

REPUBLIC OF KENYA



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THE NATIONAL ASSEMBLY	
REPORT	
DATE: 18 APR 2023	TUESDAY
TABLED BY:	Hon. Dwen Baya MP Deputy Leader, Majority
CLERK-AT THE TABLE:	Ann Shubuko

THE AUDITOR-GENERAL

ON

KENYA ACCREDITATION SERVICE

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

OFFICE OF THE AUDITOR GENERAL
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**Kenya
Accreditation
Service**
... Delivering Trust

KENYA ACCREDITATION SERVICE (KENAS)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

Kenya Accreditation Service (KENAS)
Annual Report and Financial Statements
For the year ended June 30, 2022.

Kenya Accreditation Service (KENAS)
Annual Report and Financial Statements
For the year ended June 30, 2022.

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Kenya Accreditation Service (KENAS)

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1. Key Entity Information and Management

(a) Background information

The Kenya Accreditation Service (KENAS) was established under the Kenya Accreditation Service Act, 2019. KENAS is domiciled in Kenya and has one office located in Nairobi.

KENAS is a State Corporation under the State Department of Industrialization in the Ministry of Industrialization, Trade and Enterprise Development. The KENAS institutional structure is comprised of The Board of Directors, the Accreditation Advisory Committees, the Chief Executive Officer, three (3) directorates, twelve (12) departments, nine (9) divisions, and four (4) units/sections. KENAS also has an Accreditation Tribunal, which is made up of independent persons who hear appeals regarding accreditation decisions.

(b) Principal Activities

The principal mandate of KENAS is to accredit and exercise oversight over organisations (both private and public) that carry out conformity assessment activities. These organisations include; testing laboratories, calibration laboratories, medical laboratories, certification bodies, inspection and verification bodies.

Vision Statement	A symbol of trust in quality, safety, and environmental assurance
Mission Statement	To provide greater confidence in accredited conformity assessment services to businesses, government, regulators, consumers, and the public
Value Proposition	<i>Delivering Trust</i>
Core Values	The core values of KENAS are enshrined in the acronym iPace– Integrity, Professionalism, Accountability, Client-focused and Excellence

(c) Key Management

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

- Board of Directors;
- Accounting officer/ CEO; and
- Delegated Management Staff assigned fiduciary responsibilities.

(d) Fiduciary Management

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

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No	Designation	Name
1.	Chief Executive Officer	Mr. Martin Chesire
2.	Chief Manager Inspection and Certification	Ms. Susannah Munyiri-Ochieng
3.	Chief Manager Corporate Services	Mr. John Mburu Kamau
4.	Ag. Chief Manager Laboratories	Ms. Felista Kerubo Nyakoe
5.	Manager Finance and Accounts	Mr. Henry Wandabwa
6.	Manager Internal Audit	Mr. Elijah Kandie
7.	Ag. Manager Supply Chain Management	Ms. Flormina Ngina Musee
8.	Ag. Manager Scheme Development, Training and Advocacy	Mr. Stanslaus A. Masinza

(e) Fiduciary Oversight Arrangements

The key fiduciary oversight arrangements at KENAS were as follows;

Audit and Risk Assurance Committee (ARC)	Oversees the KENAS internal controls and systems efficiency while ensuring compliance to all applicable laws and regulations. The current members are: 1. Ms. Nancy Muriuki (Chairperson) 2. Mr. Duncan Nyale (Member) 3. Ms. Stella Osoro (Member)
Finance and Investment Committee (FIC)	Oversees the Finance and Procurement operations. The current members are: 1. Mr. Danson Ngaari (Chairperson) 2. Ms. Stella Osoro (Member) 3. Ms. Patricia Aruwa (Member) 4. Mr. Martin Chesire (CEO & Member)
Human Resource Committee (HRC)	Oversees Human Resource and Administrative Policies and Strategies. The current members are: 1. Mr. Duncan Nyale (Chairperson) 2. Mr. Alex Gatundu (Member) 3. Ms. Patricia Aruwa (Member) 4. Mr. Martin Chesire (CEO & Member)

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Technical and Strategy Committee (TEC)	Oversees the Core business of KENAS. The current members are: 1. Mr. Alex Gatundu (Chairperson) 2. Ms. Nancy Muriuki (Member) 3. Mr. Danson Ngaari (Member) 4. Ms. Patricia Aruwa (Member) and/or 5. Ms. Stella Osoro (Member) 6. Mr. Martin Chesire (CEO & Member)
Parliamentary Oversight Committees	Performs the oversight role on behalf of the Public



- (f) **KENAS Headquarters**
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Longonot Road, Upper Hill
Nairobi, KENYA
- (g) **KENAS Contacts**
Telephone: +254 725 227 640
Email: md@kenyaaccreditation.org and
info@kenyaaccreditation.org
Website: www.kenas.go.ke
- (h) **KENAS Bankers**
Kenya Commercial Bank
Kipande Branch
P.O. Box 30012
GPO 00100
Nairobi, KENYA
- (i) **Independent Auditors**
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, KENYA
- (j) **Principal Legal Adviser**
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, KENYA

2. The Board of Directors

No.	Directors	Details
1.	 <p data-bbox="300 869 651 936">Mrs. Evah Adega Oduor MBA, MSc, BSc, QI</p>	<p data-bbox="681 477 1422 884">Ms. Evah Adega Oduor was born in 1957. She holds an MSc in Biochemistry, a Masters in Business and Administration and a BSc in Biochemistry from the University of Nairobi. Evah is a Standards and Quality Infrastructure Expert with 20 years experience currently working with Physikalische Technische Bundesanstalt (PTB) as a Quality Infrastructure Expert on a project dealing with Up-grading of Quality Infrastructure in Africa for the Organisational development of Africa Standardization Electrotechnical Commission (AFSEC).</p> <p data-bbox="681 913 1422 1317">Evah is an Independent Consultant/ Director IEC Africa Regional Centre, Nairobi, Kenya. She has immensely contributed to Standards Development, International Trade and Quality Assurance Training in Standardisation and Conformity Assessment. She has helped design Quality Policy frameworks for Sudan, South Sudan and developed the COMESA Strategic Plan for Standardization and Quality Assurance (ACP-EU TBT Programme) She was appointed the Chairperson of the KENAS Board in October 2021.</p>
2.	 <p data-bbox="300 1776 662 1881">Dr. Nancy N. Muriuki, PhD, MBA, BCom. Dip., CPS(K)</p>	<p data-bbox="681 1388 1422 1915">Dr. Nancy Muriuki was born in 1963. She holds a PhD in Organisational Leadership from Regent University USA, an MBA from the University of Nairobi, a Certified Secretary (CS) from KASNEB, a Bachelor of Commerce (Business Administration) from the University of Nairobi and a Diploma in Management from the Kenya Institute of Management. She is a member of the Institute of Human Resources Management of Kenya (IHRM-K) and Institute of Certified Secretaries (ICS) and is an adjunct lecturer at the Pan Africa Christian University (PAC) in Nairobi. She is the founding Director of Africa Success Enhancement Lab (ASEL), which provides training on corruption prevention through servant leadership.</p>



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No.	Directors	Details
		<p>Nancy's areas of expertise include Governance and Leadership, Human Resource Management/ Development, and Corporate Secretarial Practice and has over 32 years of experience. She is an independent Director, is the current Chair of the Audit & Risk Assurance Committee and was the immediate past Chair of the Finance & Investment Committee up to and including Q3;2021/2022.</p>
3.	 <p>Mr. Danson M. Ngaari, MBA, BSc. Global Health, PGDipCDTech.</p>	<p>Mr. Danson M. Ngaari was born in 1962. He has a Master's of Business and Administration (International Business) from the open University of Malaysia, Bachelor of Global Contemporary Health from the University of Hertfordshire U.K), Postgraduate Diploma in Dental Technology from the Kenya Medical Training Institute and Pre-clinical Studies from the University of Nairobi. He has over 20 years of experience in management, institutional leadership, and Governance.</p> <p>Danson is a member of the Kenya Dental Technologist Association and various community Associations. He is an independent Director at KENAS, is the current Chair of the Finance & Investment Committee and the immediate past Chair of the Human Resource & Administration Committee up to and including Q3: 2021/2022.</p>
4.	 <p>Mr. Alex Gatundu, LLM, Dip.LLB</p>	<p>Mr. Alex Gatundu was born in 1973. He has a Bachelor of Law (LLB) degree from the University of Nairobi and a Diploma of Law from the Kenya School of Law. He was admitted to the roll of Advocates in December 1998, and he specialises in Civil and Commercial law practice. He has 22 years' experience in Law practice, and he is the Managing Partner of Gatundu & Co Advocates He is a Certified Retirement Benefits Trustee and has held several leadership positions at the African Bar Association (Kenya Forum) and the Law Society of Kenya.</p> <p>Alex was appointed as an independent Director in January 2020. He is the current Chair of the Technical & Strategy</p>



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No.	Directors	Details
		Committee and the Immediate past Chair of the Audit & Risk Assurance Committee up to and including Q3:2021/2022.
5	 <p>Mr. Duncan Nyale, Msc.IT, BSc. IT, Dip.IT</p>	<p>Mr. Duncan Nyale was born in 1980. He holds a MSc in Information Systems from Kisii University, a Bsc in Information Technology and a Diploma in Information Technology from the Jomo Kenyatta University of Agriculture and Technology. He is a seasoned Technical, Public Policy and Administration advisor with over 15 years' experience in Corporate Governance, Information and Communication Technologies (ICT) and Education.</p> <p>Duncan is a Lecturer and a former Ag. Director of the Directorate of Computing and e-Learning at the Cooperative University of Kenya. He was appointed as an independent Director in January 2020. He is the current Chair of the Human Resource & Administration Committee and the Immediate past Chair of the Technical & Strategy Committee up to and including Q3:2021/2022.</p>
6	 <p>Ms. Stella Osoro, MA, BA, CPA(K)</p>	<p>Ms. Stella Osoro was born in 1984. She has a Master of Arts in Economics and a Bachelor of Arts in Economics from the University of Nairobi. She is a Certified Public Accountant of Kenya (CPA-K). She Currently works at the National Treasury and Planning as a Principal Economist.</p> <p>Stella was appointed alternate to the PS, National Treasury in the year 2015. She is an experienced Public Sector Economist and Accountant. She is a member of the Audit Risk & Assurance, Finance & Investment, and Technical & Strategy Committees of the Board.</p>



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No.	Directors	Details
7.	 <p data-bbox="312 752 587 819">Ms. Patricia Aruwa, MA-Dev, BSc.</p>	<p data-bbox="708 409 1425 689">Ms. Patricia Aruwa was born in 1968, She holds a Bachelor's Degree in Agriculture and Home Economics from Egerton University and a Master's Degree in Development Studies from the University of Nairobi. She has also undertaken various training courses including Project Planning, Environmental Governance, Leadership and Management.</p> <p data-bbox="708 723 1425 1081">Patricia has 29 years in Public Service, 10 years of these having been in monitoring and evaluation. She currently serves in the Business Environment and Private Sector Development Directorate of the State Department for Industrialization. She is the Alternate to the PS State Department for Industrialization since November 2021 and is a member of the Finance & Investment, Human Resources & Administration and Technical & Strategy Committees of the Board</p>
8.	 <p data-bbox="312 1520 552 1588">Mr. Simon Atebe, MBA, BSc.</p>	<p data-bbox="691 1155 1425 1395">Mr. Atebe was born in 1962. He has a Bachelor of Science degree and a Master's in Business and Administration. He has 30 years in Civil Service, offering his expertise in Food Safety at the office of the Government Chemist and expertise in industrial development at the Ministry of Industrialization, Trade and Enterprise Development.</p> <p data-bbox="691 1429 1425 1709">Simon has undertaken several short-term training programmes during his work experience in Environmental Management, Prohibition of chemical weapons chemical databases, Agriculture, Strategic Leadership and management locally and internationally. He served as the Alternate to the PS State Department for Industrialization up to October 2021</p>

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No.	Directors	Details
9.	 <p>Mr. Martin Chesire, EMBA, MSc. BSc., CQP(UK), MIoD(K)</p>	<p>Mr. Martin Chesire was born in 1973 He has a Master of Science in Quality Management and Business Excellence from the University of Stirling (Scotland) an Executive Master of Business and Administration in International Management from the University of Geneva (Switzerland) and a Bachelor of Science from Moi University. He is a quality infrastructure professional with over 20 years working with national, regional and international organisations and development partners.</p> <p>Martin is a Chartered Quality Professional (U.K.), a member of the Chartered Quality Institute (U.K.) and a member of the Institute of Directors of Kenya. He is the Chief Executive Officer, an executive Board member and a member of the Human Resources & Administration, Finance & Investment and Technical & Strategy Committees of the Board.</p>
10.	 <p>Mr. Francis Olalo, MA, LLB, CPS</p>	<p>Mr. Olalo was born in 1970. He has a Master of Arts in Economics from Punjab University and a Bachelor of Law Degree from Goa University and is an advocate of the High Court of Kenya. Admitted to the Roll of Advocates in 2001, he has over 20 years of experience in legal practice.</p> <p>Francis is a partner at Rachier and Amollo Advocates LLP and an expert in conveyancing and land matters, and heads the conveyancing department at the firm. He is the firm's head of Company Secretarial Practice. He also possesses a vast wealth of knowledge in Banking, Securities, Tenant and Contract law.</p>

3. Management Team

No.	Management	Details
1.	 <p>Martin Chesire Chief Executive Officer EMBA, MSc. BSc., CQP(UK), MlOD(K)</p>	<p>Martin is responsible to the Board of Directors for the implementation of KENAS strategic goals, prudent management of resources, giving direction and leadership in the achievement of KENAS mission and strategic objectives.</p>
2.	 <p>Susannah Munyiri-Ochieng Chief Manager, Inspection and Certification MBA, BSc., Dip. QI, MlOD(K)</p>	<p>Susannah is responsible to the Chief Executive Officer for strategic leadership for the accreditation of Certification, Inspection and Verification bodies and the promotion of internationally recognized accreditation in line with the Kenya Accreditation Service Act 2019, EAC SQMT Act 2006 and Mutual Recognition Agreements for facilitation of trade, economic performance, enhancement of health, safety, and protection of the environment.</p>
3	 <p>John Kamau Chief Manager, Corporate Services MBA, BCom., CPA(K), CPS(K)</p>	<p>John is responsible to the Chief Executive Officer for providing strategic leadership, expert advice and input to KENAS to ensure optimal utilisation and management of KENAS resources. Provides accountability in the functional areas of Finance and Accounts, ICT, and Human Resource (HR) and Administration to enable KENAS to effectively perform its mandate.</p>


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No.	Management	Details
4.	 <p>Felista Kerubo Nyakoe Ag. Chief Manager, Laboratories MBA, BSc., M-ESALAMA</p>	<p>Felista is responsible to the Chief Executive Officer for strategic leadership for the accreditation of Testing, Medical and Calibration laboratories, and the promotion of internationally recognized accreditation in line with the Kenya Accreditation Service Act 2019, EAC SQMT Act 2006 and Mutual Recognition Agreements for facilitation of trade, economic performance, enhancement of health, safety, and protection of the environment.</p>
5.	 <p>Henry Wandabwa Manager, Finance and Accounts MBA, BCom., CPA(K)</p>	<p>Henry is responsible for budget and budgetary control, working capital management, financial reporting, development and implementation of sound accounting and financial management systems in line with Public Financial Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS).</p>
6	 <p>Stanslaus A. Masinza Ag. Manager, Scheme Development, Training and Advocacy MSC, BSc, PGDSc, M-ISTRA</p>	<p>Stanslaus is responsible to the Chief Executive Officer in offering advice regarding new scheme development, conformity assessment training, corporate communication and advocacy activities in line with the Kenya Accreditation Service Act 2019, EAC SQMT Act 2006 and Mutual Recognition Agreements for facilitation of trade, economic performance, enhancement of health, safety, and protection of the environment.</p>

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No.	Management	Details
7.	 <p>Flormina Musee Ag. Manager, Supply Chain Management MBA, BBA, MCIPS (UK), MKISM</p>	Flormina is responsible for undertaking procurement of goods, works and services and management of inventories and disposal of assets in accordance with the Provision of Public Procurement and Asset Disposal Act (PPADA) 2015. She is also responsible for the implementation of Procurement Policies, Procedures and Processes.
8.	 <p>Elijah Kandie Manager, Internal Audit BBM, CPA(K), MIIA(K)</p>	Elijah is responsible for planning and implementing Internal Audit Strategy that provides independent, objective assurance of the organisations Policies, Systems and Processes, aimed at improving the operations of KENAS and establishing risk management controls and governance processes.
9.	 <p>Mr. Francis Olalo Corporation Secretary LLB, CPS</p>	Francis provides guidance to the Board on their duties, responsibilities and on matters of governance. He assists in Board Induction, training, updating of committee charters, preparation of Board Work-plans, board papers, and board evaluation. He is also responsible for ensuring that governance audits are carried out.

4. Chairpersons Statement

On behalf of the Board of Directors, Kenya Accreditation Service (KENAS) I am delighted to present KENAS Annual Report and Financial Statement for the Financial Year 2021/2022.

For the past few years, the resources allocated to, KENAS have been significantly constant, however, during the year under review KENAS saw the approval of the Enhancement of Accreditation Programme in Kenya (EAP-K) by The National Treasury (TNT) with a budget of Kshs. 427 million over a three-year period. KENAS received an additional allocation of Kshs. 35 million to facilitate the relocation to new premises.

In the period under review KENAS implemented post COVID- 19 recovery strategies by carrying out remote assessments, virtual trainings and enhancing service delivery through automation which helped to clear the significant backlog, occasioned by the COVID -19 restrictions imposed in Kenya and around the world.

In the pursuit of KENAS ensuring that there is continuous implementation of the Human Resource Instruments and enhancing the capacity of Human Resource available, the Board filled three (3) vacancies in middle management namely Principal Legal Officer, Principal ICT Officer and Principal Marketing & Communication Officer.

KENAS continued to participate in the formulation and review of accreditation policies, guidelines, and standards on international and regional activities through active participation in international fora organised and hosted by International Accreditation Forum (IAF), the International Laboratory Accreditation Cooperation (ILAC) and the African Accreditation Cooperation (AFRAC).

In the year under review, KENAS steered through several challenges that greatly affected operational and financial performance. These were:

1. Board Quorum: Due to the vacant position in the Board, members had to be significantly stretched to meet quorum in constituting Committees. This was addressed in Quarter two (2) of the Fiscal Year with the appointment of a Board Chairperson and the alternate director to the PS state department of industrialization.
2. Slow uptake in accreditation due to the lack of financial and human resource required to give impetus to accreditation activities within the country and beyond. The limited resources posed a challenge in building strategic partnerships with learning institutions, regulators and other key stakeholders.

The constant communication between KENAS and the Ministry of Industrialization, Trade and Enterprise Development has yielded additional resources to be dispensed in the FY 2022/2023.

The Accreditation Appeals Tribunal is fully operationalized and received its first appeal during the FY 2021/2022 and Kshs. 2,716,834 was used in funding their activities. The Tribunal has been allocated Kshs. 10Million in the FY 2022/2023.

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Moving forward, the Board aims to build a more resilient and sustainable organization that will move to greater heights in line with our vision. The Board will continue to support management to fulfil its Strategic Plan.

Finally, I would like to most sincerely thank the Board Committee Chairs, the Board members, and Management who led to KENAS success in the past year through their constant dedication and commitment. I also wish to extend my sincere gratitude to the Ministry of Industrialization, Trade and Enterprise Development for readily collaborating and assisting the Board and KENAS at every available opportunity.



Mrs. Evah Oduor

Chairperson of the Board

Date.....23-12-2022

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5. Report of the Chief Executive Officer

In compliance with the Public Finance Management Act 2012, KENAS has prepared the report of its operations for the Financial Year (FY) 2021/2022. This report is based on the activities and initiatives undertaken throughout the period under review. Therefore, with great pleasure, I present the 12th Annual Report and Financial Statements for the year ended 30th June 2022 for Kenya Accreditation Service (KENAS).

In the year under review, the focus of Management was directed at ensuring that there was significant monetary allocation for the promotion of accreditation in Kenya. The management during the year then drafted funding proposals and ultimately received approval of Kshs. 427 million for the Enhancement of Accreditation Program in Kenya Project, over a three-year period. The Project constitutes several components as highlighted below:

- i. Component 1- Development and Roll out New Accreditation Schemes
- ii. Component 2- Broaden scopes under Accreditation Schemes
- iii. Component 3- Develop and Roll out Accreditation Management Information Systems
- iv. Component 4- Develop and Roll out E-learning Systems
- v. Component 5- Develop and Roll out Marketing Communication Strategy
- vi. Component 6- Project Monitoring and Evaluation

The project aims at expanding and developing new accreditation services in order to address emerging needs and government initiatives, enhancement of marketing services, enhancement of training services and ensure continued financial sustainability. The approval of the project by TNT has served as a significant achievement for KENAS and all its stakeholders especially with the impact that this is expected to have.

During the year KENAS took interest in the continued implementation of the Human Resource Instruments. In this regard five (5) employees were recruited; three (3) being Board positions and two (2) being management positions namely: Accountant and Accreditation Officer

KENAS advanced accreditation activities within and outside the country and successfully transferred three (3) Conformity Assessment Bodies (CABs) from foreign Accreditation Bodies. Similarly, KENAS received and processed sixty-three (63) applications for accreditation and extensions of scope, undertook two hundred and fifty-nine (259) assessments and accredited twenty-three (23) new Conformity Assessment Bodies (CABs). Overall, this expanded the network of accredited bodies to a total two hundred and forty-seven (247) compared to two hundred and thirty-seven (237) in the preceding year. The FY 2021/2022 saw the continued expansion within the East African region, which now stands at (21) clients from the United Republic of Tanzania, (04) from Rwanda, (09) from Uganda, and (01) Gambia, (01) Sudan, (01) South Sudan, (02) Ghana and (03) Somalia. There were two (02) withdrawals in the year.

KENAS delivered thirty-nine (39) trainings and cumulatively trained one hundred and twenty-four (124) individuals from diverse sectors of the economy. This is in line with the KENAS Strategic Plan

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2020-2024 aimed at increasing Knowledge transfer and enhancing capacity within the Quality Infrastructure

KENAS continued to play a significant role in both the national and international arena, in promoting accreditation to enhance trust in everyday products and services. As such KENAS contributed to regional and international activities in accreditation, conformity assessment, and standardisation during the year. Uniquely, KENAS participated virtually in regional and international meetings of the International Accreditation Forum (IAF), International Laboratory Accreditation Cooperation (ILAC), the African Accreditation Cooperation (AFRAC) and the International Organisation for Standardisation (ISO). KENAS is also a key player in the government's efforts to reduce the barriers to trade and ease of doing business. KENAS extended its scope under the AFRAC Mutual Recognition Arrangement to include certification to Occupational Health and Safety Management System ISO 45001.

KENAS actively participated in the following:

- i. Development of the Fourth Medium Term Plan 2023-2027 ensuring that its mandate and projects are anchored in the MTP IV.
- ii. Implementation of its 2020 - 2024 Strategic initiatives towards realisation of the Big Four Agenda and vision 2030.
- iii. Contributed to the greening Kenya agenda to achieve forest cover of 10% by 2022 in collaboration with the Ministry of Environment and Forestry and Ministry of Industrialization Trade and Enterprise Development.
- iv. Promotion of accreditation services through World Accreditation Day celebrations 2022 KENAS took the opportunity to highlight the need to ensure continued sustainability in all activities in collaboration with the Kenya Civil Aviation Authority (KCAA) on International Civil Aviation Organisation (ICAO)- Carbon Offsetting & Reduction Scheme for International Aviation (CORSA) and Kenya Industrial Research Institute (KIRDI) on Circular Economy.
- v. Actively created avenues for public participation through the client dialogue forum where clients were sensitised on the Kenya Accreditation Service Act, 2019 and operationalization of the Accreditation Appeals Tribunal.
- vi. Participated in the Biashara Centres initiative in Nairobi, Eldoret, Mombasa and Kisumu and the Biashara Tuesday Initiative hosted by the Chief Administrative Secretary MoITED.
- vii. Identified new premises and obtained an additional Kshs. 35 million towards relocation.

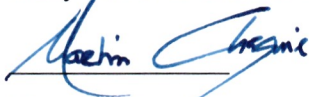
Overall, the total revenue generated was Kshs. 251.4 million which was a 23.4% increase from the prior year of Kshs. 203.8 million. The increase was attributed to the additional funding of Kshs. 35 million towards office relocation. In terms of internally generated revenue, there was moderate growth by 13.6% (Kshs. 12.7 Million) to Kshs. 106 million up from Kshs. 93.3 Million in FY 2020/2021

Finally, I wish to convey my sincere gratitude to the Ministry of Industrialization Trade and Enterprise Development, the KENAS Board of Directors for their leadership, counsel, and unwavering support.

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Many thanks to all our Clients and Stakeholders who have supported and provided immense feedback and ideas. Finally, my thanks to the KENAS Team for their dedication I look forward to achieving many more milestones and working towards the attainment of our vision together.



Martin Chesire

Chief Executive Officer

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6. Statement of Performance against Predetermined Objectives for FY 2021/2022

KENAS has six (6) strategic pillars and objectives within the current strategic plan for the FY 2020/2021 to FY 2024/2025. These strategic pillars are as follows:

- Pillar 1: Accreditation and Assessments;
- Pillar 2: Knowledge Transfer and Advisory;
- Pillar 3: Marketing Communication and Advocacy;
- Pillar 4: Financial Sustainability;
- Pillar 5: Internal Business Processes: and
- Pillar 6: Institutional Capacity and Governance.

KENAS developed its annual work plan based on the above six (6) strategic pillars listed above. Assessment of the Board’s performance against its annual work plan was done on a quarterly basis. KENAS achieved its performance targets set for the FY 2021-2022 period for its six (6) strategic pillars, as indicated in the table below:

Table 1: KENAS performance against predetermined objectives for FY 2021/2022

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Accreditation and Assessments	Deliver value added assessments and accreditation services	Number of new CABs accredited	Accredit fifty (50) new CABs	Accredited twenty three (23) new CABs. The variance of 27 was due to low uptake of accreditation services.
		Number of new CABs assessed	Assess 305 CABs	Assessed two hundred and fifty-nine (259) CABs. The variance of 46 was due to rescheduling of accreditation assessments upon request from CABs
		Applications reviewed	Review 64 applications for	Received and reviewed sixty-

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Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
			both new applicants and extension of scopes	three (63) applications for both new and extension of scope
		New accreditation schemes developed and rolled out	Develop and roll out new accreditation schemes	KENAS developed and rolled out Occupational Health and Safety Management System (OHSMS) and the Code of Practice for Fruits and Vegetables KS-1758 Sub-schemes.
Pillar 2: Knowledge Transfer and Advisory	Strengthen accreditation assessment resource capabilities	Training programmes delivered	Deliver thirty (30) accreditation training programmes	KENAS offered thirty-nine (39) accreditation training programmes
		Promote and recognize assessment personnel competence and contribution	Enhance assessors competence	KENAS developed the competence management framework for assessors and team leaders
Pillar 3: Marketing, Communication and Advocacy	Enhance KENAS brand visibility	Advocacy and Awareness programmes organised	Organize advocacy and awareness programmes	KENAS held structured engagements with six key regulators, hosted key events and participated in commemoration of events.

Kenya Accreditation Service (KENAS)

Annual Report and Financial Statements for the year ended June 30, 2022.

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Pillar 5: Internal Business Processes	Improve service delivery	Automation index	Increase Automation Index (71.7%)	Conducted an Automation survey and had an automation index of 72.5%
		% of ICT equipment replaced/upgraded	Replace or upgrade ICT equipment	KENAS upgraded ICT equipment that were due.
Pillar 6: Institutional Capacity and Governance	Strengthen Institutional Capacity and Governance	Number of staff recruited	Implement the recruitment plan	Recruited five (5) staff
		Targets realised	Monitor and evaluate implementation of the Strategic Plan	Implementation of the Strategic Plan is at 40%. This shortfall is due to resource constraints.
		% of Board Members trained	Train and build capacity of Board Members	Board members trained.

Strategic Plan Implementation in the respective pillars

	Key Priority Area-Pillar	% Score
1	KPA 1	56
2	KPA 2	58
3	KPA 3	43
4	KPA 4	44
5	KPA 5	62
6	KPA 6	53
	Average SP Implementation Score	53

Kenya Accreditation Service (KENAS)

Annual Report and Financial Statements for the year ended June 30, 2022.

7. Corporate Governance Statement

The KENAS Board of Directors is accountable to the Government of Kenya through the Ministry of Industrialization, Trade and Enterprise Development (MoITED) for ensuring that KENAS complies with the law and the highest standards of Corporate Governance as outlined in the Mwongozo Code of Governance for State Corporations and operates in accordance with Section 7 of KENAS Act 2019.

Board composition

As summarized below, nine (9) persons served as Directors at different times, all of whom, except for the CEO and two alternates to the Principal Secretaries, are independent non-executive Directors.

No.	Name	Appointed or reappointed	Role	Note
1.	Mrs Evah A. Oduor	08-Oct-2021	Chairperson	1st Term
2.	Dr. Nancy N. Muriuki	17-Mar-2020	Director, Independent	Reappointed
3.	Mr Danson M. Ngaari	14-Nov-2019	Director, Independent	1st Term
4.	Mr. Alex Gatundu	13-Jan-2020	Director, Independent	1st Term
5.	Mr. Duncan Nyale	13-Jan-2020	Director, Independent	1st Term
6.	Ms. Stella Osoro	17-Nov-2015	Director, Alternate to CS the National Treasury	Continues Term
7.	Ms. Patricia Aruwa	01-Nov-2021	Director, Alternate to PS State Department for Industrialization	1st Term
8.	Mr. Simon Atebe	29-April-2021		Retired
9.	Mr. Martin Chesire	19-Mar-2021	Director ex-officio, Chief Executive Officer	Reappointed

Board Committees

Four (4) committees were formed to aid in efficient discharge of its duties and oversight obligations.

Board meetings attendance

As required by the *Mwongozo* Code of Governance, the Board dedicated adequate time to discharge its duty in leading KENAS effectively by holding eight (8) full board meetings as presented in the Table below.

Kenya Accreditation Service (KENAS)

Annual Report and Financial Statements for the year ended June 30, 2022.

Director's Name	Meetings	Attended	% Attendance	Remarks
Mrs. Evah Adega Oduor	4	4	100%	Appointed in October 2021
Dr. Nancy N. Muriuki	8	6	75%	
Mr. Danson Ngaari	8	8	100%	
Mr. Alex Gatundu	8	8	100%	
Mr. Duncan Nyale	8	8	100%	
Ms. Stella Osoro	8	7	86%	
Patricia Aruwa	4	3	75%	Appointed in November 2021
Simon Atebe	2	2	100%	Exited in October 2021

Roles and Responsibilities of directors

The Roles and Responsibilities of the KENAS Board are as set under KENAS Act, 2019, Chapter 1 Paragraph 1.2 of the Code of Governance for State Corporations Mwongozo and the Board Charter.

Conflict of interest

The Board members at all times avoid conflicts of interest between their private activities and their their participation in KENAS business. Directors protect the public's trust by preventing and averting circumstances that might appear to have a conflict of interest or lead to a real or potential conflict of interest. In addition, Board members observe requirements contained in the statutes governing ethical behaviour and their profession, where applicable. Where unforeseen conflict of interest arises, the Board members excuse themselves in line with the Code of Conduct and Ethics.

Succession Planning

Succession planning was guided by the Code of Governance for State Corporations Mwongozo and Section 7 of the KENAS Act 2019 . The Board Members have variant appointment dates which ensures there is no vacancy hindering the conduct of Board Business.

Board Charter and Committee terms of reference

The Board reviewed its charter and renamed it Governance Manual and adopted for use. Similarly, the committees reviewed their Terms of Reference and adopted the same for a two (2-year period).

Board remuneration

The Board of Directors are remunerated as per Section 27 of KENAS Act 2019 and as determined by the Salaries and Remuneration Commission.

Kenya Accreditation Service (KENAS)

Annual Report and Financial Statements for the year ended June 30, 2022.

Board Evaluation

The Board developed and implemented an implementation of the Performance Improvement Plan for FY2020/21 evaluation.

Going Concern

As at 30th June 2022, the Service comprehensive statement of income and financial position reflected an operating loss of Kshs. 36,247,350, total current assets of Kshs. 80,307,216 and liabilities balances of Kshs. 94,826,851. This position suggests that a significant doubt may exist regarding the Service's capacity to function as a going concern. Therefore, Management has taken the following into consideration to support the financial statements having been prepared on a going concern basis and to assure the adequacy of funds required to meet its obligations:

- i) expansion required by the broadening of its mandate given the enactment of KENAS Act 2019.
- ii) approval of the EAP-K Project, which is anticipated to receive funding of Kshs. 427 million from TNT, will enable the Service to build capacity and expand its scope in future.
- iii) the Service expects the alignment of annual accreditation fees to be due at the beginning of each financial year to provide sufficient working capital to meet its ongoing obligations.
- iv) With the approval of a new business model in May 2022, the Service will diversify its revenue streams with the expectation of implementing new fee structure in January 2023.

Given the above, the Service reasonably expects to have adequate resources in the medium term to continue operational existence for the foreseeable future.

Therefore, as set out in Page (xxxii) of the report, the Directors, having assessed the Service's future potential, have no reason to believe that a material uncertainty exists that may cast doubt about the ability of the Service to continue as a going concern or its ability to continue to meet obligations over the next twelve months.

Appointment and removal of directors

Board appointments are in line with Article 27 of the Constitution and KENAS Act 2019. In Quarter three (3) of the year, the chairperson and PS alternate Ministry of Trade, Industrialization and Enterprise Development were appointed.

Board Induction and Training

The Board Chair attended training on the *Mwongozo* Code of Governance. Additionally, all members were trained on balanced scorecard framework and two trained on the trustee's development program.

Board Ethics and Conduct and Governance Audit

Board members upheld ethical standards, followed laws, rules, and regulations, and monitored execution of recommendations from the FY2019/2020 Legal, Compliance and Governance Audit.

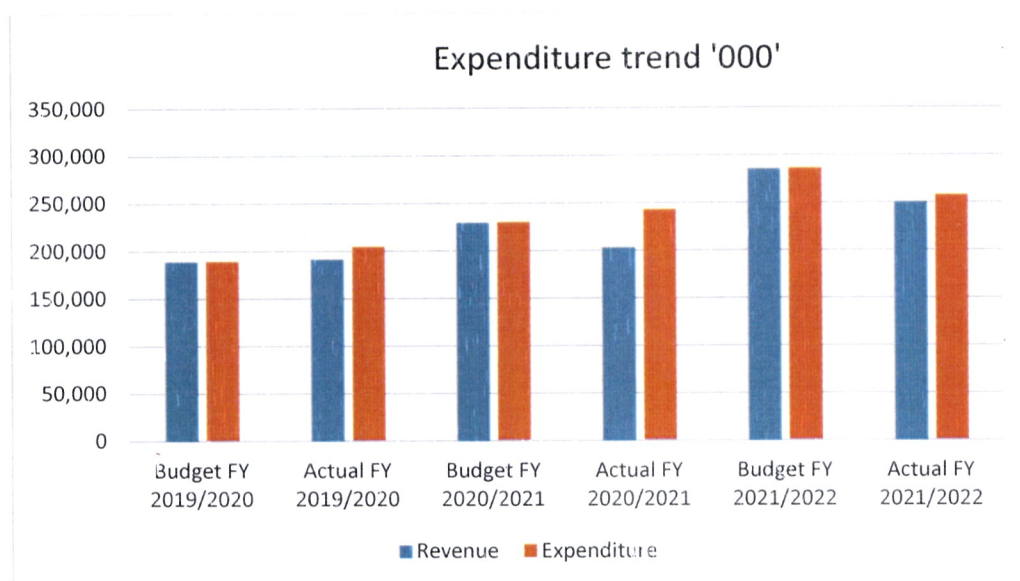
8. Management Discussion and Analysis

a) Summary of financial results against budget

	Budget FY 2019/2020	Actual FY 2019/2020	Budget FY 2020/2021	Actual FY 2020/2021	Budget FY 2021/2022	Actual FY 2021/2022
Revenue	189,900,000	192,180,501	230,410,000	203,865,960	286,090,862	251,382,031
Expenditure	189,900,000	204,825,505	230,410,000	242,905,693	286,090,862	257,748,602

Revenue

The total revenue generated was Kshs. 251.4 million which was a 23.4% increase from the prior year of Kshs. 203.8 million. The increase was attributed to the additional funding of Kshs. 35 million towards office relocation. Internally generated revenue grew by 13.6% (Kshs. 12.7 Million) to Kshs. 106 million up from Kshs. 93.3 Million in FY 2020/2021.



Expenditure

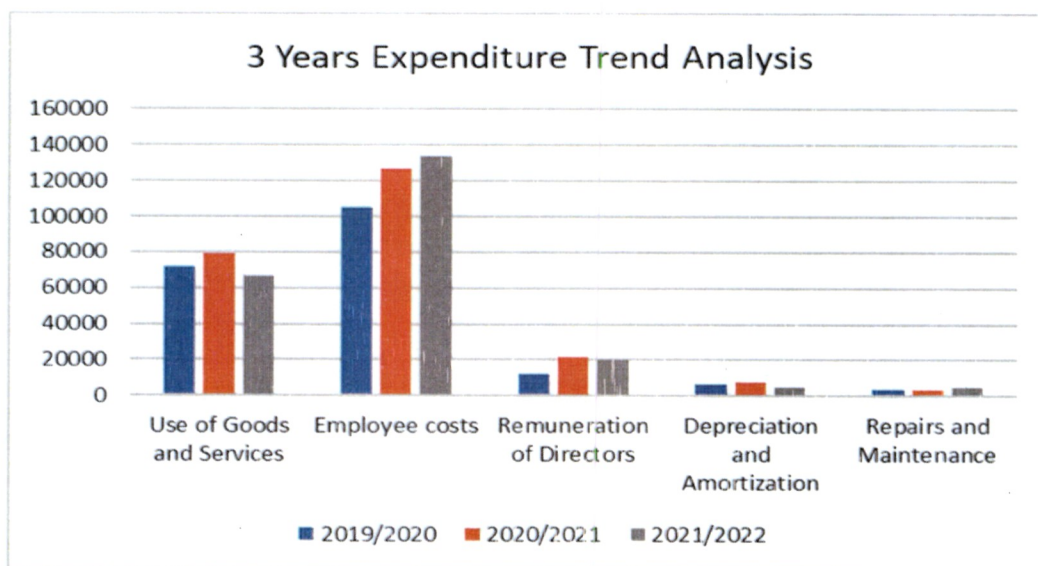
KENAS spent a total of Kshs. 257,748,602 out of which Kshs. 255,202,731 is recurrent and Kshs. 2,545,871 is development. A trend (Kshs.'000) based on the key vote heads for the last three years is as illustrated below:

Description/Fiscal Years	2019/2020	2020/2021	2021/2022
Use of Goods and Services	71,308	79,068	87,515

Kenya Accreditation Service (KENAS)

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Description/Fiscal Years	2019/2020	2020/2021	2021/2022
Employee costs	104,553	127,269	135,567
Remuneration of Directors	11,709	21,931	20,459
Depreciation and Amortization	6,683	7,614	6,603
Repairs and Maintenance	3,769	4,019	5,059



b) Operational Performance

Accreditation and Training Services

KENAS reviewed sixty-three (63) accreditation applications, conducted two-hundred and fifty-nine (259) assessments, delivered thirty-nine (39) training courses and accredited twenty-three (23) new CABs, bringing the total number to two hundred and forty-seven (247) accredited bodies.

International and Regional Obligations

KENAS continued to influence the formulation and review of accreditation policies, guidelines and standards through active participation in international fora and meetings of the International Accreditation Forum (IAF), International Laboratory Accreditation Cooperation (ILAC), the African Accreditation Cooperation (AFRAC) and the International Organization for Standardization (ISO). Coupled with returning of ballots and documents for commenting, thus achieving a 100% participation score. KENAS extended the AFRAC MRA Scope to Occupational Health and Safety Management Systems (OH&SMS) sub-scope under Certification. KENAS has applied for recognition of the Proficiency Testing ISO/IEC 17043, Product Certification ISO/IEC 17065 and Certification of Persons ISO/IEC 17024 schemes by AFRAC.

Kenya Accreditation Service (KENAS)

Annual Report and Financial Statements for the year ended June 30, 2022.

Implementation of the Human Resource Instruments of 2019

KENAS Continued with the implementation of the Human Resource Instruments as approved by the State Corporations Advisory Committee (SCAC) whose purpose was to improve operations and enhance service delivery of its mandate. In achieving the staff capacity of 78 as proposed in the instruments, the service recruited Five (05) new Staff in the following departments; ICT, Legal, Inspection and Verification, Scheme Development, Training and Advocacy and Finance.

New Initiatives and Key Projects

The following initiatives and projects were undertaken in the year under review:

1. Participated in the development of the Fourth Medium Term Plan 2023-2027 and ensured that its core mandate and projects were anchored in the MTP IV.
2. Considered relocation to accommodate its increased capacity. An additional Kshs. 35 million was allocated for the office relocation.
3. Developed a project concept note on Enhancement of Accreditation Programme in Kenya which got approval for funding Kshs. 427 Million over a three (3) year period, with an allocation of Kshs. 109 million in FY 2022/2023.

Compliance with Statutory requirements

KENAS complied with its Legal Instrument, *the Kenya Accreditation Service Act 2019* and other legal frameworks. However, statutory deductions outstanding as at 30 June 2022 was **Kshs. 10,041,659.**

c) Major risks facing KENAS

KENAS continued to monitor the following risks:

i) Non-performing debtors

The current debtors' portfolio as at 30 June 2022 was Kshs. 39,664,053 out of which **Kshs. 5,884,900.78** is non-performing and a provision of **Kshs. 2,761,905.64** has been made same as in the last financial year (2020/2021) hence no impact to the financial statements.

ii) Staff capacity

The Service has continued to increase its staff capacity through recruitment. At the close of the year, five (5) staff were recruited.

iii. Liquidity risk

KENAS experienced delays or non-payment of fees by clients resulting in honouring obligations as and when they fell due.

9. Environmental and Sustainability Reporting

KENAS exists to transform lives. This is our purpose—the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer first, delivering relevant services, and improving operational excellence. Below is an outline of KENAS policies and activities that promote sustainability.

i) Sustainability strategy and profile

KENAS has continued to ensure that it meets its financial, social and environmental obligations for long-term sustainability. In the year under review, KENAS ensured that the resources were allocated to technically and financially feasible programmes as well as environmentally and socially sustainable. Some sustainability activities planned at the onset of the year under review, ranging from social, financial, and environmental.

a) Financial

In the year under review, KENAS engaged stakeholders in several forums for business collaborations geared towards sustainability. The annual accreditation fee for all clients was aligned to fall due every July of every financial year.

KENAS continued implementing the Strategic Plan Key Priority Areas on Financial Sustainability by developing a project concept note on Enhancement of Accreditation Programme in Kenya which got approval for funding Kshs. 427 million, with an allocation of Ksh. 109million in FY 2022/2023. In addition, it reduced the expenditure on rent by participating in the budget parliamentary committee meetings and was successfully allocated Kshs. 35million for office relocation.

b) Social

KENAS activities aligned towards climate change mitigation, poverty alleviation, social entrepreneurship, and mentorship opportunities. KENAS engaged stakeholders during the Clients Dialogue Forum and World Accreditation Day as part of business collaborations geared towards sustainability.

The service offers financial continuous annual support for purchase of gumboots and other relevant tools for workers who maintain trees in areas where they engage in the tree planting exercises.

ii) Environmental performance

KENAS embarked on a tree planting exercise in Meru County and Kaptagat forest planting over 5,000-tree seedlings. To ensure sustainable business development and growth, KENAS committed to upholding good environmental practices and operations in a sustainable manner that exceed the applicable legal and regulatory requirements. Therefore, KENAS is committed to reducing environmental impact and continually improving environmental performance as an integral and fundamental part of business strategy and operating methods. For example, in line with the greening Kenya agenda to achieve forest cover of 10% by 2022, KENAS collaborated with the Ministry of Environment in several tree-planting exercises. In addition, KENAS continued with the use of motion detector light systems to reduce its carbon footprint.

iii) Employee welfare

We recognize that our employees are the most valuable resource in the organisation. In the reporting year, KENAS conducted training needs analysis and trained staff members to address the training needs identified. In addition, KENAS conducted annual performance appraisal to improve the quality of work and overall performance. KENAS developed the Occupational Health and Safety Policy, Gender Mainstreaming Policy, Alcohol and Drug Abuse Policy, Anti-Bribery and Corruption Prevention Policy, and Road Safety Mainstreaming Policy and complied with the Occupational Safety and Health Act of 2007.

The Human Resource Policy and Procedures manual, 2019, guides KENAS in the selection and recruitment process, considering the constitutional requirements and smooth succession plan. In the year under review, the male to female gender ratio was 2:3 and 48% of staff were between the ages of 31-45 years, which allows smooth transitions into leadership positions.

iv) Market place practices-

a) Responsible competition practice.

KENAS in its assessment activities base them on internationally recognised standards e.g ISO/IEC 17025 that is common for all Testing and Calibration Laboratories, ISO 15189 that is common for all medical Laboratories, etc. These standards are premised on common parameters thus promoting global fair practice.

The service does not engage in unfair preference of CABS during Accreditation Process to ensure just and equitable provision of services to all its clients and promotes non-interference with CAB business to foster Healthy Competition amongst themselves.

b) Responsible Supply chain and supplier relations

Procurement policies have been in place to ensure fair competition considering the economy, efficiency, transparency, and accountability according to legal and statutory requirements consistent with the governing law. KENAS adheres to the Public Procurement and Assets Disposal Act 2015 and the Public Procurement and Assets Disposal regulations 2020 to increase transparency in procurement processes and pay the suppliers on time.

c) Responsible marketing and advertisement

The majority of the Kenyan populace is increasingly becoming aware of the importance of accreditation. During the advocacy and awareness programmes conducted, KENAS reinforced the social and ethical values of accreditation, especially the need for accreditation in critical sectors.

d) Product stewardship

Article 46 of the Constitution of Kenya provides that consumers have the right to information necessary for them to gain full benefit from goods and services. It further provides that consumers have the right to protect their health, safety and economic interests. KENAS is aware of this, working in close relationship with Regulators and Government stakeholders to ensure that the rights and interests of consumers safeguarded by being involved in formulation, monitoring, and implementation of policies and standards.

iii) Corporate Social Responsibility / Community Engagements

KENAS is committed to building sustainable community relations with the communities around the sectors it supports. KENAS has continued to work in partnerships with other stakeholders to uplift the standards of those communities. Areas of partnership include; Tree planting, Donations to schools in form of overcoats and gum boots. The development of Corporate Social Responsibility policy is at an advanced stage and will be implemented in the FY 2022/2023.

10. Report of the Directors

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

i) Principal activities

The principal activities of KENAS are, as stipulated under Section 6 of the Act, to accredit and exercise oversight over organizations (both private and public) that carry out conformity assessment activities. These organizations include; testing laboratories, calibration laboratories, medical laboratories, certification bodies, and inspection and verification bodies.

KENAS promotes the competence of accredited bodies worldwide through signatory membership to regional and international bodies, training, establishing criteria and requirements for accreditation schemes based on international standards and guidelines, and other research activities.

ii) Results

KENAS results for the year ended June 30, 2022, are set out on page 1 of these financial statements.

iii) Directors

The members of the Board of Directors who served during the year are shown on page v-ix. During the year, one (1) director retired. The Chairperson and the new Alternate to the PS State Department for Industrialisation were appointed within the financial year.

iv) Surplus remission

KENAS did not realize any surplus during the FY 2021/2022 and hence no remittance to the Consolidated Fund.

v) Auditors

The Auditor-General is responsible for the statutory audit of KENAS under Article 229 of the Constitution of Kenya and the Public Audit Act, 2015 for the FY 2021/2022, ended 30th June 2022 in accordance to Section 23 of the Public Audit Act, 2015, which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board 

.....
Name FRANCIS ADOKO OLALO

Corporate Secretary/Secretary to the Board

11. Statement of Directors Responsibilities

According to Section 81 of the Public Finance Management Act, 2012 and Section 31 of *the Kenya Accreditation Service Act 2019 (17 of 2019)* require the Directors to prepare financial statements of KENAS which give a true and fair view of the state of affairs of KENAS as at the end of the Financial Year 2021/2022. The Directors are also required to ensure that KENAS keeps proper accounting records, which disclose reasonable accuracy of the financial position of the KENAS. The Directors are also responsible for safeguarding the assets of KENAS.

The Directors are responsible for the preparation and presentation of KENAS financial statements, which give a true and fair view of the state of affairs of the KENAS for and as at the end of the FY 2021/2022 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 KENAS;
- (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 KENAS;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Taking accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for KENAS financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Kenya Accreditation Service Act, 2019.

The Directors are of the opinion that the Kenya Accreditation Service financial statements give a true and fair view of the state of the KENAS transactions during the financial year ended 30 June 2022, and of KENAS financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for KENAS, which have been relied upon in the preparation of KENAS financial statements as well as the adequacy of the systems of internal financial control.

Kenya Accreditation Service (KENAS)

Annual Report and Financial Statements for the year ended June 30, 2022.

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

Approval of the financial statements

The Kenya Accreditation Service financial statements were approved by the Board on 26th September 2022 and signed on its behalf by:

Signature: 

Name: Eval Adegbe Odhiambo

Chairperson, KENAS Board

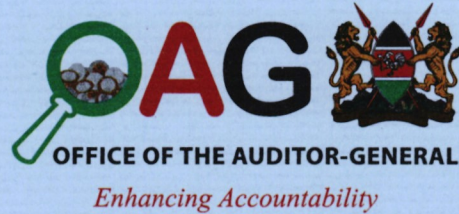
Signature: 

Name: MARTIN CHESIRE

Accounting Officer

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA ACCREDITATION SERVICE 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 intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Accreditation Service set out on pages 1 to 44, 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 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, 2010 and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Accreditation Service 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 Public Finance Management Act, 2012 and the Kenya Accreditation Service Act, 2019.

Basis for Opinion

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

Emphasis of Matter

Material Uncertainty Relating to Going Concern

The statement of financial performance reflects an operating loss of Kshs.36,247,350; (2020/2021:Kshs.33,552,219), resulting to increased accumulated deficit of Kshs.86,848,602; (2020/2021:Kshs.52,538,809). Further, the statement of financial position reflects current assets and liabilities balances of Kshs.80,307,216 and Kshs.94,826,851 respectively, resulting to negative working capital of Kshs.14,519,635 (2020/2021: Kshs.19,266,866).

Management has not assessed the ability of the Service to continue as a going concern and the financial statements have been prepared on a going concern basis on the assumption that the Service will continue to get financial support from the National Government and creditors.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.286,090,862 and Kshs.216,382,031 respectively resulting to a revenue shortfall of Kshs.69,708,831 or 24% of the budget.

Similarly, the Management spent an amount of Kshs.257,748,602 against approved budget of Kshs.286,090,862 resulting to an under-expenditure of Kshs.28,342,260 of the budget.

The revenue shortfall and under-expenditure affected the planned activities of the Service and may have impacted negatively on service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis of Conclusion

Irregular Board Expenses

The statement of financial performance and Note 11 to the financial statements reflects Board expenses amount of Kshs.20,458,786. However, the expenditure was above 5% of the operations and maintenance budget of the Service. This is contrary to Paragraph

D of Circular OP/CAB.9/1A dated 11 March, 2020 that capped Board expenses of State Corporations at Kshs.30,000,000 or 5% of the operations and maintenance budget whichever is less.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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 those Charged with Governance

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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 controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls 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 controls 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 Service'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 Service to cease 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 Service 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 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

18 January, 2023

Kenya Accreditation Service (KENAS)
Annual Report and Financial Statements for the year ended June 30, 2022.

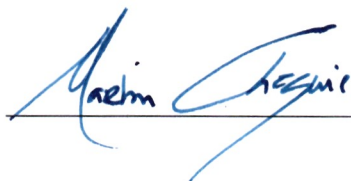
13. Statement of Financial Performance for the year ended 30 June 2022

	Notes	2021-2022	2020-2021
		Kshs.	Kshs.
Revenue from non-exchange transactions			
Transfers from other governments entities	6	110,410,000	110,410,000
		110,410,000	110,410,000
Revenue from exchange transactions			
Rendering of services	7	105,972,031	93,370,385
Other income	8	-	85,575
Total revenue		216,382,031	203,865,960
Expenses			
Use of goods and services	9	87,515,353	79,068,233
Employee costs	10	135,566,918	127,269,102
Board Expenses	11	20,458,786	21,931,009
Depreciation and amortisation expense	12	6,602,897	7,614,079
Repairs and maintenance	13	5,058,777	4,018,748
Total expenses		255,202,731	239,901,172
Other gains/(losses)			
Gain on sale of assets	14	555,000	89,734
Gain on foreign exchange transactions	15	2,018,349	2,393,259
Surplus/(Deficit) before tax		(36,247,350)	(33,552,219)
Taxation		-	-
Surplus/(deficit) for the period/year		(36,247,350)	(33,552,219)
Remission to National Treasury		-	-
Net Surplus (deficit) for the year		(36,247,350)	(33,552,219)

The notes set out on pages 11 to 51 form an integral part of these Financial Statements.

Kenya Accreditation Service (KENAS)
Annual Report and Financial Statements for the year ended June 30, 2022.

The Financial Statements set out on pages 1 to 10 were signed on behalf of the Board of Directors by:



Accounting Officer

Martin Chesire

Date: 2022-12-23



Manager Finance and
Accounts ICPAK M/No. 6859

Henry Wandabwa

Date: 23-12-2022



Chairperson, KENAS Board

Mrs. Evah Adega Oduor

Date: 23-12-2022

Kenya Accreditation Service (KENAS)
Annual Report and Financial Statements for the year ended June 30, 2022.

14. Statement of Financial Position as at 30 June 2022

	Notes	2021-2022 Kshs.	2020-2021 Kshs.
Assets			
Current Assets			
Cash and Cash equivalents	16	613,141	1,562,829
Receivables from Exchange Transactions	17	39,664,053	32,691,685
Receivables from Non-Exchange Transactions	18	39,524,384	3,540,082
Inventories	19	505,638	546,534
Total Current Assets		80,307,216	38,341,130
Non-Current Assets			
Property, Plant and Equipment	20	11,184,367	9,516,539
Intangible Assets	21	1,017,180	3,242,033
Total Non- Current Assets		12,201,547	12,758,572
Total Assets		92,508,764	51,099,702
Liabilities			
Current Liabilities			
Trade and Other Payables	22	73,843,746	57,607,996
Current Provisions	23	20,983,105	-
Total Current Liabilities		94,826,851	57,607,996
Total Liabilities		94,826,851	57,607,996
Net Assets			
Reserves	24	19,530,515	16,030,515

Kenya Accreditation Service (KENAS)
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	Notes	2021-2022	2020-2021
		Kshs.	Kshs.
Accumulated Deficit		(86,848,602)	(52,538,809)
Capital Fund	24	65,000,000	30,000,000
Total Net Assets	24	(2,318,087)	(6,508,293)
Total Net Assets and Liabilities		92,508,764	51,099,702

The Kenya Accreditation Service financial statements were approved by the Board on 26th September 2022 and signed on its behalf by:



Accounting Officer

Martin Chesire

Date: 2022-12-23



Manager Finance and Chairperson, KENAS Board
 Accounts ICPAK M/No. 6859

Henry Wandabwa

Date: 23-12-2022



Mrs. Evah Adeg Oduor

Date: 23-12-2022

Kenya Accreditation Service (KENAS)
Annual Report and Financial Statements for the year ended June 30, 2022.

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

	Revaluation reserve	Retained earnings	Capital/ Development Grants/Fund	Total
	Kshs.	Kshs.	Kshs.	Kshs.
As at July 1, 2020	16,030,515	(17,171,952)	30,000,000	28,858,563
Surplus/ deficit for the year		(33,552,219)		(33,552,219)
Capital/development grants received during the year	-	-	-	-
Adjustments for the year		(1,814,638)		(1,814,638)
As at June 30, 2021	16,030,515	(52,538,809)	30,000,000	(6,508,293)
As at July 1, 2021	16,030,515	(52,538,809)	30,000,000	(6,508,293)
Adjustments for the year		1,937,556		1,937,556
Revaluation Reserve of Motor Vehicles	3,500,000	-	-	-
Surplus/ deficit for the year	-	(36,247,350)	-	(36,247,350)
Capital/development grants received during the year	-	-	35,000,000	35,000,000
As at June 30, 2022	19,530,515	(86,848,602)	65,000,000	(2,318,087)

Note: Capital Grants of Kshs. 35 Million was accrued in Financial year 2021/2022 and received in Financial Year 2022/2023. The Kshs 1,937,556 adjustments in the financial year relates to reversals and write offs for invoices and provisions for 2020-2021, which did not materialize as payables

Kenya Accreditation Service (KENAS)
Annual Report and Financial Statements for the year ended June 30, 2022.

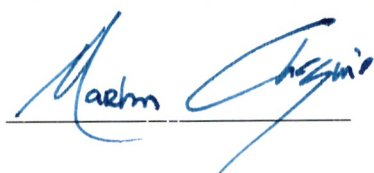
16. Statement of Cash Flows for the year ended 30 June 2022

		2021-2022	2020-2021
	Notes	Kshs.	Kshs.
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	6	110,410,000	110,410,000
Rendering of services		63,056,257	95,669,827
Other income		42,455,906	85,575
Total receipts		215,922,163	206,165,402
Payments			
Use of goods and services		43,244,197	60,193,735
Employee costs		146,119,219	108,533,539
Board Expenses	11	20,458,786	21,931,009
Depreciation and Amortization		0	7,614,079
Repairs and maintenance	13	5,058,777	4,018,748
Total payments		214,880,979	202,291,111
Net cash flows from/(used in) operating activities	26	1,041,184	3,874,291
Cash flows from investing activities			
Purchase of Property Plant and Equipment (PPE) and Intangible assets	20 & 21	(2,545,872)	(3,004,521)
Proceeds from sale of Property Plant and Equipment (PPE)	14	555,000	193,619
Net cash flows from/(used in) investing activities		(1,990,872)	(2,810,802)
Cash flows from financing activities			
Net cash flows from financing Activities		-	-

Kenya Accreditation Service (KENAS)
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		2021-2022	2020-2021
	Notes	Kshs.	Kshs.
Net increase/(decrease) in cash & Cash equivalents		(949,688)	1,063,389
Cash and cash equivalents at 1 July		1,562,829	499,440
Cash and cash equivalents at 30 June	16	613,141	1,562,829

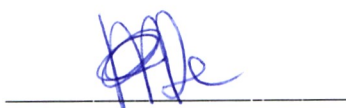
The financial statements set out on pages 1 to 10 were signed on behalf of the Board of Directors by:



Accounting Officer

Martin Chesire

Date: 2022-12-23



Manager Finance and
Accounts ICPAK M/No. Chairperson, KENAS Board
6859

Henry Wandabwa

Date: 23-12-2022



Mrs. Evah Adeg Oduor

Date: 23-12-2022

Kenya Accreditation Service (KENAS)
Annual Report and Financial Statements for the year ended June 30, 2022.

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

	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						
Public contributions and Donations	4,200,000	-	4,200,000	-	4,200,000	0%
Transfers from: Other Governments entities	110,410,000	35,000,000	145,410,000	110,410,000	35,000,000	76%
Rendering of Services	149,712,174	(15,231,312)	134,480,862	105,972,031	28,508,831	79%
Other Income	2,000,000	-	2,000,000	-	2,000,000	0%
Total Income	266,322,174	19,768,688	286,090,862	216,382,031	69,708,831	76%
Expenses						
Use of Goods and Services	95,489,453	(8,971,811)	86,517,642	87,515,353	(997,711)	101%
Employee costs	138,277,749	(1,749,502)	136,528,247	135,566,918	961,329	99%
Remuneration of Directors	11,502,103	2,600,000	14,102,103	17,741,952	(3,639,849)	126%

**Kenya Accreditation Service (KENAS)
Annual Report and Financial Statements for the year ended June 30, 2022.**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
Remuneration of Accreditation Tribunal	2,413,660	-	2,413,660	2,716,834	(303,174)	112%
Depreciation and Amortisation expense	4,533,696	(2,000,000)	2,533,696	6,602,897	(4,069,201)	261%
Repairs and Maintenance	3,282,800	1,500,000	4,782,800	5,058,777	(275,977)	106%
Total Recurrent Expenditure	255,499,461	(8,621,312)	246,878,149	255,202,731	(8,324,582)	103%
Capital Expenditure	10,822,713	28,390,000	39,212,713	2,545,871	36,666,842	6%
Total Expenditure	266,322,174	19,768,688	286,090,862	257,748,602	28,342,260	

Budget notes

1. Actual and Budgeted Amounts (10% over/under) IPSAS 24.14

a) Public contributions and Dobations

The Service budgeted to receive grants of Kshs. 4,200,000 from Development partners – United Nations Development Organization (UNIDO) towards capacity building for Accreditation Assessors required under the Market Access Upgrade Programme (MARKUP). However, the funding for the capacity building was undertaken in the form of project-based training programmes instead of the funds being channelled to the Service in the form of a grant. As a result, it achieved a 0% utilisation rate

Kenya Accreditation Service (KENAS)
Annual Report and Financial Statements for the year ended June 30, 2022.

b) Transfers from Other Government entities

The Service received an allocated Kshs 35 million during Supplementary II Budget. However, at the close of the financial year 2021/2022, the funds had not been disbursed by the National Treasury, hence the 0% utilisation rate

c) Rendering of Services

The Service aligned the variable anniversaries for the payment of the Annual Accreditation for all clients to coincide with the financial year of the Service, i.e., 1st July to 30th June annually. This resulted in the deferment of KES 23,072,413 that could have been raised in FY 2021/2022

d) Other Income

The Service was to realise other income through sale of obsolete items, Although a Board of Survey was carried out in FY 2021/2022, the planned sale of obsolete items was postponed to FY 2022/2023, resulting in the inadequate realization of miscellaneous income

e) Remuneration of Directors

The vote was overspent by Kshs.3,639,849 (126%) due to the implementation of KENAS Act 2019 and participation in the recruitment of senior staff members.

f) Depreciation and Amortization Expenses

The vote was overutilised by Kshs. 4,069,201 (261%) due to under provision. In the FY 2022/2023 adequate budget provision will be allocated

g) Capital Expenditure

The votes were underspend by Kshs. 36,666,842 (6%) due to deferment of planned purchase of laptops to Financial year 2022/2023 and delayed disbursement of development grants of KES 3,000,000.

2. Changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)

During The period under review (FY 2021/2022), KENAS received additional funding of Kshs. 35,000,000 during supplementary two budget towards office relocation.18. Notes to the Financial Statements

General Information

Kenya Accreditation Service is established by and derives its authority and accountability from the Kenya Accreditation Service Act 2019 (Act No. 17 of 2019). KENAS is wholly owned by the Government of Kenya and is domiciled in Kenya. The principal activity of KENAS is to assess and accredit organizations (both public and private) that provide conformity of assessment services in line with set criteria based aligned to international standards, rules and guidelines across all sectors of the economy.

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at revalued 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 KENAS 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 KENAS

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the Kenya Accreditation Service Act 2019, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied for all the years presented

2. 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.

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

18. Notes to the Financial Statements (Continued)

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>(The effect on the financial statements is nil, since KENAS did not early adopt the standard.)</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.

Standard	Effective date and impact:
	(The effect on the financial statements is nil, since KENAS did not early adopt the standard.)
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<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>(The effect on the financial statements is nil, since KENAS did not early adopt the standard.)</p>
Other improvements to IPSAS	<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> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits:</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement: 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>The effect on the financial statements is nil, since KENAS did not early adopt the standard.</p>
IPSAS 43	<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</p>

Standard	Effective date and impact:
	<p>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>The effect on the financial statements is nil, since KENAS did not early adopt the standard.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>The effect on the financial statements is nil, since KENAS did not early adopt the standard.</p>

iii. **Early adoption of standards**

KENAS did not early – adopt any new or amended standards in the year 2021/2022.

3. 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 KENAS 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

Kenya Accreditation Service (KENAS)
Annual Report and Financial Statements for the year ended June 30, 2022.

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

KENAS 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.

Sale of goods

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

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 FY 2021-2022 was approved by the National Assembly in June 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 KENAS upon receiving the respective approvals in order to conclude the final budget. Accordingly, KENAS recorded additional appropriations of Kshs. 35 Million on the 2021-2022 budget following the governing body's approval.

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

Kenya Accreditation Service (KENAS)

Annual Report and Financial Statements for the year ended June 30, 2022.

statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

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

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences,

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Annual Report and Financial Statements for the year ended June 30, 2022.

and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable Entity and the same taxation authority.

Sales tax

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

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable

- ii) When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition,

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investment properties are measured using the cost model and are depreciated over a four (4) year period. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, KENAS 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.

Depreciation is calculated using the straight-line method to write down the cost of each asset to its residual value over its estimated useful life using the following annual rates:

· Furniture and Fittings	12.5%
· Motor Vehicles	25%
· Computers and Software	33.3%

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are considered in determining surplus for the year.

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to KENAS. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. KENAS also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest

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on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that KENAS will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

g) Intangible assets

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

The useful life of the intangible assets is assessed as either finite or indefinite.

h) Research and development costs

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

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

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

i) 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. KENAS 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 KENAS 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

KENAS 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
- 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. KENAS 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.

j) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined by the first-in, first-out (FIFO) method. Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of KENAS.

k) Provisions

Provisions are recognized when the Entity 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 Entity 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

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

l) Contingent liabilities

KENAS 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.

m) Contingent assets

KENAS 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 KENAS 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.

n) Nature and purpose of reserves

KENAS creates and maintains reserves in terms of specific requirements. Currently KENAS has no reserves maintained.

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

KENAS provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which KENAS 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 contributions and lump sum payments reduce the post-employment benefit obligation.

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Gratuity obligations

KENAS pays service gratuity to staff on contract under their terms of employment. Employee entitlements to gratuity are recognized when they accrue to employees. A provision for gratuity payable is made in the statement of financial position. The gratuity is not subject to actuarial valuation. Total gratuity as at 30th June 2022 was Kshs. 20,227,105.

q) Foreign currency transactions

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

r) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

s) Related parties

KENAS 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 KENAS, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Chief Executive Officer and senior managers.

t) 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.

u) Comparative figures

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

v) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

4. Significant Judgments and Sources of Estimation Uncertainty

The preparation of KENAS 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. KENAS 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 KENAS. 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 KENAS.
- 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

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 23.

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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. The following were the provisions applicable during the financial year:

- b) Provision for bad debts
- c) Provision for depreciation
- d) Provision for Audit Fees
- e) Provision for Office Partitioning services

5. Transfers from Other Government entities

Transfers from Ministries, Departments and Agencies (MDAs)

Name of The Entity Sending the Grant	Amount recognized to Statement of Financial performance Kshs.	Amount deferred under deferred income Kshs.	Amount recognised in capital fund. Kshs.	Total transfers 2021-22 Kshs.	Prior year 2020-2021 Kshs.
State Dept. for Industrialization	145,410,000	-	35,000,000	110,410,000	110,410,000
Total	145,410,000	-	35,000,000	110,410,000	110,410,000

6. Rendering Of Services

Description	2021-2022 Kshs.	2020-2021 Kshs.
i) Accreditation income	Kshs.	Kshs.
Accreditation Fees-Certification	3,509,673	4,952,500
Accreditation Fees-Inspection and Verification	8,728,645	4,058,303
Accreditation Fees-Calibration	5,296,397	-
Accreditation Fees-Medical	26,812,650	32,707,801
Accreditation Fees-Testing	12,327,386	22,559,646
Total Revenue from Accreditation Services	56,674,751	64,278,250

Accreditation Income is income realised from provision of Accreditation services

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Description	2021-2022	2020-2021
ii) Training income	Kshs.	Kshs.
Group Training Income	17,354,875	10,870,287
Individual Training Income	4,458,528	-
Total Revenue from Training	21,813,403	10,870,287

Description	2021-2022	2020-2021
iii) Facilitation income	Kshs.	Kshs.
Facilitation Income-Certification	844,445	-
Facilitation Income-Inspection and Verification	3,172,299	538,400
Facilitation Income-Calibration	1,067,162	-
Facilitation Income-Medical	18,873,300	12,182,096
Facilitation Income-Testing	2,055,622	5,501,352
Facilitation Income- Scheme Development	1,471,049	-
Total Revenue from Facilitation	27,483,877	18,221,848
Total Revenue From Rendering of Services	105,972,031	93,370,385

Notes to the Financial Statements (Continued)

7. Other Income

Description	2021-2022	2020-2021
	Kshs.	Kshs.
Income from sale of Obsolete items	-	40,375
Other Miscellaneous Incomes	-	45,200
Total other income	-	85,575
Total Revenue from Exchange Transactions	105,972,031	93,455,960

8. Use of Goods and Services

Description	2021-2022	2020-2021
	Kshs.	Kshs.
Electricity	987,957	672,373

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Description	2021-2022	2020-2021
	Kshs.	Kshs.
Water	168,415	121,279
Security	245,468	-
Professional Services	4,785,177	3,590,350
Subscriptions	1,076,946	860,584
Advertising	1,013,192	1,077,858
Audit Fees	350,000	406,000
Conferences and Delegations	5,209,563	4,412,118
Consumables	4,240,468	3,410,538
Fuel and Oil	3,540,205	2,298,504
Insurance	1,733,126	1,684,462
Legal Expenses	2,988,536	5,904,008
Postage	1,202,492	1,209,447
Printing and Stationery	1,379,193	851,507
Hire Charges	1,185,153	3,111,796
Rental	18,505,153	17,535,023
Telecommunication	1,795,830	1,860,069
Training	2,469,631	842,941
Accreditation Expenses	31,786,954	26,353,863
Other General Expenses	2,851,894	2,865,513
Total use of Goods and Services	87,515,353	79,068,233

9. Employee Costs

Description	2021-2022	2020-2021
	Kshs.	Kshs.
Salaries and wages	66,946,324	63,419,081
Employer contribution to health insurance schemes	12,275,724	9,819,042
Employer contribution to pension schemes	4,644,888	4,478,050

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Travel, accommodation, subsistence, & other allowances	7,040,260	6,450,297
Housing benefits and allowances	33,666,497	32,405,248
Overtime payments	371,630	198,016
Social contributions	20,000	130,000
Gratuity	10,601,595	10,369,368
Employee costs	135,566,918	127,269,102

10. Board Expenses

Description	2021-2022	2020-2021
	Kshs.	Kshs.
Chairman/Directors' Honoraria	709,333	-
Sitting Allowances	5,766,000	6,894,770
Medical Insurance	456,887	814,304
Induction and Training	3,640,526	1,959,705
Travel and Accommodation	6,398,059	7,273,443
Other Allowances	771,146	573,795
Tribunal Expenses	2,716,834	4,414,993
Total	20,458,786	21,931,009

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11. Depreciation and Amortization Expense

Description	2021-2022	2020-2021
	Kshs.	Kshs.
Property, plant and equipment	3,604,153	4,626,523
Intangible assets	2,998,744	2,987,556
Total depreciation and amortisation	6,602,897	7,614,079

12. Repairs and Maintenance

Description	2021-2022	2020-2021
	Kshs.	Kshs.
Property	1,666,047	1,602,778
Equipment and Machinery	158,731	369,690
Vehicles	3,095,942	2,046,280
Furniture and Fittings	-	-
Computers and Accessories	138,057	-
Total Repairs and Maintenance	5,058,777	4,018,748

13. Gain on Sale of Assets

Description	2021-2022	2020-2021
	Kshs.	Kshs.
Property, plant and equipment	555,000	89,734
Total gain on sale of assets	555,000	89,734

14. Gain on Foreign Exchange

Description	2021-2022	2020-2021
	Kshs.	Kshs.
Foreign exchange	2,018,349	2,393,259
Total Gain on Foreign Exchange	2,018,349	2,393,259

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15. Cash and Cash Equivalents

Description	2021-2022	2020-2021
	Kshs.	Kshs.
Current Account		
Kenya Commercial Bank	577,152	930,164
Kenya Commercial Bank	-	7,853
Kenya Commercial Bank	35,990	624,812
Total Cash And Cash Equivalents	613,141	1,562,829

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

Financial Institution	Account number	2021-2022	2020-2021
		Kshs.	Kshs.
a) Current Account			
Kenya Commercial Bank	1123414459	577,152	930,164
Kenya Commercial Bank	5566302000004072	-	7,853
Kenya Commercial Bank	1125916923	35,990	624,812
Grand Total		613,141	1,562,829

17. Receivables from Exchange Transactions

Description	2021-2022	2020-2021
	Kshs.	Kshs.
Receivables		
General Debtors	39,664,053	32,691,685
Total Current Receivables	39,664,053	32,691,685

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18. Receivables from Non-Exchange Transactions

Description	2021-2022	2020-2021
	Kshs.	Kshs.
Sundry Debtors	35,000,000	37,130
Staff Debtors	3,117,109	178,000
Guarantee Deposits	416,610	451,170
Salary Advance	990,665	1,064,604
Prepayments	-	1,809,178
Total current receivables	39,524,384	3,540,082

19. Inventories

Description	2021-2022	2020-2021
	Kshs.	Kshs.
Consumable stores	505,638	546,534
Total inventories at the lower of cost and net realisable value	505,638	546,534

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Notes to the Financial Statements (Continued)

20(a) Property, Plant and Equipment

	Office Partitioning	Motor vehicles	Furniture and fittings	Computers	Total
Cost	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
As At 1 July 2020	25,987,755	11,180,000	5,201,955	10,258,475	52,628,185
Additions	-	-	640,823	2,330,943	2,971,766
Disposals	-	-	(279,387)	(1,295,590)	(1,574,977)
Transfers/Adjustments	(22,653,690)	-	-	-	(22,653,690)
As At 30 th June 2021	3,390,575	11,180,000	5,563,391	11,293,828	31,427,794
Additions	-	-	273,016	1,498,965	1,771,981
Adjustment (Revaluation)*	-	3,500,000	-	-	3,500,000
Disposals	-	-	-	-	-
Transfer/Adjustments	-	(11,180,000)	-	-	(11,180,000)
As At 30 th June 2022	3,390,575	3,500,000	5,836,407	12,792,793	25,519,775

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Depreciation And Impairment								
At 1 July 2020	23,331,805	9,782,498	1,605,766	6,543,202	41,263,271			
Depreciation	678,115	1,397,500	556,417	1,994,491	4,626,523			
Disposals	-	-	(122,438)	(1,258,923)	(1,381,361)			
Impairment		-	-	-	-			
Transfers/Adjustments	(22,653,690)	-	-	-	(22,653,690)			
As At 30 June 2021	1,412,740	11,179,998	2,039,745	7,278,770	21,911,253			
Depreciation	678,115	145,833	574,585	2,205,620	3,604,153			
Disposals	-	(11,179,998)	-	-	(11,179,998)			
Impairment	-	-	-	-	-			
Transfer/Adjustment		-	-	-	-			
As At 30th June 2022	2,090,855	145,833	2,614,330	9,484,390	14,335,408			
Net Book Values								
As At 30 th June 2021	1,977,832	2	3,523,646	4,015,058	9,516,538			
As At 30 th June 2022	1,299,720	3,354,167	3,222,077	3,308,403	11,184,367			

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Notes to the Financial Statements (Continued)

Revaluation Adjustment

Motor vehicles were valued by Public works in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020). The revaluation amounts of Kshs. 3,500,000 were adopted on 23rd May 2022 by debiting provision for depreciation and crediting motor vehicles to write off initial cost and recognise new values by debiting motor vehicles account.

20 (b) 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:

	Cost	Accumulated Depreciation	NBV
	Kshs.	Kshs.	Kshs.
Office Partitioning	3,390,575	2,090,855	1,299,720
Motor Vehicles, Including Motorcycles	3,500,000	145,833	3,354,167
Computers And Related Equipment	12,792,792	9,484,390	3,308,402
Office Equipment, Furniture, And Fittings	5,836,408	2,614,330	3,222,078
Total	25,519,775	14,335,408	11,184,367

21. Intangible Assets

Description	2021-2022	2020-2021
	Kshs.	Kshs.
Cost		
At beginning of the year	10,964,322	8,832,699
Additions	32,755	2,131,623
At end of the year	10,997,077	10,964,322
Additions–internal development	773,891	32,755
At end of the year	11,770,968	10,997,077
Amortization and impairment		
At beginning of the year	4,767,488	2,253,103
Amortization	2,987,556	2,514,385
At end of the year	7,755,044	4,767,488
Amortization	2,998,744	2,987,556
At end of the year	10,753,788	7,755,044
NBV	1,017,180	3,242,033

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Notes to the Financial Statements (Continued)

22. Trade and Other Payables

Description	2021-2022	2020-2021
	Kshs.	Kshs.
Trade payables	26,504,856	16,618,063
Payments received in advance	20,908,623	12,176,080
Third-party payments	10,039,659	22,313,913
Other payables	16,390,608	6,499,940
Total trade and other payables	73,843,746	57,607,996

23. Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provision	Other provision	Total
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Balance b/f	-	-	-	-	-
Adjustment			13,333,318	350,000	13,683,318
Additional provisions	-	-	10,561,600	406,000	10,967,600
Provision utilised	-	-	(3,667,813)	-	(3,667,813)
Change due to discount and time value for money	-	-	-	-	-
Transfers from non -current provisions	-	-	-	-	-
Total provisions year end	-	-	20,227,105	756,000	20,983,105

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24. Capital Fund and Reserves

	2021-2022	2020-2021
(i) Reserves	Kshs.	Kshs.
Balance as at 1st July	16,030,515	16,030,515
Revaluation for the year	3,500,000	-
Total Reserves	19,530,515	16,030,515

	2021-2022	2020-2021
(ii) Accumulated Surplus	Kshs.	Kshs.
Balance as at 1st July	(52,538,809)	(17,171,952)
Change for the year	1,937,556	(1,814,638)
Surplus (Deficit) for the year	(36,247,350)	(33,552,219)
Total Accumulated Surplus	(86,848,602)	(52,538,809)

	2021-2022	2020-2021
(iii) Capital Funds	Kshs.	Kshs.
Balance as at 1st July	30,000,000	30,000,000
Additional Grants for the year-for office relocation	35,000,000	-
Total Capital Fund	65,000,000	30,000,000
Total Net Assets	(2,318,087)	(6,508,293)

25. Retirement benefit Asset/ Liability

Amounts recognised in the Statement of Financial Position

KENAS also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. KENAS 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 KENAS also has a defined contribution scheme operated by ICEA Pension Fund. Employees contribute 10% while employers contribute 20% 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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26. Cash Generated from Operations

	2021-2022	2020-2021
	Kshs.	Kshs.
Surplus for the year before tax	(38,820,699)	(36,035,211)
Adjusted for:		
Depreciation	6,602,897	7,614,079
Gains and losses on disposal of assets	-	89,734
Gains on Foreign Exchange	2,018,349	2,393,259
Change in Revelation Reserve	3,500,000	-
Working capital adjustments		
Increase in inventory	40,896	(39,998)
Increase in receivables	(42,956,670)	1,671,086
Increase in payables	40,437,556	(1,814,638)
Increase in payments received in advance	37,218,855	29,995,982
Net cash flow from operating activities	1,041,184	3,874,292

27. Financial Risk Management

KENAS activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. KENAS 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. KENAS does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. KENAS financial risk management objectives and policies are detailed below:

i) Credit risk

KENAS 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,

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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 KENAS management based on prior experience and their assessment of the current economic environment.

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

	Total amount	Fully performing	Past due	Impaired
	Kshs.	Kshs.	Kshs.	Kshs.
As at 30 June 2022				
Receivables from exchange transactions	39,664,053	33,779,152	21,324,744	-
Receivables from non-exchange transactions	39,524,384	39,524,384	-	-
Bank balances	613,141	613,141	-	-
Total	79,801,578	73,916,677	21,324,744	-
As at 30 June 2021				
Receivables from exchange transactions	32,691,685	10,092,637	22,599,048	-
Receivables from non-exchange transactions	3,540,082	3,540,082	-	-
Bank balances	1,562,829	1,562,829	-	-
Total	37,794,596	15,195,548	22,599,048	-

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that KENAS has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. KENAS has significant concentration of credit risk on amounts due from receivables amounting to Kshs. 21,324,744. The board of directors sets the KENAS credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

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ii) Liquidity risk management

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

The table below represents cash flows payable by KENAS 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.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs.	Kshs.	Kshs.	Kshs.
As at 30 June 2022				
Trade payables	2,392,2242	811,034	1,771,580	26,504,856
Current portion of borrowings	-	-	-	-
Provisions	1,259,299	1,706,591	18,017,215	20,983,105
Employee benefit obligation	3,187,602	-	6,852,057	10,039,659
Total	6,669,695	9,222,359	440,131,536	57,527,620
As at 30 June 2021				
Trade payables	9,084,049	5,929,072	18,468,963	33,482,084
Current portion of borrowings	-	-	-	-
Provisions	1,406,000	-	406,000	1,812,000
Employee benefit obligation	7,946,402	3,991,376	10,376,134	22,313,912
Total	18,436,451	9,920,448	29,251,097	57,607,996

iii) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect KENAS income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk

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exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. KENAS Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to KENAS exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

KENAS has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. KENAS manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payment. The carrying amount of the KENAS foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	In Kshs.	Other currencies	Total
	Kshs.	Kshs.	Kshs.
As At 30 June 2022			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	35,990	35,990
Debtors	-	4,507,581	4,507,581
Total Financial Assets	-	4,543,571	4,543,571
Financial Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

The following table demonstrates the effect on KENAS statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

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	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs.	Kshs.	Kshs.
2022			
Euro	10%	-	-
USD	10%	2,018,349	2,018,349
2021			
Euro	10%	-	-
USD	10%	2,393,259	2,393,259

b) Interest rate risk

Interest rate risk is the risk that KENAS financial condition may be adversely affected as a result of changes in interest rate levels. KENAS interest rate risk arises from bank deposits. This exposes the Entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on KENAS deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

iv) Capital Risk Management

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

	2021-2022	2020-2021
	Kshs.	Kshs.
Revaluation Reserve	19,530,515	16,030,515
Retained Earnings	(86,848,602)	(52,538,809)
Capital Reserve	65,000,000	30,000,000
Total Funds	(2,318,087)	(6,508,294)
Total Borrowings	-	-
Less: Cash And Bank Balances	613,141	1,562,829
Net Debt/(Excess Cash And Cash Equivalents)	(1,704,946)	(4,945,465)
Gearing	-	-

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28. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the *Entity* 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 *Entity*, holding 100% of the *Entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the *Entity*, both domestic and external.

Other related parties include:

- i) The National Government;
- ii) The Ministry of Industrialization, Trade and Enterprise Development;
- iii) Other State Corporations and Ministries, Departments and Agencies;
- iv) Key Management; and
- v) The Board of Directors

	2021-2022	2020-2021
	Kshs.	Kshs.
Transactions with related parties		
a) Sales to related parties		
Sales of electricity to govt agencies	-	-
Rent income from govt. Agencies	-	-
Water sales to govt. Agencies	-	-
Others (Rendering of Services)	-	-
Total	-	-
B) purchases from related parties		
Purchases of electricity from KPLC	-	-
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. Agencies	-	-
Others (Use of Goods and Services)	-	-
Total	-	-
b) Grants /transfers from the government		
Grants from National Government	110,410,000	110,410,000

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	2021-2022	2020-2021
	Kshs.	Kshs.
Grants from county government	-	-
Donations in kind	-	-
Total	110,410,000	110,410,000
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for 48 employees	116,230,934	110,869,763
Payments for goods and services for xxx	-	-
Total	116,230,934	110,869,763
d) Key management compensation		
Directors' emoluments	20,458,786	21,931,009
Compensation to key management	40,566,530	39,816,326
Total	61,025,316	61,747,335

29. Surplus Remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into the Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. In line with this legal requirement KENAS did not make any surplus during the year 2021/2022 and hence no remittance to the Consolidated Fund.

30. Events after the Reporting Period

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

31. Ultimate and Holding Entity

KENAS is a State Corporation under the Ministry of Industrialization Trade and Enterprise Development. Its ultimate parent is the Government of Kenya.

32. Currency

The financial statements have been prepared and presented in Kenya Shillings (Kshs. which is the functional and reporting currency of KENAS.

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Appendix I: 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	Timeframe
1	Property Plant and Equipment-None revaluation of Motor Vehicles which were fully depreciated	Revaluation done in the Financial Year 2021/2022 and asset register updated	Resolved	May 2022
2	Non Compliance with Quorum for Board Meetings	Management following up to ensure that Board quorum is adhered to at all times	Resolved. A new Board member (Hezbon K'Ogallo appointed on 13th July 2022	July 2022



Chief Executive Officer

Date 2022-12-23

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Appendix II: Projects implemented by KENAS

Projects under implementation by KENAS funded by 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)
Office Relocation	N/A	GoK	3 Months	N/A	N/A	Yes

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Office Relocation	64,536,780	686,000	2%	35,000,000	686,000	GoK

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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 - KSHS.	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others	
Ministry of Industry Trade and Enter. Dev.	26-Aug-2021	Recurrent	9,200,833	9,200,833	-	-	-	-	9,200,833
Ministry of Industry Trade and Enter. Dev.	01-Sep-2021	Recurrent	9,200,833	9,200,833	-	-	-	-	9,200,833
Ministry of Industry Trade and Enter. Dev.	03-Sep-2021	Recurrent	9,200,833	9,200,833	-	-	-	-	9,200,833
Ministry of Industry Trade and Enter. Dev.	27-Sep-2021	Recurrent	9,200,833	9,200,833	-	-	-	-	9,200,834
Ministry of Industry Trade	01-Nov-2021	Recurrent	9,200,833	9,200,833	-	-	-	-	9,200,833

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Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent / Development / Others	Total Amount - KSHS.	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others	
and Enter. Dev.									
Ministry of Industry Trade and Enter. Dev.	02-Dec-2021	Recurrent	9,200,833	9,200,833	-	-	-	-	9,200,834
Ministry of Industry Trade and Enter. Dev.	17-Feb-2022	Recurrent	9,200,833	9,200,833	-	-	-	-	9,200,833
Ministry of Industry Trade and Enter. Dev.	03-Mar-2022	Recurrent	9,200,833	9,200,833	-	-	-	-	9,200,833
Ministry of Industry Trade and Enter. Dev.	01-Apr-2022	Recurrent	9,200,833	9,200,833	-	-	-	-	9,200,833

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Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent / Development / Others	Total Amount - KSHS.	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others	
Ministry of Industry Trade and Enter. Dev.	04-May-2022	Recurrent	9,200,833	9,200,833	-	-	-	-	9,200,834
Ministry of Industry Trade and Enter. Dev.	06-Jun-2022	Recurrent	9,200,833	9,200,833	-	-	-	-	9,200,833
Ministry of Industry Trade and Enter. Dev.	27-Jun-2022	Recurrent	9,200,833	9,200,833	-	-	-	-	9,200,833
Ministry of Industry Trade and Enter. Dev.	30-Jun-2022	Development	35,000,000	9,200,833	35,000,000	-	35,000,000	-	35,000,000
Total			145,410,000	110,410,000	35,000,000	-	35,000,000	-	145,410,000

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Appendix IV - Inter-Entity Confirmation Letter

Kenya Accreditation Service
P.O. Box 47400-00100 Nairobi

Kenya Accreditation Service 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 [Insert name of beneficiary Entity] as at 30th June 2022								
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs.) as at 30 th June 2022			Inter-Ministerial (C)	Total (D)=(A+B+C)	Amount Received by [beneficiary Entity] (Kshs.) as at 30 th June 2021 (E)	Differences (Kshs.) (F)=(D-E)
		Recurrent (A)	Development (B)					
RCT000003551	26-Aug-2021	9,200,833	-	-	9,200,833	9,200,833	-	
RCT000003610	01-Sep-2021	9,200,833	-	-	9,200,833	9,200,833	-	
RCT000003555	03-Sep-2021	9,200,833	-	-	9,200,833	9,200,833	-	
RCT000003567	27-Sep-2021	9,200,834	-	-	9,200,834	9,200,834	-	
RCT000003609	01-Nov-2021	9,200,834	-	-	9,200,834	9,200,834	-	
RCT000003655	02-Dec-2021	9,200,833	-	-	9,200,833	9,200,833	-	
RCT000003770	17-Feb-2022	9,200,834	-	-	9,200,834	9,200,834	-	
RCT000003783	03-Mar-2022	9,200,833	-	-	9,200,833	9,200,833	-	

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RCT000003837	01-Apr-2022	9,200,833	-	-	9,200,833	9,200,833	-
RCT000003867	04-May-2022	9,200,834	-	-	9,200,834	9,200,834	-
RCT000003914	06-Jun-2022	9,200,833	-	-	9,200,833	9,200,833	-
RCT000003937	27-Jun-2022	9,200,833	-	-	9,200,833	9,200,833	-
Total		110,410,000	-	-	110,410,000	110,410,000	-

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

Head of Accountants department of beneficiary Entity:

Name H. Emily WANDARWA Sign [Signature] Date 23/12/2022

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Appendix V: Reporting of Climate Relevant Expenditures

Kenya Accreditation Service

Telephone Number: 0725227640

Email Address: info@kenyaaccreditation.org

Name of CEO: Martin Chesire

Project Name	Project Description	Project Objectives	Project Activities	Project Objectives				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
The 5th Edition of the Katagat Forest Annual Tree Planting 25th July 2021 and Meru County	KENAS participated in the tree planting activities held at Katagat Forest and Meru County	Ensure Sustainable development, environmental conservation and protection through the Kaptagat Integrated Conservation programme	-Tree Planting -Bicycle riding				490,300	A-I-A	Ministry of Environment and Forestry -ABSA Bank -Kerio Valley Development Authority (KVDA) -NET Fund Schools -ELDOWAS -KFS -MKU -KWS -WWF -KENGEN -UBA Bank

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