030,620

This revenue relates to Income received from development partners in support of various project activities; registration and renewal of Institution Biosafety Committee.

8. Application Fees

Description	2021-2022	2020-2021
	Kshs	Kshs
Application Fees	1,584,530	1,078,000
Total Application Fees	1,584,530	1,078,000

This revenue relates to payments for consideration and determination of applications for activities involving genetically modified organisms.

9. Conference Fees

Description	2021-2022	2020-2021
	Kshs	Kshs
Conference Fees	2,354,506	1,203,443
Total Conference Fees	2,354,506	1,203,443

This revenue relates to payments towards the Annual Scientific Conference.

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Notes to the Financial Statements (Continued)

10. Use of Goods and Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Electricity & Water	1,950	0
Security & Cleaning	1,260,328	1,000,011
Professional Services	459,000	69,000
Advertising & Branding	1,421,868	901,605
Audit Fees	1,740,000	580,000
Bank Charges	213,645	113,206
Catering Services	1,504,529	1,103,458
Conferences & Seminars	7,795,175	2,987,598
Computer Accessories	634,219	802,797
Consulting Fees	1,162,400	1,722,640
Cleaning Materials	190,636	878,851
CSR	300,800	148,896
Fuel & Oil	1,998,567	869,956
General Office	39,620	43,350
Insurance	8,756,942	9,336,453
Internet	700,851	711,094
Legal Expenses	0	55,400
Postage	52,005	34,106
Printing, Publishing & Newspapers	941,206	871,532
Rental	9,133,655	8,714,860
Reagents & Market Surveillance	2,505,106	2,877,911
Stationery	473,726	534,513
Telecommunications	1,848,000	1,748,680
Training	7,611,807	2,943,689
Travel, Subsistence & Other Allowances	14,538,444	2,690,235
Uniform & Other Clothing	30,000	79,800
Total Use of Goods and Services	65,314,479	41,819,641

10 (a) Use of Goods and Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Total Use of Goods and Services	65,314,479	41,819,641
Accrued Audit Fees 2022	580,000	0
Total Use of Goods and Services Paid in Cash	64,734,479	41,819,641

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11. Employee Cost

Description	2021-2022	2020-2021
	Kshs	Kshs
Salaries and Wages	34,143,599	31,318,606
Employer contribution to pension schemes	2,657,941	2,826,578
Transport Allowances	6,501,914	6,153,136
House Allowance, Responsibility, Acting, Entertainment, Leave, Extraneous & Transfer Allowances	23,193,443	22,267,737
Gratuity	8,056,826	9,033,686
CEOs Salary	5,834,666	6,699,713
Staff Welfare	2,084,970	0
Total Employee costs	82,473,359	78,299,456

11 (a) Employee Cost

Description	2021-2022	2020-2021
	Kshs	Kshs
Total Employee Cost	82,473,359	78,299,456
Accrued Employee Cost 2022	2,102,063	6,702,681
Total Employee Cost Paid in Cash	80,371,296	71,596,775

12. Board Expenses

Description	2021-2022	2020-2021
	Kshs	Kshs
Chairman Honoraria	960,000	880,000
Sitting Allowances	3,620,000	1,220,000
Lunch Allowances	176,000	50,000
Mileage Allowances	311,935	26,009
Accommodation Allowances	1,565,200	509,600
Board Training	1,929,502	240,000
Board Travel Allowances	611,281	70,894
Airtime for Board Chair	84,000	70,000
Board Insurance	166,301	0
Total Board Expenses	9,424,219	3,066,503

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Notes to the Financial Statements (Continued)

13. Depreciation and Amortization Expense

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, plant and equipment	6,807,118	4,557,642
Intangible assets	0	0
Investment property carried at cost	0	0
Total depreciation and amortization	6,807,118	4,557,642

14. Repairs and Maintenance

Description	2021-2022	2020-2021
	Kshs	Kshs
Buildings	89,058	677,711
Vehicles	1,699,371	1,235,366
Furniture & Fittings	0	0
Computer Accessories	709,919	1,007,467
Others	79,150	53,290
Total Repairs and Maintenance	2,577,498	2,973,834

15 Project Expenses

Description	2021-2022	2020-2021
	Kshs	Kshs
Program for Biosafety Systems (PBS)	4,918,776	750,203
ERAfrica	580,000	1,089,065
Food & Agriculture Organisation (FAO)	0	4,522,382
National Research Fund (NRF)	96,000	1,507,487
CORTEVA	1,816,200	518,000
UNEP GEF	2,939,200	0
Total Project Expenses	10,350,176	8,387,137

15 (a) Project Cost

Description	2021-2022	2020-2021
	Kshs	Kshs
Total Project Cost	12,802,889	9,626,923
Accrued Project Cost 2022	(2,452,713)	(1,239,786)
Total Project Cost Paid in Cash	10,350,176	8,387,137

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Notes to the Financial Statements (Continued)

16. Remission to National Treasury

Description	2021-2022	2020-2021
	Kshs	Kshs
Remission to National Treasury	0	0

17. Cash and Cash Equivalents

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Account	33,741,165	57,843,848
Savings Account	0	0
On - Call Deposits	0	0
Fixed Deposits Account	0	0
Staff Car Loan/ Mortgage	0	0
Others	0	0
Total Cash And Cash Equivalents	33,741,165	57,843,848

17 (a) Detailed Analysis of the Cash and Cash Equivalents

Description		2021-2022	2020-2021
Financial Institution	Account number	Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1119845858	33,741,165	57,843,848
Sub- Total		33,741,165	57,843,848
b) On - Call Deposits			
Kenya Commercial Bank		0	0
Sub- Total		0	0
c) Fixed Deposits Account			
Kenya Commercial Bank		0	0
Sub- Total		0	0
d) Staff Car Loan/ Mortgage			
Kenya Commercial Bank		0	0
Sub- Total		0	0
e) Others			
Cash In Transit		0	0
Cash In Hand		0	0
Mobile Money Accounts		0	0
Sub- Total		0	0
Grand Total		33,741,165	57,843,848

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Notes to the Financial Statements (Continued)

18. Property, Plant and Equipment

Description	Land Kshs	Buildings Kshs	Motor vehicles Kshs	Furniture and fittings Kshs	Computers Kshs	Lab Equipment Kshs	Capital Work in progress Kshs	Total Kshs
Cost								
As At 1 July 2020	-	-	28,549,773	22,264,298	9,427,981	-	-	60,242,052
Additions	-	-	-	10,934,993	3,719,216	11,175,899	-	25,830,108
Disposals	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-
As At 30th June 2021	-	-	28,549,773	33,199,291	13,147,197	11,175,899	-	86,072,160
Additions	-	-	0	6,982,417	1,940,451	2,242,192	-	11,165,060
Disposals	-	-	0	0	0	0	-	0
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30th June 2022	-	-	28,549,773	40,181,708	15,087,648	13,418,091	-	97,237,220
Depreciation And Impairment								
At 1 July 2020	-	-	(18,201,325)	(18,053,407)	(7,867,835)	-	-	(44,122,567)
Depreciation	-	-	(2,069,690)	(2,051,082)	(424,852)	(12,018)	-	(4,557,642)
Impairment	-	-	-	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-	-	-	-
As At 30 June 2021	-	-	(20,271,015)	(20,104,489)	(8,292,687)	(12,018)	-	(48,680,209)
Depreciation	-	-	(2,069,690)	(2,167,580)	(1,575,912)	(993,936)	-	(6,807,118)
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30th June 2022	-	-	(22,340,705)	(22,272,069)	(9,868,599)	(1,005,954)	-	(55,487,327)

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Description	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Lab Equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Cost								
Net Book Values								
As At 30 th June 2021	-	-	8,278,758	13,094,802	4,854,510	11,163,881	-	37,391,951
As At 30 th June 2022	-	-	6,209,068	17,909,639	5,219,049	12,412,137	-	41,749,893

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Notes to the Financial Statements (Continued)

18 (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	-	-	-
Plant And Machinery	13,418,091	1,005,954	12,412,137
Motor Vehicles, Including Motorcycles	28,549,773	22,340,705	6,209,068
Computers And Related Equipment	15,087,648	9,868,599	5,219,049
Office Equipment, Furniture, And Fittings	40,181,708	22,272,069	17,909,639
Total Property Plant and Equipment	97,237,220	55,487,327	41,749,893

Property plant and Equipment includes the following assets that are fully depreciated:

Description	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	-	-
Motor Vehicles including Motorcycles	18,201,325	4,550,331
Computers and Related Equipment	-	-
Office Equipment, Furniture and Fittings	-	-
Total Property Plant and Equipment	18,201,325	4,550,331

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Notes to the Financial Statements (Continued)

19. Trade and Other Payables

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade payables	792,506	2,747,416
Payments received in advance	-	-
Employee payables	-	-
Third-party payments	-	-
Other payables	-	-
Total trade and other payables	792,506	2,747,416

20. Refundable Deposits and Contract Retention Money

Description	2021-2022	2020-2021
	Kshs	Kshs
Contract Retention Money	2,395,651	2,036,089
Prepayments	0	0
Other deposits	0	0
Payments received in advance	0	0
Total Refundable deposits and contract	2,395,651	2,036,089

21. Current Provisions

Description	Audit Fees	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance b/f	1,740,000	4,467,752	-	6,207,752
Additional provisions	580,000	2,102,063	-	2,682,063
Provision utilised	(1,160,000)	(4,467,752)	-	(5,627,752)
Change due to discount and time value for money	-	-	-	-
Transfers from non-current provisions	-	-	-	-
Total provisions year end	1,160,000	2,102,063	-	3,262,063

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Notes to the Financial Statements (Continued)

22. Deferred Income

Description	2021-2022	2020-2021
	Kshs	Kshs
Program for Biosafety Systems (PBS)	1,292,642	261,956
ERAfrica	0	589,446
National research Fund (NRF)	0	824,046
CORTEVA	0	933,259
Total Deferred Income	1,292,642	2,608,707

The deferred income movement is as follows:

Description	National government	International funders	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance Brought Forward	-	2,608,707	-	2,608,707
Additions	-	8,120,862	-	8,120,862
Transfers To Capital Fund	-	-	-	-
Transfers To Income Statement	-	(9,436,927)	-	(9,436,927)
Other Transfers	-	-	-	-
Balance Carried Forward	-	1,292,642	-	1,292,642

Retirement benefit Asset/ Liability

a) Amounts recognised in the Statement of Financial Position

The Authority also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Authority's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. 200 per employee per month. Other than NSSF the Authority also has a defined contribution scheme operated by ICEA LION Pension Fund. Employees contribute 5% while employers contribute 10% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

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Notes to the Financial Statements (Continued)

23. Cash Generated from Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Surplus for the year before tax	(19,974,094)	4,107,850
Adjusted for:		
Depreciation	6,807,118	4,557,642
Additions to provisions	(2,682,063)	2,120,611
Working capital adjustments		
Increase/decrease in deferred income	1,316,068	-
Increase/decrease in payables	1,954,910	3,342,284
Increase/decrease in Retention Money	(359,562)	-
Net cash flow from operating activities	(12,937,623)	14,128,387

24. Financial Risk Management

The Authority's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Authority's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Authority does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Authority's financial risk management objectives and policies are detailed below:

i) Credit risk

The Authority has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Authority's management based on prior experience and their assessment of the current economic environment.

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Financial Risk Management

The carrying amount of financial assets recorded in the financial statements representing the Authority'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
As at 30 June 2022				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	33,741,165	33,741,165	0	0
Total	33,741,165	33,741,165	0	0
As at 30 June 2021				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	57,843,848	57,843,848	0	0
Total	57,843,848	57,843,848	0	0

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Notes to the Financial Statements (Continued)

ii) Liquidity risk management

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

The table below represents cash flows payable by the Authority 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.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2022				
Trade payables	462,506	330,000	-	792,506
Current portion of borrowings	-	-	-	-
Provisions	3,262,063	-	-	3,262,063
Deferred income	1,292,642	-	-	1,292,642
Employee benefit obligation	-	-	-	-
Total	5,347,211	-	-	5,347,211
As at 30 June 2021				
Trade payables	2,747,416	-	-	2,747,416
Current portion of borrowings	-	-	-	-
Provisions	6,207,752	-	-	6,207,752
Deferred income	2,628,707	-	-	2,628,707
Employee benefit obligation	-	-	-	-
Total	11,253,875	330,000	-	11,583,875

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Notes to the Financial Statements (Continued)

iii) Capital Risk Management

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Reserves	30,282,003	30,282,003
Retained Earnings	37,446,193	51,353,832
Capital Reserve	-	-
Total Funds	67,728,196	81,635,835
Total Borrowings	-	-
Less: Cash And Bank Balances	33,741,165	57,843,848
Net Debt/(Excess Cash And Cash Equivalents)	33,741,165	57,843,848
Gearing	49%	71%

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Notes to the Financial Statements (Continued)

25. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

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

Other related parties include:

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Transactions with related parties		
a) Grants /transfers from the government		
Grants from National Govt	144,900,000	134,900,000
Grants from county Government	0	0
Donations in kind	0	0
Total	144,900,000	134,900,000
b) Key management compensation		
Directors' emoluments	9,424,219	3,066,503
Compensation to key management	10,577,220	16,099,957
Total	20,001,439	19,166,460

Description	2021-2022	2020-2021
	Kshs	Kshs
Key Management Remuneration		
CEOs Salary	5,834,666	6,699,713
Director Technical Services Salary	4,742,554	2,201,268
Director Finance and Administration	0	4,321,718
Corporation Secretary & Director Legal	0	2,877,258
Total Remuneration of Key Management	10,577,220	16,099,957

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Description	2021-2022	2020-2021
No. of Key Management		
CEO	1	1
Director Technical Services	1	1
Director Finance and Administration		1
Corporation Secretary & Director Legal		1
Total No. of Key Management	2	4

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Notes to the Financial Statements (Continued)

26. Surplus Remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The Authority did not make any surplus during the year (Financial Year 2021 Nil) and hence no remittance to the Consolidated Fund. The amount appearing as Surplus in the Statement of Financial Performance relate to activities that have been packed and carried forwards to the following Financial Year.

The Surplus Remission has been computed as follows:

Description	2021-2022	2020-2021
	Kshs	Kshs
Surplus for the period	0	0
Less: Allowable deductions by NT	0	0
90% Computation (Included in Statement of Financial Performance)	0	0

Surplus Remission Payable

	2021-2022	2020-2021
	Kshs	Kshs
Payable at the beginning of the year	0	0
Paid during the year	0	0
Payable at end of the year	0	0

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Notes To the Financial Statements (Continued)

27. Events after the Reporting Period

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

28. Ultimate And Holding Entity

The Authority is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

29. Currency

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

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19. Appendix

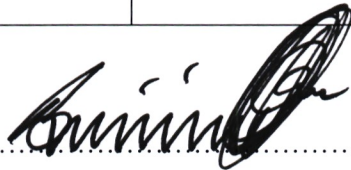
Appendix 1: Implementation Status of Auditor-General's Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Unconfirmed Cash and Cash Equivalents Balances	Management has continued to pursue the bank on the issue of inward swift transfers into the Authority's bank account.	Resolved	Financial Year 2022/23
2.	Inaccuracies in the Financial Statements	Management reconciled the statement of comparison of budget and actual amounts to reflect the correct position.	Resolved	Financial Year 2021/2022
3.	Inaccuracies in the Statement of Cash Flows	Management reconciled the statement of cash flows and reflected the correct amounts in the report.	Resolved	Financial Year 2021/2022
4.	Unsupported Adjustments to Retained Earnings	Management is currently engaging the relevant bodies for guidance on how to resolve the issue.	Not Resolved	Financial Year 2022/2023
5.	Unconfirmed Deferred Income Movement	Management has reconciled the deferred income and presented a schedule in the financial statements of the movement.	Resolved	Financial Year 2021/2022

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
6.	Unsupported Contractors Retention Money	Supporting Schedules of the contraction retention money submitted during the audit exercise.	Resolved	Financial Year 2021/2022



.....
**CHIEF EXECUTIVE OFFICER
 NATIONAL BIOSAFETY AUTHORITY**

Date..... 06/03/2023

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Appendix II: Projects implemented by National Biosafety Authority

Projects implemented by the Authority Funded by development partners and/ or the Government.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
	N/A	N/A	N/A	N/A	N/A	N/A

Status of Projects completion

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
N/A	N/A	N/A	N/A	N/A	N/A	N/A

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Appendix III: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Education	09/08/2021	Recurrent	36,225,000	36,225,000	-	-	-	-	36,225,000
Ministry of Education	02/11/2021	Recurrent	36,225,000	36,225,000	-	-	-	-	36,225,000
Ministry of Education	17/02/2022	Recurrent	36,225,000	36,225,000	-	-	-	-	36,225,000
Ministry of Education	28/04/2022	Recurrent	36,225,000	36,225,000	-	-	-	-	36,225,000
Total			144,900,000	144,900,000	-	-	-	-	144,900,000

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Appendix V- Inter-Entity Confirmation Letter

National Biosafety Authority
Box 2825-00100 Nairobi

The National Biosafety Authority wishes to confirm the amounts disbursed to you as at 30th June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by National Biosafety Authority as at 30 th June 2022						
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (KShs) as at 30 th June 2022			Amount Received by National Biosafety Authority (KShs) as at 30 th June 2022 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)		
N/A						
Total						

I confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary Entity:

Name Sign Date

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Appendix VI: Reporting of Climate Relevant Expenditures

NATIONAL BIOSAFETY AUTHORITY
 Telephone Number: 0713854132
 info@biosafetykenya.go.ke
 DR. ROY B. MUGIIRA

Name and contact details of contact person (in case of any clarifications) ...N/A.....

Project Name	Project Description	Project Objectives	Project Activities	Source Of Funds				Implementing Partners
				Q1	Q2	Q3	Q4	
N/A	N/A	N/A	N/A					

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Appendix VII: Disaster Expenditure Reporting Template

Date:										
Entity										
Period to which this report refers (Financial Year)	Year	Quarter								
Name of Reporting Officer										
Contact details of the reporting officer:	Email	Telephone								
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII				
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments				
N/A	N/A	N/A								