

REPUBLIC OF KENYA



*Enhancing Accountability*



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 07 JUN 2023	DAY: Wednesday
TABLED BY:	Hon. Kimani Ichiongwah (Majority Party leader)
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**REPORT**

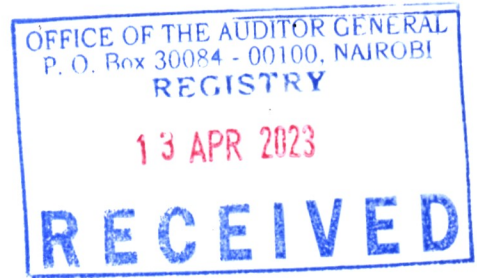
**OF**

**THE AUDITOR-GENERAL**

**ON**

**ANTI-DOPING AGENCY OF KENYA**

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



*Stay Clean, Win Right*

**ANTI-DOPING  
AGENCY  
OF KENYA**

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**ANTI-DOPING AGENCY OF KENYA**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDING  
30 JUNE 2022**

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**



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## **I. KEY ENTITY INFORMATION AND MANAGEMENT**

### **(a) Background information**

The Anti-Doping Agency of Kenya was formed under section 5 on 22<sup>nd</sup> April 2016 through the Anti-Doping Act No. 5 of 2016. At cabinet level, the Anti-Doping agency of Kenya is represented by the Cabinet Secretary for Sports Culture and Heritage who is responsible for the general policy and strategic direction of the Agency.

### **(b) Principal Activities**

The principal activity/mission/ mandate is: -

- i) Carrying out the fight against Doping in Sports through Anti-Doping values-based education, sensitization, and awareness campaigns.
- ii) Protecting the 'clean athlete' by carrying out effective doping tests among all Kenyan athletes, upholding the integrity of sport through Intelligence Gathering, Investigations and Results
- iii) Management of Anti-Doping Rules Violations (ADRVs).

### **(c) Key Management**

ADAKs day-to-day management is under the following key organs: -

- ✓ The Principal Secretary, State department for Sport Development
- ✓ The Chief Executive officers
- ✓ The Directors in charge of directorates
- ✓ The Managers
- ✓ Head of Divisions.

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**(d) Fiduciary Management**

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

<b>S.NO</b>	<b>Designation</b>	<b>Name</b>
1.	Chief Executive Officer	Ms. Sarah Idieva Shibutse
2.	Director –Education and Research	Ms. Agnes Wanjiku Mandu
3.	Director Standards and Compliance	Ms. Peninah Wangare Wahome
4.	Corporation Secretary & Head of Legal Affairs	Mr. Bildad Kamwele Rogoncho
5.	Manager-Human Capital	Ms. Edna Jepkoech Koitie
6.	Assistant Manager Internal Auditor	Mr. Kennedy Gicheha Mungai
7.	Head of Finance and Accounts	Mr. Simon Mutungi Katee
8.	Head of Supply Chain Management Assistant	Ms. Betty Kitawa Chege

**e) Fiduciary Oversight Arrangements**

The agency has put in place 4 committees to provide fiduciary oversight.

- Audit and Risk Management Committee
- Human Capital Management Committee
- Finance and General-Purpose Committee
- Strategy, Planning and Corporate Governance Committee

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**f) Entity Headquarters**

P.O. Box 66458-00800  
Parklands Plaza, 6<sup>th</sup> Floor.  
Muthithi Road, Chiromo Lane  
Nairobi, KENYA

**g) Entity Contacts**

Telephone :(+ 254) 722 269 584/+254 733837 385  
E-mail: [info@adak.or.ke](mailto:info@adak.or.ke).  
Website: [www.adak.or.ke](http://www.adak.or.ke)

**h) Entity Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya
2. Kenya Commercial Bank  
P.O Box. 14959-00800.  
Sarit Centre.  
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

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## 2. THE BOARD OF DIRECTORS

### 1. Amb. Daniel Makdwallo – Chairman ADAK Board.



Ambassador Daniel Makdwallo hold a Master of Science (MSc) degree in International Management from the University of Liverpool, Bachelor of Commerce (B.com) degree in Accounting from the University of Nairobi.

He served as the Kenya's Ambassador in Egypt.

He is an independent director, and Chairs ADAK Full Board

Mr Makdwallo DOB is 2<sup>nd</sup> January 1961

### 2. Dr. Angela Koech Lesan

Dr Angela Koech holds a master's degree in Immunology from the University of Birmingham, UK and bachelor's degree in Veterinary medicine from the University of Nairobi. She is the founder and Chief Executive Officer for Konyon Wenditai Empowerment Network (KWEN) a women's movement in Bomet County. She is also a founder and Director of Lesan foundation whose vision is to ensure equal access to education in Bomet County.



She has served as chairlady Rift Valley professional Women and Research officer at the Kenya Agricultural Research Institute -National Veterinary Research Centre, Muguga. She has specialised trainings in Veterinary and has published several papers in her line of profession.

Angela Serves as the Chairlady to the Finance and General-Purpose Committee. She is also a Member of Human Capital Management Committee. Her DOB is 19<sup>th</sup> September 1959.

**3. Mr. George Murila**



Mr. George M. Murila holds a Bachelor of Commerce in Accounting from the University of Nairobi. He is currently the CEO of Kakamega Forest Heritage Foundation. He has served in various capacities having been with Kenbright Insurance brokers as the Managing Director, Marketing Manager with Petro Oil Kenya Limited, and similar management, and coordinator position with Caltex Oil Kenya. This be stores to him over 20 years' experience in sales and marketing, advertising, and public relations. Over a period, he has been able to formulate and implement

marketing strategies and plans which have impacted positively to retaining existing business. In addition, he has been able set realistic and attainable sales targets, manage business relationships and joint ventures, participate in the development of new products, services and business development, coordinate benchmarking and carry out market intelligence and research among others. To ensure sustainable growth of the various institutions he has served, Mr George managed sales promotions, product launches, and corporate sponsorships, while at the same time establishing corporate branding, corporate communications, and public relations. His DOB is 21<sup>st</sup> March 1954.

**4. Ms. Kathryne Maundu**

Ms Kathryne has 16 years consulting experience guiding local and multi-national companies and their board in discharging their statutory and corporate governance mandate. She is currently serving as a Senior Executive and Corporation Service practice of the Law firm Bowman Coulson Harney LLP. She worked with Deloitte for 15 years in East African countries. She sits on various Boards in diverse sector and currently serves as the Company Secretary for Safaricom Plc.



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As part of Personal development, Kathrynne is a member of the Women on Board Network where she actively participates in their annual calendar of activities. Kathrynne chairs the Audit and Risk Management Committee. She is also a Member of Strategy, Planning and Corporate Governance Committee. Her DOB is 3<sup>rd</sup> November 1978

**5. Ambassador Cleland Leshore**

Amb. Leshore is an independent director with a master's degree in international relations and diplomacy from the University of Nairobi and a bachelor's pf Arts Degree in international relations from Washington International University USA. Amb. Leshore is a specialist in Public Administration and Security with diverse work experience. He previously served as Kenyas Ambassador in South Sudan. He was appointed at ADAK board on 26<sup>th</sup> January 2022 and chairs the strategy, planning and governance committee, and sits as a member in the audit and risk management committee. He was born on 1<sup>st</sup> June 1961.



**6. Dr. Somane Ismail**

Dr. Somane holds a master's degree in Strategic Management and Bachelor's degree in Pharmacy. He is the Chief Executive Officer of a Pharmaceutical Company in Kenya. Dr Somane is a member of the Audit Risk Management committee and Human Capital Management Board Committee. He was born on 4<sup>th</sup> May 1966



**7. Mr. Fred Mwachi**



Mr. Fred Mwachi holds a LLM (Masters in Law) from the University of Natal in South Africa, Bachelor of Law degree from University of Natal South Africa, Bachelor of Arts from the University of Nairobi, and a Diploma in Law from the Kenya School of Law.

He is an advocate of the High court and has served in Civil service for 15 years.

He represents the Office of the Attorney General in ADAK Board. His DOB is 23<sup>rd</sup> January 1967

**8. Mr. Samuel Mugambi**

Mr Mugambi holds a Master of Business Administration (Finance) Degree from Maastricht School of Management and a Bachelor of Commerce Degree from University of Nairobi.

He represents the PS state Department of Sports in ADAK Board.

He has a wealth of experience in finance, resource mobilization, Project liaison among others. Mr. Mugambi currently serves as the Senior Chief Finance Officer with the State department for Sports. He has previously served in various capacities including Senior Chief Finance Officer, at the Ministry of Education, Head of Finance



Department at State house Nairobi, Senior Project Liaison and Administrative Officer at Central Kenya Dry Area IFAD funded project (Ministry of Planning and National Development) Resource Mobilization Officer at the Ministry of Finance, Monopolies and Competition Authorities Officer with the Ministry of Finance and Procurement and Logistics Manager with the Ministry of Health.

In addition, He has been appointed to represent various Ministries in SAGAs Boards Such as Safari Rally, University Fund Board, Higher Education Loans Board, and Jaramogi Oginga Odinga University of Science and Technology. His DOB is 21<sup>st</sup> July 1965

**9. Mr. Bildad Rogoncho Kamwele - Head of Legal Affairs/Corporation Secretary.**

Mr. Rogoncho is an Advocate of the High Court of Kenya. He has over thirteen (13) years post admission experience. He holds a bachelor's degree in laws from the Moi University-Eldoret, obtained in 2006. He has a Postgraduate Diploma in Laws from the Kenya School of Law, earned in 2007. He had served in various capacities before joining the Anti-Doping Agency of Kenya in 2018. He has previously practiced as a litigation counsel, handling both civil and criminal matters. He served in the Office of the Director of Public Prosecutions (ODPP) as the prosecution counsel at the Kericho High Court and as a Resident Magistrate at the Wajir Law Courts. He has also worked with the National Gender and Equality Commission as a Senior Legal Officer. He is yet to join the Institute of Certified Secretaries. He is currently pursuing a Master of Arts in Leadership at the Pan Africa Christian University. His DOB is 25<sup>th</sup> January 1983.



**10. Ms. Sarah Idieva Shibutse – Chief Executive Officer.**

Ms. Shibutse has a Masters' Degree in International Studies (Development Cooperation). In addition to her Masters, she also has a Bachelor of Arts degree in Community Development and has undergone various sports administration trainings. She worked as a Sports Officer at the Department of Sports, Ministry of Sports, Culture & Heritage for 18 years up to 2015 when she was seconded to the Anti-Doping Agency of Kenya.



Since 2015, she has benefitted a lot from various trainings and collaboration meetings through the World Anti-Doping Agency (WADA), institute of National Anti-Doping Organizations and other partners in the Anti-Doping fraternity. Ms. Shibutse has served as a joint secretary to the Anti-Doping Taskforce that was set up by the Ministry of Sports to investigate the extent of doping in Kenya. She has also briefly worked at the Africa Zone V RADO and while there gained a lot of experience working with the various countries affiliated to the RADO. She is committed to ensuring that athletes compete in a fair and level playing field and do so clean. Her DOB is 9<sup>th</sup> July 1972.

### 3. MANAGEMENT TEAM

#### 1. Ms. Sarah Idieva Shibutse – Chief Executive Officer

Ms. Shibutse has a master's degree in international studies (Development Cooperation). In addition to her Masters, she has a Bachelor of Arts degree in Community Development and has undergone various sports administration trainings. She worked as a Sports Officer at the Department of Sports, Ministry of Sports, Culture & Heritage for 18 years up to 2015 when she was seconded to the Anti-Doping Agency of Kenya. Ms Shibutse took over the leadership of the Anti-Doping Agency of Kenya in an acting capacity in January 2022, having served as the Director, Standards, and compliance with the Agency. She pioneered and steered the department of standards and compliance by putting in place structures and standard operating procedures in accordance with International Standards of Testing (IST) Since 2015, she has benefitted a lot from various trainings and collaboration meetings through the World Anti-Doping Agency (WADA), institute of National Anti-Doping Organizations and other partners in the Anti-Doping fraternity. Ms. Shibutse has served as a joint secretary to the Anti-Doping Taskforce that was set up by the Ministry of Sports to investigate the extent of doping in Kenya. She has also briefly worked at the Africa Zone V RADO and while there gained a lot of experience working with the various countries affiliated to the RADO. She is committed to ensuring that athletes compete in a fair and level playing field and do so clean.



**2. Dr Agnes Wanjiku Mandu, Director - Anti-Doping Education and Research**



Dr. Mandu holds a Doctor of Philosophy in Sport Science, a Masters' degree in Leisure and Recreation Management, Postgraduate Diploma in Sports Administration, Bachelor's Degree in Sociology and Economics and is Currently - PhD Candidate at Kenyatta University.

She has a wealth of expertise and experience in public service build over a period of Twenty-Nine (29) years' serving in various positions.

Ms. Agnes has worked in different Districts as a District Sports Officer, Acted as Provincial Director of Sports, Deputy Provincial Director of Sports, Assistant Director at Moi International Sports Center Kasarani, Procurement Officer at Sports Stadium Management Board, Senior Assistant Commissioner for Sports.

She has been in acting capacity as Chief Executive Officer at National Sports Fund (NSF) and Anti-Doping Agency of Kenya. (ADAK)

**3. Ms. Peninah Wangari Wahome, A.g Director – Standards and Compliance**

Ms Peninah Wahome is a career Sports Administrator with over 25 years of experience; She holds a master's degree in Physical Education and Sport from Kenyatta University. She is currently serving as Acting Director, Standards and Compliance Department. Before this the appointment, she has been serving as Manager Compliance and Testing where she has been in charge of implementing of Compliance and Testing programs.



Prior to joining the Agency in 2017, Peninah had served as Director Sports and Games Department at Kenyatta University for eight years. She has also over the time been involved in consultancy and research work in the field of Sport.

**4. Mr. Bildad Rogoncho Kamwele - Corporation Secretary and Head of Legal Services**



Mr. Rogoncho is an Advocate of the High Court of Kenya. He has over thirteen (13) years post admission experience. He holds a bachelor's degree in law from the Moi University-El doret, obtained in 2006. He has a Postgraduate Diploma in Laws from the Kenya School of Law, earned in 2007. He had served in various capacities before joining the Anti-Doping Agency of Kenya in 2018. He has previously practiced as a litigation counsel, handling both civil and criminal matters. He served in the Office of the Director of Public Prosecutions (ODPP) as the prosecution counsel at the Kericho High Court and as a Resident Magistrate at the Wajir Law Courts. He has also worked with the National Gender and Equality Commission as a Senior Legal Officer. He is currently pursuing a Master of Arts in Leadership at the Pan Africa Christian University

**5. Ms. Edna J. Koitie - Manager -Human Capital and Administration.**

CHRP, Edna J. Koitie is the Assistant Manager-Human Capital and Administration with over 10 years' experience in the public service.

She is responsible for the management and operations of the Human Capital and Administration Department for effective implementation of the organizational strategies, policies, and procedures on people's management.

She holds a Master of Business Administration-Strategic Management Option (UON), Bachelor of Business Administration (KEMU), National Higher Diploma in HRM (KNEC) and a Diploma in Business Administration (KEMU). She is a licensed Human Resource Management Practitioner and an active member of the Institute of Human Resource Management (Kenya). She is a Certified Professional Trainer and a trained workplace counsellor.



**6. CPA. Kennedy Gicheha Mungai: Assistant Manager Internal Audit**

CPA Kennedy Mungai has over Thirteen years' experience in audit and assurance gained mainly in the public sectors. Currently he is the Assistant Manager, Internal Audit at Anti-



Doping Agency of Kenya. He was previously a County Schools Auditor in Murang'a County under the Ministry of Education, where he played a key role in transforming the Directorate of Schools Audit Services.

He holds a Master of Science Degree in Finance and Accounting from Jomo Kenyatta University of Agriculture and Technology, a Bachelor of Commerce Degree (Accounting Option) from Africa Nazarene University and a Diploma in Technical Education (Accounting Option) from Kenya Technical Trainers College. He is also a Certified Public Accountant of Kenya (CPA-K), Certified Information Systems Auditor (CISA) and Certified in Risk and Information System Control (CRISC) He is an active member of the Institute of Certified Public Accountants of Kenya (ICPAK), Institute of Internal Auditors (IIA) and Information Systems Audit & Control Association (ISACA)

**7. CPA. Simon Mutungi Katee - Head of Finance and Accounts**

CPA Simon Katee is a seasoned Accountant with vast experience in finance and accounts build over a period of 16 years serving in various institutions. He has served as a Financial Accountant with learning Institutions (Pan African High School, Nairobi Upper Hill Junior Academy & Webzz Tuition Center Ltd), Administrative Finance Officer and Finance Controller with The Centre for Victims of Torture an International NGO, Senior Auditor with Nicholas and Company CPA. Mr Simon Katee currently chairs UNESCO taskforce on the review of WADA Funding formular by State Parties. He has diverse practice and expertise in Fund and Grants Management for both public and private sector. He has hand on experience in fund raising, budgeting, financial management, and financial reporting in the private sector, NGO's and Public Sector. He has a good command



and understanding of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and International Public Sector Accounting Standards (IPSAS). He holds a Master of Business Administration in Finance from Kenyatta University, and Bachelor of Commerce Degree (Accounting) from Mount Kenya University. He has also undertaken a course in Strategic Leadership and Development Programme (SLDP) with Kenya School of Government (KSG), and other short courses on financial management and reporting by Deloitte and National Treasury.

Mr. Katee is a Professional Accountant with Certified Public Accountant (CPAK) qualification and a full member of the Institute of Certified Public Accountants in Kenya (ICPAK) in good standing. He is a Certified ISO 9000:2015 QMS Internal Auditor.

#### **8. Ms. Betty Kitawa Chege – Head of Supply Chain Management**

Ms. Betty Kitawa is a Supply Chain Specialist with adept ICT skills with over 12 years' experience. She is a licensed Supplies Practitioner, full member of KISM and Chartered Institute of Purchasing and Supply (CIPS, UK). She has expertise in implementing innovative procurement solutions, strategic procurement thinking and improving procurement processes.



She manages the procurement and supply functions that contribute to the achievement of the overall organizational strategy and is well versed in the Public Procurement and Asset Disposal Act (PPADA) 2015 and Public Procurement and Asset Disposal Regulations 2020.

Ms. Kitawa holds a bachelor's in science business information technology and a Master of Science degree in Procurement and Logistics both from Jomo Kenyatta University of Agriculture and Technology.

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**4. CHAIRMAN'S STATEMENT**

On behalf of Board of the Anti-Doping Agency of Kenya (ADAK), it is my pleasure to present the Annual Report and Financial Statements for the Financial Year 2021/2022. As an Agency, we have realized great milestones which have helped us achieve our mandate even through the challenges we continued to experience in this period.

The field of Anti-Doping is extremely dynamic, and this demands that Anti-Doping Organizations (ADOs), ADAK included, to be updated on developments and new trends of doping both locally and internationally. Currently, the 2021 World Anti-Doping Code is in effect since 1<sup>st</sup> January 2021. The new Code introduces new International Standards meant to inject an added impetus to the fight against doping, but which introduces additional responsibilities to the ADOs, and inevitably additional costs.

In the year under review, ADAK continued to absorb allocated grant from Government of Kshs 285,380,000/=, a budget that is equal to the previous Year 2020/21. This comes at a time when the Agency is poised to expand its programs, as envisaged in the Strategic Plan, and as per the expectations of the World Anti-Doping Agency, and the changing circumstances in the Anti-Doping field. We appreciate the injection of Kshs 57,887,330/= from the Sports, Arts and Social Development Fund. However, it should be noted that these were specific interventions for specific programs with additional costs to the Agency, beyond the budgeted provisions. This could not be translated into the envisaged growth.

It remains imperative, therefore that the Government reviews the funding level of the Agency upwards, to allow it to continue to build a robust Anti-Doping program and be able to stay compliant to the Code and in line with the current trends of a fast-changing environment.

Signed: \_\_\_\_\_

**AMB. DANIEL MAKDWALLO  
CHAIRMAN ADAK BOARD.**

Date \_\_\_\_\_

12<sup>th</sup> April 2023

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## **5. REPORT OF THE CHIEF EXECUTIVE OFFICER**

The Anti-Doping Agency of Kenya (ADAK), in its sixth year since inception in 2016, continued to grow from strength to strength. It continued to expand its programs and build a well-trained Human Resource component competitively recruited and trained through partnership with Anti-Doping Norway (ADNO), United Kingdom Anti-Doping (UKAD), South Africa Institute for Drug Free Sports (SAIDS), and the World Anti-Doping Agency (WADA).

Kenya is a world-renowned sports Powerhouse, particularly in athletics track events. The success of Kenyan athletes in the course of time has drawn the spotlight from the global sports community who sought assurance that the triumph of our athletes in World Championships was as a result of clean sport and not from the use of prohibited substances. The situation and scrutiny grew more intense following several positive doping cases across many sports.

The Agency progressed its legally stated mandate, which is mainly to protect the athlete's fundamental right to participate in Doping free sport and promote good health, fairness and equality for sportsmen and women in Kenya. This was done through three core functions of the Agency, namely: - Education and Research, Testing and Results Management.

It needs to be noted that ADAK is a key strategic program for the Government through the State Department for Sports, mandated to ensure compliance with the World Anti-Doping Code, implement intelligence and investigation which is key to proper target testing, and better and effective Education and information sharing. The World Anti-Doping Agency (WADA) places a high premium on ADAK to fulfill these areas of its core mandate, while at the same time grow its programs, to effectively address them, in a continuously evolving global Anti-Doping landscape.

In the Financial Year 2021/2022, the Agency received the sum of Kshs 285,380,000/= from the National Treasury to run its programs. In addition, it received Kshs 57,887,330/= from the Sports, Arts, and Social Development Fund to prepare team Kenya for the World Athletics Championships and Commonwealth Games held in July and August 2022.

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However, in spite of this Revenue trend, and intervention from the Sports Fund, the Agency continued to experience challenges in enhancing its programmes, noting that it is limited in generating A.i.A. These include the following:

- Risk of sanctions in the event of non-compliance with the World Anti-Doping Code.
- Technological advancement in the prohibited substances and doping methods applied by unscrupulous athletes and athlete support personnel.
- Large number of athletes in the country which strains available resources for education and testing.
- Lack of a WADA accredited laboratory in the region which introduces an added cost of transporting the samples by recommended courier services.

The challenges outlined above imply that apart from carrying out mandatory tests for all eligible athletes, particularly those preparing for international competitions, the Agency must invest heavily in Intelligence Gathering and Investigations, and raise awareness on repercussions of doping through intense education across the country,

The low level of government grant, and restricted capacity to raise revenues in form of Appropriation in Aid (A in A), especially with an economy recovering from the impact of COVID-19, poses a major challenge for the Agency as it addresses mandatory compliance to the World Anti-Doping Code (WADC) as set by the international regulator, WADA. Indeed, as a result of the low funding levels, the Agency is facing several major risks:

1. Inability to progressively grow by a significant margin the number of tests as required by WADA.
2. Inability to carry out intense intelligence and investigations, resulting to low levels of target testing, Education and Results Management. While Anti-Doping Education and information sharing has a preventive role, effective testing is a deterrence.
3. Inability to monitor Sports Federations in ensuring compliance to ADAK rules and the World Anti-Doping Code.
4. Inability to meet awarded costs and prosecution related costs of international appeal cases in the event of high number of appeals at the Court of Arbitration for Sports.
5. The Agency is unable to allocate substantial resources for CSR due to high competing priorities.

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6. Inability to automate processes as this requires an ERP platform. This is due to competing program needs.

There is need therefore for the Government to improve the funding level to the Agency if compliance to WADA and the Anti-Doping Code is to be realized. It is our recommendation that an enhanced ring-fenced budgetary allocation be considered for the Agency.

Overall, the Agency handled its affairs and finances well. It complied with all statutory requirements, at the same time as there were no issues of financial impropriety reported during the period under review.

The Agency is committed to upholding the following values:

- Professionalism
- Impartiality
- Patriotism and National Unity
- Equity and Equality
- Inclusiveness
- Integrity, Transparency and Accountability

**SARAH IDIEVA SHIBUTSE  
CHIEF EXECUTIVE OFFICER**

Signed: *Adieta* Date: 31 March 2023

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**6. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR THE FY2021/2022**

The Anti-Doping Agency of Kenya has four strategic pillars and objectives within the current Strategic Plan for the FY 2021/22 out of which three are key programme pillars and one is administrative. These strategic pillars are as follows:

- i. Carry out the fight against Doping in sports through Anti-Doping Education programmes
- ii. To protect clean athletes through effective intelligence-based tests
- iii. Administer Anti-Doping rules violation (ADRVs)
- iv. Institutional strengthening.

The Agency develops its annual work plans based on the above four pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Agency achieved its performance targets set for the FY 2021/2022 period for its three strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Anti-Doping Education	To sensitize 7,000 persons	No of persons sensitised	Education awareness and outreach programs, values-based education and information sharing.	14, 295 persons sensitized.
Intelligence based Test	900 Samples collected	No. of intelligence-based testing conducted	Intelligence based testing	1,325 intelligent based tests conducted
Results Management	Anti-Doping Rules violations resolved 100%	%Result management on Anti-Doping rules violation	Resolution of ADRV's and criminal cases arising therein.	All Anti-Doping rules violations resolved fully

## 7. CORPORATE GOVERNANCE STATEMENT

### Introduction

The Government of Kenya established the Anti-Doping Agency of Kenya (ADAK) vide Anti-Doping Act No. 5 of 2016 as a State Corporation to protect athletes' fundamental rights to participate in doping-free sport and thus promoting good health, fairness, and equality for athletes in Kenya. The Agency is a body corporate with perpetual succession and a common seal.

### Vision:

A world class Anti-Doping Agency, protecting clean athletes and promoting fair play.

### Mission:

To lead a coordinated national Anti-Doping education and awareness campaign, testing and promotion of integrity for doping-free sport.

### Composition, size, and representation of Board Members:

The composition and size of Anti-Doping Agency of Kenya (ADAK) Board provided a fair representation of both genders (6 males and 2 females) with competencies and skills required for the effective leadership of the organization. The Board is led by a chairman who is assisted by six (6) substantive Board members and two (2) members who each represent the Attorney General and the Ministry of Sports respectively. The Chief Executive Officer sits as the Secretary to the Board. The Board operates on a Part-Time basis.

### Current Board

The President and the Cabinet Secretary for Sports, Culture & the Arts appointed the current Board for a three-year term as indicated below:

	FROM	TO:
<b>Chairman</b>	6 <sup>th</sup> October, 2021	5 <sup>th</sup> October, 2024
<b>Other Board members</b>	30 <sup>th</sup> March, 2022	29 <sup>th</sup> March 2025

During the FY2022/23, Dr Somane Ismail resigned from the Board. A replacement appointment would be made in the course of the year.

## ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022



### **Roles and functions of the Board**

The ADAK Board is composed of competent, diverse, and qualified members, capable of exercising objective and independent judgement. The Board exercised its role collectively and ensured that the strategy of the organization was aligned to the long-term goals and sustainability of the organization. The Board provided the much-needed strategic leadership to the Agency. The Board continued to guide the Agency to achieve its mission and vision.

The functions of the Board were in accordance with the State Corporations Advisory Committee (SCAC) guidelines for State Corporation and summarized as follows:

- Transparency
- Independent Oversight
- Accountability
- Effective communication.

The ADAK Board had appropriate autonomy and authority to exercise its functions. They were accountable to the shareholders, took responsibility for their decisions and the performance of the organization. These leaders designed and adhered to the code of ethics that helped the management promote each of the important characteristics of good corporate governance.

### **Process of appointment of the Board**

The appointment of the Board was made in line with Article 27 of the Constitution of Kenya and Section 10 of Anti-Doping Act No. 5 of 2016. The Board Chairman was appointed by His Excellency the President. The substantive Board members were appointed by the Parent Ministry being the Ministry of Sports.

All the Board members were gazetted upon appointment. They were all appointed on a three-year term limit, renewable once. Three (3) of the five (5) substantive Board members are serving their second terms.

The Chief Executive Officer (CEO) was competitively recruited and appointed by the Board. He retired on 4<sup>th</sup> February 2022 after serving his second term. The Board appointed an Acting CEO pending the recruitment process.

### **Removal of the Board**

Section 12 of the Anti-Doping Act provides for the grounds for removal of any of the Board members. The grounds include violation of the provisions of Chapter 6 of the Constitution, incapacitation due to prolonged physical or mental illness which renders the member unable to discharge the duties of his/her office, absenteeism without the permission of the Chairperson or the Cabinet Secretary in the case of the Chairperson, from three consecutive meetings of the Board or if a member is convicted of an offence and imprisoned for a term of more than six months, among others. Every member shall be accorded an opportunity to be heard before he/she is removed under this section.

In the reporting period, none of the ADAK Board members was so removed

### **Existence of a Board Charter**

The Board has developed a board charter to guide its oversight role.

### **Conflict of Interest**

During the reporting period all the Board members recorded No conflict of interest always except the CEO who had to step out of the Board meeting where the aspect of appointment of the Acting CEO and subsequent recruitment process was an Agenda.

### **Registering of gifts**

There were no gift(s) declared by any Board member throughout the entire period.

### **Board Committees**

The following four committees were formed and terms of reference set for each committee:

1. Audit & Risk Management
2. Human Capital Management
3. Finance & General-Purpose
4. Strategy, Planning and Corporate Governance

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### **Board induction and training**

Board induction was undertaken in liaison with the State Corporations Advisory Committee (SCAC) in the previous and took place on 22<sup>nd</sup> – 24<sup>th</sup> June 2022. All the members attended the Induction.

### **Board Self-Evaluation**

The Board undertook the Annual Board Self-Evaluation of its performance as guided by Mwongozo. The evaluation covered the Board as a whole, its committees, individual members, the chairman, the Chief Executive Officer, and the Company Secretary. This exercise was conducted and steered by officials from State Corporations Advisory Committee on 4<sup>th</sup> July 2022. It was facilitated by ADAK and the outcome shared with SCAC and the Principal Secretary, Ministry of Sports, Culture & Heritage.

The current Board was appointed on 30<sup>th</sup> March 2022. The previous Board was evaluated on 20<sup>th</sup> July 2021.

### **Board remuneration**

The members of the Board are paid an allowance as guided by the Salaries and Remunerations Commission. Measures were taken to ensure that Board members were fairly, ethically, and responsibly remunerated.

### **Ethics and Conduct**

Good corporate governance starts with a clear strategy for the organization. To maintain its legitimacy and credibility the Board rendered its decisions and resolutions in line with the above parameters.

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**Board Meetings held and attendance - 2021/2022 FY**

An ALMANAC was put in place to guide the Board meetings. Below is a breakdown of the meetings held, dates and attendance:

	Dates held	Type	No. of Participants
<b>1. Full Board (FB) Meetings</b>	23/09/2021	31 <sup>st</sup> FB(Virtual)	6
	09/12/2021	32 <sup>nd</sup> FB(Virtual)	7
<b>TOTAL</b>	<b>= 2 FB meetings</b>		<b>13</b>
<b>2. Special Board (SB) meetings</b>			
<b>2. Special Board (SB) meetings</b>	20/07/2021	Board Evaluation	9
	12/01/2022	Approval of ADAK Strategic Plan	7
	05/05/2022	Recruitment of ADAK CEO	7
<b>TOTAL</b>	<b>=3 SB meetings</b>		<b>23</b>

## 8. MANAGEMENT DISCUSSION AND ANALYSIS

### Operational Performance

The Agency's operations are carried out by two directorates namely: -

- i. The Department of Standards and Compliance
- ii. The Department of Anti-Doping Education and Research.

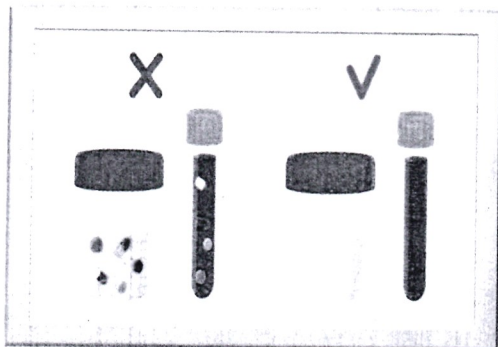
#### i) The Department of Standards and Compliance

The key activities for the Directorate of Standards and Compliance are Intelligent Based Testing during In-competition and Out of Competition, Initial review, Therapeutic Use Exemption, and Compliance monitoring of Sporting Organization.

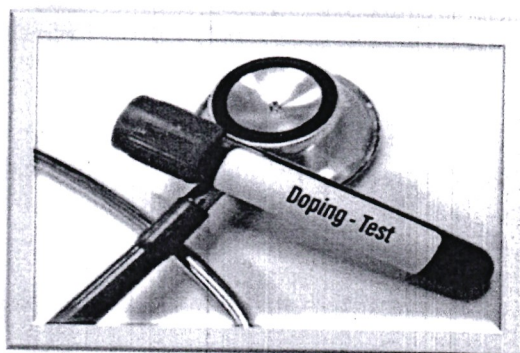
#### In-Competition and Out-of-Competition Testing

This involves planning for intelligent and effective Testing, both In-Competition and Out-of-Competition, and to maintain the integrity and identity of the Samples collected from the point the Athlete is notified of the test to the point the Samples are delivered to the laboratory for analysis.

In and Out of competition testing is aimed at deterring doping practices among athletes and hence fair play for all athletes.



Urine Sample



Blood Sample.



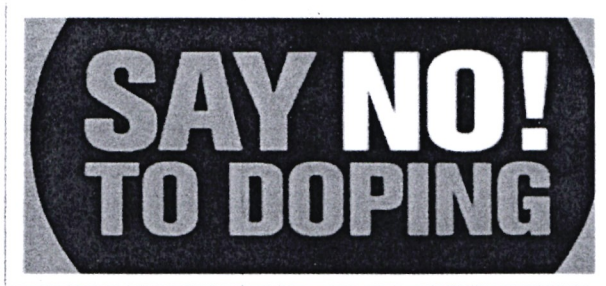
During the **Financial Year 2021/2022**, the department had targeted to carry out **900 tests** from various sports disciplines. The department managed to collect **1,325 samples**.

Upon completion of sample collection, the Urine and Blood serum samples were shipped to WADA accredited Laboratories in South Africa or Qatar for analysis. Samples for Blood Athlete Biological passport (ABP) were however analysed at the WADA approved Pathologists Lancet Kenya laboratory in Nairobi.

The Agency used DHL (K) Ltd for all overseas shipment of the samples since it's the only courier service that accepts can transport human specimen in Kenya.

### Results Management

This process encompasses the timeframe between pre-hearing administration of potential Anti-Doping Rule Violations (ADRVs), Laboratory Analysis (or the collection of other evidence establishing a potential ADRV), notification and charge, through to resolution of the process.



Anti-Doping rules Violations are administered at the Sports Dispute Tribunal (SDT) while appeals are heard at the Court of Arbitration for Sports (CAS) in Lausanne Switzerland.

### Therapeutic Use Exemption



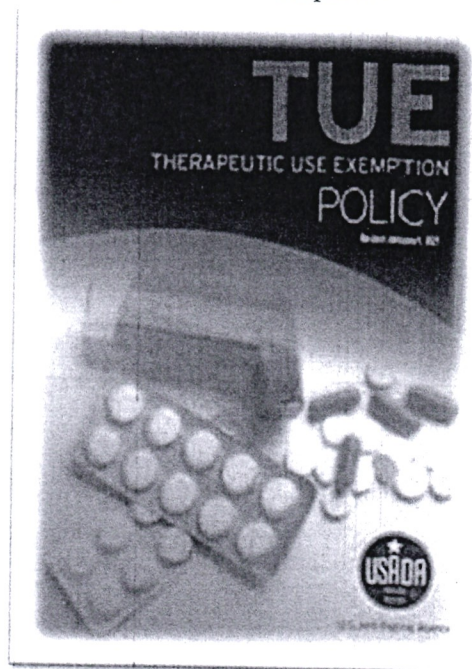
Athletes may have illnesses or conditions that require them to take particular medications. If the medication an athlete is required to take to treat an illness or condition happens to fall under the Prohibited List, a Therapeutic Use Exemption (TUE) may give that athlete the authorization to take the needed medicine. The process of granting TUEs is harmonized across sports and countries through the International Standard for Therapeutic Use Exemptions (ISTUE).

During the financial year under review, the Agency did not receive applications for therapeutic use exemption.

### Initial Review

This is a process carried out between receipt of the Laboratory Analysis (or the collection of other evidence establishing a potential Anti-Doping Rule Violation [ADRV] and the prosecution of a potential ADRV through:

- a) Verification that there are no applicable TUEs granted to the athlete and that there have been no departures from ISTI and ISL in order to declare an Adverse Analytical Finding (AAF) or an Atypical Finding (ATF).
- b) Review and verification of the athlete's contact information.
- c) Investigations conducted where necessary to gather more evidence of the potential ADRV.

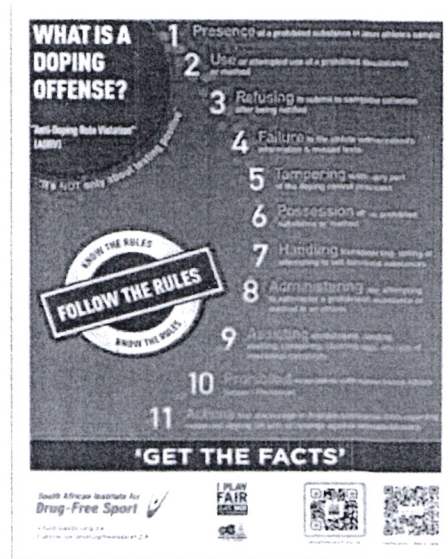


**Compliance**

**a) Investigations and Intelligence Gathering**

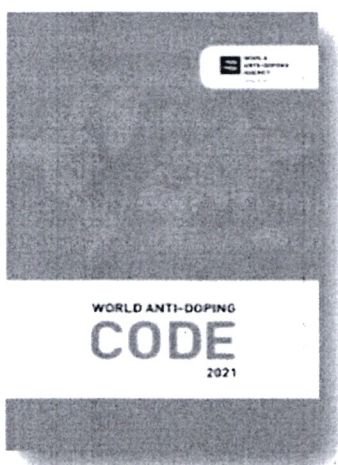
In order to exhaustively protect clean athletes in Kenya, the Agency, undertakes Investigations and Intelligence Gathering. This is mainly intended to identify and prosecute those who attempt to undermine the values of fair play and sportsmanship, compliment the processes of results management and to uncover the networks of those supplying and administering performance enhancing drugs (PEDs). The Agency obtains, assesses, and processes Anti-Doping intelligence from all available sources.

During the last financial year, the Agency **investigated Nineteen (19) Atypical findings** and reported to WADA. In addition, the Agency investigated 16 athletes and athlete support personnel. This was done in partnership with AIU and other international investigation groups. **Two (2) ADRV cases and One (1) criminal case** were prosecuted in court while **Thirteen (13) non-Analytical cases** were investigated.



**b) Compliance by sports Federation**

All sports federations and by extension sports persons are expected to comply with the ADAK Anti-Doping Rules and the World Anti-Doping Code (WADC). Compliance audits are carried out on the various federations to ensure that they are adhering to the Rules. Where one is found to be non-compliant then necessary sanctions are meted out on them.

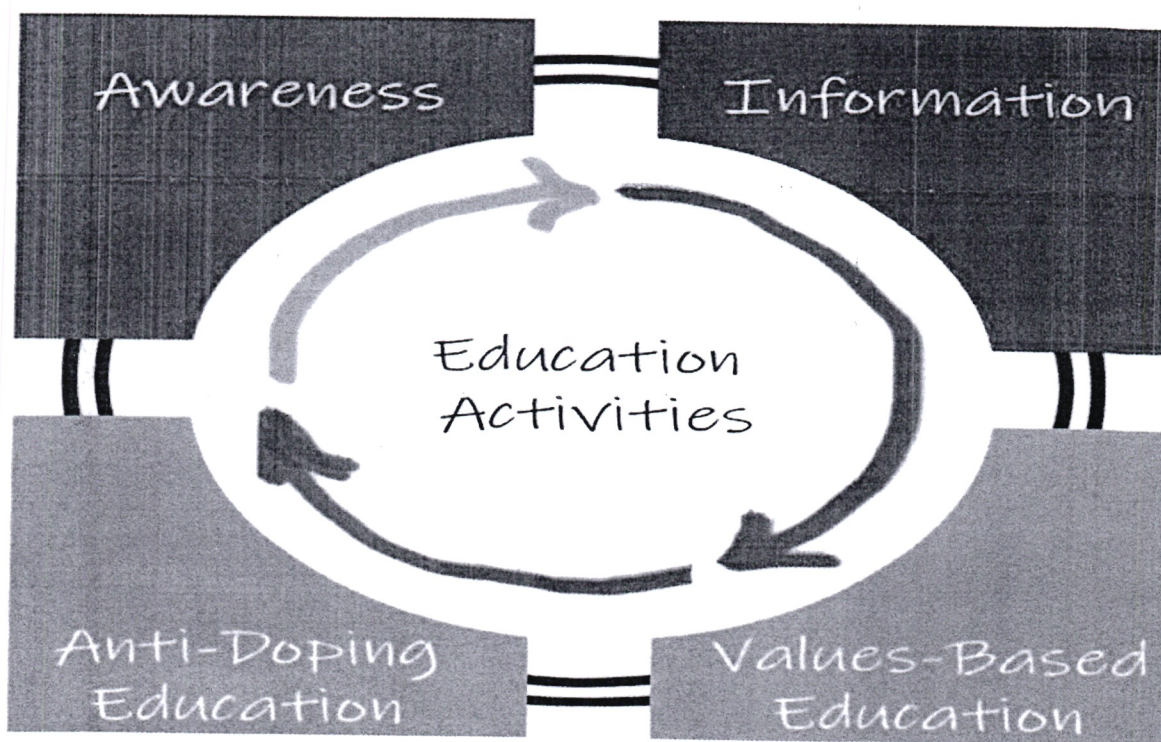


During the year under review, the Agency had **planned to audit ten (10) federations**. However only **eight (8) federations** were audited.

ii) **The Department of Anti-Doping Education and Research.**

The Department of Anti-Doping Education and Research is bestowed with the responsibility of carrying out Anti-Doping values-based education, sensitization and awareness campaigns through Anti-Doping information sharing workshops, outreach, and values-based programs. In addition, the department also carries out research on doping issues which provides guidance in undertaking evidence-based intervention both in Anti-Doping education and testing.

The Department carries out Anti-Doping Education and Research programs through the following activities.



**Awareness Raising Program**

This program is carried out during Sports activities and national events. It takes the form of an outreach program where participants are given an opportunity to familiarize themselves with issues that are related to the fight against doping in sport.

Though the program targets more on athletes and athletes' support personnel, it is open to the public that patronize such sporting activities as spectators.

In the financial year 2021/22, The Department conducted **eleven (36) Outreach Programs reaching 9,292 participants**

### Anti-Doping Education

This program is a more deliberate move to share anti-doping information with athletes, Athletes' support personnel and other stakeholders. Structured workshops are organized, and specialized training offered to specific target groups. The program is aimed at developing participants' competence in anti-doping issues for the purpose of making informed decisions. Topics covered include Anti-Doping Program Overview, Roles and Responsibilities of various stakeholders, Consequences of Doping, Anti-Doping Rule, Violations (ADRVs), Results Management, The Prohibited List, Food Supplements, Sports Nutrition, Therapeutic Use Exemptions (TUE), sample collection process, and Athletes' Whereabouts, Principles and values associated with clean sport, Athletes Anti-Doping Rights and Speak about Doping in Sport

### Anti-Doping Outreach Activity.

In the Financial Year 2021/22, The Department conducted **Fifty-Six (56) workshop programs** reaching **5,258 participants**.



**Workshop in Session.**

### Values-Based Education

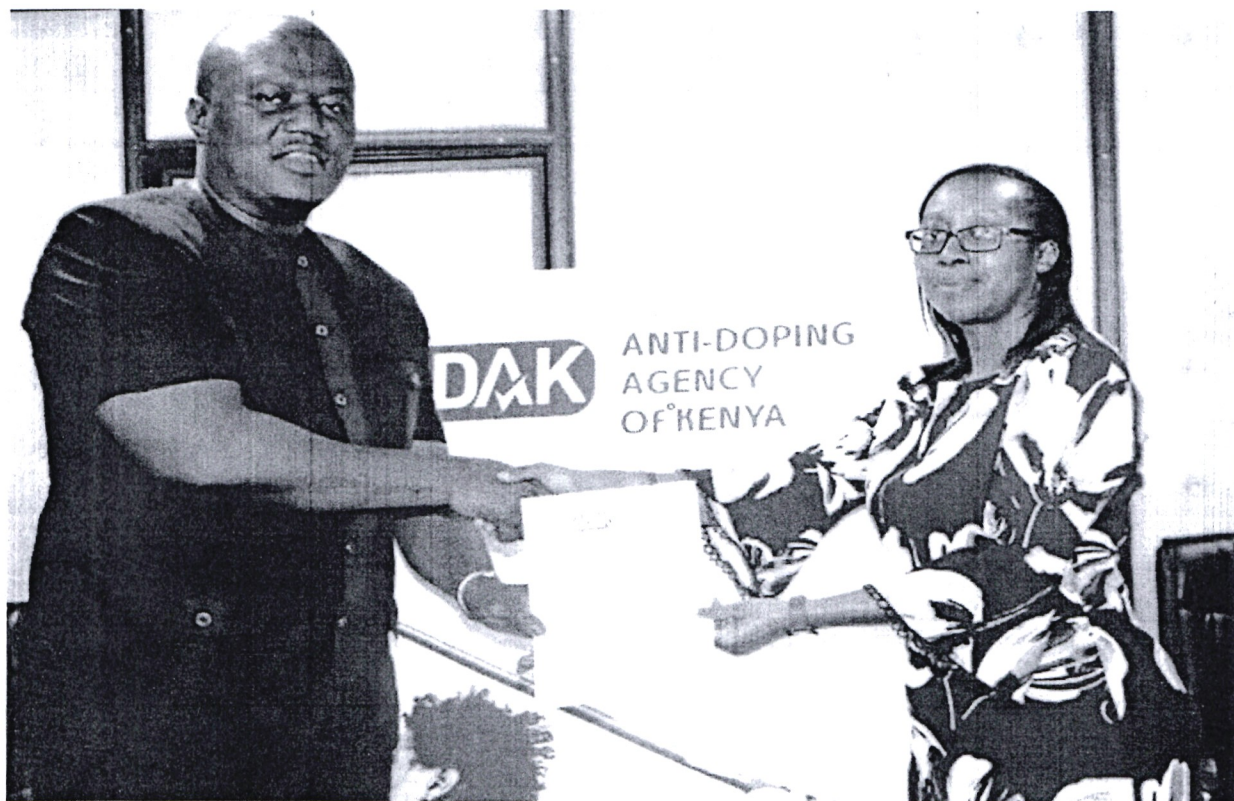
The Directorate organizes sporting activities that promote the spirit of sports values for the young and upcoming athletes during school holidays and/or weekends. The program is aimed at enabling the participants have the ability to demonstrate their understanding of the values which promote the spirit of sport. These values include.

- Health, Ethics, Fair play, and Honesty.
- Athletes' rights as set out in the World Anti-Doping Code
- Excellence in performance
- Character and Education
- Fun and Joy
- Teamwork, dedication, and commitment
- Respect for rules and laws.
- Respect for self and other participants
- Courage
- Community and solidarity.

The Agency has partnered with Kenya Institute of Curriculum Development (KICD) to ensure that values-based education is entrenched in both primary and secondary schools curricular.

Values -based education aims at prevention rather than deterrence of doping practices. The Agency has partnered with Kenya Institute of Curriculum Development (KICD) to ensure that values-based education is entrenched in both primary and secondary schools curricular. For the year **2021/22** the department **reached out to 326 PE teachers and children** from various schools in Kenya.

Values -based education aims at prevention rather than deterrence of doping practices.



Kenya Ghana Collaboration.



**Values-based activity Program.**

**Information Provision.**

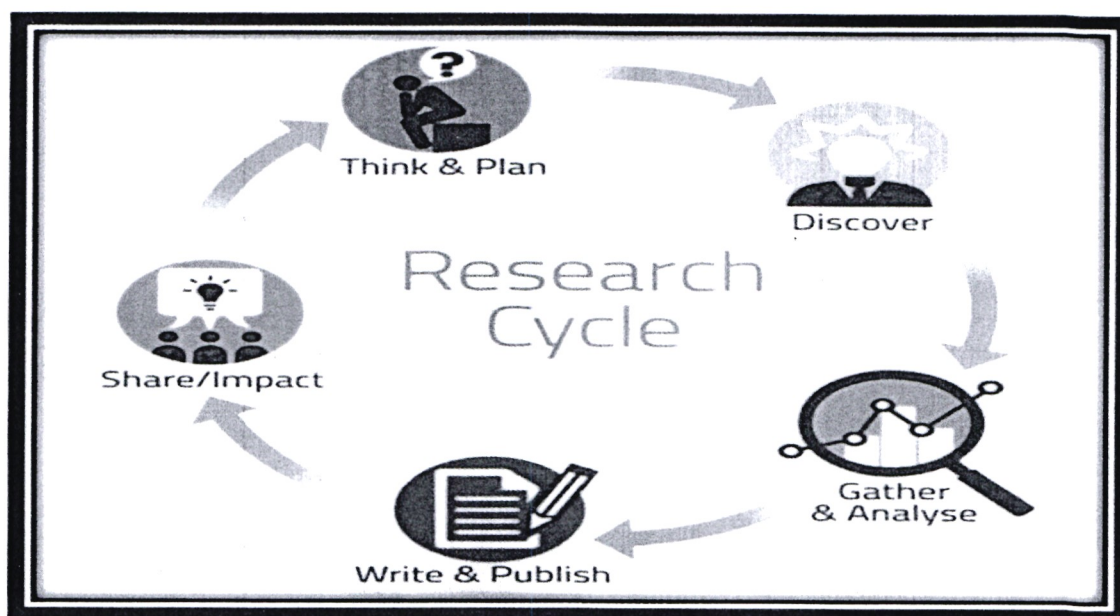
Through this program the Department provides up-to-date Information, Education and Communication (IEC) materials to participants. This is aimed at ensuring stakeholders have access to accurate, UpToDate content related to clean sport. These materials are always provided during Values Based Education, Outreach and Workshop programs.

This financial year, the Department has distributed Anti-Doping Education materials to **14,295** to participants persons. The Department has also developed an online platform where all participants can access information on Anti-Doping. During the year, 133 athletes were reached through the E-learning platform.

### Research on Doping Issues

Research on doping issues is conducted for the purpose of informing and guiding both Departments of Education and Research and, Standards and Compliance in conducting effective programs respectively. This is meant to ensure that the programs carried out are evidence-based. During the Financial Year 2021/22, The department carried out **three (3) research** on the following areas.

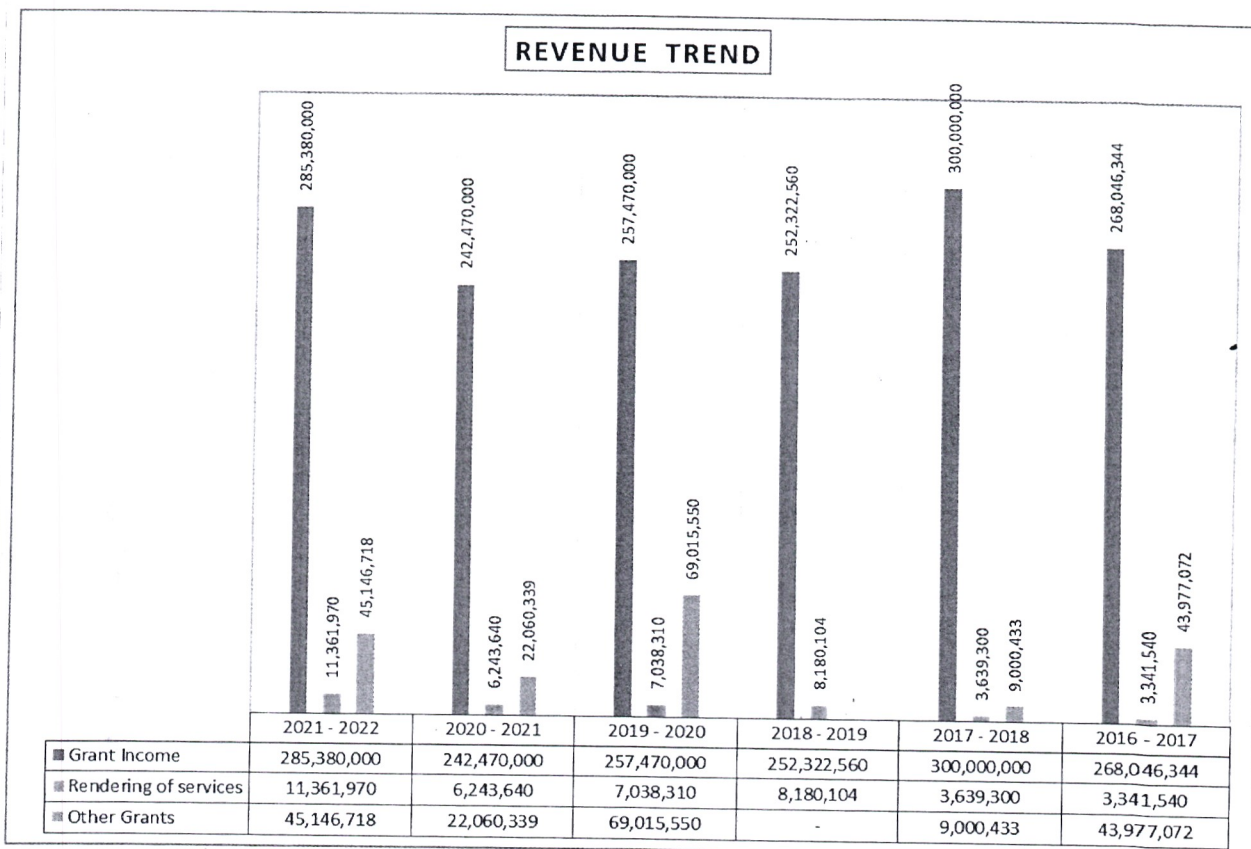
1. Annual Assessment of Knowledge levels and Impact on Anti-Doping education programmes for athletes and athlete support personnel in Kenya.
2. Assessment of compliance with International Standard of Therapeutic Use Exemption among Kenyan athletes
3. Assessment of Anti-Doping Knowledge Levels, Attitude and Perception of athletes and athletes support personnel in Kenya



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Financial Performance.



The Total Grant Income exhibit an increase during the FY2021/22. However the previous year budgetary allocation had been reduced marginally compared to FY2019/2020.

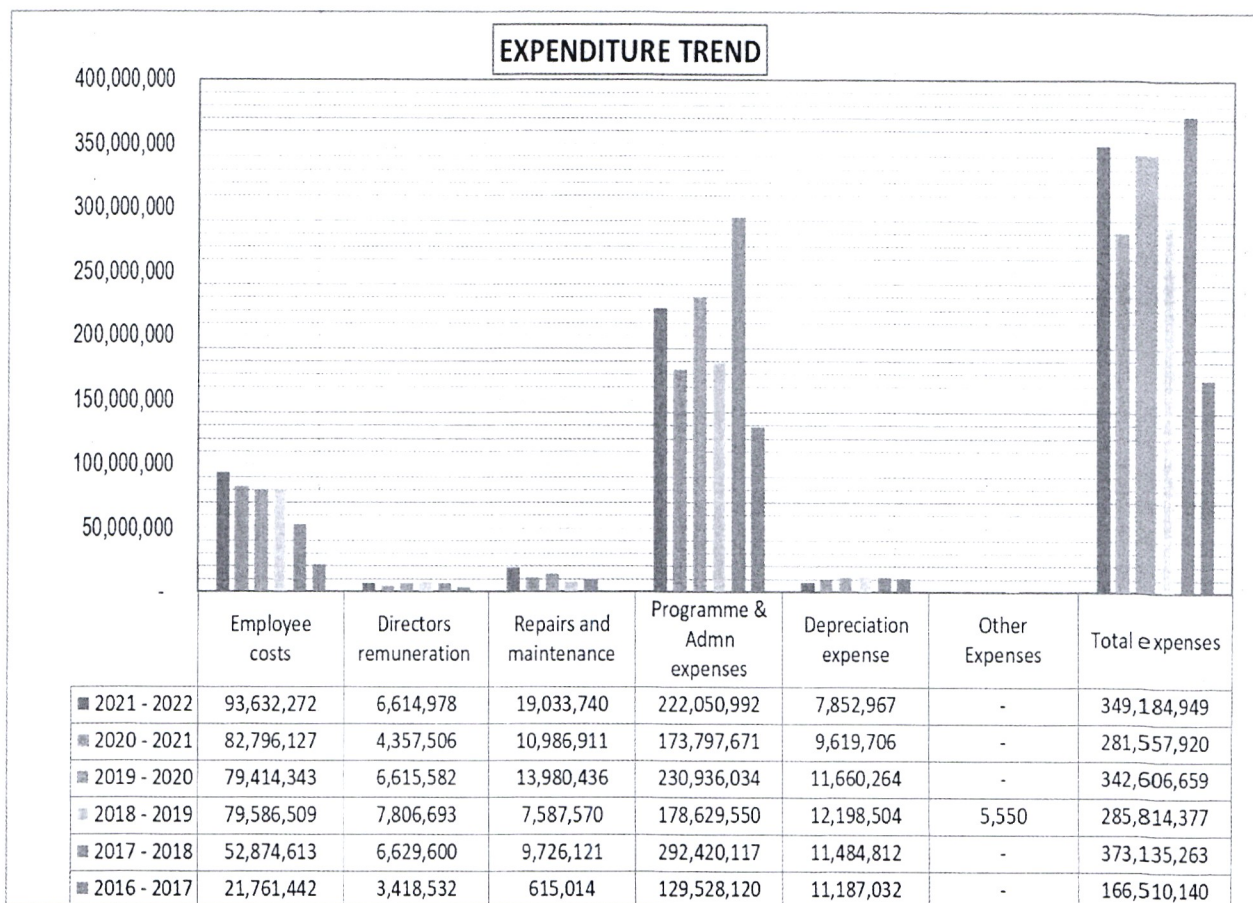
The previous year's performance of grants presents a mixed performance comprising decrease and increase as shown above.

Incomes realised from rendering of services depict an increase in the FY2021/22, with a decrease compared to FY2019/20 due to reduced collection because of slowed activity following the suspension of sporting events and effects of Covid -19 pandemic. However, it should be noted that maximising income from rendering of Anti-Doping Testing is not in line with ADAK mandate since its operations are meant to be solely funded by the government of Kenya.

Such incomes realised are pure reimbursement of cost billed to respective private sponsor of private events and is meant to pay on their behalf cost of testing equipment's, Sample collection cost, DHL Courier services to the laboratories outside Africa, Laboratory Analysis, among other incidental costs.

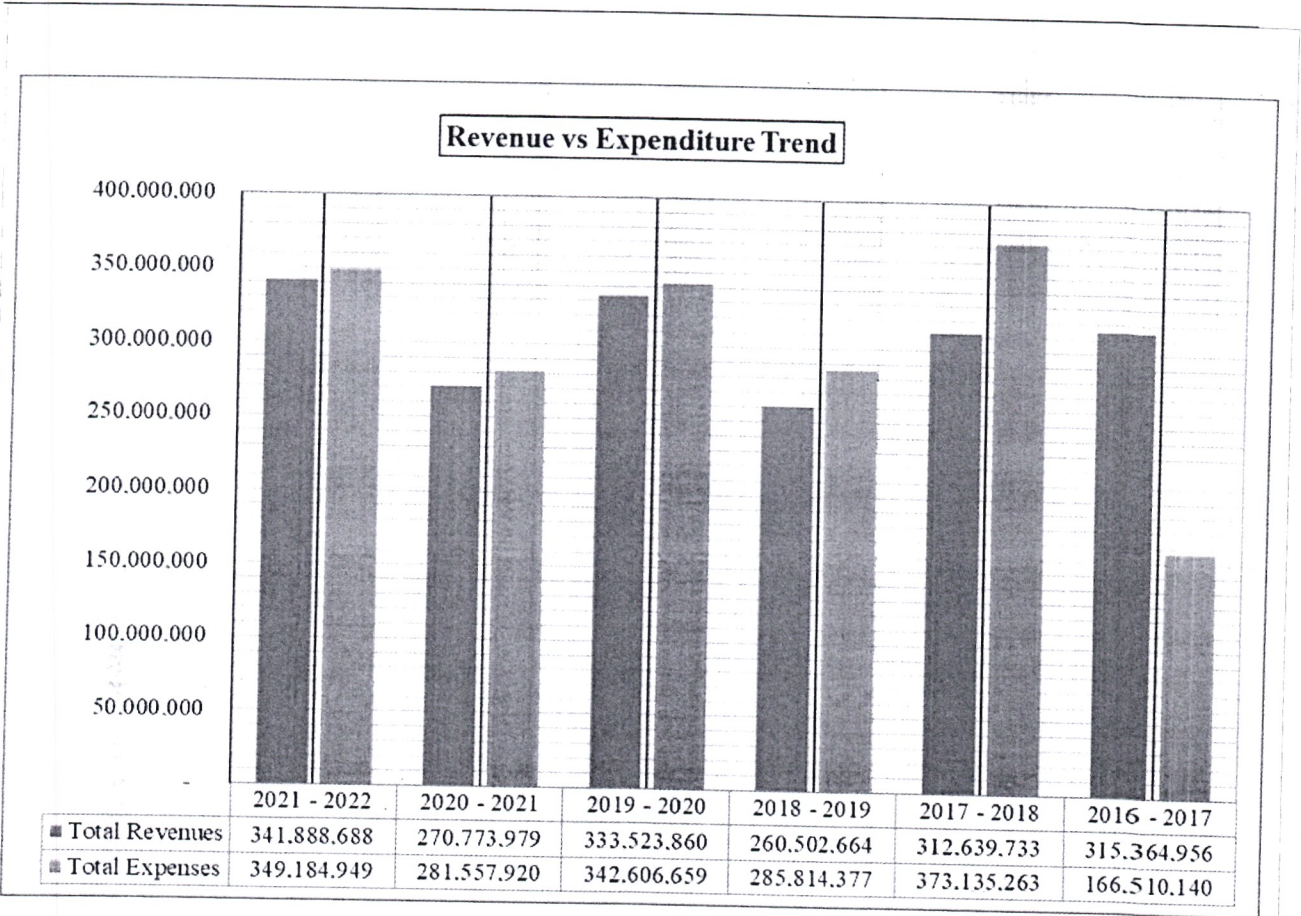
During the year, the Agency proposed for funding from the SASDF here by marked as other grants. A total of **Shs. 45,146,718** was raised to assist carry out mandatory testing for specific events related to World Athletics Championships and Commonwealth Games.

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Total program expenditure presents an increase due to enhanced budgetary allocation and funding for specified events relation to World Athletics Championships and Commonwealth Games.

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The above graph provides a snapshot of the Total revenues and total expenditure over time. The total expenditure for the FY2017/28 FY2018/2019 FY 2019/2020 FY 2020/2021 and FY2021/2022 exceeds the total revenues. The deficit is financed by re-absorption of prepaid expenses brought forward from the previous year.

**Key projects and investment decisions the entity is planning/implementing**

In the meanwhile, the Agency is fully funded by the National Government through the National Treasury and is focusing on service delivery. In this regard, we have no major projects and investments plans. However, the Agency will be reviewing its Strategic plan in the course of time to address issues regarding sustainable development.

**Entity's compliance with statutory requirements**

**Income Tax Act**

The Agency has continued to pay income tax obligation as they fall due and in a timely manner.

**NHIF & NSSF Acts**

The Agency has fully complied with the NHIF Act 2013 and NSSF Act.

**The PFM Act.**

The Agency has complied with the PFM Act and other circulars issued from time to time.

It has adhered to budget submission deadline which was the 31<sup>st</sup> of January every year.

The Agency was unable to submit quarterly reports on time due to delayed disbursement of quarterly grants. However, the Agency commits to ensure that the quarterly report are submitted by their due dates.

### Major risks facing the entity

ADAK is a key strategic programme for the Government through the State Department for Sports and Development mandated to ensure compliance with the World Anti-Doping Code, implement intelligence and investigation on ADRVs which are key to proper target testing, better results management, effective Education, and information sharing. The agency has been faced with the following challenges while carrying out Anti-Doping programmes.

- Maintaining a balance between allocated government grant and WADA requirement has always remained a challenge for the Agency.
- Increased cases of doping by some athletes in international competitions and allegations in the media waters down the great efforts that produced exemplary performance by clean athletes at the global stage.
- Technological advancement in the use of prohibited substances by some athletes seems to be ahead of Anti-Doping measures.
- Lack of an accredited laboratory in Kenya has made it very expensive to analyze human specimen hence low coverage in testing.
- Rulings made at the tribunal are independent and at arm's length. Challenging of such rulings have always had a cost implication as increased appeals results to high arbitration costs that are not budgeted for.
- Only DHL provides courier services for human specimens, hence reduced options for the Agency.

While addressing Issues Compliance with WADA and World Anti-Doping Code, the Agency is experiencing budget constraints due to low level of government grant and restricted ability to raise revenues in form of Appropriation in Aid. ADAK being a regulatory institution and non-commercial entity purely relies on Government grant for executing its mandate. Some of the major inherent risks include: -

- i) Inability to progressively grow by significant margin the number of tests as required by WADA.
- ii) Inability to carry out intelligence and investigation on Anti-Doping Rule Violation resulting to ineffective target testing, Education and Results Management. While Anti-Doping Education and information sharing has a preventive role; Effective testing is a deterrence to Doping.
- iii) Inability to Monitor Sports Federation in ensuring compliance to ADAK Rules and Code
- iv) In ability to meet awarded cost and prosecution related cost for international appeal cases in the event of high number of appeals at the Court of Arbitration for Sports.
- v) The Agency is unable to allocate resources for CSR due to high competing priorities
- vi) The Agency is unable to effectively address cross cutting issues such as staff training, disability mainstreaming, HIV/AIDS Prevention guides, safety, and security measures among other due to reduced funding and very high priority programme activities.
- vii) Inability to automate processes as this requires an ERP platform. This is due to competing programme needs.

**NB:**

The Government needs to improve on the allocation to Anti-Doping programme if compliance to WADA and Anti-Doping code is to be realised. In addition, the support function of the Agency other than P.E is lagging due reduced allocation against competing programme priorities.

It is our recommendation that a ring-fenced budgetary allocation be considered for the Agency.

**Material arrears in statutory/financial obligations**

Arrears in respect of Payroll deduction amounting to **Shs.1,186,139.00** were reported as at the end of the year. This is however to be cleared within the stipulated dates in the month following the Payroll Period.

**The entity's financial probity and serious governance issues**

During the Year, there were no issues of financial improbity reported either during the preparation of financial statements or during the internal and external Audit.

## 9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The Agency exists to transform lives of athletes in Kenya and other stakeholders. This is our purpose; “Stay clean, win right” the driving force behind everything we do. It’s what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organisation’s policies and activities that promote sustainability.

### i) Sustainability strategy and profile

The management aims at developing a world class Anti-Doping Agency by protecting clean athletes and promoting fair play. This is achieved through a well-coordinated national education and awareness programme, testing and promoting integrity for doping free sport.

### ii) Environmental performance

The Agency is committed to ensuring clean air, water, and an environment free from toxic substances. In so doing, the Agency disposes sample collection equipment’s and syringes through incineration carried out at main hospitals such KNH, MTRH among others. Food wastes and other recyclable materials are disposed directly through the premises arrangement with Parklands Plaza.

### iii) Employee welfare

The Agency has endeavoured to provide safe working environment for its employees. In this regard, the Agency has developed and adopted human capital policy documents which details hiring process, considering gender, and marginalised communities as well as people with disability. At the same time, the Agency has continued to support staff continual development through staff training and capacity building. The Agency policies are reviewed every three years to incorporate emerging issues. The Human capital policy documents also provides career guidelines for career progression and has in place performance management systems. The Agency has provided for the formal engagement of stake holders through both physical and ICT platforms. In addition, the organisation has disclosed the policy on safety and

compliance with Occupational Safety and Health Act of 2007, (OSHA) which is displayed in strategic place for access by all.

**iv) Market place practices**

The Agency ensures fair play in the marketplace. This is achieved through: -

**a) Responsible competition practice.**

The Agency ensures that all tender invitations to bid are advertised through ADAK website, PPIP portal and on newspapers where applicable. Procurement processes are subjected to the relevant requirements of PPAD Act 2015 and PPAR Regulations 2020 that ensures transparency, fairness, equity, and accountability of all processes.

**b) Responsible Supply chain and supplier relations**

The Agency has credit contracts for 30 days with its suppliers. Payment for goods and services is done within the 30 days. Supplier's contracts are monitored by the supply chain management division that also conduct regular sensitization for its suppliers. All tender bidders are given a chance to publicly attend opening of bids exercise and are notified the results both successfully and regrets. There are mechanisms put in place to seek for further information and redress where applicable.

**c) Responsible marketing and advertisement**

The Agency primarily advertises through the government advertisement Agency for invitations to tender and vacant of position. In addition, the Agency holds exhibitions to advertise its activities, hold breakfast shows for purposes of sensitization and information sharing.

**d) Product stewardship**

The Agency has in place an e-learning education portal and ADAMS systems for athletes to share and obtain information.

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

The Agency wishes to allocate fund for CSR both in the present and into the future. However, during the year under review, the Agency was unable to allocate funds to CSR due to high priority programme need against a reduced funding.

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### 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 state of the Anti-Doping Agency of Kenya affairs.

#### Principal activities

The principal activity/mission of the Anti-Doping Agency of Kenya is to:

- i. Carrying out the fight against Doping in Sports through Anti-Doping values-based education, sensitization, and awareness campaigns.
- ii. Protecting the 'clean athlete' by carrying out effective doping tests among all Kenyan athletes.
- iii. Upholding the integrity of sport through Intelligence Gathering. Investigations and Results Management of Anti-Doping Rules Violations (ADRVs).

#### Results

The results of the Agency for the year ended June 30, 2022 are set out on page 1-6 of this report.

#### Directors

The members of the Board of Directors who served during the year are shown on page v.

They include: -

- a. Amb. Daniel Makdwallo -Chairman
- b. Ms. Kathryne Maundu
- c. Dr. Angela Koech
- d. Mr. George Murila
- e. Ambassador Cleland Leshore
- f. Dr. Somane Ismail
- g. Mr. Fred Mwachi
- h. Mr. Samuel Mugambi

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**Dividends/Surplus remission**

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The Agency did not make any surplus during the year FY 2021/22 and hence no remittance to the Consolidated Fund.

**Auditors**

The Auditor General is responsible for the statutory audit of the Agency in accordance with Article 229 of the Constitution of Kenya. The Auditor General may appoint any Certified Public Accountants to carry out the audit of the Agency for the year/period ended June 30, 2022, in accordance with 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



Corporate Secretary  
Anti-Doping Agency of Kenya.  
Date: 31<sup>st</sup> March 2023

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**11. STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2012, section 14 of the State Corporations Act, and the Anti-Doping Act 2016 require the Directors to prepare financial statements in respect of the Anti-Doping Agency of Kenya which give a true and fair view of the state of affairs of ADAK at the end of the financial year/period and the operating results of the Agency for that year/period. The Directors are also required to ensure that the Agency keeps proper accounting records which disclose with reasonable accuracy the financial position of ADAK. The Directors are also responsible for safeguarding the assets of the Agency.

The Directors are responsible for the preparation and presentation of the Agency's financial statements, which give a true and fair view of the state of affairs of the Agency for and as at the end of the financial year ended on June 30, 2022.

This responsibility includes:

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

The Directors accept responsibility for the Agency's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Anti-Doping Act 2016 amended in December 2020. The Directors are of the opinion that the Agency's financial statements give a true and fair view of the state of ADAK transactions during the financial year ended June 30, 2022, and of the Agency's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Agency, which have been relied upon in the preparation of ADAK financial statements as well as the adequacy of the systems of internal financial control.

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

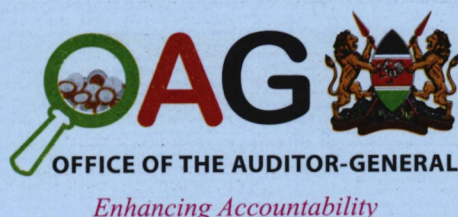
**Approval of the financial statements**

The Agency's financial statements were approved by the Board on **31<sup>st</sup> March 2023** and signed on its behalf by:

Director

# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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P.O. Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON ANTI-DOPING AGENCY OF KENYA FOR THE YEAR ENDED 30 JUNE, 2022**

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### **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**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Anti-Doping Agency of Kenya set out on pages 1 to 36, which comprise of the statement of financial position as at

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*Report of the Auditor-General on Anti-Doping Agency of Kenya for the year ended 30 June, 2022*

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

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Anti-Doping Agency of Kenya as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance International Public Sector Accounting Standards (Accrual Basis) and comply with the Anti-Doping Act, 2016 and the Public Finance Management Act, 2012.

### **Basis of Qualified Opinion**

#### **Unsupported General and Programme Expenses**

The statement of financial performance reflects general and programme expenses of Kshs.222,050,992 as disclosed in Note 6 to the financial statements. However, payment vouchers and supporting documents amounting to Kshs.28,947,756 for various components under general and programme expenses were not provided for audit and were explained to be in the custody of the Board's audit committee. This was contrary to Section 9(e) (i) of the Public Audit Act, 2015 which requires the Auditor-General, or an officer authorized for the purpose of this Act, to have powers of unrestricted access to all books, records, returns, reports, electronic or otherwise and other documents of entities listed under Article 229 (4) of the Constitution.

In the circumstances, the occurrence, accuracy, and classification of general and programme expenses amount of Kshs.28,947,756 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Anti-Doping Agency of Kenya 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 qualified opinion.

### **Key Audit Matters**

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

## **Other Matter**

### **Unresolved Prior Year Audit matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Irregular Payment for Parking Space**

The statement of financial performance reflects general and programme expenses of Kshs.222,050,992 as disclosed in Note 6 to the financial statements. The expenditure includes office rent expense of Kshs.23,255,100 out of which Kshs.2,280,000 was paid for twenty (20) parking spaces. However, parking space was not provisioned in the lease agreement and the expenditure was only supported by an offer letter dated 04 May, 2017 which is not a valid contract. This was contrary to Section 68(2)(d) of the Public Finance Management Act, 2012 which states that in the performance of a function under Subsection (1), an Accounting Officer shall ensure that all contracts entered into by the entity are lawful and are complied with.

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

#### **2. Irregular Over Expenditure**

The statement of financial performance reflects repairs and maintenance expenditure of Kshs.19,033,740 as disclosed in Note 5 to the financial statements. The expenditure includes equipment and vehicle general insurance, vehicles fuel and vehicle repairs and maintenance expenditure of Kshs.12,853,881 whose budget was only Kshs.3,557,018 resulting to unapproved and unreconciled overspending of Kshs.9,296,863. This contravenes Regulation 52 (1)(b) of the Public Finance Management (National Government) Regulations, 2015 which states that "AIE holders shall be made to understand that the limit

to which they spend is that prescribed by the Authority and not their expectations, however justified this may seem.”

In the circumstances, Management was in breach of law.

### **3. Failure to Establish Assets Replacement Sinking Fund**

As reported in the previous year, the statement of financial position and as disclosed in Note 10, reflects depreciation charge for the year of Kshs.7,852,967. However, as at the time of the audit, Management had not established a sinking fund for replacement of assets. This was contrary to Section 16 (1) of State Corporations Act, 1986 (1987) which requires every State Corporation to make provision for the renewal of depreciating assets by the establishment of sinking funds and for contributions to such reserve and stabilization funds as may be required.

In the circumstances, Management was in breach of law.

### **4. Irregular Issuance of Imprests**

During the year under review, imprest amounting to Kshs.9,187,981 were issued to various staff to facilitate them on different assignments outside their duty station without formal application of imprest through imprest warrants. This was contrary to Regulation 91 (2) of the Public Finance Management (National Government) Regulations, 2015 which states that, the officer authorized to hold and operate an imprest shall make formal application for the imprest through an imprest warrant. In addition, imprest warrants amounting to Kshs.6,966,853 were not signed by the imprest holders.

In the circumstances, Management was in breach of law.

### **5. Failure to Maintain Memorandum Cash Book**

During the year under review an amount of Kshs.600,000 was issued as standing imprest, however the memorandum cash book to record all receipts and payments was not maintained. This was contrary to Regulation 91(14) of the Public Finance Management (National Government) Regulations, 2015 which states that, the holder of a standing imprest shall keep a memorandum cash book to record all receipts and payments and the balance on hand shall agree with the cash balance recorded in the cash book.

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

### **6. Irregular Engagement of Officers**

During the year under review, sixty-seven (67) officers drawn from doping control, blood collection and chaperone were paid subsistence allowance amounting to Kshs.14,959,398. However, the contracts provided for audit were open ended and omitted details on the terms of engagement including salaries and allowances, period of engagement, termination of the

contracts among other details. This was contrary to Regulation 19 (1) of the Remuneration and Benefits of State and Public Officers Regulations No.10 of 2011 which states that, where a public service organization seeks to acquire the services of an expert whose remuneration and benefits is likely to be outside the public service remuneration structure, the concerned organization shall refer the issue of the expert's remuneration and benefits to the Commission; (2) an expert referred to under Paragraph (1) shall be— (a) recruited competitively from the labour market, including the international labour market; and (b) hired for a fixed term of not more than three years and remunerated for the assignment as advised by the Commission.

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Failure to Automate Financial and Operational Functions**

A review of the Agency's IT internal control revealed that it does not have an automated financial and operational system including the payroll which is processed manually. This is prone to errors and manipulation.

In the circumstances, the effectiveness of internal controls on data processing could not be relied upon.

#### **2. Under Staffing**

Review of the Agency's current staffing level revealed it had only thirty-five (35) employees across different departments. This was not in line with Section 5 of Anti-Doping Agency of

Kenya Human Capital Policy, 2018 which provides for an optimum staffing level of sixty-eight (68) employees resulting to a shortfall of thirty-three (33) employees.

In the circumstances, the Agency may not operate effectively and may lead to poor performance levels.

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

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

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

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

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

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

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

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error,

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

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

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

Because of its inherent limitations, internal 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 control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability 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 Agency to cease to sustain 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 Agency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

19 April, 2023

ANNUAL REPORTS 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 Kshs	2020 - 2021 Kshs
<b>Incomes</b>			
<b>Revenues from Non-exchange Transaction</b>			
Transfers from other govt entities	1	285,380,000	264,530,339
<b>Sub-Total</b>		<b>285,380,000</b>	<b>264,530,339</b>
<b>Revenues from exchange Transactions</b>			
Rendering of services	2	56,508,688	6,243,640
<b>Sub-Total</b>		<b>56,508,688</b>	<b>6,243,640</b>
<b>Total Revenues</b>		<b>341,888,688</b>	<b>270,773,979</b>
<b>Expenses</b>			
Employees Costs	3	93,632,272	82,796,127
Remuneration of Directors	4	6,614,978	4,357,506
Repairs and Maintenance	5	19,033,740	10,986,911
General & Programme Expenses	6	222,050,992	173,797,671
Depreciation expense	10	7,852,967	9,619,705
<b>Total Expenses</b>		<b>349,184,949</b>	<b>281,557,920</b>
<b>Deficit for the Year</b>	12	<b>(7,296,261)</b>	<b>(10,783,941)</b>

The notes set out on pages to 7 - 32 form an integral part of these Financial Statements.

  
CHIEF EXECUTIVE OFFICER  
SARAH I. SHIBUTSE

  
HEAD OF FINANCE & ACCOUNTS  
CPA SIMON M. KATEE  
ICPAK MEMBER NO. 22212

  
CHAIRMAN OF THE BOARD  
AMB. DANIEL MAKDWALLO

Date. 31 March 2023

Date: 31 March 2023

Date. 31 March 2023

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
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7	69,997,118	42,819,366
Receivable from non-exchange transactions	8	990,987	(88)
Prepayments	9	853,496	5,231,783
		<b>71,841,600</b>	<b>48,051,061</b>
<b>Non -Current Assets</b>			
Property Plants and Equipment	10	33,883,164	40,581,661
<b>TOTAL ASSETS</b>		<b>105,724,764</b>	<b>88,632,722</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	11	34,204,205	22,556,514
Deferred Income	13	12,740,612	-
<b>TOTAL LIABILITIES</b>		<b>46,944,817</b>	<b>22,556,514</b>
<b>Total Net Assets</b>		<b>58,779,947</b>	<b>66,076,208</b>
<b>Accumulated surplus</b>	12	<b>58,779,947</b>	<b>66,076,208</b>
<b>NET ASSETS AND LIABILITIES</b>	12	<b>58,779,947</b>	<b>66,076,208</b>

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



CHIEF EXECUTIVE OFFICER  
SARAH I. SHIBUTSE

Date: 31 March 2023



HEAD OF FINANCE & ACCOUNTS  
CPA SIMON M. KATEE  
ICPAK MEMBER NO. 22212

Date: 31 March 2023



CHAIRMAN OF THE BOARD  
AMB. DANIEL MAKDWALLO

Date: 31 March 2023

**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**

	Retained earnings	Proposed Dividend	Capital/ Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Ks hs
<b>As at 1<sup>st</sup> July 2017</b>	<b>148,867,296</b>	-	-	<b>148,867,296</b>
Deficit for the period	(60,481,537)	-	-	(60,481,537)
Dividends paid -2017	-	-	-	-
<b>As at 30<sup>th</sup> June 2018</b>	<b>88,385,759</b>	-	-	<b>88,385,759</b>
<b>As at 1<sup>st</sup> July 2018</b>	<b>88,385,759</b>	-	-	<b>88,385,759</b>
Dividend paid -2018	-	-	-	-
Interim paid -2019	-	-	-	-
Proposed final dividend	-	-	-	-
Deficit for the period	(25,311,714)	-	-	(25,311,714)
Adjustments of accumulated surplus	18,669,618	-	-	18,669,618
<b>As at 30<sup>th</sup> June 2019</b>	<b>81,743,663</b>	-	-	<b>81,743,663</b>
<b>As at July 1, 2019</b>	<b>81,743,663</b>	-	-	<b>81,743,663</b>
Deficit for the Period	(9,082,799)	-	-	(9,082,799)
Dividends paid – 2019	-	-	-	-
Interim dividends paid – 2020	-	-	-	-
Proposed final dividends	-	-	-	-
Adjustment for the year	4,199,285	-	-	4,199,285
<b>As at 30<sup>th</sup> June 2020</b>	<b>76,860,149</b>	-	-	<b>76,860,149</b>
<b>As at July 1, 2020</b>	<b>76,860,149</b>	-	-	<b>76,860,149</b>
Deficit for the Period	(10,783,941)	-	-	(10,783,941)
Dividends paid – 2020	-	-	-	-
Interim dividends paid – 2021	-	-	-	-
Proposed final dividends	-	-	-	-
Adjustment for the year	-	-	-	-
<b>As at 30<sup>th</sup> June 2021</b>	<b>66,076,208</b>	-	-	<b>66,076,208</b>
<b>As at July 1, 2021</b>	<b>66,076,208</b>	-	-	<b>66,076,208</b>
Surplus for the Period	(7,296,261)	-	-	-
Dividends paid – 2021	-	-	-	-
Interim dividends paid – 2022	-	-	-	-
Adjustment for the year	-	-	-	-
<b>As at 30<sup>th</sup> June 2022</b>	<b>58,779,947</b>	-	-	<b>58,779,947</b>

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**
**16. STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022**

	NOTES	2021 - 2022 Kshs	2020 - 2021 Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other government Agencies	1	285,380,000	264,530,339
Rendering of services	2	56,508,688	6,243,640
		<b>341,888,688</b>	<b>270,773,979</b>
<b>Payments</b>			
Employees costs	3	93,632,272	82,796,127
Remuneration of Directors	4	6,614,978	4,357,506
Repairs and Maintenance	5	19,033,740	10,986,911
Programme & Administrative Expenses	6	222,050,992	173,797,671
<b>Operating Income before working capital changes</b>		<b>341,331,983</b>	<b>271,938,215</b>
<b>Changes in working capital balances</b>			
Increase in current receivables	8	(991,074)	1,020,306
Decrease in prepayments	9	4,378,287	1,370,750
Increase in current payables	11	11,647,691	13,277,658
			-
Increase in deferred Income	13	12,740,612	-
		<b>27,775,516</b>	<b>15,668,714</b>
<b>Net cash flows from operating activities</b>		<b>28,332,221</b>	<b>14,504,479</b>
<b>Net cash flows used in Investing activities</b>			
Purchase of Property Plants and Equipment	10	(1,154,470)	(1,620,070)
<b>Net cash flows used in investing activities</b>		<b>(1,154,470)</b>	<b>(1,620,070)</b>
<b>Net decrease in cash &amp; cash equivalents</b>		<b>27,177,752</b>	<b>12,884,409</b>
<b>Cash and cash equivalents b/f 1<sup>st</sup> July 2021</b>	7	<b>42,819,366</b>	<b>29,934,957</b>
Net decrease in cash & cash equivalents		27,177,752	12,884,409
<b>Cash and cash equivalents as at 30<sup>th</sup> June 2022</b>	7	<b>69,997,118</b>	<b>42,819,366</b>

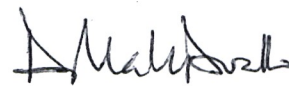
The Statement of Cashflow has been prepared using the direct method – IPSAS 2 (IPSAS 2 allows an entity to present the cash flow statement using the direct or indirect method but encourages the direct method. PSASB also recommends the use of direct method of cash flow preparation)



CHIEF EXECUTIVE OFFICER  
SARAH I. SHIBUTSE



HEAD OF FINANCE & ACCOUNTS  
CPA SIMON M. KATEE  
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CHAIRMAN OF THE BOARD  
AMB. DANIEL MAKDWALLO

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

STATEMENT OF BUDGET AND ACTUAL COMPARISON							
	Original Budget	Adjustments	Final Budget	Actual Performance	Performance Difference	%ge Variation	material variances
	Shs	Shs	Shs	Shs	Shs		
<b>Revenues</b>							
Transfer from government agencies	285,380,000	-	285,380,000	285,380,000	-	0%	
Rendering of services	10,000,000	57,887,330	67,887,330	56,508,688	(11,378,642)	-17% a)	
<b>Total Revenues</b>	<b>295,380,000</b>	<b>57,887,330</b>	<b>353,267,330</b>	<b>341,888,688</b>	<b>(11,378,642)</b>	<b>-17%</b>	
<b>Expenses</b>							
Employees cost	97,840,000	-	97,840,000	93,632,272	4,207,728	4% b)	
Remuneration of Directors	6,621,000	-	6,621,000	6,614,978	6,022	0% c)	
Repairs and Maintenance	13,807,018	-	13,807,018	19,033,740	(5,226,722)	-38% d)	
Programme & Administrative Expenses	177,111,982	57,887,330	234,999,312	222,050,992	12,948,320	6% e)	
<b>Total Expenses</b>	<b>295,380,000</b>	<b>57,887,330</b>	<b>353,267,330</b>	<b>341,331,983</b>	<b>11,935,347</b>	<b>3%</b>	
<b>Surplus for the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>556,705</b>	<b>556,705</b>		

Budget notes – IPSAS 24

The actual Total Expenses for the year were budget at **Shs. 353,267,330** against actual spending of **Shs. 341,331,983**. The difference owing to under absorption of employee's cost and Costs related to Testing and Anti-Doping Education for Commonwealth Games .

The difference in total expenses in the statement of financial performance and the statement of comparison of budget and actual expenses is due to difference in accounting policy. The statement of financial performance has been prepared using the accrual method while the statement of comparison of budget is prepared using the cash method. A reconciliation of the total expenses as reported in the statement of financial performance and the statement of comparison of budget is provided below.

1.	Total expenses as per statement of financial performance	349,184,949
2.	Total expenses as per the statement of comparison of budget	341,331,983
3.	Difference	7,852,967

➤ The difference being depreciation for the year **Shs. 7,852,967**.

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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- a) Over-collection is as result of opening up of sporting events.
- b) Under-absorption arises from exit Senior Administrator at the CEOs office in October 2021 and of the CEO in January 2022.
- c) Under-absorption is within range of 10% margin.
- d) Over-utilization is due to absorption of prepaid vehicle Fuel from the FY2020/2021
- e) Under-absorption owes to unrendered services for commonwealth games which will be incurred in the month of July and August 2022.

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**18. NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

The Anti-Doping Agency of Kenya is established by and derives its authority and accountability from the Anti-Doping Act 2016 amended in 2020. It is wholly owned by the Government of Kenya and is domiciled in Kenya.

The entity's principal activities are: -

- i. Carrying out the fight against Doping in Sports through Anti-Doping values-based education, sensitization, and awareness campaigns.
- ii. Protecting the 'clean athlete' by carrying out effective doping tests among all Kenyan athletes.
- iii. Upholding the integrity of sport through Intelligence Gathering, Investigations and Results
- iv. Management of Anti-Doping Rules Violations (ADRVs).

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

The Agency's financial statements have been prepared on historical cost basis unless otherwise stated.

The financial statements have been prepared on accrual basis of accounting in accordance and conformity with International Public Sector Accounting Standards (IPSAS). This allows for the use of estimates and assumptions. The accounting policies have been consistently applied to all years presented.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Agency. The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Agency, and all values are rounded to the nearest shilling.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the Anti-Doping Act, and International Public Sector Accounting Standards (IPSAS).

3. ADOPTION OF NEW AND REVISED STANDARDS

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

Standard	Effective date and impact:
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2022:</b></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"> <li>• 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.</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• 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.</li> </ul> <p>IPSAS 41 is not applicable in ADAKs reporting as the Agency has not invested in financial instruments.</p>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2022</b></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"> <li>(a) The nature of such social benefits provided by the entity.</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the entity's financial performance, financial position, and cash flows.</li> </ol> <p>The standard will improve the entity reporting to reflect the relevant and true representation of social benefits offered to the public.</p>

ii. Early adoption of standards – IPSAS 33

The entity did not early – adopt any new or amended standards in year 2022.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions - IPSAS 23.  
Government Grants

The primary source of the Agency revenues is the Kenya Government grant being a Non-Commercial and Regulatory Semi -Autonomous Government Agency. This grant has been awarded in the form of recurrent expenditure grant (transfers) and is administered as guided in the Public Finance Management Act 2012.

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

Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

However, the Agency did not carry out any Development/capital projects in the FY2021/2022

**Transfers from other government entities**

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

ii) Revenue from exchange transactions -IPSAS 9

*Rendering of services*

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

During the FY2021/2022, the Agency carried out Anti-Doping Tests upon request by private sponsors of events such as the Eldoret City Marathon, beyond zero marathon, and other NADOs for which a reimbursement of cost incurred on testing kits, laboratory analysis, DCOs, BCOs and chaperones allowances and per diems as well as courier services for specimen to the laboratory is charged.

### ***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 the entity.

The agency is not a commercial entity but a regulatory and non-commercial and thus no revenues generated from sale of good.

### **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.

The entity did not invest in interest generating activities and thus no interest income realised.

### **Dividends**

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

The entity is wholly owned by the government being a Semi-Autonomous Government Agency. This is the basis of the fact that no dividends were distributed in the year in under review.

### **Rental income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

The Agency has no rental investment and thud no rental incomes declared during the FY.

#### **a) Budget information - IPSAS 24**

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 the entity upon receiving the respective approvals to conclude the final budget.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

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b) Taxes - IAS 12

*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, 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:

- 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
- 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.

The Agency is a non-commercial regulatory entity which purely operates on government grants and thus incomes realised from grant are tax allowable.

**c) Investment property - IPSAS 16**

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, investment properties are measured using the cost model and are depreciated over a 30-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.

During the FY2021/2022 the Agency did not have any investment property and thus nothing was reporting in the financial statements

**d) Property, plant, and equipment - IPSAS 17**

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

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Depreciation on property plants and equipment is calculated on the reducing balance method to write down the cost of each asset to its residual value over its estimated useful life. Assets acquired during the year receive full year depreciation.

Annual depreciation rate in use during the year are: -

<b>Asset</b>	<b>Depreciation Rate</b>
Office Equipment	12.5%
Furnitures and Fittings	12.5%
Computers	30.0%
Motor Vehicles	25.0%

**e) Leases - IPSAS 13**

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. 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. The Entity 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 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 the Entity 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 the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**f) Intangible assets -IPSAS 31**

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

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

**g) Research and development costs**

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

- The technical feasibility of completing the asset so that the asset will be available for use or sale

- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

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.

#### **h) Financial instruments – IPSAS 29.**

##### *Financial assets*

##### *Initial recognition and measurement*

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. The Entity 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 considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

##### *Held-to-maturity*

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

##### *Impairment of financial assets – IPSAS 21*

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

- The debtors or a entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments

- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

### *Financial liabilities*

#### *Initial recognition and measurement*

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

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

#### *Loans and borrowing*

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

#### **i) Inventories – IPSAS 12**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

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.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

For purposes of financial reporting during the FY2021/2022, Inventories are recognized as an expense at the point of acquisition unlike when they are deployed for utilization or consumption in the ordinary course of operations of the Agency. They are therefore expended at the point of acquisition and recognised in the statement of comprehensive income.

**j) Provisions – IPSAS 19.**

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 provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

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

***Contingent liabilities- IPSAS 19***

The Entity 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.

***Contingent assets – IPSAS 19***

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity 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.

**k) Nature and purpose of reserves**

The entity does not create and maintains reserves of any form. However, this is a subject of review in the course of time.

**l) Changes in accounting policies and estimates – IPSAS 3.**

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

**m) Employee benefits – IPSAS 39**

**Retirement benefit plans**

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

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

**n) Foreign currency transactions – IPSAS 4**

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.

**o) Borrowing costs – IPSAS 5**

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.

**p) Related parties – IPSAS 20**

The entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

**q) Service concession arrangements – IPSAS 32.**

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

**r) 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.

**s) Comparative figures**

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

**t) Subsequent events – IPSAS 14**

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

**3 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY –  
IPSAS 1**

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

**Estimates and assumptions**

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

**Useful lives and residual values**

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

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

**Provisions -IPSAS 19**

Provisions are to be raised and management, determined and estimated based on the information available.

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.

In the FY 2021/2022, no provisions were made and thus there were non-reported in the financial statements.

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**1. TRANSFER FROM OTHER GOVERNMENT ENTITIES**

Description	2021-2022	2020-2021
	Kshs	Kshs
State Department for Sports	285,380,000	242,470,000
Sports Arts & Social Development Fund	-	22,060,339
<b>Total Grant Transfers received</b>	<b>285,380,000</b>	<b>264,530,339</b>

Sports Arts and Social Development Fund represents revenues realised from proposals submitted to the SASDF during the financial year for specific activities. This Included World Championships, and Commonwealth games held in July and August 2022

**2. RENDERING OF SERVICES**

Description	2021-2022	2020-2021
	Kshs	Kshs
Reimbursement of Anti-Doping Test	11,147,170	5,794,912
Other Receipts	214,800	448,728
Sports Arts & Social Development Fund	45,146,718	-
<b>Total Income from Rendering of Services</b>	<b>56,508,688</b>	<b>6,243,640</b>

Revenues raised from rendering of services are reimbursement of cost incurred in Testing of Athletes upon request by specific private sponsors of key marathons in the country.

**3. EMPLOYEE COSTS**

Description	2021-2022	2020-2021
	Kshs	Kshs
Basic Salaries	40,251,188	40,118,961
House Allowances	10,683,707	10,279,885
Commuter Allowances	2,896,645	2,767,839
Other Allowances	2,335,889	3,089,305
Leave Allowances	295,361	317,081
Bonus Pay	-	3,520,730
Gratuity	17,241,857	1,418,681
Casual Wages	35,000	288,000
Medical Premiums	15,146,804	17,257,327
NSSF Contribution -Employer	388,800	329,400
Zamara Pension Contribution -Employer	4,357,021	3,408,918
<b>Total Employers Cost</b>	<b>93,632,272</b>	<b>82,796,127</b>

Increase in salaries and allowances is as a result annual increments and adjustments made during the year. Gratuity was paid to staff on secondment contract.

Medical premiums reduced substantially following engagement of a new service provider.

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Zamara Pension Scheme accommodates staff recruited by the Agency. Seconded staff contributes their pension to the National Treasury Pension department with no contribution by the Agency. Increase in contributions to the pension scheme is attributed to annual increments in relation to the basic salary.

**4. REMUNERATION OF DIRECTORS**

Description	2021-2022	2020-2021
	Kshs	Kshs
Chairman Honoraria	960,000	960,000
Board Allowances	5,654,978	3,397,506
<b>Total Board Expenses</b>	<b>6,614,978</b>	<b>4,357,506</b>

Remuneration of directors increased during the year following resumption of physical meetings

**5. REPAIRS AND MAINTENANCE**

Description	2021-2022	2020-2021
	Kshs	Kshs
Repairs & maintenance -Equipment's	5,397,872	3,123,247
Equipment & Vehicle General Insurance	1,559,870	1,057,571
Vehicle maintenance expenses	4,184,778	2,782,605
Vehicle Fuel	7,109,233	2,136,887
ICT Operating	781,988	1,886,600
<b>Total repairs and Maintenance cost</b>	<b>19,033,740</b>	<b>10,986,911</b>

Repairs and maintenance of equipment consists of cost related to maintenance of computers, office equipment, furniture's, web hosting, e-learning portal, website maintenance, firewalls and software renewal and installation for the year. ICT operating expenses relates to operating cost incurred by the ICT unit in supporting ICT infrastructure, e-learning quiz development and testing, and Anti-Doping programmes support.

The increase in total cost of repairs and maintenance is as a result of installation of access control equipment's, Insurance for GK Motor Vehicles, and absorption of prepaid Motor vehicle Fuel.

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**6. PROGRAM AND ADMINISTRATIVE EXPENSES**

Description	2021-2022	2020-2021
	Kshs	Kshs
Office Cleaning service	1,646,357	1,714,860
Branding and corporate Communication	4,856,403	4,061,271
Utilities	5,108,660	4,294,715
Office Operating Expenses	10,040,721	8,910,525
Training Expenses	1,039,649	1,012,800
Anti - Doping Education	46,790,868	24,833,397
Anti - Doping Research and Development	6,502,241	2,980,000
Anti - Doping Training Materials	5,276,246	5,532,260
Doping Test and Compliance	84,586,408	70,985,878
Purchase of Testing Equipment	3,912,951	1,311,579
Intelligence and Investigation	3,651,364	2,490,978
Legal services and Results Management	16,482,519	18,453,048
Office Rent Expense	23,255,100	23,051,900
Foreign & Domestic Travels	4,990,940	341,755
Supply chain Management	1,123,720	1,149,555
Finance and Administration	948,047	849,065
Audit & Assurance	1,838,799	1,824,084
<b>Total General/Program costs</b>	<b>222,050,992</b>	<b>173,797,671</b>

Overall, programme and administrative expenses increased during the year due to post covid resumption of sporting activities. In addition, the Programme activities including Anti-Doping education and Research, doping test and compliance, purchase of testing equipment's and intelligence and investigation were enhanced by additional funding from SASDF to conduct Anti-Doping programmes for Athletes participating in the World Championships and Commonwealth games.

Increase in the cost of travels is as a result of relaxation of covid measures allowing for domestic and foreign travels.

Audit fees for the FY 2021/2022 has been accrued and accounted for under Audit and Assurance. Office operating expenses increased following workplace guideline allowing full office resumption and physical meetings.

**7. CASH AND CASH EQUIVALENTS**

Description		2021-2022	2020-2021
	A/C No.	Kshs	Kshs
Current Accounts		69,997,118	42,819,366
			-
<b>Total Cash and cash Equivalent's</b>		<b>69,997,118</b>	<b>42,819,366</b>

**7. (b) DETAILED ANALYSIS – CASH AND CASH EQUIVALENTS**

		2021-2022	2020-2021
Financial institution	Account number	KShs	KShs
<b>Current account</b>			
KCB Current Account-Programmes	120 077 5058	49,416,738	42,819,366
KCB Current Account Operations	128 666 8964	18,356,063	-
KCB USD Account - Operations	128 667 6339	2,224,317	-
<b>On - call deposits</b>	-	-	-
<b>Grand total</b>		<b>69,997,118</b>	<b>42,819,366</b>

**8. RECEIVABLES FROM NON-EXCHANGE TRANSACTION**

Description	2021-2022	2020-2021
	Kshs	Kshs
Net Salaries Payable	49,832	(88)
Pension receivable -NSSF	32,400	-
Pension receivable	149,617	-
PAYE Tax receivable	747,357	-
HELB Receivable	11,781	-
<b>Total Receivables</b>	<b>990,987</b>	<b>(88)</b>

The Agency did not have un-surrendered imprest as at the end of June 2022. In addition, the Agency was unable to get clearance from KRA to offset advance PAYE Tax for Shs. 747,357. Also, Higher Education Loans Board is yet to give clearance for offsetting overpaid contributions as of June 2021 pending as at the end of the FY.

**9. PREPAYMENTS**

Description	2021-2022	2020-2021
	Kshs	Kshs
Prepaid Fuel	563,412	4,472,645
Prepaid PAYE Tax	-	747,357
Prepaid HELB	-	11,781
Prepaid Vehicle Insurance	290,084	-
<b>Total Prepayments</b>	<b>853,496</b>	<b>5,231,783</b>

Prepaid Fuel as of 30<sup>th</sup> June 2021 was utilised during the Year.

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10. PROPERTY, PLANT AND EQUIPMENT

PROPERTY PLANT AND EQUIPMENT SCHEDULE FOR THE FY 2021/2022		ADPAK ANTI-DOPING AGENCY OF NENVA				
10. Property, plant and equipment	Furniture and fittings	Computers	Other Equipments	Motor Vehicle	Total Cost	
Cost	Shs	Shs	Shs	Shs	Shs	
At end of June 2019	18,001,474	7,888,000	19,450,270	51,580,344	96,920,088	
Additions	-	-	9,100	10,040,900	10,050,000	
Disposals	-	-	-	-	-	
At end of June 2020	18,001,474	7,888,000	19,459,370	61,621,244	106,970,088	
Additions	-	1,620,070	-	-	1,620,070	
Disposals	-	-	-	-	-	
At end of June 2021	18,001,474	9,508,070	19,459,370	61,621,244	108,590,158	
Additions	-	955,970	198,500	-	1,154,470	
Disposals	-	-	-	-	-	
At end of June 2022	18,001,474	10,464,040	19,657,870	61,621,244	109,744,628	
Depreciation and impairment						
Depreciation	419,108	752,988	569,106	12,895,086	14,636,288	
Disposal	-	-	-	-	-	
At 30 June 2017	419,108	752,988	569,106	12,895,086	14,636,288	
Depreciation	1,780,265	1,432,617	1,913,270	8,962,687	14,088,839	
Disposal	-	-	-	-	-	
At 30 June 2018	2,199,373	2,185,605	2,482,376	21,857,773	28,725,127	
Depreciation	1,884,586	1,527,705	2,023,621	6,762,592	12,198,504	
On Disposals	-	-	-	-	-	
At 30 June 2019	4,083,959	3,713,310	4,505,997	28,620,365	40,923,631	
Depreciation	1,739,689	1,252,407	1,869,172	6,798,996	11,660,264	
Accumulated depreciation on transfers	-	-	-	5,804,896	5,804,896	
On Disposals	-	-	-	-	-	
At 30 June 2020	5,823,648	4,965,717	6,375,169	41,224,257	58,388,791	
Depreciation	1,522,228	1,362,706	1,635,525	5,099,247	9,619,706	
On Disposals	-	-	-	-	-	
At 30 June 2021	7,345,877	6,328,423	8,010,694	46,323,504	68,008,497	
Depreciation	1,331,950	1,240,685	1,455,897	3,824,435	7,852,967	
On Disposals	-	-	-	-	-	
At 30 June 2022	8,677,826	7,569,108	9,466,591	50,147,939	75,861,464	
Net book values						
At 30 June 2022	9,323,648	2,894,932	10,191,279	11,473,305	33,883,164	
At 30 June 2021	10,655,597	3,179,647	11,448,676	15,297,740	40,581,661	

Property Plant and Equipment's are recorded at historical cost less accumulated depreciation and impairment loss. Asset have been depreciated on reducing balance method.

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**11. ACCOUNTS PAYABLE**

Description	2021-2022	2020-2021
	Kshs	Kshs
Audit Fees	1,100,000	550,000
Employees Payroll obligation	1,186,939	634,208
RADO Zone V Receipts	11,589,906	7,683,268
RADO Subscriptions Payable	624,000	308,850
Legal Fees Payable	130,345	1,810,345
ICT Payable	1,827,441	-
Office supplies Payable	-	50,655
Equipment Payable	-	720,227
Corporate Comm Payable	-	277,680
Research Payable	5,900,000	3,670,000
Anti-Doping Education Payables	2,764,648	-
Standards Payables	9,000,926	-
Tokyo Olympic expenses Payable	-	6,851,281
Board Expenses Payable	80,000	-
<b>Total Accounts Payable</b>	<b>34,204,205</b>	<b>22,556,514</b>

The Agency has provided a holding account for Regional Anti-Doping Organization (RADO) in which Shs. 11,589,906 was held as of 30<sup>th</sup> June 2022.

The Agency accrued Shs. 130,345 in relation to continuing legal case at the Sports Dispute Tribunal, ICT Payables relates to installation of Biometrics and CCTV, Standards Payables relates to laboratory and courier expenses already invoiced as at 30<sup>th</sup> June 2022, but not yet Paid. Research payables relates to research programmes currently in progress and not yet honoured. Anti-Doping Payables comprises of committed funds for conference facilities utilised in June 2022.

**11. B. EMPLOYEES OBLIGATION**

Description	2021-2022	2020-2021
	Kshs	Kshs
Net Salaries Payable	86	-
PAYE Tax	1,018,679	-
NSSF	-	12,960
Housing Payable	6,000	3,000
SACCO Contribution	102,499	97,499
Pension for seconded staff	-	455,674
Insurance premiums	33,003	33,003
KENASA	200	5,600

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Loans Payable	26,472	26,472
<b>Total Employees obligation</b>	<b>1,186,939</b>	<b>634,208</b>

The Agency operates a defined benefit scheme for all full-time employees with Zamara Pension Fund. The scheme is based on 7.5 percentage of salary of an employee payable at the time of retirement.

The Agency also contributes the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act 2013. The Agency's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.1,080 per employee per month.

**12. ACCUMULATED SURPLUS**

Description	2021-2022	2020-2021
	Kshs	Kshs
Accumulated Surplus b/f	66,076,208	76,860,149
Deficit for the Year	(7,296,261)	(10,783,941)
<b>Total Accumulated Surplus for the Year</b>	<b>58,779,947</b>	<b>66,076,208</b>

**13. DEFERRED INCOME**

Description	2021-2022	2020-2021
	Kshs	Kshs
Sports Arts & Social Development Fund	12,740,612	-
<b>Total deferred income</b>	<b>12,740,612</b>	<b>-</b>

**14. INVENTORIES**

The Agency recognizes supply of consumables as expendables and are expended in the financial statement at the point of acquisition and upon receipt. However, during the year ended 30<sup>th</sup> June 2022, The Agency held in stores some inventories consisting of consumables and office equipment. This have been recognised and accounted for appropriately in the statement of financial performance and the statement of financial position.

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**15. CASH GENERATED FROM OPERATIONS**

		2021-2022 "KSHS"	2020-2021 "KSHS"
Surplus for the Year before tax	12	(7,296,261)	(10,783,941)
<b>Adjusted for:-</b>			
Depreciation	10	7,852,967	9,619,706
Contributed Assets	10	(1,154,470)	(1,620,070)
<b>Working Capital Adjustment</b>			
Increase in current receivables	8	(991,074)	1,020,307
Decrease in prepayments	9	4,378,287	1,370,749
Increase in current payables	11	11,647,691	13,277,659
Adjustment of accumulated surplus b/f	12	-	-
Increase in Deferred Income	13	12,740,612	-
<b>Cash flows generated from operations</b>		<b>27,177,751</b>	<b>13,884,410</b>
<b>Cash and Cash equivalent b/f</b>	<b>7</b>	<b>42,819,367</b>	<b>29,934,957</b>
<b>Cash and cash equivalent c/d</b>	<b>7</b>	<b>69,997,118</b>	<b>42,819,367</b>

(The total cash and cash equivalents at the end of the year ties to the cash flow section on net cash flows from/ used in operations)

**16. FINANCIAL RISK MANAGEMENT**

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

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

**(i) Credit risk**

The entity 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 party, considering its financial position, 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 entity's management based on prior experience and their assessment of the current economic environment.

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

	<b>Total amount Kshs</b>	<b>Fully performing Kshs</b>	<b>Past due Kshs</b>	<b>Impaired Kshs</b>
<b>At 30 June 2022</b>				
Receivables from exchange transactions				
Receivables from non-exchange transactions	990,987	990,987		
Bank balances	69,997,118	69,997,118	-	-
<b>Total</b>	<b>70,988,105</b>	<b>70,988,105</b>	-	-
<b>At 30 June 2021</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	42,819,366	42,819,366	-	-
<b>Total</b>	<b>42,819,366</b>	<b>42,819,366</b>	-	-

The board of directors sets the Agency's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**(ii) Liquidity risk management**

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

The table below represents cash flows payable by ADAK 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.

	<b>Less than 1 month Kshs</b>	<b>Between 1-3 months Kshs</b>	<b>Over 5 months Kshs</b>	<b>Total Kshs</b>
<b>At 30 June 2022</b>				
Deferred income	-	12,740,612	-	12,740,612
Employee benefit obligation	1,186,939	-	-	1,186,939
<b>Total</b>	<b>1,186,939</b>	<b>12,740,612</b>	-	<b>13,927,551</b>
<b>At 30 June 2021</b>				
Deferred income	-	-	-	-
Employee benefit obligation	634,208	-	-	634,208
<b>Total</b>	<b>634,208</b>	-	-	<b>634,208</b>

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**(iii) Market risk**

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

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

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

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

**a) Foreign currency risk -IPSAS 3**

The Agency 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.

The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period was at 18,835 USD the equivalent of Shs. 2,224,317.

**Foreign currency sensitivity analysis**

The following table demonstrates the effect on the Agency's 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.

	<b>Change in currency rate</b>	<b>Effect on Profit before tax</b>	<b>Effect on equity</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>2022</b>			
Euro	10%	-	-
USD	10%	-	-
<b>2021</b>			
Euro	10%	-	-
USD	10%	-	-

**b) Interest rate risk**

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

*Management of interest rate risk*

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

*Sensitivity analysis*

The Agency analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

**Fair value of financial assets and liabilities**

*a) Financial instruments measured at fair value*

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *entity's* market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The *entity* considers relevant and observable market prices in its valuations where possible.

The Agency has no investments in financial and non-financial instruments or investments in property such as land and buildings.

**iv) Capital Risk Management**

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

	2021-2022	2020-2021
	Kshs	Kshs
Revaluation reserve	-	-
Retained earnings	58,779,947	66,076,208
Capital reserve	-	-
<b>Total funds</b>	-	-
Total borrowings	-	-
Less: cash and bank balances	69,997,118	42,819,366
Net debt/(excess cash and cash equivalents)	-	-
<b>Gearing</b>	%	%

**17. RELATED PARTY BALANCES – IPSAS 20**

**Nature of related party relationships**

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

- i) The National Treasury.
- ii) The Parent Ministry.
- iii) Key management.
- iv) Board of directors.

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Description	2021-2022	2020-2021
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Grants from the Government</b>		
Transfers from Government Agencies (GOK)	285,380,000	264,530,339
Transfers from Government Agencies (SASDF)	57,887,330	264,530,339
<b>Total</b>	<b>341,888,688</b>	<b>264,530,339</b>
<b>b) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for employees	93,632,272	82,796,127
Programme and Administrative expenses	222,050,992	181,734,212
<b>Total</b>	<b>315,683,264</b>	<b>264,530,339</b>
<b>c) Key management compensation</b>		
Directors' emoluments	6,534,978	4,357,506
Compensation to key management	35,594,615	40,531,023
<b>Total</b>	<b>42,129,593</b>	<b>44,888,529</b>

**18. DIVIDENDS/SURPLUS REMISSION**

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

The Agency made a deficit of **Sh. 7,296,261** as reflected in the statement of financial performance during the year and therefore no remittance made to the Consolidated Fund.

**19. TAXATION – IAS 12**

The Agency is a Semi-Autonomous Government Agency and thus its incomes are pure grants which under IPSAS are not taxable incomes.

**20. EVENTS AFTER THE REPORTING PERIOD – IPSAS 14**

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

**21. ULTIMATE AND HOLDING ENTITY**

The Agency is a Semi- Autonomous Government Agency under the Ministry of Sports Culture and Heritage. Its ultimate parent is the Government of Kenya.

**22. Currency**

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

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**APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2020/21					
1.1	<b>Irregular Payment of DSA Shs. 11,461,212 – to Casuals</b>  Agency paid casuals outside of the SRC Provision.	The Agency engages DCO volunteers to carry out sample collection and chaperone. This have been termed by the Audit team as casual. The Agency developed and received approval of FPPM in October 2021 explaining the remuneration to SCP/DCO. The Agency to seek further approval from NT and apply rates approved by the board.	Director Standards and compliance/Human capital Management	Not resolved	June 2023
1.0	<b>Failure to establish a sinking Fund</b> Agency has not provided for sinking fund to replace depreciating Assets	The Agency holds within the Accumulated surplus for the period Funds intended for replacement of aging Assets. The Agency to review the manual and put in place a sinking Fund	Head of Finance	Not resolved	June 2023
2.0	<b>Irregular procurement of conference facilities</b> Procurement of conference facilities	Since the Agency conducts anti-doping Education across the country, the management will	SCMO	Not resolved	December 2022

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	carried out via RFQ outside/without a prequalified list of suppliers	ensure a market survey is carried out every year to cure this matter			
1.2	<b>Irregular Payment of Parking Space – Sh. 2,280,000</b> Parking fees for 20 bays not included in lease agreement	The Agency to engage the Landlord and incorporate within the Lease Agreement Payment for parking spaces	Human Capital Management/ SCMO	Not resolved	December 2022
<b>PRIOR YEAR ISSUES</b>					
<b>2019/2020</b>					
1.1	<b>Un-supported casual Wages Shs. 463,555</b> Engagement of casuals without conducting need analysis, Advertisement, interviews.	The Agency has regularized the process of engaging casuals to ensure adherence to processes and procedures	Human capital Management	Resolved	June 2021
1.2	<b>Unsupported Medical Expenses- Cost of Shs 10,164,761 to extend contract for 4mnths</b>  Medical premiums paid at 22,914,428, at an increased cost of 8,634,473. Previous year premiums were paid at Shs.14,279,955	The Agency was billed Shs. 10,164,761 at a rate of 60%. This is in line with the Service providers policy. With the increasing cost trend, the Agency prequalified for the service in June 2020 and engaged a more cheaper service provider at Shs. 14,201,199	Human Capital/Procurement	Service provider dropped	June 2020
3.0	<b>Unsupported Board Expenses Sh. 6,615,582- Lack of terms of service for Board Members</b> Renewal letters for representatives of	The management to fast track with the relevant government offices for regularization of appointment. Action overtaken by expiry of term of the Board	CEO	Resolved	30 <sup>th</sup> June 2022

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	various ministries missing.				
4.2	<b>Unexplained Shs. 782,200 in-regard to Repairs and Maintenance</b> Securing of web-domain overpaid by 782,200 (979,200 paid instead of 197,200)	Contract attached had been corrected though not replaced in payment voucher. Contract regularised.	ICT/Legal/CEO	Resolved	June 2021
5.1	<b>Un supported Anti-Doping education and test expenditure –</b> Lack of a policy document to guide engagement and remuneration of Doping control personnel and educators	The Agency to develop policies to guide the process of engagement and remuneration	Department of Standards and compliance/Education and Finance	Resolved	October 2021
5.2	<b>Engagement of Private Law Firm without Authority.</b> The Agency did not seek approval from the office of the AG. Contrary to Circular No. AG6/D/144/Vol. II of April 2017	The Agency has sought for post Factor Approval from the AG. Office. The said circular nullified in June 2019 just before completion of this process.	CEO	Resolved. Process halted by nullification of circular during a court ruling in June 2019	30 <sup>th</sup> June 2020
5.3	<b>Outstanding Imprests</b> Outstanding imprest of <b>Sh. 1,020,268</b> not surrendered long after the due dates	Imprest surrendered	Accountant	Resolved	30 <sup>th</sup> June 2021
6.1	<b>Withdrawal of petty cash to meet Agency programs</b>	The said withdrawals were used to pay for Daily and Subsistence Allowances as well as sample collection	CEO/ Accountant	Resolved	30 <sup>th</sup> June 2020

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		Allowances while carrying out Doping tests, Anti-Doping Education awareness and Intelligence Investigations. The Agency has since adopted online/internet banking for all payments.			
2018/2019					
1.	<b>Unsupported Assets Transfer</b> The Agency holds Assets transferred from the Ministry, but detailed inventory of transfers is Missing	Agency to seek formal transfer with the Ministry as soon as possible	SCMO	Not resolved	30 <sup>th</sup> June 2023
2.	<b>Research and Education</b> Payments made to volunteers carrying out Anti-Doping programs. No approved policy guideline provided	Agency to develop a FPPM detailing remuneration to volunteers carrying out Anti-Doping Education and sample collection	Head of Finance/Directors- Anti-Doping Education and Standards and Compliance	Resolved.	30 <sup>th</sup> June 2022
3.	<b>Debtors – Long outstanding Imprest</b> Outstanding imprest of Shs. 1,396,930 likely to proof doubtful	Agency to fast-track surrender of imprest since activities were attended.	Head of Finance	Resolved	June 2021
4.	<b>Un-supported refundable deposits</b> Bank deposits not supported Shs. 448,728	To liaise with the bank to establish source	HOF	Resolved	June 2021
5.	Excess Medical insurance benefit Board Members Insurance cover in excess by Shs. 3,550,000	Management to regularize anomaly in the following years contract	HCA	Resolved	June 2021

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

CHIEF EXECUTIVE OFFICER

Sign: Adierla

Date 31<sup>st</sup> March 2023

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APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

The Agency carries out Anti-Doping Testing and Education programmes to ensure that only clean athletes compete. This is a recurrent budget programme and thus no development projects implemented by the Agency.

Status of Projects completion

The Agency does not implement development projects.

APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:		ANTI-DOPING AGENCY OF KENYA.		
Breakdown of Transfers from the State Department of Sports Development.				
FY 2021/2022				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		14/09/2021	71,345,000	FY2021/2022
		24/11/2021	71,345,000	FY2021/2022
		01/03/2022	71,345,000	FY2021/2022
		09/06/2022	71,345,000	FY2021/2022
		<b>Total</b>	<b>285,380,000</b>	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		<b>Total</b>	<b>Nil</b>	
c.	Direct Payments			
	Other recurrent	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		07-Sept-21	2,006,090	FY2021/2022
		06-Apr-22	47,243,080	FY2021/2022
		06-May-22	8,638,160	FY2021/2022
		<b>Total</b>	<b>57,887,330</b>	
d.	Donor Receipts			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
		<b>Total</b>	<b>Nil</b>	

Head of Finance and Accounts

Sign 

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**APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

	Date received	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized					Total Transfers during the Year
	As per bank statement				Capital Fund	Deferred Income	Receivables	Others - must be specific		
Sports, Art, and Social Development Fund	07/09/2021	Other Recurrent	2,006,090	2,006,090	-	-	-	-	2,006,090	
Ministry of Sports Culture and Heritage	14/09/2021	Recurrent	71,345,000	71,345,000	-	-	-	-	71,345,000	
Ministry of Sports Culture and Heritage	24/11/2021	Recurrent	71,345,000	71,345,000	-	-	-	-	71,345,000	
Ministry of Sports Culture and Heritage	01/03/2022	Recurrent	71,345,000	71,345,000	-	-	-	-	71,345,000	
Sports, Art, and Social Development Fund	06/04/2022	Other Recurrent	47,243,080	47,243,080	-	-	-	-	47,243,080	
Sports, Art, and Social Development Fund	06/05/2022	Other Recurrent	8,638,160	8,638,160	-	-	-	-	8,638,160	
Ministry of Sports Culture and Heritage	09/06/2022	Recurrent	71,345,000	71,345,000	-	-	-	-	71,345,000	
<b>Total</b>			<b>343,267,330</b>	<b>343,267,330</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>343,267,330</b>	