

The background of the cover features two large, grey, cylindrical industrial cooling towers. The tower on the right is significantly larger and more prominent, with a blue-tinted overlay on its right side. The sky is bright blue with scattered white clouds. In the foreground, there are some green trees and a fence line. The bottom left corner of the cover is a solid dark blue triangle, and the bottom right corner is a solid light green triangle.

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024



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30TH JUNE 2024

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

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Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

CEO	Chief Executive Officer
CBK	Central Bank of Kenya
CSR	Corporate Social Responsibility
CNECC	China Nuclear Engineering Corporation Limited
FIRST	Foundational Infrastructure for Responsive use of SMRs
ICPAK	Institute of Certified Public Accountants of Kenya
ICS	Institute of Certified Secretaries
IPSAS	International Public Sector Accounting Standards
KAERI	Korea Atomic Energy Research Institute
KMFRI	Kenya Marine and Fisheries Research Institute
KNRR	Kenya Nuclear Research Reactor
KNRA	Kenya Nuclear Regulatory Authority.
MD	Managing Director
NCMOU	US Nuclear Cooperation Memorandum of Understanding
NT	National Treasury
NuPEA	Nuclear Power and Energy Agency
OCOB	Office of the Controller of Budget
ODPP	Office of the Director of Public Prosecution
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PPARB	Public Procurement Advisory Review Board
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SCAC	State Corporations Advisory Committee

B: Glossary of Terms

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

Comparative Year - Means the prior year.

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Key Entity Information and Management

(a) Background information

The Nuclear Power and Energy Agency (NuPEA) is a State Corporation established under the Energy Act 2019 on 12th of March 2019. NuPEA is charged with the responsibility of promoting and implementing Kenya’s nuclear power programme, carrying out research and development for the energy sector and Capacity Building in the Energy and Petroleum Sectors.

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

(b) Principal Activities

The Agency’s mandate as stipulated in Section 56(1) of the Energy Act, 2019, are to:

- a. Be the nuclear energy programme implementing organisation and promote the development of nuclear electricity generation in Kenya; and
- b. Carry out research, development and dissemination activities in the energy and petroleum sectors in Kenya.

The Agency’s broad functions are to:

- i. Promote the development of nuclear electricity generation in Kenya;
- ii. Undertake public education and awareness creation on Kenya’s nuclear power programme;
- iii. Carry out research and development in the energy and petroleum sectors;
- iv. Disseminate research findings and innovations; and
- v. Undertake capacity building in the energy and petroleum sectors.

The specific functions of the Agency are as stipulated in Section 56(2) of the Energy Act, 2019.

(c) Key Management

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

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

(d) Fiduciary Management

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

No.	Designation	Name
1	Chief Executive Officer	CS Justus A. Wabuyabo
2	Director, Publicity and Advocacy	Mr. Basset Buyukah
3	Director, Strategy and Planning	Dr. Winfred Ndubai (PhD)
4	Director, Nuclear Energy Infrastructure Development	Eng. Erick Ohaga
5	Manager, Finance and Accounts	CPA Caren Oduor
6	Manager, Internal Audit	CPA Peter Ndungu
7	Manager, Supply Chain	Dr. Anthony Lusuli (PhD)
8	Manager, ICT	Mr. Lawrence Siele
9	Manager, Human Resource and Administration	CHRP Benedict Njuguna

Table 1: Fiduciary Management in NuPEA

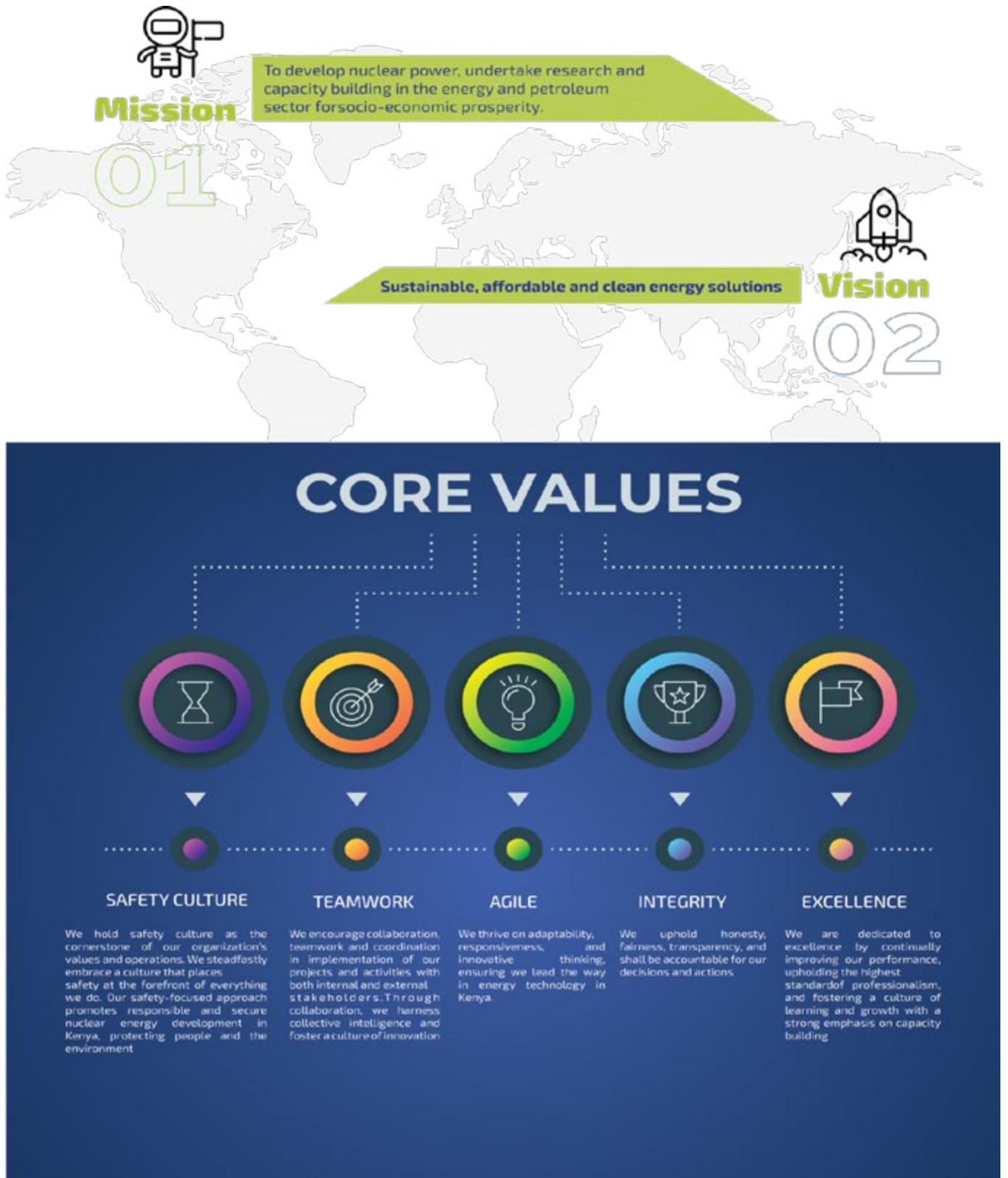


Figure 1: Mission, Vision and Core Values

(e) Fiduciary Oversight Arrangements

The key fiduciary oversight arrangements for the Agency for the financial year 2023/24 included:

- i. **The Board Audit Committee**
The Board Audit Committee assesses effectiveness of the Agency’s internal control and risk management and compliance framework, it reviews the impact of significant accounting and reporting issues such as professional and regulatory pronouncement; meets management and both external and internal auditors to review the financial statements and results of the audit process and assesses if generally accepted accounting principles have been consistently applied in the preparation of preliminary announcement & interim financial statements.
- ii. **The Board Human Resource & General-Purpose Committee**
The Human Resource & General-Purpose Committee reviews, and as appropriate, act on behalf of the Board, or make recommendations to the Board concerning Human Resource and Administration, Legal, and Publicity policies and procedures.
- iii. **The Board Technical & Research Committee**
The Technical and Research Committee to review, and as appropriate, act on behalf of the Board, or make recommendations to the Board concerning infrastructure issues for the successful implementation of a nuclear power programme in Kenya.
- iv. **The Board Finance, Strategy & Planning Committee**
The Finance Strategy and Planning Committee reviews, and as appropriate, acts on behalf of the Board, or makes recommendations to the Board concerning Finance, ICT, Strategy & Planning issues and Procurement policies and procedures.
- v. **Parliamentary Oversight Committees**
Parliament has a constitutional mandate to scrutinise government spending and oversight functions of the Agency. The National Assembly, through its committees, exercises oversight over national revenue and expenditure.
- vi. **Inspectorate of State Corporations**
The Inspectorate of State Corporation is tasked with ensuring an efficient public management system in parastatals and undertakes management audits in State Corporations to ensure compliance with set policies, rules and procedures; and providing advisory services to Government and other stakeholders on matters affecting State Corporations.
- vii. **International Atomic Energy Agency (IAEA)**
The IAEA seeks to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world. The IAEA supports the Agency in establishing the necessary infrastructure in implementing the nuclear power programme in compliance with international best practices.
- viii. **Office of the Auditor-General**
The Office of the Auditor-General is mandated to ensure that accountability and transparency are adhered to at the three arms of government. It audits and reports on accounts of the Agency.
- ix. **State Corporations Advisory Committee (SCAC)**
The Committee powers are drawn from section 27 of the State Corporations Act chapter 446. The committee provides leadership in development and implementation of systems and procedures for ensuring efficient management of State Corporations

(f) Entity Headquarters

P.O. Box 26374-00100
Kawi House Complex
South C - Red Cross Road,
Nairobi, KENYA

(g) Entity Contacts

Telephone: (254) 20 5138300
E-mail: info@nuclear.co.ke
Website: www.nuclear.co.ke

(h) Entity Bankers

- i. Kenya Commercial Bank
Moi Avenue Branch
P.O Box 48400-00100
Nairobi, Kenya
- ii. Co-operative Bank of Kenya
Mombasa Road Branch
P O Box 48231-00100
Nairobi, Kenya
- iii. National Bank of Kenya
South C-Red Cross Branch
P.O Box 38645-00100
Nairobi, Kenya

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

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The Board of Directors



Mr. Ezra Odondi Odhiambo
Chairman of the Board

Mr. Ezra Odondi Odhiambo holds a Bsc in Electrical Engineering and an executive MBA from Jomo Kenyatta University of Agriculture & Technology. He has expertise in strategic planning, business process re-engineering and improvement, change management, project management, telecommunications systems, human resource management and design development and implementation of application software. He has held board positions and undertaken consultancy work such as sugar company operations, financial services, postal services and telecommunication services among others. He has served in the board of directors at Chemilil Sugar Company, National Bureau of statistics, Netcon information System Ltd, Bomas of Kenya, Apex Construction Company Ltd and Information Standards Technology Association (Kenya). He is a Member of the Computer Society of Kenya.



Prof. Henry K. Rono, PhD
Board Member

Prof. Rono Henry holds a Phd in Industrial Sociology and Economic Development, McGill University, Quebec, Canada, an M.A. in industrial Sociology, & information Science, University of Aalgary, Alberta, Canada and a Diploma in Social Development from the Kenya Institute of Administration, Kenya. He is a seasoned economic and industrial development expert with a sustained career in ICT, e-learning, management Information Systems (MIS) in education and health sectors. He has supported consultancy and the implementation of MIS for the ministry of Health in Kenya financed by USAID and also the National Hospital Insurance Fund (NHIF) also in Kenya. He was the principal consultant on needs assessment, design and implementation of the Management Information System (MIS) for the Kenyatta University Teaching and Referral Hospital (KUTRRH). He is part of the team supporting implementation on MIS for three regional hospitals in Kenya.

The Board of Directors



Ms. Elizabeth M. Lenjo
Board Member

Ms Elizabeth M. Lenjo holds a Master of Laws (LLM) from the University of Turin (Italy) in conjunction with world Intellectual Property Organization (WIPO) Academy, a Bachelor of Laws (LL.B) from the Catholic University of Eastern Africa (CUEA) and a Post Graduate Diploma from the Kenya School of Law (KSL). She specializes in Intellectual Property Law, Entertainment Law, Media Law, Technology Law and Fashion Law.

Ms. Lenjo has a legal consulting firm, MYIP Lega studio which conducts legal advisory and capacity building workshops on Intellectual Property Law. She is a member of the Law Society of Kenya (LSK) where she has served in the Intellectual Property and ICT Law Committee between 2018 to 2022 and International Trademark Association (INTA)



FA. Joseph Mwaura Kamau
Board Member

FA. Joseph Mwaura Kamau holds an MBA(Finance) from KAIST(South Korea) and also another Masters in MA Economics Finance & Banking(Financial Sector Policy) from Moi University. He holds a BA(Mathematics; Economics) from University of Nairobi.

He is an economist in the National Treasury, department of Government Investment and Public Enterprises. an alternative to the National Treasury Principal Secretary on the NuPEA Board. FA Kamau is a Financial Analyst and a member of Institute of Certified Investment and Financial Analyst (ICIFA). He has vast Knowledge and understanding in Finance, Economics and Investments. He has previously worked at Equity Bank (K) Ltd and standard Chartered Bank (K) Ltd.



Eng. Samson Nyika Maundu
Board Member

Eng. Samson Maundu holds a Bsc degree in Electrical & Electronics Engineering from the university of Nairobi. He is a partner and a Director at Rex Consultants Ltd in charge of Electrical, Electronics and Telecommunications. Eng. Maundu previously worked at the ministry of Public Works where he rose from an assistant Engineer to a provincial Engineer where he was in charge of 19 districts. Eng. Maundu is a Consultant Engineer and a member of the Institute of Engineers of Kenya (IEK) with wide experience in both low and high voltage engineering.

The Board of Directors



Mr Arthur Koteng
Board Member

Mr. Arthur Omondi Koteng holds a Masters Degree in Radiation & Environmental Protection from the University of Surrey, United Kingdom and a Bachelor of Science Degree in Physics from the University of Nairobi. He is the Director & Consultant Physicist at Canon Radiological Services Limited that offers Radiation Protection, Nuclear Safety & Security services to several practices countrywide in the fields of medicine, Industry, Research and Teaching. He has vast experience in this nuclear field having worked with the national nuclear regulator for 33 years where he was the Head of Nuclear Safeguards Department and served as an Advisory Committee Member of the International Nuclear and Radiological Event scale (INES) of the International Atomic Energy Agency (IAEA). He is a trustee of the Africa Cancer Foundation and a member of the Eastern Africa Association for Radiation Protection (EAARP).



CPA Rose Akryo Baraza
Board Member
Alternate to the Principal Secretary,
State Department for Energy

CPA Rose Akeyo Baraza holds an MBA (Finance), a Bachelor of Commerce Degree and a Bachelor of Laws Degree from the Catholic University of Eastern Africa (CUEA). She is a Certified Public Accountant of Kenya and a member of the institute of Certified Public Accountants of Kenya (ICPAK). She is currently the Deputy Accountant General at the State Department of Energy, Ministry of Energy and Petroleum.



Mr. Edwin Munene Wanjohi
Board Member
Alternate to the Attorney General

Mr. Edwin Munene holds a Bachelor of Laws (LLB) from the Catholic University of Eastern Africa (CUEA) and a Post-Graduate Diploma from the Kenya School of Law. He is a result-oriented advocate with 10 years experience. Currently working as a Senior State Counsel at the office of the Attorney General for the last 8 years. He possesses valuable skills such as Professionalism, good research and litigation.

The Board of Directors



Mr. Paul M. Mwangi
Board Member
Alternate to the Principal
Secretary, State Department
for University Education and
Research

Mr. Paul Mwangi holds a MSc. (pure Mathematics) from Kenyatta University and BEd (SC) from Egerton University. He is practicing education management and administration in the division of Local University and Administrative Services, Directorate of University Education, Ministry of Education. Mr. Paul Mwangi is an assistant Director of Education, State Department for University Education and research (SDUE&R). Mr. Mwangi has served in the Councils/Boards of Egerton University, Murang'a University of Technology, Machakos University and South Eastern Kenya University as an Alternate to the Principal Secretary (SDUE&R).

He has previously worked as a Senior Quality Assurance and Standards Officer, Ministry of Education



Mr. Justus A. Wabuyabo
Chief Executive Officer

Mr. Justus Ambutsi Wabuyabo holds a Master in Laws (LLM) from University of Nairobi and a Bachelor of Laws (LLB) from Moi University.

He is the Director Legal and Regulatory Services and Corporation Secretary, Certified Public Secretary of Kenya, a Commissioner of Oaths and Notary Public. He is a member of Law Society of Kenya (LSK), the East Africa Law Society (EALS), the Pan African Lawyers Union (PALU) and the Commonwealth Lawyers Association (CLA). He is also a member of the Institute of Certified Secretaries (ICS) and the Association of Professional Societies of East Africa (APSEA) previously, he served as the General Manager - Corporate and Legal Services at the National Water and Harvesting Authority.



CS. Serah Esendi Okumu
Corporation Secretary

CS Serah is an advocate of the High Court, Commissioner for Oaths, Notary Public and Certified Secretary with at least fourteen years work experience. She holds a Master of Laws (LLM) Degree from the University of Kwazulu Natal, South Africa, Bachelor of Laws (LLB) degree from the Catholic University of East Africa. A post graduate Diploma from the Kenya School of Law. She is a Practicing member of the Law Society of Kenya, and the Institute of Certified Secretaries respectively. She has served as a Corporation Secretary and Head of Legal Services at the Kenya Institute of Supplies Management and the Technical University of Mombasa with over 10 years experience in the Public Sector. She was awarded First Runners Up in the Public Sector Lawyer of the Year award 2022, under the Law Society of Kenya, Nairobi Branch.



The Management



Mr. Wabuyabo holds a Masters in Laws(LLM) and a Bachelor of Laws. He is a member of the Law Society of Kenya (LSK), the East Africa Law Society (EALS), the Pan African Lawyers Union(PALU) and the Commonwealth Lawyers Association (CLA). He is also a member of the Institute of Certified Secretaries (ICS) and the Association of Professional Societies of East Africa(APSEA).

CS Justus A. Wabuyabo
Chief Executive Officer



CS Serah is an Advocate of the High Court, Commissioner for Oaths, Notary Public and Certified Secretary with at least four-teen years work experience. She holds a Masters of Laws (LLM) degree from the University of Kwazulu Natal, South Africa, Bachelor of Laws (LLB) Degree from the Catholic University of Eastern Africa, A post Graduate Diploma from the Kenya School of Law. She is a Practicing member of the Law Society of Kenya, and the Institute of Certified Secretaries respectively.

CS Serah Esendi Okumu
Director Legal & Regulatory & Corporation Secretary



Mr. Basett holds a Bachelor's degree at Kenyatta University and Postgraduate studies in Communication at the University of Nairobi. He is a journalist, media personality and communications professional. He is also an award-winning writer and published author. He is a member of the Public Relations Society of Kenya.

Mr. Basett Buyakah
Director publicity and Advocacy.



Dr. Winfred holds a Doctor of Philosophy in Business Administration and Master's Degree in Finance and a Bachelor of Economics from the University of Nairobi. She is the Chair Person of Women in Nuclear (Kenya Chapter)

Dr. Winfred Ndubai, PhD
Director, Strategy & Planning



Eng. Ohaga holds an MSc in Nuclear Engineering (KINGS), Masters of Business Administration, BSc. in Electrical/ Electronic Engineering and post graduate diploma in Project Planning and management. He is a registered Consulting Engineer with the Engineers Board of Kenya and a member of the Institute of Engineers of Kenya (IEK)

Engineer Erick Ohaga
Director, Nuclear Energy Infrastructure Development



CPA Caren holds a Master's Degree in Business Administration and a Bachelor of Commerce (Accounting option) degree both from the University of Nairobi. She is a Certified Public Accountant of Kenya - CPA (K) and a member of Institute of Public Accountants of Kenya (ICPAK), and a member of association of Women Accountants of Kenya (AWAK)

CPA Caren Oduor
Ag. Director Corporate Services



Mr. Ndungu holds Masters of Science in Finance from Kenyatta University and a Bachelor of Science in Agriculture Economics from Egerton University. He is a Certified Public Accountant and a member of Institute of Certified Public Accountant Kenya (ICPAK) and also a Certified Information System Auditor (CISA) and a member of Information System Auditor Control Association (ISACA)

CPA Peter Ndungu
Ag. Director Internal Audit



Mr. Njuguna holds a Master of Arts in International Studies and a Bachelor of Arts degree, both from the University of Nairobi. Additionally, he possess a higher National Diploma in Human Resources Management from the College of Human Resource Management. He is a Certified Human Resource Professional (CHRP-K) and practicing member of the Institute of Human Resource Management.

CHRP Benedict Njuguna
Manager, Human Resource and Administration



Mr. Siele holds a Master's Degree in Information Systems and a Bachelor of Science Degree in Computer Science. He holds a Diploma in project Management and Diploma in Database Management. He also holds professional qualifications in Microsoft Certified Systems Engineer (MCSE), Cisco Certified Network Associate (CCNA), PRINCE2, PMP and Cybersecurity.

Mr. Lawrence Siele
Manager, ICT

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Chairman's Statement



I am honoured to present the Nuclear Power and Energy Agency's (NuPEA) Annual Report and Financial Statements for the year ended 30th June 2024, on behalf of the Board of Directors.

The Nuclear Power and Energy Agency (NuPEA) was established in 2019 under the Energy Act No.1 of 2019 and succeeded the Kenya Nuclear Electricity Board (KNEB). NuPEA is mandated to fast-track the development and implementation of the nuclear power programme in Kenya, carry out research and development, and capacity building in the energy and petroleum sectors. The Agency stands committed to its vision of providing sustainable energy solutions through; promoting nuclear electricity generation, coordinating research and development and capacity building in the energy and petroleum sector.

Achievements

The Agency achieved significant milestones in the 2023/24 financial year. Key amongst these achievements were site preparatory activities that includ-

ed preparations for constructing a meteorological station at the Uyombo site and hosting an IAEA Site & External Events Design (SEED) Expert Mission on Research Reactor Siting. The Agency also conducted field visits with the Kilifi County Government Spatial Planner to confirm site boundaries as part of the land acquisition process. Additionally, the Environmental and Social Impact Assessment (E&SIA) report for the meteorological and seismic stations was developed and submitted to NEMA. The Agency in collaboration with the U.S. Department of State undertook a capacity building workshop on Foundational Infrastructure for Responsible Use of Small Modular Reactor Technology (F.I.R.S.T) on Small Modular Reactor (SMR) site assessment and stakeholder engagement with the host community. The Agency also carried out an economic analysis and cost assessment of the necessary electric grid system upgrades required for the integration of a nuclear power plant at both the proposed and alternate sites.

The Agency subjected the Draft National Nuclear Policy to public participation and stakeholder validation. In collaboration with the Kenya Nuclear Regulatory Authority (KNRA) the Agency identified regulations on siting for the Nuclear Power Programme. A Sub-Lease between the Agency and KotDA for the land allocated at Konza City Metropolis to allow for site characterization for a Research Reactor is available pending execution. The Integrated Nuclear Infrastructure Review for the Research Reactor project (INIR-RR) mission was carried out. A Waste-to-energy(WtE) report and Intellectual Property Management Strategy (IPMS) were also developed.

Strategic Plan 2023-2027

The Agency developed a four (4) year Strategic Plan 2023-2027 in line with the current Government development agenda which was launched on 18th March, 2024. The development of this Strategic Plan adopted a consultative approach that involved the Board, Management, staff and other stakeholders. The Plan communicates NuPEA's vision, mission, and strategies put forth to achieve its mandate. The Plan has identified six Key Result Areas from six strategic issues that the Agency exists to address as follows; Nuclear Infrastructure Development; Stakeholder Engagement and Advocacy; Energy Research and Innovation; Energy Capacity Development; Research Reactor Programme and Institutional Sustainability.

Stakeholders' Engagement

During the financial year under review, the Agency made significant strides in stakeholder engagement and education. Forty participants received training on stakeholder involvement, nuclear power communication, site assessment, and engagement strategies. Additionally, the Agency's education sponsorship program provided 102 scholarships to needy secondary school students from potential host communities.

The Agency actively engaged with the public, particularly targeting residents of Kilifi County and the larger Coast region. A key activity included a courtesy visit to the National Government Administration Office (NGAO) leadership of Kilifi County, led by the County Commissioner. This visit focused on discussions about progress and potential areas of collaboration regarding nuclear energy development in Kenya.

In collaboration with fifty secondary schools in Kilifi County, the Agency disseminated factual information on nuclear power development. Furthermore, a multi-stakeholder sensitization and training workshop was held at Pwani University, drawing participants from the Kilifi County Nuclear Energy Committee, community committee members from Uyombo and Matsangoni, journalists, and the regulatory body.

The Agency also sponsored and exhibited at professional conferences, including those of ICPAK, LSK, IEK, and ICS, further broadening its engagement efforts.

Strategic Partnerships

The Agency continued to place great premium on adopting mutually beneficial collaborative agreements and strong strategic partnerships to support effective implementation of its mandate. Notably, the Agency has Memorandum of Understanding with several institutions such as the National Research Fund and Pwani University. This strategic cooperation in nuclear energy, capacity building, research and development, science and technology also has the potential to make a significant contribution to clean energy goals, agricultural efforts, the availability of clean water, medical treatments among other benefits. The Board of the Agency had a consultative meeting with the National Research Fund on 10th November, 2023 to discuss areas of interest and collaboration. The implementation of the NCMOU the Government of the United States of America and the Government of the Republic of Kenya concerning strategic civil nuclear cooperation is being undertaken to explore areas of collaboration.

Other Strategic Partnerships being explored include Korea - NuPEA collaboration whereby an MOU with KAERI and KNHP on Technical Cooperation in Research and Development in Nuclear Energy and Small Modular Reactors respectively. The Agency also commenced the development of MOUs between NuPEA and Kilifi County, KMFRI, ODPP and CNECC.

Challenges Faced

During the year 2023/2024, the Government implemented budget austerity measures on the expenditure of Ministries, Departments and Agencies (MDAs) as a reflection of resource management that would add value and promote sustainability. As a consequence, the Agency suffered a budget cut of Ksh.366M which negatively affected planned activities.

Another challenge has been the set-up of a meteorological station at the Uyombo Site which has faced significant resistance from the local community hence halting the process of construction and thereby affecting achievement of this target by the Agency.

Board Changes

There were no board changes during the period under review. The Board Evaluation was done in January 2024 in accordance with good governance practices.

Future Outlook

As we move into the financial year 2024/25, our commitment persists in advancing the Nucle-

ar Power Programme, enhancing coordination frameworks for research and development, and bolstering capacity building within the energy and petroleum sectors. Finally, on behalf of the Board of Directors, I express my gratitude to the Ministry of Energy and Petroleum, development partners, the management, staff, and all our stakeholders for their continued support.



Mr. Ezra Odondi Odhiambo
CHAIRMAN

6

Report of the Chief Executive Officer



Dear stakeholders,

I am pleased to present to you the Nuclear Power and Energy Agency’s (NuPEA) Annual Report and Financial Statements for the year ended 30th June 2024. During the year under review, NuPEA launched its Strategic Plan 2023-2027. The Plan outlines the activities to be implemented towards fulfilling its mandate in line with the Energy Act of 2019. The revision of the Plan was in response to the directive issued by the National Treasury requiring all State Corporations and public entities to review and update their Strategic Plans to align with the broader national objectives, enhancing efficiency and effectiveness in the delivery of public services. For the next five years, this Plan will provide guidance in promotion and development of nuclear power for electricity generation, conducting energy research and development as well as strengthening the capabilities of the energy and petroleum sectors.

Industry overview

Kenya recognizes energy as a critical factor in achieving its Vision 2030 development goals. The development of nuclear power in the country is

driven by the need for consistent and affordable electricity to support this vision. NuPEA aims to lead the charge in creating a reliable energy sector, focusing on safety, cost-effectiveness, and energy security. Additionally, nuclear power will be essential in advancing global climate change mitigation efforts and commitments, as highlighted in development blueprints such as Africa Agenda 2063, Sustainable Development Goals (SDGs) and the Africa Climate Summit, 2023 among others.

Revenue

In the Financial year 2023/2024, NuPEA received instrumental support from the Government of Kenya through the allocation and provision of financial resources to run its operations. The Agency had an approved budget of Ksh.1, 376M comprising Ksh. 581M for development and Ksh.795M for recurrent expenditures. However, due to government budget reallocations during the period under review, the Agency received a reduced budget of Ksh. 1,009 M from the exchequer with Ksh 214M allocated for development and Ksh. 795M for recurrent expenditures. This budgetary reduction necessitated expenditure rationalisation and reallocation, which negatively impacted the seamless operation of the Agency’s activities.

Performance overview

The Agency undertook activities in the financial year 2023/2024 under five Key Result Areas (KRAs) as outlined in the Strategic Plan 2023-2027, namely: Nuclear Infrastructure Development, Stakeholder Engagement and Advocacy, Energy Research and Innovation, Energy Capacity Development, Research Reactor Programme, and Institutional Sustainability.

NuPEA developed and submitted an environmental and social impact assessment to NEMA

for the meteorological and seismic stations to be constructed at Uyombo Girls Secondary School. An economic analysis/cost assessment was done on the existing electric grid system to inform upgrades for NPP integration for the proposed and alternate sites with provided interconnection options.

The Agency developed the intellectual property management strategy for the purposes of coordinating intellectual property management for research and development within the energy and petroleum sectors. The Integrated Action Plan (IAP) was also developed to address the gaps identified from the Integrated Nuclear Infrastructure Review for the Research Reactor project (INIR-RR) mission. On capacity building, NuPEA developed a scoping report on the assessment of knowledge and skills gap in the energy and petroleum sector. Further, A human resource development gap assessment was undertaken to identify the competency gaps of the national tertiary training institutions.

The Agency developed a localization policy which highlighted challenges that limit local industry participation in national projects, proposed thematic areas for policy interventions and recommended strategies to enable participation of the local industry in the Nuclear Power Programme.

Lastly, the Agency continued to undertake national stakeholder engagements to help enhance public awareness on the NuPEA's mandate. The ultimate goal is to earn and sustain public support for the implementation of Kenya's nuclear power programme. Notably, NuPEA strategically focused its stakeholder outreach efforts in the potential host County of Kilifi. The stakeholders emanated from the civil society, residents of Uyombo and Matsangoni communities, academia, Community Based Organizations (CBOs), Kilifi County Government and National Government Administration Office (NGAO) of Kilifi. NuPEA shall endeavour to adhere to the principles of public participation as enshrined in the Constitution of Kenya 2010.

Going forward, the Agency intends to oversee the installation and commissioning of the 100m meteorological tower in Kilifi County; procurement and installation of a digital seismic monitoring station in Kilifi County and activities for RR Site Characterization at Konza Technopolis towards Bidding. It is recommended that the Agency should under-

take enhanced stakeholder engagement at Roka-Uyombo village, Kilifi County in order to obtain the public understanding and support for the NuPEA site monitoring equipment (100m meteorological tower, seismic station). This can be achieved through holding joint NuPEA, KNRA, NEMA and KMD public engagement meetings (Barazas) to inform, sensitise and seek locals' support.

Strategic Partnerships

The Agency entered into Memoranda of Understanding (MOUs) with other parties to enhance cooperation and collaborations in the mandate regarding nuclear energy, training and research and development among other benefits. The parties include the Office of the Director of Public Prosecutions, National Research Fund and Pwani University. Regarding advancing stakeholder engagement, the goal of the MoU with Pwani University is to strengthen partnership between the two entities on areas of mutual interest and to enhance public understanding of nuclear energy issues among diverse stakeholder groups in Kilifi County.

Challenges

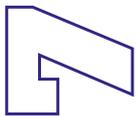
During the year under review, the Government put in place budget austerity measures that were implemented by MDAs towards financial management in addition to reduced budget allocation to NuPEA vis-a-vis the initial allocation. These measures negatively affected execution and continuation of part of the Agency's planned activities in the year under review.

Future Outlook

Looking ahead, the Agency will focus on strengthening and safeguarding the progress achieved. We are dedicated to advancing our unique mandate and solidifying our position as a leading energy solution provider in Kenya and the wider region. Finally, on behalf of NuPEA, I extend our appreciation to the Government of Kenya – Ministry of Energy and Petroleum, our strategic partners, industry players, management, staff, Board of Directors and all our valued stakeholders for their ongoing support over the years. We anticipate your continued backing in the upcoming financial year 2024/2025.



CS Justus Wabuyabo, LLM (UoN)
Chief Executive Officer



7 Statement of Performance against Predetermined Objectives for FY 2023/2024

NuPEA has 5 key result areas (KRAs) within the current 5-year Strategic Plan for the period from FY 2020/21 to FY 2024/25. The KRAs are as follows:

- KRA 1: Nuclear energy infrastructure development
- KRA 2: Public education and stakeholder engagement
- KRA 3: Energy research and development
- KRA 4: Capacity building in the energy and petroleum sectors
- KRA 5: Institutional capacity

NuPEA develops its annual work plans based on the above 5 KRAs. Assessment of the Agency's performance against its annual work plan is done on a quarterly basis. NuPEA achieved its performance targets set for the FY 2023/24 period for its 5 KRAs, as indicated in the table below

Table 2: Nuclear Power and Energy Agency's Performance against Predetermined Objectives for FY 2023/2024

KRA 1: Nuclear energy infrastructure development

Objective 1.1: To ensure readiness of key nuclear power infrastructure

Key Performance Indicators	Activities	Achievements
Site selection and characterization	<ol style="list-style-type: none"> Developed the specifications for a seismic station at the preferred NPP site Developed a draft EOI for a seismic monitoring station at the Preferred NPP Site in Kilifi County Undertook an EIA for the planned 100m meteorological tower at the Preferred NPP site 	<ol style="list-style-type: none"> Developed the specifications for a seismic station at the preferred NPP site Developed a draft EOI for a seismic monitoring station at the Preferred NPP Site in Kilifi County Undertook an EIA for the planned 100m meteorological tower at the Preferred NPP site
Regional and site-specific grid interconnection schemes for various NPP sizes	<ol style="list-style-type: none"> Conducted grid steady state analysis for the proposed and alternate sites. Carried out an economic analysis of grid system upgrade for NPP integration at the proposed and alternate sites Capacity building on PSS/E 	<ol style="list-style-type: none"> Grid steady state analysis for the proposed and alternate sites Economic analysis of grid system upgrade for NPP integration at the proposed and alternate sites Trained TWG on power systems analysis.
Nuclear power plant (NPP) technology selection and identification of an owner/operator	<ol style="list-style-type: none"> Conducted economic evaluation of reactor technologies Held a nuclear vendor symposium and updated the vendor survey report Reviewed the strategy for development of the NPP Owner/Operator Organisation Conducted study on NPP Integration with other energy options Reviewed Kenya's National large NPP user requirements 	<ol style="list-style-type: none"> Report on economic evaluation of reactor technologies Revised vendor survey report Updated strategy for development of the NPP Owner/Operator Organisation Report on NPP Integration with other energy options Report on the Kenya's National large NPP user requirements
Local industry involvement in the nuclear power plant (NPP) industry	<ol style="list-style-type: none"> Conducted local industry supply capability survey Developed the risk assessment criteria for the local supply Capacity building for the local supply chain players 	<ol style="list-style-type: none"> Local industry supply capability survey Report on risk assessment for the local supply base Report on the local supply chain players capacity building

<p>Integrated approach to human resource development for the nuclear power programme</p>	<ol style="list-style-type: none"> 1. Developed an HRD Strategy 2. Develop a Nuclear Power Human Resource (NPHR) Model and analysis of the artisan requirements in NPP construction 3. Develop a human resource gap assessment matrix 4. Trained 46 Kenyans on stakeholder involvement and nuclear power communication 	<ol style="list-style-type: none"> 1. HRD Strategy 2. Updated NPHR Model 3. Human resource gap assessment matrix 4. Training Report on the stakeholder involvement and nuclear power communication
<p>Optimal solution for Nuclear Fuel Cycle (NFC) and Radioactive Waste Management (RWM)</p>	<ol style="list-style-type: none"> 1. Assessed Kenya's potential in the front end of the NFC 2. Developed an excel tool for non-proliferation assessment of NFC and analysed the proliferation resistance of NFC technologies 3. Developed a report on solutions for the back end of the NFC 4. Develop a roadmap for Kenya's nuclear fuel cycle using the INPRO Roadmap Evaluation Tool 	<ol style="list-style-type: none"> 1. Report on assessment of Kenya's potential in the front end of the NFC 2. Report on analysis of proliferation resistance of NFC technologies 3. Report on solutions for the back end of the NFC 4. Report on a roadmap for Kenya's nuclear fuel cycle using the INPRO Roadmap Evaluation Tool
<p>Emergency preparedness and response (EPR)</p>	<ol style="list-style-type: none"> 1. Assessed implementation of Emergency Preparedness Review (EPREV) Mission action plan 2. Developed an EPR self-assessment tool for assessment of EPR framework 	<ol style="list-style-type: none"> 1. Report on implementation of EPREV Mission action plan 2. Report on assessment of EPR framework

Objective 1.2: To have an adequate and supportive legal and regulatory framework

Key Performance Indicators	Activities	Achievements
Legal and regulatory framework for the nuclear power programme	<ol style="list-style-type: none"> Finalised National Nuclear Policy Development of adequate regulations to operationalize the Nuclear Regulatory Act No. 29 of 2019 in collaboration with KNIRA Harmonisation of National Laws to implement the Nuclear Power Programme. Accession to international conventions on nuclear safety and liability. Undertaking the Strategic Environmental and Social Assessment 	<ol style="list-style-type: none"> Stakeholder engagement and public participation of the Draft National Nuclear Policy Proposed 22 regulations to KNRA for the nuclear power programme. Reviewed TORs for procurement of consultant to report on national laws relevant to implementing the nuclear power programme. Subjected the four (4) nuclear safety conventions to public participation to incorporate comments as provided by the Ministry of Energy and Petroleum upon submission of the Cabinet Memorandum. Incorporation of comments from NEMA on the Report on Strategic Environmental and Social Assessment

Objective 1.3: To inculcate nuclear safety culture among the key stakeholders

Key Performance Indicators	Activities	Achievements
Training of leaders and implementation of appropriate management systems (leadership and management for safety)	<ol style="list-style-type: none"> Developing and implementing the National Nuclear Power Leadership and Management Development Programme (NLMDDP) Developing a draft framework for the development and implementation of an Integrated Management System (IMS) for the nuclear power programme 	<ol style="list-style-type: none"> Development and implementation of NLMDDP Preliminary IMS framework for nuclear power programme

KRA 2: Public education and stakeholder management

Objective 2.1: To increase stakeholder's awareness and support of NuPEA's mandate

Key Performance Indicators	Activities	Achievements
Public communication and stakeholder management	<ol style="list-style-type: none"> Undertaking stakeholder mapping for the nuclear power programme and developing a stakeholder register Implementing the public communication and stakeholder engagement strategy 	<ol style="list-style-type: none"> A Nuclear power programme Stakeholder register Stakeholder Involvement and Public Communication Strategy implementation
Information sharing and stakeholders' satisfaction	<ol style="list-style-type: none"> Implementing citizens' service delivery charter Re-engineering business processes Resolving public complaints 	<ol style="list-style-type: none"> Citizens' service delivery charter review and compliance Business Process Re-Engineering Reports Complaints management mechanisms put in place

KRA 3: Energy Research and Development

Objective 3.1 To champion use of safe, efficient, and sustainable energy systems

Key Performance Indicators	Activities	Achievements
Energy research and development (R&D)	<ol style="list-style-type: none"> Carrying out technical visits to five institutions to discuss forms and areas of collaboration in sector R&D and capacity building Mapping out potential partners for collaborative research and technologies adaptation Developing a draft energy research outputs dissemination framework Updating the draft energy R&D thematic areas Developing research and development coordination framework for the energy and petroleum sectors Developing Intellectual Property Management Strategy Developed waste to energy report 	<ol style="list-style-type: none"> Technical visits report Mapped potential partners Preliminary energy research outputs dissemination framework Revised energy R&D thematic areas Reports on research and development coordination framework for the energy and petroleum sectors Report on Intellectual Property Management Strategy A Waste to Energy Report

<p>Implementation of nuclear research reactor (RR) project</p>	<ol style="list-style-type: none"> Updating the draft self-evaluation report on infrastructure issues for Kenya Nuclear Research Reactor (KNRR) project Developing draft bid invitation specification report for the KNRR facility Acquire land for the construction of a research reactor at Konza Technopolis 	<ol style="list-style-type: none"> Revised self-evaluation report on infrastructure issues for KNRR project Preliminary draft bid invitation specification report for the KNRR facility A Sublease on the allotted land at Konza City
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KRA 4: Capacity building in the energy and petroleum sectors
Objective 4.1: To ensure availability of skilled and competent human capital in the energy and petroleum sectors

Key Performance Indicators	Activities	Achievements
<p>Development of human capital in the energy and petroleum sectors</p>	<ol style="list-style-type: none"> Organising a forum for stakeholders to share knowledge and experiences on planning and convening a joint energy conference Reviewing the monitoring and evaluation (M&E) framework for Human and institutional Capacity development (HICD) in the energy and petroleum sector Developing draft capacity building resource requirements 	<ol style="list-style-type: none"> Forum on knowledge and experience-sharing Updated M&E framework for HICD in the energy and petroleum sector Preliminary capacity building resource requirements

KRA 5: Institutional Capacity	
Objective 5.1: To have a versatile, competent, highly performing and motivated workforce	
Key Performance Indicators	Activities
Staff capacity development	Achievements
<ol style="list-style-type: none"> 1. Carrying out of staff training needs assessment 2. Executing interventions to address the identified skills gaps and training needs 3. Managing employee performance 	<ol style="list-style-type: none"> 1. Staff training needs assessment report 2. Recruitment, outsourcing, capacity building/training, coaching, and mentoring to address identified skills gaps and training needs 3. Staff performance contract appraisal submitted and implementation of report recommendations
Objective 5.2: To enhance financial sustainability of the Agency	
Prudent management of financial resources	<ol style="list-style-type: none"> 1. Absorption rate was 100% of allocated funds



Corporate Governance Statement

The responsibility of governing the Agency lies with the Board of Directors. NuPEA has adopted high standards and applies strict rules of conduct based on the best corporate practices. Board members act in the best interest of the Agency and uphold their fiduciary responsibilities and duty of care. This involves not disclosing confidential information, avoiding real and perceived conflicts of interest and favouring the interests of the Agency over other interests.

Guiding Principles

In line with Section 3 of the Leadership and Integrity Act (Act No. 19 of 2012 of the Laws of Kenya), Board members respect the values, principles and the requirements of the Constitution, including:

- i. The national values and principles provided for under Article 10 of the Constitution;
- ii. The rights and fundamental freedoms provided for under Chapter Four of the Constitution;
- iii. The responsibilities of leadership provided for under Article 73 of the Constitution;
- iv. The principles governing the conduct of State officers provided for under Article 75 of the Constitution;
- v. The educational, ethical and moral requirements in accordance with Article 99 (1) (b) and 193 (1) (b) of the Constitution; and
- vi. The values and principles of Public Service as provided for under Article 232 of the Constitution.

Board members also uphold the tenets of good governance as guided by the Code of Governance for State Corporations (Mwongozo/Code of Governance), the Board Charter and the Public Officers and Ethics Act No.4 of 2003.

Board Charter

The Board Charter defines the roles and responsibilities of the Board of NuPEA as well as functions and structures in a way that supports the members in carrying out their strategic oversight function. It provides the Board members with an opportunity to think creatively and critically about how their strategic and operational plans align with NuPEA's strategic direction and expectations, with respect to governance. The Charter also sets out the powers of various Board Committees, the separation of roles between the Board and management, as well as the policies and practices of the Board with respect to corporate governance matters.

The Board Charter and Committee Charters were adopted by NuPEA in August 2022, in accordance with the Mwongozo Code of Governance for State Corporations and is complementary to the requirements regarding the Board contained in applicable Kenyan laws and regulations.

Board Membership

In line with the guidelines of the Mwongozo Code of Governance for State Corporations, the Board comprises nine (9) members. Of these, five (5) are Independent Directors including the Chairman, while four (4) are Non-Independent Directors representing the National Treasury, the Ministry of Energy and Petroleum, Ministry of Education, and the Office of the Attorney General. The Chief Executive Officer is an ex-officio member. The constitution of the Board takes into consideration diversity in gender, age, ethnicity and culture.

Appointment and removal of Board Members

Board members are appointed in accordance with the requirements of the Mwongozo Code of Governance for State Corporations. The Code of Governance requires all Chairpersons of State Corporations to be appointed by the President. Board members are formally appointed by the Cabinet Secretary of the parent Ministry (Ministry of Energy & Petroleum) through a Gazette Notice and thereafter an appointment letter.

In accordance with the Code of Governance, the Board may recommend the removal of a member based on non-performance, non-attendance of meetings, unethical conduct or as set out in any constitutive documents or applicable law. Any removal of a Board member shall be through formal revocation.

Roles and functions of the Board

In furtherance of its responsibilities, the Board is required to:

- a) Determine the organisation's mission, vision, purpose and core values;
- b) Review, evaluate and approve, on a regular basis, long-term plans for the organisation;
- c) Review, evaluate and approve the organisation's budget and financial forecasts;
- d) Review, evaluate and approve major resource allocations and capital investments;
- e) Ensure that the procurement process is cost-effective and delivers value for money;
- f) Review and approve the operating and financial results of the organisation;
- g) Ensure effective, accurate, timely and transparent disclosure of pertinent information on the organisation's operations and performance;

- h) Ensure that effective processes and systems of risk management and internal controls are in place;
- i) Review, evaluate and approve the overall organisational structure, the assignment of senior management responsibilities and plans for senior management development and succession;
- j) Review, evaluate and approve the remuneration structure of the organisation;
- k) Adopt, implement and monitor compliance with the organisation's Code of Conduct and Ethics;
- l) Review on a quarterly basis the attainment of targets and objectives set out in the agreed performance measurement framework with the Government of Kenya;
- m) Review periodically the organisation's strategic objectives and policies relating to sustainability and social responsibility/investment;
- n) Protect the rights of shareholders and optimise shareholder value;
- o) Enhance the organisation's public image and ensure engagement with stakeholders through effective communication;
- p) Monitor compliance with the Constitution, all applicable laws, regulations and standards; and
- q) Review, monitor and ensure that the organisation is effectively and consistently delivering on its mandate.

Board Committees and Membership

The State Corporations Act, Cap 446 of the Laws of Kenya, allows the Boards of State Corporations to establish committees in order to effectively discharge their mandates. The Mwongozo Code of Governance for State Corporations allows the Board to establish not more than four (4) committees of the Board, one of which must be an Audit Committee. The Board has established four standing committees as follows:

Human Resource and General Purpose Committee

The Board of Directors has established the Human Resource and General Purpose Committee that consists of four (4) members to review, and as appropriate, act on behalf of the Board, or make rec-

ommendations to the Board concerning Human Resource and Administration, Legal, and Publicity policies and procedures. The Human Resource and General Purpose Committee is comprised of the following members:

1. Mr. Arthur Koteng - Chairperson
2. Eng. Samson Maundu
3. Ms. Rose Baraza
4. Mr. Paul Mwangi

Technical and Research Committee

The Board of Directors has established the Technical and Research Committee to review, and as appropriate, act on behalf of the Board, or make recommendations to the Board concerning infrastructure issues for the successful implementation of a Nuclear Power Programme in Kenya.

The Technical and Research Committee is comprised of the following members:

1. Dr. Henry Rono-Chairperson
2. Ms. Elizabeth Lenjo
3. Mr. Arthur Koteng
4. Mr. Edwin Munene

Finance, Strategy and Planning Committee

The Board of Directors has established the Finance, Strategy and Planning Committee to review, and as appropriate, act on behalf of the Board, or make recommendations to the Board concerning Finance, ICT, Strategy & Planning issues and Procurement policies and procedures.

The Finance, Strategy and Planning Committee is comprised of the following members:

1. Ms. Elizabeth Lenjo- Chairperson
2. Mr. Edwin Munene
3. Mr. Joseph Kamau
4. Ms. Rose Baraza

Board Audit Committee

The Audit Committee is a key component of the governance process. The Committee evaluated the integrity of the Agency's financial information, its system of internal controls and the legal and ethical conduct of management and employees. Its mandate is to independently review financial statements to ensure integrity and transparency of financial reporting, drive the assessment of the performance of internal audit, examine internal and external audit reports and recommendations,

evaluate adequacy of management procedures in relation to risk management and review effectiveness of compliance with legislative and regulatory requirements.

The Audit Committee is comprised of the following members:

1. Eng. Samson Maundu - Chairperson
2. Dr. Henry Rono
3. Mr. Joseph Kamau
4. Mr. Paul Mwangi

The Board provides Terms of Reference for each committee; reviews the mandate of the Committees periodically; determines the frequency of committee meetings; appoints the Chairperson of each Committee; and annually reviews the effectiveness and performance of its Committees. The Board may establish an ad-hoc Committee to deal with emerging issues that do not fall under the domain of regular Board Committees.

Board Calendar and meetings

The Board's Calendar contains a schedule of meetings of the Board and its committees for the year. The agenda for each Board meeting is prepared and circulated to members at least ten (7) days in advance

During the year under review, the Board held a total 13 full Board meetings, 7 of them being special meetings and 20 Committee meetings to consider key issues relating to strategy, performance and sustainability of the Agency

Table 3: Full Board Meetings Attendance FY 2023/2024

DATE	Mr. Ezra Odondi Odhiambo	Dr. Henry Rono	Eng. Samson Maundu	Mr. Arthur Koteng	Ms. Elizabeth Lenjo	Mr. Paul K. Mwangi	Mr. Joseph Kamau	Mr. Edwin Munene	Ms. Rose Baraza	CS Justus Wabuyabo (CEO)	Theodora Gichana (I.G SCAC)	Eliud Mathu (SCAC)	Cecilia Wakahu (SCAC)
06.07.2023	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A
31.07.2023	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A
22.08.2023	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	N/A	✓	✓
23.08.2023	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	✓	N/A	N/A
26.09.2023	✓	✓	-	✓	✓	✓	-	✓	-	✓	N/A	N/A	N/A
08.11.2023	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	N/A	N/A	N/A
24.11.2023	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
18.12.2023	✓	✓	✓	✓	✓	✓	✓	-	✓	✓	N/A	N/A	N/A
20.12.2023	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A
25.01.2024	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A
13.05.2024	✓	✓	✓	✓	✓	✓	-	✓	-	✓	N/A	N/A	N/A
20.06.2024	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	N/A	N/A	N/A
25.06.2024	✓	✓	-	-	-	✓	✓	✓	-	✓	N/A	N/A	N/A

Table 4: Human Resource and General Purpose Committee Attendance FY 2023/2024

DATE	Mr. Arthur Koteng	Eng. Samson Maundu	CPA. Rose Baraza	Mr. Paul K. Mwangi	CS. Justus Wabuyabo
19.09.2023	✓	✓	✓	✓	✓
30.10.2023	✓	✓	✓	✓	✓
22.01.2024	✓	✓	✓	✓	✓
25.03.2024	✓	-	✓	✓	✓
26.03.2024	✓	-	✓	✓	N/A

Table 5: Finance Strategy and Planning Committee Attendance FY 2023/2024

DATE	Ms. Elizabeth Lenjo	Mr. Edwin Munene	Mr. Joseph Kamau	Ms. Rose Baraza	CS. Justus Wabuyabo	Dr. Henry Rono	Mr. Paul K Mwangi
14.07.2023	N/A	N/A	✓	✓	✓	✓	✓
20.07.2023	N/A	N/A	✓	✓	✓	✓	✓
15.09.2023	✓	✓	✓	✓	-	N/A	N/A
06.10.2023	✓	✓	✓	✓	✓	N/A	N/A
13.10.2023	✓	✓	✓	✓	✓	N/A	N/A
21.12.2023	✓	✓	✓	✓	-	N/A	N/A
15.01.2024	✓	✓	✓	✓	✓	N/A	N/A
12.04.2024	✓	✓	✓	✓	✓	N/A	N/A
25.06.2024	✓	✓	✓	-	✓	N/A	N/A

Table 6: Technical and Research Committee Attendance FY 2023/2024

DATE	Dr. Henry Rono	Ms. Elizabeth Lenjo	Mr. Arthur Koteng	Mr. Edwin Munene	CS. Justus Wabuyabo	Mr. Paul K. Mwangi	Eng. Samson Maundu
21.07.2023	-	✓	N/A	N/A	✓	✓	✓
18.01.2024	✓	✓	✓	✓	✓	N/A	N/A
15.04.2024	-	✓	✓	✓	-	N/A	N/A

Table 7: Board Audit Committee Attendance FY 2023/2024

DATE	Eng. Samson Maundu	Dr. Henry Rono	Mr. Joseph Kamau	Mr. Paul Mwangi	CPA Rose Baraza
02.11.2023	✓	✓	✓	✓	N/A
21.11.2023	✓	✓	✓	✓	N/A
08.03.2024	✓	✓	✓	✓	N/A
18.06.2024	✓	✓	-	✓	✓

Board Capacity Development

The Board of Directors is committed to empower its members with a view to enabling them to understand their responsibilities as directors, general principles of corporate governance and Board practices. Continuous development of the capacity of the board is important and the Agency ensured this by facilitating the members to attend the Board Capacity Building offered by Kenya Institute of Public Policy Research and Analysis (KIP-PRA) between 24th to 28th July, 2023.

On 23rd to 27th October, 2023, the Board Members were taken through the elements of the proposed Strategic Plan 2023-2027 period. This involved the objectives of the Agency, the activities undertaken in the previous period, the KRAs to be covered in the 5-year period and the implementation plan. Members of the Board were taken through the Board induction workshop organised by SCAC and ICS between 12th to 14th July, 2023. The members of the Board Audit Committee attended a Board Audit and Risk Committees workshop in Naivasha and another one in Mombasa trained by the Public Sector Accounting Standards Board of Kenya in November 2023 while the Human Resource and General Purpose Committee members attended a workshop in Malindi in March 2024 where training was conducted by the Institute of Human Resource Management of Kenya.

Board Evaluation

A board performance evaluation was undertaken as espoused in the Code of Governance of State Corporations (Mwongozo) Para.1.12 to determine its

performance in the FY 2022/2023 on the 26th and 29th of January, 2024.

Declaration of Conflict of Interest

Board members are required to avoid conflict of interest and deal at arms-length in any matter that relates to the Agency. A board member who identifies an area of conflict discloses any actual or potential conflict of interest, provides all relevant information and abstains from decision making. Board members sign the conflict of interest register before any meeting.

Governance audit

The Board is expected to ensure that a governance audit of the Agency is undertaken in collaboration with the State Corporation Advisory Committee (SCAC) on an annual basis in line with the Mwongozo Code of Governance for State Corporations. The purpose of the audit is to ensure that the Agency conforms to the highest standards of governance practice. In the year under review, the recommendations of the Legal Compliance & Governance Audit undertaken in the FY 2022/23 was tabled to the Management Committee awaiting implementation.

Board remuneration

Board members are remunerated for their services in accordance with guidance from the State Corporation Advisory Committee (SCAC) through circulars issued from time to time, as well as the prevailing relevant legislative provisions and/or guidance from the relevant authorities. The regular allowances for Board Chairpersons and Board members are as follows:

Table 8: Regular allowances for Board Chairpersons and Board Members

No.	Allowance	Chairperson	Board member
1.	Honoraria	Ksh.80,000/- per month	N/A
2.	Sitting	Ksh.20,000/-per sitting	Ksh.20,000/- per sitting
3.	Transport	Determined by prevailing Government guidelines; currently National Treasury Circular of 2015. Paid at the current prevailing Automobile Association of Kenya (AA) rates	Determined by prevailing Government guidelines; currently National Treasury Circular of 2015. Paid at the current prevailing Automobile Association of Kenya (AA) rates
4.	Personal Accident Cover ("Not Life")	Procured competitively.	Procured competitively.
5.	Medical Expenses	Inpatient Ksh.2 Million per annum; Outpatient Ksh. 100,000/- per annum and Last expense (self) Ksh.100,000/	Inpatient Ksh.2 Million per annum; Outpatient Ksh. 100,000/- per annum and Last expense (self) Ksh.100,000/



Management Discussion and Analysis

NuPEA'S Operational and Financial Performance

Operational Performance

During the Financial year 2023/2024, the Agency planned to implement several programs and projects aimed at achieving its overall core mandate as per the Energy Act 2019. The programs were in line with the Agency's Strategic plan, Governments Strategic objectives and the Vision 2030 agenda. The activities and the performance achievement are discussed here below;

A. Policy, Legal and Regulatory Framework for the Nuclear Power Programme development

Developing the policy, legal and regulatory framework for the Nuclear Power Programme involves addressing key areas. The National Nuclear Policy is to address gaps in the peaceful use of nuclear science and technology, while the Nuclear Regulatory body established by the Nuclear Regulatory Act, 2019, fills the legal, institutional, and regulatory gaps for the safe use of nuclear energy. To support the nuclear power programme, regulations and guides will be developed. Harmonizing national laws with the Nuclear Regulatory Act aims to streamline regulation, reduce duplicity, and address compliance challenges. Accession to key international nuclear treaties, including four IAEA-adopted Nuclear Safety Conventions and two liability conventions, is underway to strengthen the legal framework. Additionally, legal services include representing the Agency in legal matters and drafting MOUs and agreements with partners.

During the financial year under review, the legal and regulatory services directorate undertook var-

ious activities towards the realisation of the above identified key areas for the NPP as discussed herein:

The Agency subjected the Draft National Nuclear Policy to public participation by publishing an advert inviting memoranda as well as stakeholder validation activities within select counties at the Rift Valley, Nyanza, Eastern, Central and Coastal provinces through consultants who reviewed the 2022 Draft, and incorporated comments from public participation in preparation for National Validation of the Policy in FY 2024/25.

The Agency collaborated with the KNRA on development of regulations to operationalize the Nuclear Regulatory Act, 2019 and implementation of the Nuclear Power Programme. A joint workshop was held in Mombasa to strategize priority regulations and this resulted in the proposal of 22 regulations and guides required as well as the content needed for the regulations. Two skeleton regulations on site characterisation activities and licensing were provided to the Agency by the regulator. The two regulations require further review to finalise them. The Agency advanced the review of national laws relevant to the Nuclear Regulatory Act, 2019, and the Nuclear Power Programme by refining the Terms of Reference needed to procure a legislative expert. This expert will assess the legislative requirements for implementing the nuclear power programme, draft an Amendment Bill to facilitate necessary legal changes, and produce a comprehensive report on the review of existing laws.

The Agency continued its coordination efforts for acceding to nuclear treaties and conventions by incorporating feedback from the Ministry of Energy and Petroleum on the submitted Cabinet Memorandum concerning the four nuclear safety conventions, adopted under the auspices of the IAEA, identified for ratification/accession. To ensure public participation in the ratification process, a newspaper advertisement was published, inviting written memoranda from the public on these treaties. The Agency handled several legal proceedings against it during this FY 2023/24 which required legal representation externally and internally ie. court cause ELCEPET 3 of 2023; PPARB No. 33 & 34 of 2024 and PPARB No. 49 of 2024. The legal proceeding being handled by external lawyers is currently in progress whereas the PPARB matters were handled and concluded by the Agency lawyers.

The Agency undertook preparation and execution of MOUs with various agencies such as the National Research Fund and Pwani University on collaboration in research and development in the nuclear science and technology thematic area and other areas of interest. MOUs with Technical University of Mombasa, County Government of Kwale, ODPP, KYGN, Kilifi and KAERI are in the process of approval.

B. Strategic Environmental and Assessment for Kenya's Nuclear Power Programme (SEA)

Conducting a Strategic Environmental and Assessment (SEA) is a legal requirement for all large projects in order to assess the strategic and environmental viability of a programme.

Pursuant to the provisions of the Environmental Management and Co-ordination Act, 1999 (Rev 2015) and the Agency's 15-year road map, the Agency is undertaking a Strategic Environmental and Assessment of Kenya's Nuclear Power Programme with a view to assist Kenya to systematically and comprehensively address the unique issues of nuclear power programme to support effective and efficient decision-making for sustainable development of the country's Nuclear Power Programme. This project is aimed at achieving broad public acceptance of the Nuclear Power Project in line with the national values and principles of governance contained in the Constitution of Kenya and addi-

tionally constitutes the basis for the subsequent commencement of an Environmental Impact Assessment (EIA) Study for the nuclear power plant sites.

During the financial year under review, the Agency continued with the Strategic Environmental and Assessment (SEA) process incorporating the findings from the National Validation Workshop held in FY2022/23 in Nairobi for the SESA Report for Kenya's Nuclear Power Programme. The Agency is reviewing the report based on recommendations from NEMA for various aspects of the programme.

C. Site and Supporting Facilities Identified

One of NuPEA's functions is to identify suitable sites for constructing a nuclear power plant (NPP), which involves selecting the best national site options based on criteria such as regulatory requirements and quality assurance. This process, including regional screening, site surveys, and ranking, was successfully completed.

Having complete site selection, the next phase involves site assessment, which justifies the chosen sites through detailed investigations and characterizations. These assessments inform the site-related design basis, which will be included in the bid invitation specifications for the NPP.

With the establishment of the Mombasa office for preparatory siting activities and the Land Access Committee's confirmation that the preferred land is government-owned with an existing school, an agreement was reached with Uyombo Girls High School Management to acquire access. Additionally, land was allocated at Konza City for site characterization activities related to a Research Reactor.

The Agency signed a contract for the set-up of a meteorological station at the Uyombo Site as part of the preparatory characterization activities in the FY2022-23. However, the set-up of a meteorological station at the Uyombo Site stalled due to lack of social licence for the project.

During the Financial Year under review, the Agency inspected the 100m meteorological tower components, undertook field visits to two (2) national seismic monitoring stations in Kenya for data collection, which led to the finalisation of the Speci-

fications and Expression of Interest (EOI) for the NuPEA digital seismic monitoring station in Kilifi County.

In addition, the Agency conducted an IAEA Site & External Events Design (SEED) Expert Mission on the Research Reactor Siting, (22-26 January 2024); Carried out a field visit with the Kilifi County Government Spatial Planner (01-02 Feb 2024 at the Preferred NPP Site) to confirm its boundaries as part of preparations for Land Acquisition; and conducted a U.S Department of State F.I.R.S.T capacity building Workshop on SMR Site Assessment & in Stakeholder Engagement (26-28 March 2024 in Kilifi).

Under the NuPEA roadmap, Bid Invitation Specification (BIS) development is supposed to have been completed by 2025. For this to be realised the various infrastructure teams require to have completed collection of all prerequisite information presented in the BIS. In this effort all teams undertake activities, studies, training, simulations with a direct linkage to bidding.

The Agency carried out an economic analysis/ cost Assessment on necessary Electric grid system upgrades for NPP integration for the proposed and alternate sites. This included Data collection on the 220kV and 132 kV coastal region transmission ring to check on grid development status and inform on interconnection options.

In the FY 2023/24, the Agency implemented environmental and social impact assessment activities with drafting a scoping report for a contract identifying impacts and mitigation measures of the nuclear power plant project in Kilifi County with related expenses during the course of project implementation. The contract has mechanisms in place on how to resolve future possible licence and permit issues and conditions to enable continuous project implementation. In collaboration with officers from KMFRl, the team drafted the contract document, scope of details on the study area and marine sensitivity data to be collected and cost estimates for the data collection for marine environmental analysis. The team also developed an IAEA Coordinated Research Project report detailing the modelling methodology for nuclear renewable integration using the Low Emission Analysis Platform tool.

D. Energy Research and Development

Sustainable and effective R&D in the energy and petroleum sectors will significantly contribute to increased productivity and efficiency. There has been considerable progress made in the sectors' R&D however, this has mainly been undertaken in a segregated manner by the various institutions.

In an effort to address the identified challenges, the Agency is implementing the coordination for R&D in the energy and petroleum sectors.

Waste-to-energy (WtE) report was developed in FY 23/24 for the Energy Sector. Waste-to-energy (WtE) refers to a variety of treatment technologies that convert waste to electricity, heat, fuel, or other usable materials, as well as a range of residues including fly ash, sludge, slag, boiler ash, wastewater and emissions, including greenhouse gases. With these enormous amounts of waste produced every day, the GoK has been under immense pressure to find a lasting solution considering such waste has huge implications to human health, animals, the lands, oceans and the environment in general. Policy makers have searched for answers from more developed nations and Waste to Energy (WtE) has stood out as the solution. In light of these the Agency has undertaken the role of developing a report on Waste to Energy (WtE) conversion technologies in Kenya.

An Intellectual Property Management Strategy (IPMS) report was developed to assist organisations involved in energy research to protect their inventions, establish brand recognition through trademarks, prevent unauthorised use of their creative works, or use their IP to generate revenue through licensing agreements. Clarity about goals guides decision-making throughout the IP life-cycle. In order to coordinate intellectual property management within the energy sector for research and development, the Agency has developed the intellectual property management strategy for energy research and development for the sector in this financial year.

E. Capacity Building in the Energy Sectors

The Agency developed a scoping report on the assessment of knowledge and skills gap in the energy and petroleum sector. The Agency collaborated with key players in the energy sector resulting in the establishment of a coordination mechanism for an effective and sustainable implementation of a capacity building project titled “The Project for Capacity Development of Power Transmission Systems in the Republic of Kenya”.

The Agency also collaborated with the College of Engineering and Technology (COETEC), JKUAT in the Sustainable Research & Innovation Conference 2023. The Agency also had an Engagement with SETA and IESR on implementation of collaborative HRCB programmes in the sector Sustainable Research & Innovation Conference 2023.

F. Nuclear Research & Development

Nuclear energy technologies have wide applications that have been shown to enhance economic development and improve quality of life. Research and development activities are required to sustain knowledge and competence within organisations that support or regulate/control nuclear power plant activities. Nuclear R&D is also a critical element in the development of different sectors of the economy in the country. The applications of nuclear technology/techniques in agriculture, medicine, industry, management of water resources are some of the processes that would contribute to national development.

In the implementation of nuclear R&D, the Agency is implementing the Kenya Nuclear Research Reactor (KNRR) project which has a diverse range of applications in education and training, research, health, agriculture and industry. In FY 2022/24 The Agency conducted a Feasibility Study (FS) for the KNRR project that captured the results of all preliminary studies for establishment of a research reactor including: infrastructure assessment, project justification, strategic plan, economic cost benefit analysis, Human Resource Development Plan and site investigation report.

The Agency developed a draft stakeholder engagement and communication strategy for a research reactor project through a workshop in June 2024.

The IAEA in collaboration with the Agency held an INIR-RR review mission designed to assist Kenya determine the status of its national nuclear infrastructure and to identify further development needs to support a new research reactor project. The Agency developed the Integrated Action Plan (IAP) to address the gaps identified from the Integrated Nuclear Infrastructure Review for the Research Reactor project (INIR-RR) mission.

The Agency also reviewed a draft Preliminary Bid Invitation Specification for Kenya Nuclear Research Reactor Project Assessment of National Nuclear Infrastructure for the Research Reactor Project in Kenya.

Other activities undertaken within this FY 2023/2024 included the development of an outline of the stakeholder engagement and communication strategy for the RR project and a report on site selection for research reactor in Kenya. The Agency also reviewed the draft Preliminary Bid Invitation Specification for Kenya Nuclear Research Reactor Project Assessment of National Nuclear Infrastructure for the Research Reactor Project in Kenya. A report on the Reactor Project Assessment of National Nuclear Infrastructure for the Research Reactor Project in Kenya. The Agency embarked on the development of a report on the requirements for the National Energy Laboratories with the outlining of its Terms of Reference.

G. Industrial Involvement

The Agency developed a localization policy. In the policy, NuPEA proposed recommendations for consideration in the localization policy and strategy for the nuclear power programme. It highlighted challenges that limit local industry participation in national projects, proposed thematic areas for policy interventions in the localization policy and recommended strategies to enable participation of the local industry in the Nuclear Power Programme.

In addressing the challenges highlighted in this FY 2023/24 the Agency undertook training of three (3) local supply chain players on related nuclear power programme opportunities and/or requirements by conducting various industrial visits. The target supplier categories were in: Construction; Transport and logistics; and Electrical equipment supply. The industrial involvement team also engaged the engineering fraternity in a recently concluded engineers' convention.

The Agency also undertook an industrial involvement scientific visit to Japan, aimed at creating an understanding of the approaches (best practices and lessons learned) adopted to create optimal local industrial capacity to support NPP projects.

The Agency developed the risk assessment for the local supply base report through the risk register update, and further developing the risk assessment based on the risk register outcomes, the report was completed by subjecting the draft to peer review and expert judgement.

H. Human Resources Strategy Development

Kenya has embarked on its nuclear power programme and has recognized the need to conduct a workforce assessment of the present and future competency required to build the necessary level of human capacity to construct, operate, maintain, decommission and regulate nuclear power plants. The Agency developed Terms of Reference for the proposed HRD IAEA Expert Mission for the review of the Gap Assessment and HRD Strategy development. The Terms of Reference were submitted to the NLO office to facilitate expediting the review mission undertaken as a workshop with IAEA Expert where the experts advised on their findings and recommendations on the NPHR report, Mapping Report Gap assessment report and draft HRD strategy.

The Agency reviewed available case studies of HRD strategies from desktop research from Japan and India. Following the IAEA HRD Expert review workshop on the feedback/recommendations that were given on the strategy that were used to review the HRD strategy

A total of 56 students have been enrolled in foreign universities (Harbin University in China, Seoul National University (SNU) and KEPCO International Nuclear Graduate School (KINGS) both in South Korea) to study masters in Nuclear Engineering and Science. Out of these, 46 have already graduated and the rest are due to graduate by 2023. A total of 58 students have been sponsored to undertake MSc Nuclear Science at the Institute of Nuclear Science and Technology, University of Nairobi.

A total of 134 trainings were undertaken in FY 2023/24 in various workshops both domestically and internationally on various Nuclear Science and

Technology domains, including: Nuclear Power Infrastructure Development; Reactor Technology Assessment for SMRs; International and National Legal Frameworks for SMRs; Emergency Planning and Response; Technology Development and Applications for SMRs; Generic User Requirements and Criteria for SMRs; Energy Planning and Use of the IAEA Tools to Model Electricity Systems for SMRs; among others.

I. Public Communication and Stakeholder Management

Stakeholder engagement aimed at increasing public awareness and understanding of Kenya's Nuclear Power Program, educating stakeholders on the production of electricity using nuclear power, informing the public on all aspects on the use of nuclear technology which is safe and secure, making them aware of the economic benefits that may occur from putting up the plant in the country. During the financial year under review, the Agency enhanced information sharing and stakeholders' satisfaction through implementation of the public communication and stakeholders' engagement strategy by undertaking the following activities:

The Agency undertook nine (9) stakeholder engagements with three (3) professional bodies and other organisations in Kenya by way of sponsorships and exhibitions aimed to sensitise participants on nuclear energy development and also served to enhance NuPEA's brand image and visibility: Devolution Conference, Africa Climate Summit Week, Nairobi International Trade Fair (NITF), Mombasa International Trade Fair (MITF), 27th Institute of Certified Secretaries (ICS) Annual International Conference, Law Society of Kenya (LSK) Annual Conference, Coastal People Forum (CPF), 41st Institute of Certified Public Accountants of Kenya (ICPAK), 2nd HomaBay International Investment Conference (HOBIIIC) and 30th International Convention of the Institution of Engineers of Kenya (IEK).

The Agency undertook stakeholder outreach forums on nuclear energy development to enhance understanding of Kenya's nuclear power programme among residents of Kilifi County by the following:

- a) Held public barazas with residents of Kenya's nuclear power plant host communities of Matsangoni location and Uyombo Village in Kilifi County.

- b) Engaged the public particularly targeting residents of the local host community of Kilifi County and the larger Coast region through a radio talk show hosted on Msenangu FM.
- c) Engaged with the National Government Administration Office (NGAO) leadership of Kilifi County led by the County Commissioner during a courtesy visit to the office by NuPEA delegation led by the CEO.
- d) Undertook stakeholder engagement with community groups in Uyombo and the larger Matsangoni at Pwani University. The forum aimed to enhance knowledge and understanding of nuclear energy issues among the various groups and to assess their concerns as regards development of the nuclear power programme for Kenya.
- e) In partnership with the International Atomic Energy Agency (IAEA), NuPEA held a Stakeholder Involvement and Nuclear power communication workshop in Kilifi County.
- f) NuPEA in collaboration with a U.S. based partner in the nuclear industry, known as the (F.I.R.S.T) program, held a stakeholder workshop on the siting of nuclear power plants and stakeholder engagement in nuclear energy in Kilifi County.
- g) Implemented the Agency's education sponsorship program by awarding 102 needy secondary school students from the potential host communities of Uyombo and the larger Matsangoni (Kilifi County).

Financial performance

NuPEA is a state-owned agency under the Ministry of Energy and is funded through Exchequer allocations. The exchequer is disbursed through the Ministry of Energy on a monthly basis. Further the Agency also has externally mobilised funds from International Atomic Energy Agency (IAEA) to support Agency Capacity Building activities.

Budget

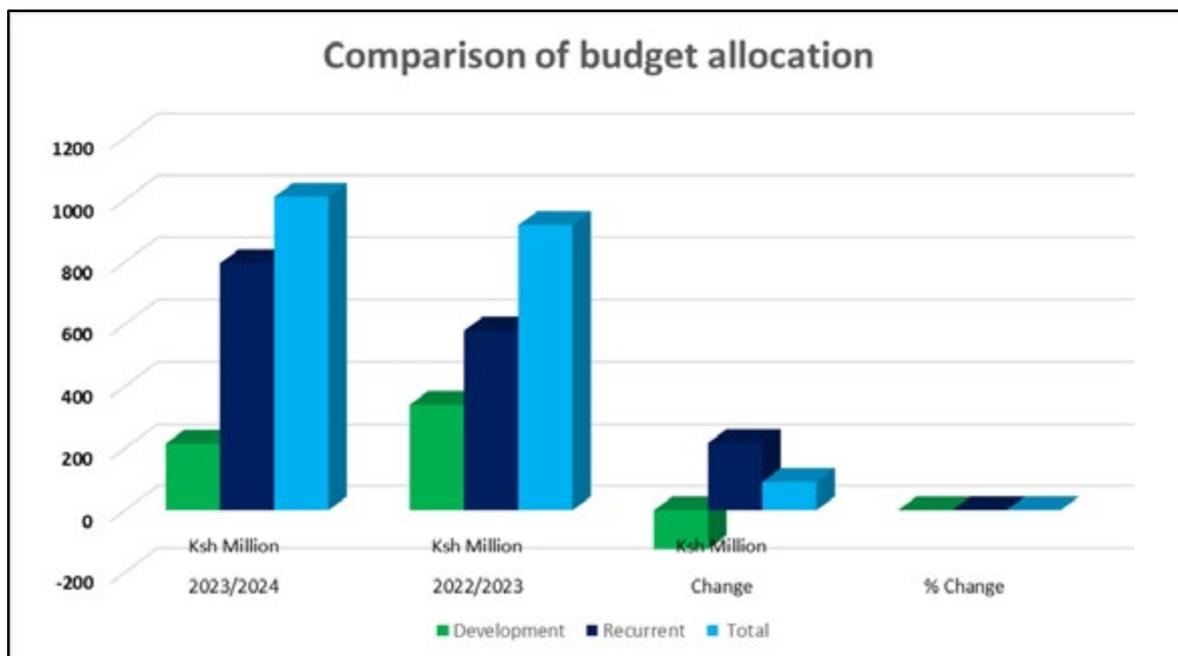
For the Financial year 2023/2024 the Agency had an approved budget of **Ksh. 1,376,000,000** comprising **Ksh. 581,000,000** development and **Ksh. 795,000,000** recurrent to cater for the planned activities during the financial year. However, due to changes on Government expenditure priorities the Agency had a budget reduction of **Ksh. 316,000,000** representing **23% decrease** of the original budget in the first supplementary budget cycle, and a further **Ksh. 50,493,507** in the second supplementary cycle resulting to a total development budget reduction of **Ksh. 366,493,507**. The recurrent budget was maintained as approved.

The reduction resulted in a final budget of **Ksh. 1,009,506,493** being **Ksh. 795,000,000** recurrent and **Ksh.214,506,493** development. The budgetary reduction necessitated expenditure rationalisation and reallocation which has negatively affected planned activities. For the Financial Year ended 30 June 2024, the overall budget absorption rate was 100% of the total annual budget allocation.

Table 9: Comparison of budget allocation for the financial year 2023/2024 and 2022/2023

	2023/2024 Ksh Million	2022/2023 Ksh Million	Change Ksh Million	% Change
Development	214.5	340	(125.5)	(37%)
Recurrent	795	578	217	38%
Total	1,009.5	918	91.5	10%

Figure 2: Comparison of budget allocation for the financial year 2023/2024 and 2022/2023



Revenue

Revenues are government grants in form of exchequer disbursements from the Ministry of Energy and grants from International Atomic Energy Agency. During the Financial year the Agency received 100% exchequer allocation for the period amounting to **Ksh. 1,009.5M**. This resulted to an increase of 10% in respect to exchequer receipts from the previous year as shown above.

During the period under review the Agency realised a revenue of **Ksh. 321,616** being supported by the International Atomic Energy Agency(IAEA), **Ksh. 64,232** from interest charged on staff loans

and **Ksh. 1,012,634** as compensation from WIBA. The total other incomes was **Ksh. 1,398,482**.

Expenditure

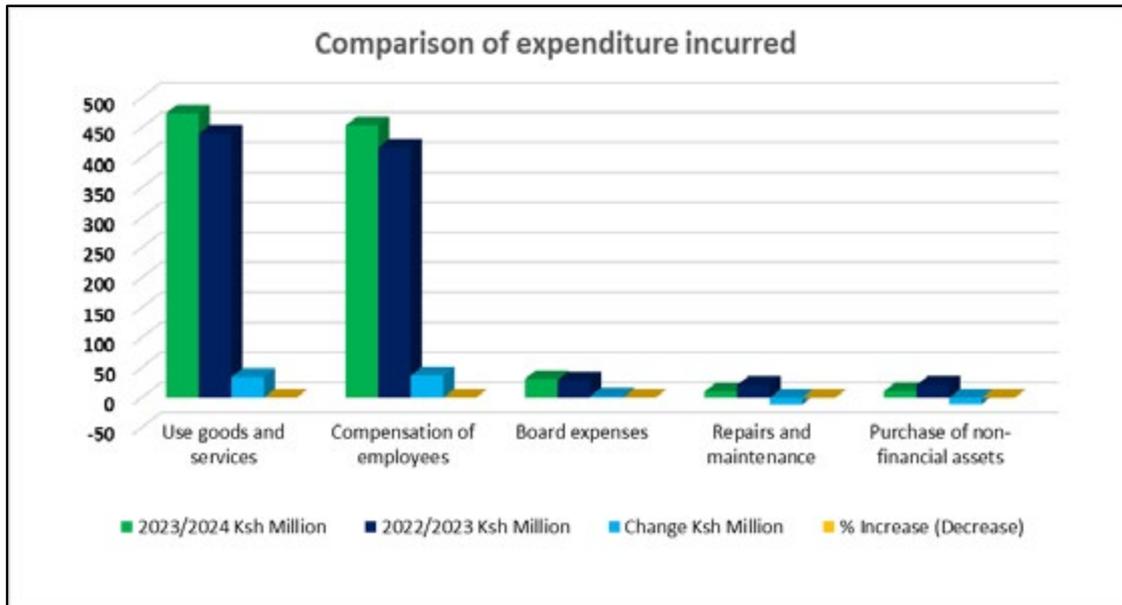
As at the end of the financial year 2023/2024, the Agency had incurred a total expenditure of **Ksh. 989.5M** against **Ksh.927.8 M** in the year 2022/2023. Further, the Agency spent **Ksh. 10.8M** on purchase of fixed assets compared to Ksh. 21.4M spent on the same in the FY 2022/2023.

The expenses were incurred under the following categories;

Table 10: Comparison of expenditure incurred for the financial year 2023/2024 and 2022/2023

	2023/2024 Ksh Million	2022/2023 Ksh Million	Change Ksh Million	% Increase (Decrease)
Use goods and services	475.6	439.9	35.7	9%
Compensation of employees	453.5	416.7	36.8	9%
Board expenses	31.6	29.1	2.5	9%
Repairs and maintenance	10.2	21.2	-11	(52%)
Purchase of non-financial assets	10.2	21.4	-11.2	(50%)
Total	981.1	928.3	52.8	6%

Figure 3: Comparison of expenditure incurred for the financial year 2023/2024 and 2022/2023.

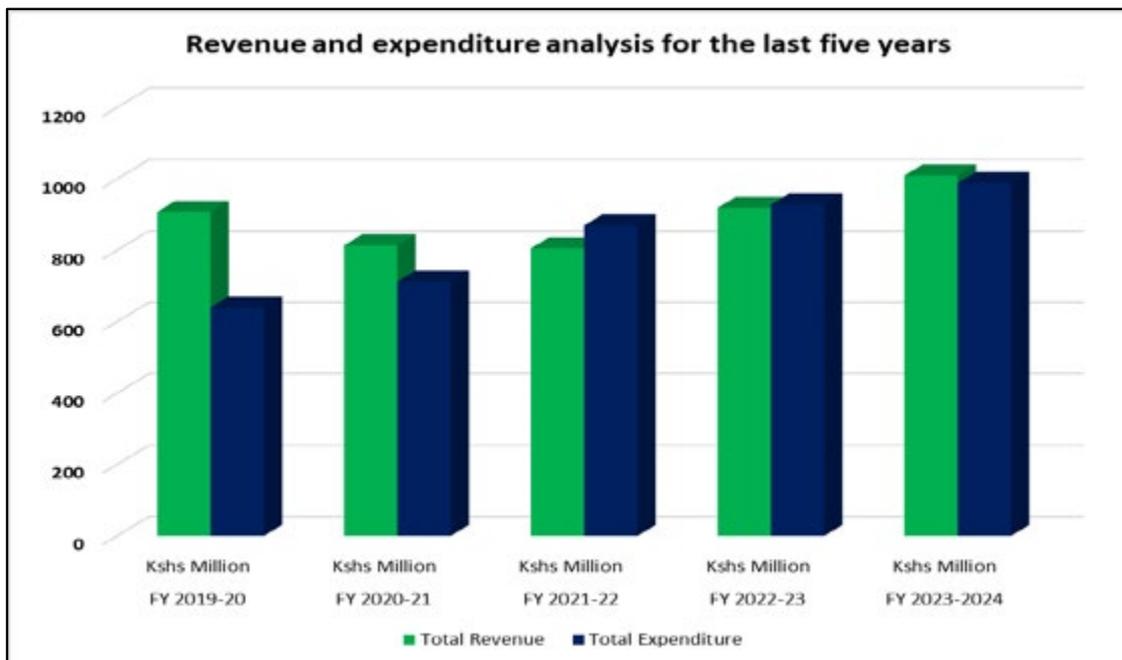


The Agency's revenue and expenditure has grown gradually over the last five years as depicted in the table below:

Table 11: Revenue and expenditure analysis for the last five years

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
	Kshs Million				
Total Revenue	907.8	813.6	805.4	918.8	1,009.5
Total Expenditure	640.1	712.2	869.5	927.8	989.5

Figure 4: Revenue and expenditure analysis for the last five years



Over the period of five years (2019-2024) the Agency revenue has marginally grown from **Ksh.907.8M** in the FY 2019/2020 to **Ksh.1,009.5M** in the financial year under review.

During the period between the FY 2019/2020 to FY 2023/2024 the expenditure has gradually grown from **Ksh.640.1M** to the current financial year 2023/2024 expenditure of **Ksh.989.5M**.

Compliance with Statutory requirements

NuPEA complied with all the statutory provisions in terms of reporting requirements, taxation returns, and payment and all financial obligations related to payroll statutory deductions.

There was no non-compliance that may expose the Agency to potential contingent liabilities of any future financial loss.

I. Major Risks facing NuPEA

Risk management is an integral part of the Agency’s control and corporate governance structures. The framework is based on an ongoing process designed to identify the principal risks to the achievement of NuPEA’s objectives, evaluate the nature

and extent of those risks and manage risks efficiently, effectively and economically within the risk appetite set by the Agency.

The Risk Management Framework as defined by ISO 31000 is a set of components that provide the foundations and organisational arrangements for designing, implementing, reviewing and continually improving risk management throughout the organisation.

In the FY 2018/2019, the Agency adopted a proactive process-based approach towards identification, mitigation and management of risks that could impede the realisation of its objectives. Departmental Risk Registers were developed in line with ISO 9001:2018 and the Agency’s Quality Procedures.

During the FY 2023/2024, the Agency continued to implement its risk management framework by reviewing the corporate risk register and training risk champions.

A summary of the major risks and mitigation strategies is provided in the table below:

Table 12: Major risks and mitigation strategies

Risk Category	Description	Risks	Mitigation Strategy
Strategic Risk	Risks arising during the strategic management process (planning, implementation, monitoring and evaluation).	<ol style="list-style-type: none"> Failure to achieve the strategic objectives. Weak monitoring, evaluation and reporting. 	<ol style="list-style-type: none"> Stakeholder involvement during planning. Develop and implement a Monitoring and Evaluation system/plan. Implement a performance management system.
Operational Risk	Risks arising from activities engaged in including systems, processes and procedures.	<ol style="list-style-type: none"> Lack of requisite policies, procedures and systems. 	<ol style="list-style-type: none"> Develop/Review requisite policies and procedures. Implement appropriate organisational systems (i.e. ISO 90001:2015, ISO/IEC 27001:2013, ISO 31000).
Technology Risk	Risks arising from technological, process and service delivery innovations	<ol style="list-style-type: none"> Resistance to adoption of new technologies. Information security and cybercrime. 	<ol style="list-style-type: none"> Undertake staff training on new systems adopted by the Agency. Continuous monitoring and strengthening of information system security.

Risk Category	Description	Risks	Mitigation Strategy
Political Risks	Change in government laws and policies	<ol style="list-style-type: none"> 1. Change in government priorities 2. Social Media Influence and Activism (Gen-Z in Kenya is highly active on social media platforms.) 	<ol style="list-style-type: none"> 1. Advising the government on the status of ongoing projects 2. Public Communication and Stakeholder Management strategy 3. Open Channels of Communication (with Gen-Z through social media platforms, town halls, and forums)
Human Resource Risk	This entails adequacy of staff capacity and support initiatives	<ol style="list-style-type: none"> 1. Inadequate staff capacity - number and skill mix. 2. Inadequate support of various initiatives 	<ol style="list-style-type: none"> 1. Hire staff with requisite skills. 2. Staff training and development. 3. Develop and implement strategies that will facilitate retention of qualified and productive staff. 4. Monitor and evaluate Job Descriptions and specifications.
Financial Risk	This involves the adequacy and accessibility of funds to finance the Agency's projects and programmes.	<ol style="list-style-type: none"> 1. Inadequate funding. 2. Delays in disbursement of resources to programmes/ activities. 3. Delayed project implementation 	<ol style="list-style-type: none"> 1. Pitch for allocation of adequate resources from the government. 2. Seek support from development partners. 3. Synchronise work plans, budgets and procurement plans. 4. Adherence to the procurement plan 5. Strengthen internal controls; Implement internal audit recommendations"
Legal and Regulatory Risk	These are risks that arise as a result of change in laws and regulations, amendment of laws and inability of the Agency to meet its contractual commitments / obligations	<ol style="list-style-type: none"> 1. Inadequate regulatory framework. 2. Litigation 	<ol style="list-style-type: none"> 1. Propose review and development of relevant laws and regulations. 2. Ensure full compliance with applicable laws and regulations. 3. Enhance public participation and stakeholder engagement. 4. Legal & Compliance Audits

II. Material arrears in statutory and financial obligations

NuPEA has no material arrears in statutory obligations but has a contingent financial obligation in reference to court cause ELCEPPET No. 3 of 2023 Malindi “Mkoba Ngolo & another VS NuPEA & 2 others and three interested parties”.

III. NuPEA’s financial probity and serious governance issues

The Agency did not have any financial impropriety reported by either internal audit, Board Audit Committee, external auditors, or any other National Government Agencies providing oversight. There were no serious governance issues among the Board and top management including conflict of interest.

10

Environmental and Sustainability Reporting

The Nuclear Power and Energy Agency (NuPEA) is a State Corporation established under the Energy Act 2019. The Agency's mandate as stipulated in Section 56(1) of the Energy Act, 2019, is to be the nuclear energy programme implementing organisation and promote the development of nuclear electricity generation in Kenya; and to carry out research, development and dissemination activities in the energy and petroleum sectors in Kenya. Below is a brief highlight of the Agency's achievements in the following four sustainability pillars:

i) Sustainability strategy and profile

The Nuclear Power Programme and the Nuclear Research Reactor project represent significant strides towards sustainable energy and advanced research capabilities in Kenya. Guided by international standards such as the IAEA's Milestone Approach, these initiatives are strategically planned to ensure robust infrastructure, regulatory frameworks, and human resource development.

NuPEA, being the Nuclear Energy Programme Implementing Organization (NEPIO), has an important role to play in attainment of Vision 2030 aspirations by enhancing access to clean, affordable, reliable and efficient energy in the country. Within the Vision 2030, energy is recognized as a key enabler to the implementation of the flagship projects which will lead to increased power demand. NuPEA is also expected to play a critical role in accelerating economic development by raising productivity and efficiency levels across the three pillars through coordination of research and development (R&D) and capacity building activities/ initiatives in the energy and petroleum sectors.

Kenya's Nuclear Power program has been on a positive trajectory due to strong government support as a semi-autonomous nuclear implementing agency. The Agency is working in collaboration with all national and international stakeholders to ensure full implementation of the program safely and securely. Nuclear is playing a crucial role in the realisation of Kenya's vision 2030.

NuPEA is implementing two Vision 2030 Programmes, namely;

- a) Nuclear power programme – first nuclear power plant to be commissioned in 2034
- b) Research Reactor Programme – first nuclear research facility to be commissioned in 2030

In undertaking this mandate the Agency is implementing the following flagship high priority BETA projects:

- i. Nuclear Power Programme Resource Development
- ii. Development of Legal and Regulatory Framework for Nuclear Power Programme
- iii. Development of the necessary nuclear related infrastructure
- iv. Public and Stakeholder Engagement
- v. Energy Research and Development
- vi. Capacity Building in the Energy and Petroleum Sectors energy and petroleum sectors through efficient coordination of R&D and capacity building.

ii) Environmental performance

The Nuclear Power and Energy Agency is charged with the responsibility of promoting and implementing Kenya's Nuclear Power Programme and carrying out research and development for the

energy sector. Towards attainment of its mandate, the Nuclear Power and Energy Agency is currently developing policies and legislation, identifying suitable sites for the construction of Nuclear Power Plants, carrying out research, development and innovation on energy technologies as well as capacity building for the energy sector.

Currently, NuPEA does not generate any waste streams. However, future prospects and goals of undertaking its mandate will be the construction of the first nuclear power plant for generation of electricity and also the construction of the first research reactor facility for utilisation in the medical sector, education sector, industry, agriculture and research and development. These facilities will generate waste streams in the form of radioactive waste and spent fuel (irradiated nuclear fuel in the reactor core). Therefore, a clear policy and strategy needs to be in place to realise safe management of radioactive waste and spent fuel, in terms of storage, transport, processing, and eventual disposal (geological disposal) with minimal or no release to harm people and the environment. Another possibility of waste generation that is beyond radioactive waste and spent fuel generation is during construction and decommissioning of the mentioned facilities and construction Kenya's first deep and near-surface geological disposal facilities for spent fuel material and radioactive waste.

With these in mind, current guidance laws that shall achieve the above objectives and align to the mandate of NuPEA are:

- a) The Environmental Management and Coordination Act (EMCA) - a framework law on environmental management and conservation. The Act provides for environmental protection through;
 - i. Environmental impact assessment of a facility and public participation.
 - ii. Environmental audit and monitoring.
 - iii. Environmental restoration orders, conservation orders, and easements.
 - iv. Strategic Environmental Assessment (SEA) for integrating environmental consideration into Policies, Plans, and Programs (PPP) and evaluating the inter-linkage with economic and social considerations through public participation.

- b) NEMA subsidiary legislations on environment protection
 - i. NEMA has established subsidiary legislations for regulations of activity that would result in generation of any waste to minimise harmful environmental impact to any activities, in this case the nuclear power programme.
- c) Nuclear Regulatory Act establishment of Kenya Nuclear Regulatory Authority - a comprehensive framework for the regulation of safe, secure and peaceful utilisation of atomic energy and nuclear technology; the production and use of radiation sources and the management of radioactive waste and spent fuel management
 - i. The act provides provisions for classification of radioactive waste, regulations, responsibility, export and import controls and safety requirements of a facility licensed for management/ production of waste, to ensure no release of radioactive material that could bring harm, damage to people and the environment.
- d) KNRA subsidiary legislations on nuclear regulations and environmental protection
 - i. KNRA shall provide subsidiary legislation to regulate activities that would result in generation of radioactive waste, through inspection, requirements, licensing and quality management and planning.

iii) Employee welfare

The Nuclear Power and Energy Agency recognizes all its employees as the most valuable resource and that the welfare of all staff is essential in achieving the Agency's Vision and Mission. The Agency is committed to providing a caring and supportive working environment which is conducive to the welfare of all staff to enable them to develop and optimize their full potential. The staff welfare is a joint responsibility and members of staff are expected to contribute and participate effectively. The Agency has in place staff welfare policies and schemes such as staff medical, group life and work injury benefits, mortgage and car loan among others.

a) Recruitment

The Agency recognizes that human capital is a critical asset to achievement of its strategic objectives and is fundamental to its success. The Agency has adopted a strategic and systematic approach to resourcing in order to attract and retain competent staff with requisite skills, knowledge and capabilities.

The Agency is an equal opportunity employer and is committed to ensuring that the recruitment and selection of employees is conducted in a manner that is competitive, promotes equal opportunity, equality, diversity and does not discriminate

on the basis of race religion, ethnicity or any other form of discrimination.

The Constitutional requirements on mainstreaming of gender and persons with disabilities as stipulated in Article 52 and 57 of the Constitution Kenya 2010 are observed alongside other policies issued by the National Cohesion and Integration Commission.

The Agency has a gender policy in place and gender-based policies that are aligned to the national values.

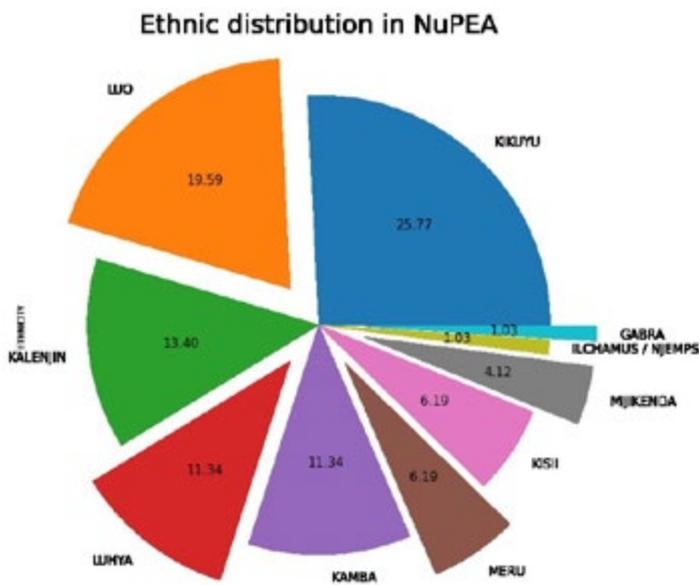


Figure 5: Ethnic composition of the NuPEA staff members

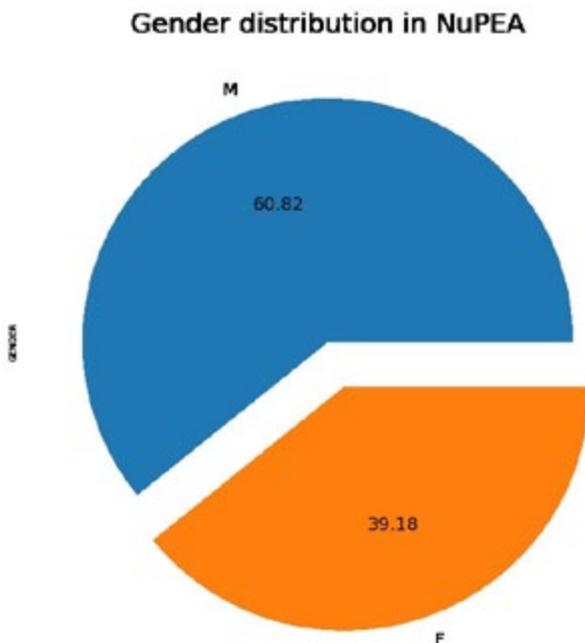


Figure 6: NuPEA percentage gender composition

b) Career guidelines

The Agency has a Career Guidelines Policy that guides on appointment and promotion of employees in their respective field of employment in order to promote career growth and motivate employees. The Career Guidelines Policy outlines the competency framework, experiences and qualifications required for career progression. It also defines and documents the Agency’s succession plan by defining positions, responsibilities and accountabilities in a progressive manner.

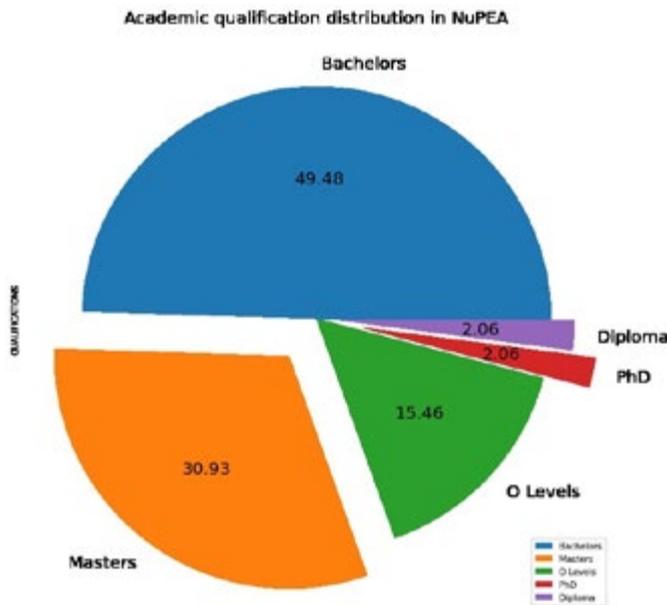


Figure 7: Academics qualification

c) Performance Management

The Agency is committed to promoting high performance standards in order to achieve its overall mandate and strategic objectives. To this end, the Agency has adopted the application of performance contracting, a results-oriented system of management aimed at introducing a systematic process of planning work, setting goals and expectations, continually monitoring performance, developing the capacity to perform and periodically rating performance. The Agency Performance contract is anchored on national development goals with clear linkage to the Agency’s strategic plan. It is cascaded to all Departments/ Divisions, levels and cadres of employees.

The Staff Performance Appraisal system (SPAS) is grounded on the principle of work planning, set-

ting of agreed performance targets, feedback and reporting. It is linked to other human resource systems and processes including employee development, career guidelines, placement, rewards and sanctions.

The Agency has put in place an incentive scheme aimed at rewarding members of staff based on the value they are adding to the Agency in relation to their performance, approved experience and professional skills/competence. The Rewards and Sanction framework establishes a basis for rewarding exemplary performance and administering sanctions for poor performance, motivating employees to have a positive attitude to work and to enhance productivity in the Agency.

d) Training and Development

Whilst the Agency will recruit competent personnel, it endeavours to continuously upgrade employee’s core competencies, knowledge, skills and attitudes of its employees to ensure that their performance meets and/or exceeds the minimum expectations and benchmarks best practices. The Agency therefore recognizes the need for training and development of all employees in order to ensure effective delivery of its mandate. The Agency is committed to providing training and development opportunities to all staff in a fair and equitable manner without any form of discrimination.

In the year under review, NuPEA conducted internal training needs assessment and facilitated employees to undertake Continuous Professional Development (CPD) courses offered by their respective professional bodies. The Agency also facilitated other trainings and conferences for staff members which has been of great importance in improvement of NuPEA’s work execution.

e) Occupational Health and Safety

The Management of NuPEA is committed to the health and safety of its employees and stakeholders at large. Management is committed to continuing improvement toward an accident-free workplace through effective administration, education and training. To this end, the Agency has developed OHS Policy that provides guidelines for NuPEA to make conscious effort to conserve and improve safe and healthy working conditions for staff, clients and visitors in compliance with Occupational Safety and Health Act No. 15 of 2007 and

any other relevant occupational safety and health legislation and regulations. The policy seeks to reduce the number of work-related accidents and diseases, and equitably provide compensation and rehabilitation to those injured at work or who contract occupational diseases.

iv) Marketplace practices

NuPEA is committed to public advertising as a part of enhancing knowledge and understanding of Kenya’s nuclear power programme and its mandate. This is also geared towards strengthening its brand and corporate visibility. The target audience is both national and international stakeholders including members of the general public. The Agency’s advertisements are intended to publicise packaged key messages about nuclear energy, job vacancies, NuPEA events, and procurement opportunities among other infomercials.

In order to realize sustainable advertising, NuPEA deploys an intensive multimedia approach. The Agency majorly utilizes electronic and print media such as paid-up advertorials on television, radio and newspaper supplements particularly on MyGov. Further, the Agency undertakes digital media advertising which entails proactive publishing of content on its website and social media platforms (Twitter, Facebook, Instagram and YouTube). Other forms of advertising used by the Agency include Information, Education and Communications (IEC) materials such as brochures, fliers, banners and assorted branded merchandise which help to boost its brand image and visibility.

a) Responsible competition practice

The Agency gives the suppliers opportunities to register with the Agency on different categories to provide goods, works and services on the expertise they have. Further, the Agency invites registered suppliers on a rotational basis to ensure equal chances in the bidding process.

b) Responsible Supply chain and supplier relations

The Agency ensures supplier relationships through collaboration and working as a team with its suppliers. This involves having a two-way information flow and resolving any arising conflicts amicably.

In the year under review, the Agency the Agency total procurement awards were Kshs. 156,686,884, out of which Kshs. 103,554,608 representing 66% was allocated to the preference groups. This is in accordance with the Procurement act, regulations and Government preferential procurement policy on Access to Government Procurement Opportunities (AGPO). The regulation provides for a public entity to allocate at least 30% of its procurement budget for procuring goods, works and services from micro and small enterprises owned by youth, women and Persons with Disabilities (PWDs). These procurement opportunities have created diverse financial benefits for the special groups as well as enhancing the NuPEA’s corporate image and reputation.

The Agency is committed to ensuring that supplier’s payment documents are compiled on a timely basis to ensure that the payments for the goods/works/services are done within the stipulated period.

c) Responsible marketing and advertising

The Agency advertises its open tenders via MyGov and the Agency’s official website as per the government guidelines on public procurement.

d) Product stewardship

The Agency ensures that the goods and services procured meet the standard requirements.

v) Corporate Social Responsibility (CSR)/ Community Engagements

As a corporate citizen, NuPEA values and cherishes the rich tapestry, variety and diversity of the country’s social fabric through its commitment to supporting endeavours that better the lives of Kenyans. Concurrently with its operations, the Agency continued implementing CSR initiatives in communities with a view to make a positive impact in the lives of the people living in them.

NuPEA is committed to environmental conservation and partnership with other stakeholders towards the attainment of the presidential directive on national tree growing. The Government aims to realize the growing of 15 Billion trees by 2032 to increase forest cover in the country. In the FY 2023/24, the Agency made a strong pitch for environmental conservation during tree planting exercises where

over 144,500 tree seedlings were planted in Meru, Kilifi, Kakamega, Kericho, Baringo, and Trans-Nzoia counties and at the Konza Technopolis. This initiative is in line with the Agency's commitment and efforts to contribute to the global mitigation of climate change by promoting sustainable environmental stewardship across Kenya.

NuPEA implemented the education sponsorship program by awarding 102 needy secondary school students from the potential host communities of Uyombo and the larger Matsangoni (Kilifi County). The program is anchored on the need to promote the key role played by academic institutions particularly in laying the foundation for Science, Technology, Engineering and Mathematics (STEM)

subjects as well as nurturing the future nuclear workforce. This is also part of fostering a mutual relationship with the communities around the potential site for hosting Kenya's first nuclear power plant.

Further, the Agency undertook a CSR initiative to Thoya-Oya Children's Home in Kadaina Island in Matsangoni, Kilifi County. In addition to giving in-kind donations to the Home, the initiative also aimed to encourage young children to pursue excellence in their education, with particular emphasis on the importance of excelling in sciences and mathematics as requisite subjects for pursuing a career in the nuclear industry.



Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the Nuclear Power and Energy Agency affairs.

i) Principal activities

The principal activities of the Agency as stipulated in the Energy Act of 2019 is;

- (a) To be the nuclear energy programme implementing organisation & promote the development of nuclear electricity generation in Kenya
- (b) Carry out research, development and dissemination activities in the energy and nuclear power sector.

ii) Results

The results of the Entity for the year ended June 30, 2024, are set out on page 1 to 35

iii) Directors

The members of the Board of Directors who served during the year are shown on page xi to xvii.

iv) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into the Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. Nuclear Power and Energy Agency does not fall under category 3 and hence did not any remittance to the Consolidated Fund.

v) Auditors

The Auditor-General is responsible for the statutory audit of the Nuclear Power and Energy Agency in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board

Name: CS Serah Esendi
Corporation Secretary

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Statement of Directors' Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act require the Directors to prepare financial statements in respect of the Agency, which give a true and fair view of the state of affairs of the Agency at the end of the financial year/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 the Agency. The Directors are also responsible for safeguarding the assets of the Agency.

The Directors are responsible for the preparation and presentation of the Agency's financial statements, which give a true and fair view of the state of affairs of the Agency for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes:

- i. Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- ii. Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Agency;
- iii. Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material

misstatements, whether due to error or fraud;

- iv. Safeguarding the assets of the Agency;
- v. Selecting and applying appropriate accounting policies; and
- vi. Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Agency's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Directors are of the opinion that the Agency's financial statements give a true and fair view of the state of the Agency's transactions during the financial year ended June 30, 2024, and of the Agency's financial position as at that date.

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

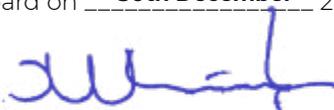
Nothing has come to the attention of the Directors to indicate that the Agency will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Agency's financial statements were approved by the Board on 30th December 2024 and signed on its behalf by:



Mr. Ezra Odondi Odhiambo
CHAIRMAN OF THE BOARD.



CS Justus A. Wabuyabo, LLM (UoN)
CHIEF EXECUTIVE OFFICER

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Report of the Auditor General on Nuclear Power and Energy Agency for the Year Ended 30 June 2024

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON NUCLEAR POWER AND ENERGY AGENCY FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

Report of the Auditor-General on Nuclear Power and Energy Agency for the year ended 30 June, 2024

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Nuclear Power and Energy Agency (NuPEA) Set out on pages 1 to 31, which comprise the statement of financial

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

In my opinion, financial statements present fairly, in all material respects, the financial position of Nuclear Power and Energy Agency (NuPEA) as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with international Public Sector Accounting Standards, Accrual Basis and comply with the Public Finance Management Act, 2012 and the Energy Act, 2019.

Basis for Opinion

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Nuclear Power and Energy Agency Management in accordance with ISSAI 130 ON THE Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with the 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 unqualified opinion.

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts indicates final budgeted expenditure of Kshs. 933,006,493 against actual expenditure of Kshs. 1,000,013,701 resulting to an over-expenditure of Kshs. 67,006,780 or 7% of the approved budget. Additionally, the Agency incurred an expenditure of Kshs. 9,752,225 on research and development against approved budget of Kshs. 66,500,000 resulting to an under absorption of Kshs. 56,747,775 or 85% of the approved budget.

The under expenditure may have impacted negatively on service delivery to the public.

2. Late Exchequer Release

The statement of financial performance reflects transfers from other government entities totaling Kshs. 998,709,443 as disclosed in Note 6 to the financial statements. However, review of the bank statements revealed that Kshs. 66,250,000 of exchequer receipts were released from The National Treasury on 8 July, 2024, after closure of the financial period. Management statement that the funds were received through the Ministry of Energy and has no direct way of requesting the exchequer releases. Delay in release of exchequer could have affected the Agency's budget performance and execution for the year ended 30 June, 2024.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Issues

In the audit of the previous year, several matters were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources and another matter on effectiveness of internal controls, risk management and governance. However, although Management has indicated as having not resolved those matters in Appendix 1 to the financial statements under implementation status of Auditor-General's recommendations. The report has not been deliberated on by the Parliamentary Investment Committee (PIC) of the National Assembly.

Other Information

Management is responsible for the other information set out on pages vii to lxiii which comprise of Key Entity Information and Management, Board of Directors, Key Management Team, Chairman's Statement, Report of the Chief Executive Officer. The Other Information does not include the financial statements and my audit report thereon.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Members of Staff Acting Beyond Stipulated Period

Review of payroll and human resources records revealed that two (2) officers were

holding positions in an acting capacity. These officers drew acting allowances for more than six (6) months contrary to the provisions of Clause 14(1) of the Public Service Commission Human Resource Policies May, 2016 that require an officer may be appointed in an acting capacity for a period of at least thirty (30) days but not exceeding a period of six (6) months. In addition, the Agency has continued to place these officers in those positions on expiry of the acting periods without substantively filling those positions.

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

2. Non-Compliance with the Framework for the Approved Establishment

Review of human resource records showed that the Agency had not met the required staff establishment by fifty (50) members of staff as analysed below:

S/No.	Designation	Grade	Authorized Establishment	In-Post	Variance
1	Chief Executive Officer	NuPEA 1	1	1	0
2	Directors	NuPEA 2	6	3	3
3	Managers	NuPEA 3	17	5	12
4	Principal Officers	NuPEA 4	28	11	17
5	Senior Officers	NuPEA 5	22	21	1
6	Officers	NuPEA 6	40	34	6
7	Senior Assistant Officers	NuPEA 7	12	5	7
8	Assistant Officers	NuPEA 8	10	6	4
9	Senior Office Assistants	NuPEA 9	8	8	0
10	Office Assistants	NuPEA 10	3	3	0
	Total		147	97	50

This is contrary to Section C of the NuPEA Grading and Organizational Structure of 2020 outlines the staffing level of the Agency in order to carry out its mandate.

In the circumstances, effective service delivery by the Agency could not be ascertained.

3. Delayed Project Implementation

The statement of financial performance reflects use of goods and services balance of Kshs.475,581,845 and as disclosed in Note 8 to the financial statements. Included in the

amount is Kshs.29,803,757 incurred in respect to nuclear plant sitting expenses (NPPD) out of which Kshs.3,003,508 and Kshs.4,505,262 totalling to Kshs.7,508,770 paid to a local Company for supply installation, testing and commissioning of weather station in Kilifi County.

The Agency entered a contract with the Company on 5 June, 2023 at a contract sum of Kshs.27,810,300 payable in three instalments. Review of the contract documents revealed that the terms for completion of the contract was six (6) months ending on 4 December, 2023. However, the project was extended through an addendum on 4 December, 2023 for an additional six (6) months ending on 4 June, 2024. As at the time of audit in December, 2024, the contract had expired and no evidence of extension or termination was provided for review.

In addition, a contract implementation team was formed on 20 June, 2023 comprising of seven members. On 27 June, 2023 the team's appointments were terminated citing discomfort from the Company. A nine- member committee was constituted on 17 May, 2024. No valid reasons were given why the constitution of the members took eleven (11) months. Further, review of an invoice number 511 dated 11 September, 2023 was issued for the 1st payment of works amounting to Kshs.7,508,771. However, the following were noted:

- i The invoice did not indicate the actual activities that had been carried to justify the payments to be made despite payment of the first instalment.
- ii An interim payment certificate was not provided for audit.
- iii Works have stalled as there was no evidence of contractor on site following a physical inspection done in December, 2024.

In the circumstances, it could not be confirmed whether the project objectives would be achieved and value for money in respect of the contract realized.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the effects of the matters described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance

section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Board of Directors Operations

1. Over-Expenditure in Board Expenses

The statement of financial performance reflects board expenses amounting to Kshs.31,554,959 and Note 10 to the financial statements. This expenditure exceeded the approved and the set ceiling budget of Kshs.30,000,000 by Kshs.1,554,959 or 5%. This is contrary to Section D part (1) of Management of State Corporation Circular Ref No OP/CAB.9/1A dated March 11, 2020 which stipulates that in furtherance of the budget rationalization exercise undertaken by The National Treasury, board expenses for a financial year shall be capped at Kshs.30 million or 5% of the operations and maintenance budget of the State Corporation, whichever is less. Any exceeding budgets shall require approval of the Cabinet Secretary for The National Treasury. No approval from the Cabinet Secretary for The National Treasury to justify the over expenditure was provided for audit review.

In the circumstances, the effectiveness of internal controls, risk management and governance on the board expenses could not be ascertained.

2. Excess Board Sitzings

The Agency held a total of eleven (11) full board meetings including special board meetings in the year under review, contrary to section A (1) and (2) of Presidential Circular OP/CAB.9/1A on Management of State Corporations which caps meetings to a maximum of six (6) meetings. Further, approval from the Cabinet Secretary for the five (5) extra meetings was not provided for audit review.

In the circumstances, the effectiveness of internal controls, risk management and governance on the board meetings could not be ascertained.

3. Inadequate Board Meetings of the Technical and Research Committee

A review of board minutes and attendance registers indicated that the Technical and Research Committee met only twice in the year under review on 15 April, 2024 and 21 July, 2024. This was contrary to the expectation since the organization was technical in nature and the committee was expected to be the driving force for the organization in the successful implementation of the nuclear power programme in the country.

In the circumstances, failure for the committee to have meetings is an indicator that the technical department of the entity may not be performing its duties as expected hence the Agency may not be guided accordingly and may not achieve its core mandate.

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

Responsibilities of Management and the Board of Directors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

30 December, 2024

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Statement of Financial Performance for the Year Ended 30 June, 2024

	Notes	FY 2023/2024	FY 2022/2023
Revenue from non-exchange transactions		Kshs	Kshs
Transfers from other government entities	6	998,709,443	896,645,711
Other Income	7	1,398,482	752,714
Total Revenue		1,000,107,925	897,398,425
Expenses			
Use of goods and services	8	475,581,845	439,943,721
Employee costs	9	453,507,927	416,651,566
Board expenses	10	31,554,959	29,105,737
Depreciation and amortization expense	11	18,686,569	20,841,926
Repairs and maintenance	12	10,194,067	21,214,640
Total expenses		989,525,368	927,757,590
Surplus before Tax		10,582,557	(30,359,165)
Taxation			
Surplus(Deficit) for the period		10,582,557	(30,359,165)

The notes set out on pages 8 to 25 form an integral part of these Financial Statements

The Financial Statements set out on pages 1 to 7 were signed on behalf of the Board of Directors by:



Chief Executive Officer
CS Justus Wabuyabo, LLM (UoN)

Date: **30th December**



Head of Finance
CPA Caren Oduor
CPAK No: 6187

Date: **30th December**



Chairman of the Board
Mr. Ezra Odhiambo

Date: **30th December**

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Statement of Financial Position as at 30 June, 2024

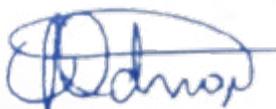
	Notes	FY 2023/2024	FY 2022/2023
ASSETS		Kshs	Kshs
Current assets			
Cash and cash equivalents	13	112,878,611	67,784,388
Receivables from non-exchange transactions	14(a)	12,937,966	57,322,718
Total Current Assets		125,816,577	125,107,106
Non-current assets			
Long Term receivables(Mortgage & Car loan Funds)	14(b)	317,270,000	317,285,000
Property, plant and equipment	15	101,422,298	107,865,558
Intangible Assets	16	14,897,388	16,343,645
Total non - current assets		433,589,686	441,494,204
Total assets		559,406,264	566,601,309
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	17	70,557,990	113,905,827
Provisions	17	696,000	12,468,000
Total current liabilities		71,253,990	126,373,827
Non-current liabilities			
Non-current employee benefit obligation	18	25,132,546	10,707,362
Total non-current liabilities		25,132,546	10,707,362
Total liabilities		96,386,537	137,081,189

	Notes	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
Net assets			
Reserves		118,518,313	118,518,313
Accumulated surplus		344,501,414	311,001,807
Total net assets		463,019,727	429,520,120
Total net assets and liabilities		559,406,263	566,601,309



Chief Executive Officer
CS Justus Wabuyabo, LL.M (UoN)

Date: **30th December**



Head of Finance
CPA Caren Oduor
CPAK No: 6187

Date: **30th December**



Chairman of the Board
Mr. Ezra Odhiambo

Date: **30th December**

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Statement of Changes in Net Assets for the Year Ended 30 June, 2024

	Fund Account	Accumulated Surplus	Total
	Kshs	Kshs	Kshs
At 1 July 2022	118,518,313	321,426,770	439,945,083
Deficit for the period		(30,359,165)	(30,359,165)
Prior period adjustments		(1,420,087)	(1,420,087)
Capital/Development grants received during the year		21,354,289	21,354,289
At 30 June 2023	118,518,313	311,001,807	429,520,120
At 1 July 2023	118,518,313	311,001,807	429,520,120
Surplus for the period		10,582,557	10,582,557
Prior year adjustment		12,120,000	12,120,000
Capital/Development grants received during the year		-	10,797,050
At 30 June 2024	118,518,313	344,501,414	463,019,727

***Note**

The prior year adjustment relates to directors' fees provision for the financial years 2019-2022 written off in the period under review as per the recommendations of the Auditor General during audit of the financial statements for FY 2022/23.

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Statement of Cash flows for the Year Ended 30 June, 2024

	Notes	Budget Current year	FY 2023/2024	FY 2022/2023
		Kshs	Kshs	Kshs
Cash flows from operating activities				
Receipts				
Transfers from other government entities	6	1,009,506,493	1,009,506,493	873,000,000
Prior year Exchequer Receipts	14		45,000,000	
Other income	7	-	1,398,482	752,714
Total Receipts		1,009,506,493	1,055,904,975	873,752,714
Payments				
Use of goods and services	8(a)	410,406,493	524,738,923.67	418,619,476
Employees costs	9(a)	482,100,000	433,525,751.37	458,013,352
Board expenses	10	30,000,000	31,554,959.12	29,105,737
Repairs and maintenance	12	10,500,000	10,194,067.21	21,214,640
Total Payment		933,006,493	1,000,013,701	926,953,206
Net cash flows from operating activities			55,891,279	(53,200,492)
Cash flows from investing activities				
Purchase of property, plant, equipment and intangible assets	15	76,500,000	(10,797,050)	(21,354,289)
Increase in non-current receivables				-
Net cash flows used in investing activities		76,500,000	(10,797,050)	(21,354,289)
Net increase/(decrease) in cash and cash equivalents			45,094,229	(74,554,781)
Cash and cash equivalents at 1 July 2023	13		67,784,388	142,339,169
Cash and cash equivalents at 30 June 2024	13		112,878,617	67,784,388

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	Original Budget	Adjustments	Final Budget	Actual Cumulative to date	% of Utilisation
	Kshs	Kshs	Kshs	Kshs	Kshs
Revenue					
Government grants and subsidies	1,376,000,000	(366,493,507)	1,009,506,493	1,009,506,493	100%
Other incomes	-	-	-	1,398,482	-
Total income	1,376,000,000	(366,493,507)	1,009,506,493	1,010,904,975	100%
Expenses					
Use of goods and services	652,400,000	(241,993,507)	410,406,493	524,738,924	128%
Employees costs	536,100,000	(54,000,000)	482,100,000	433,525,751	90%
Board expenses	30,000,000	-	30,000,000	31,554,959	105%
Repairs and maintenance	10,500,000	-	10,500,000	10,194,067	97%
Total expenditure	1,229,000,000	(295,993,507)	933,006,493	1,000,013,701	107%
Surplus for the period	147,000,000	-	76,500,000	10,891,273	
Purchase of non-financial assets	147,000,000	(70,500,000)	76,500,000	10,797,050	14%

Notes on Statement of Comparison of Budget and Actual amounts

Note 1. Reconciliation of Budget and Statement of Financial Performance

Details	Amount(Ksh)
Surplus as per Statement of performance	10,582,557
Add	
Depreciation Expense for the period	18,686,569
Purchase of non -financial assets	10,797,050
Employee costs for prior period paid	19,982,176
Less	
Accrued use of goods and services for the period	(49,157,119)
Surplus as per Statement of budget	10,891,233

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Notes to the Financial Statements

1. General Information

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

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

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at revalued amounts of certain items of property, plant and equipment. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Agency's accounting policies.

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

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act, the State Corporations Act, Energy Act 2019 and International Public Sector Accounting Standards (IPSAS) (Accrual Basis). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

- i. ***New and amended standards and interpretations in issue effective in the year ended 30 June 2024***
There were no new and amended standards issued in the financial year.
- ii. ***New and amended standards and interpretations in issue but not effective in the year ended 30 June 2024***

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>There is no expected impact of the standard to the Agency financial statements as there are no active leases.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>There is no expected impact of the standard to the Agency’s financial statements.</p>
IPSAS 45- Property Plant and Equipment	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>There is no expected impact of the standard to the Agency’s financial statements.</p> <p>The Agency shall continuously assess any impact that may arise in future to ensure compliance to the provisions of the standard.</p>

Notes to the Financial Statements (Continued)

Standard	Effective date and impact:
<p>IPSAS 46 Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>The Agency is in the process of assessing any impact of the standard on the Agency's financial statements</p>
<p>IPSAS 47- Revenue</p>	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>There is no expected impact of the standard to the Agency's financial statements.</p> <p>The Agency shall continuously assess any impact that may arise in future to ensure compliance to the provisions of the standard.</p>
<p>IPSAS 48- Transfer Expenses</p>	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>There is no expected impact of the standard to the Agency's financial statements. The Agency shall continuously assess any impact that may arise in future to ensure compliance to the provisions of the standard.</p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>There is no expected impact of the standard to the Agency's financial statements.</p>

iii. **Early adoption of standards.**

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

4. Summary of Significant Accounting Policies

a) Revenue Recognition

- i) Revenue from non-exchange transactions Transfers from other government entities Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Agency and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

b) Budget Information

The original budget for the current year FY 2023-2024 was approved by the National Assembly in June 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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 an 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. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under page 6 of these financial statements.

c) Property, Plant and Equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. The Agency's assets are depreciated on a prorated reducing balance method, as assets can be acquired at any time during the financial year.

Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

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

d) Intangible Assets

The Agency's assets are depreciated on a prorated reducing balance method, as assets can be acquired at any time during the financial year. This approach ensures proper depreciation accounting

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

for each acquisition date within the financial year. 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 amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised 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. The Agency Intangible Assets are amortised at a rate of 10% reducing balance.

e) Research and Development Costs

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

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

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

f) Provisions

Provisions are recognized when the Agency has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service

potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Agency expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

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

g) Contingent liabilities

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.

h) Nature and purpose of reserves

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

i) Changes in accounting policies and estimates

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

j) Employee benefits

Retirement benefit plans

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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.

k) Related parties

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

l) Service concession arrangements

The Agency analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Agency recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Agency also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

m) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various com-

mercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include cash in hand as at the end of the financial year.

n) Comparative figures

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

o) Subsequent Events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Useful lives and residual values

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

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

The Agency's assets are depreciated on a prorated reducing balance method, as assets can be acquired at any time during the financial year. This approach ensures proper depreciation accounting for each acquisition date within the financial year.

Asset Type	Depreciation Rate
Motor Vehicle	25%
Office Equipment	12.50%
Furniture and Fittings	12.50%
Computers	33.30%

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 17 and 18

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

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

Notes to the Financial Statements (Continued)

6. Transfer from Ministries, Departments and Agencies (MDAs)

Name of the Entity sending the grant	Amount recognized to Statement of Financial Performance	Total grant income during the period ended 30 June 2024	Total Transfers FY 2023-2024	FY 2022-2023
	Kshs	Kshs	Kshs	Kshs
Ministry of Energy	998,709,443	998,709,443	998,709,443	896,645,711
Ministry of Energy(Capital)	-	10,797,050	10,797,050	21,354,289
Total	998,709,443	1,009,506,493	1,009,506,493	918,000,000

The grant from the Ministry of Energy relates to actual exchequer receipt from The National Treasury during the financial year which is disbursed through the parent Ministry.

7. Other Incomes

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Grant from International Atomic Energy Agency	321,616	-
Interest on staff loans	64,232	119,026
Disposal of assets	-	206,100
Compensation from WIBA	1,012,634	427,587
Total other income	1,398,482	752,713

The other incomes were raised through grants received from International Atomic Energy Agency (IAEA), interest charged on staff loans and compensation from WIBA as per Agency's human resource policy.

Notes to the Financial Statements (Continued)

8. Use of goods and services

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Telephone and internet services	11,559,709	11,796,919
Audit fees	348,000	348,000
Conferences ,seminars and workshops	46,450,603	33,466,973
Consultancy fees	7,333,800	9,692,300
Staff welfare	8,292,898	5,369,785
Water and Electricity	1,611,116	1,174,296
Office Supplies	8,217,660	6,241,685
Personal Protective Devices & Staff Uniform	-	975,000
Fuel and oil	9,710,528	5,881,734
Insurance	1,763,120	1,080,477
Cleaning Services	4,543,587	8,440,472
Litigation and Legal fees	2,246,529	4,053,680
Licenses and permits	10,849,454	10,282,851
Training	33,367,259	22,310,685
Travelling expenses	10,553,644	8,160,103
Security expenses	4,223,900	1,839,062
Rent	6,422,543	5,914,139
Postage	83,506	109,402
Printing and stationery	17,134,920	14,513,518
Bank Charges	652,136	390,522
Membership and subscriptions	8,778,868	2,809,217
Publicity and advocacy(PA)	97,104,395	48,061,415
Nuclear plant siting expenses(NPPD)	29,803,757	24,065,089
Nuclear policy Legislation(NPL)	37,873,996	38,320,911
Resource development for Nuclear power programme (RDNPP)	105,004,145	140,429,428
Research and development(RD)	9,752,225	7,751,869
Strategic Environmental and Social Assessment	1,009,600	26,464,189
Fines and Penalties	889,948	-
Total Use of goods and services	475,581,845	439,943,721

Notes to the Financial Statements (Continued)

8(a). Use of goods and services

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Total use of goods and services	475,581,845	
Trade payables accrued 2022/2023	111,726,850	-
Trade payables accrued 2023/2024	(62,554,776)	-
Total use of goods and services paid	524,753,919	418,619,476

9. Employee Costs

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Salaries and wages	404,676,153	366,713,344
Gratuity	19,392,649	16,389,493
Medical Expenses	24,303,136	30,049,559
Staff Group life insurance	5,135,989	3,499,170
Employee costs	453,507,927	416,651,566

9(a). Employee costs

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Total Employee costs	453,507,927	-
Accrued Staff receivables 2022/2023	(8,322,717)	-
Accrued Staff receivables 2023/2024	8,486,767	-
Employee Benefit obligation 2022/2023	2,130,977	-
Employee Benefit obligation 2023/2024	(8,003,219)	-
Total Non-current employee benefit obligation 2022/2023	10,707,362	-
Total Non-current employee benefit obligation 2023/2024	(25,147,546)	-
Total employee costs paid	433,359,552	458,013,352

Notes to the Financial Statements (Continued)

10. Remuneration of Directors

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Chairman's Honoraria	960,000	960,000
Directors emoluments	25,194,228	15,138,263
Travelling Expenses	4,349,070	12,141,555
Medical expenses	1,051,661	865,920
Total Board expenses	31,554,959	29,105,737

11. Depreciation and Amortisation Expense

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Motor vehicle	7,891,101	10,036,040
Furniture and Fittings	3,743,073	4,362,688
Computers	3,872,020	2,702,964
Office equipment	1,734,116	2,016,229
Intangible assets	1,446,259	1,724,004
Total depreciation and amortisation	18,686,569	20,841,926

12. Repairs and Maintenance

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Building	4,347,954	9,322,102
Equipment	1,368,460	7,331,408
Vehicles	4,477,653	4,561,130
Total repairs and maintenance	10,194,067	21,214,640

13. Cash and Cash Equivalents

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Current account	112,691,211	67,637,872
Cash in hand	187,400	146,516
Total cash and cash equivalents	112,878,611	67,784,388

Notes to the Financial Statements (Continued)

13. (a) Detailed Analysis of Cash and Cash Equivalents

Financial institution	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Kenya Commercial Bank	85,068,848	3,926,486
National Bank of Kenya	27,578,654	49,773,754
Co-operative Bank of Kenya	43,709	13,937,631
Sub- total	112,691,211	67,637,872

14. Receivables from Non-Exchange Transactions

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
a)Current receivables		
Staff Receivables	8,637,966	8,322,717
Exchequer Receivable	-	45,000,000
Deposits	4,300,000	4,000,000
Total current receivables	12,937,966	57,322,717
b)Non-current receivables		
Staff Mortgage fund	244,670,000	239,770,000
Staff Car loans Fund	72,600,000	77,515,000
Total non-current receivables	317,270,000	317,285,000
Total receivables	330,207,966	374,607,717

Ageing Analysis- Receivables from non- exchange transactions	FY 2023-2024	Total %	FY 2022-2023	Total %
Less than 1 year	8,486,767	66%	53,322,717	93%
Over 3 years	4,300,000	34%	4,000,000	7%
Total	12,786,767	100%	57,322,717	100%

Notes to the Financial Statements (Continued)

15. Property, Plant and Equipment

Cost	Motor vehicles		Furniture and fittings		Computers		Office Equip-ment		Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
At 30 June 2022	56,302,250	38,558,081	8,676,100	19,865,289				123,401,720	
Additions	-	9,461,550	10,294,550	1,598,189				21,354,289	
At 30 June 2023	56,302,250	48,019,631	18,970,650	21,463,478				144,756,009	
Additions	-	2,617,250	7,979,800	200,000				10,797,050	
At 30 June 2024	56,302,250	50,636,881	26,950,450	21,663,478				155,553,059	
Depreciation and impairment									
At 30 June 2022	10,624,742	3,463,905	1,980,700	1,703,181				17,772,528	
Depreciation for year	10,036,040	4,362,688	2,702,964	2,016,229				19,117,922	
At 30 June 2023	20,660,782	7,826,593	4,683,665	3,719,411				36,890,450	
Depreciation for period	7,891,101	3,743,073	3,872,020	1,734,116				17,240,310	
At 30 June 2024	28,551,883	11,569,666	8,555,685	5,453,527				54,130,760	
Net Book Values									
At 30 June 2023	35,641,468	40,193,038	14,286,985	17,744,067				107,865,558	
At 30 June 2024	27,750,367	39,067,215	18,394,765	16,209,951				101,422,298	

Notes to the Financial Statements (Continued)

16. Intangible Assets

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Cost		
At beginning of year	20,483,541	20,483,541
Additions	-	-
At end of the year	20,483,541	20,483,541
Amortisation and impairment		
At beginning of year	4,139,896	2,415,892
Amortisation	1,446,259	1,724,004
At end of the year	5,586,155	4,139,896
Net Book Value	14,897,386	16,343,645

17. Trade and Other Payables from Exchange Transactions

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Trade payables	62,554,776	111,774,850
Employee Benefit obligation	8,003,219	2,130,977
Audit Accrued	696,000	348,000
Directors Fees payable	-	12,120,000
Provision	696,000	12,468,000
Total trade and other payables	71,253,994	126,373,827

Ageing analysis: (Trade and other payables)

Ageing analysis: (Trade and other payables)	FY 2023-2024	Total %	FY 2022-2023	Total %
Under one year	67,513,594	95%	110,861,427	88%
1 year and above	3,740,400	5%	15,512,400	12%
Total (tie to above total)	71,253,994	100%	126,373,827	100%

Notes to the Financial Statements (Continued)

18. Non-Current employee benefit obligation

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Gratuity	23,609,268	9,169,084
Pension	1,538,278	1,538,278
Total Non-current employee benefit obligation	25,147,546	10,707,362

18(a) Non-Current employee benefit obligation

Description	Gratuity	Pension	Total
	Kshs	Kshs	Kshs
Balance b/f	9,169,084	1,538,278	10,707,362
Additions	17,264,654	-	17,264,654
Provisions utilised	(2,824,470)	-	(2,824,470)
Total provisions year end	23,609,268	1,538,278	25,147,546

19. Cash Generated from Operations

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Deficit for the period before tax	10,582,557	(30,359,166)
Adjusted for:		
Depreciation	18,686,569	20,841,926
Non-Current Liabilities	14,425,184	(45,705,254)
Purchase of non- financial assets	10,797,050	21,354,289
Working Capital adjustments		
(Increase)decrease in receivables	44,399,746	(41,613,229)
(Increase)Decrease in provisions	-	(696,000)
Increase(Decrease) in payables	(55,119,832)	24,397,029
Prior year adjustment	12,120,000	(1,420,087)
Net cash flow from operating activities	55,891,273	(53,200,492)

Notes to the Financial Statements (Continued)

20. Financial Risk Management

i) Credit Risk

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

	Total Amount	Fully Performing
	Kshs	Kshs
As at June 2024		
Receivable from non-exchange transactions	12,937,966	12,937,966
Bank balances	112,691,211	112,691,211
Total	125,629,177	125,629,177
As at June 2023		
Receivable from non-exchange transactions	57,322,717	59,986,654
Bank balances	67,637,872	67,637,872
Total	124,960,589	127,624,526

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and hence the Agency has not made any provision for uncollectible debts as all the credit risk is employee related.

ii) Liquidity Risk

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

The table below represents cash flows payable by the entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at June 2024				
Trade payables	42,200,058	4,951,863	15,402,854	62,554,775
Provisions	-	348,000	348,000	696,000
Employee benefit obligation	8,003,219	-	-	8,003,219
Total	50,203,277	5,299,863	15,750,854	71,253,994

Notes to the Financial Statements (Continued)

iii) Market risk

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

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

The NuPEA'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.

The Agency has no exposure to market risks or the manner in which it manages and measures the risk since the Agency does not trade in foreign currency nor does it hold financial instruments in foreign currency.

iv) Capital Risk

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

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Revaluation Reserve	6,104,440	6,104,440
Retained Earnings	295,648,073	313,902,237
Capital Reserve	139,872,602	139,872,602
Total Funds	441,625,115	459,879,279
Total Borrowings	-	-
Cash and Bank Balances	112,878,611	67,784,388

21. Contingent Liabilities

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Court cause ELCEPPET No. 3 of 2023 Malindi "Mkoba Ngolo & another VS NuPEA & 2 others and three interested parties	160,000,000	-
Contingent Liability arising from procurement of Enterprise Resource Planning (ERP) which was contested in court by one of the bidder. The case was awaiting determination in court as the close of the financial year.	99,573,000	-
Total	259,573,000	-

Notes to the Financial Statements (Continued)

22. Events after the Reporting Period

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

23. Ultimate and Holding Entity

The entity is a State Corporation under the Ministry of Energy. Its ultimate parent is the Government of Kenya.

24. Currency

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

25. Related Parties Disclosure.

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 operat-

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

Other related parties include:

1. The Ministry of Energy and Petroleum
2. County Governments
3. Other SCs and SAGA in Kenya
4. Key management.
5. Board of directors

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties	N/A	N/A
Total	N/A	N/A
B) Purchases from related parties		
Purchases of electricity from Kenya Power	91,166	1,044,917
Purchase of water from govt service providers		129,379
Training and conference fees paid to govt. Agencies	8,360,022	12,954,490
Total	8,451,188	14,128,786
b) Grants/transfers from the government		
Grants from national government	1,009,506,493	918,000,000
Total	1,009,506,493	918,000,000
c) Expenses incurred on behalf of related party	N/A	N/A
Total	N/A	N/A
d) Key management compensation		
Directors' emoluments	31,554,959	29,105,737
Compensation to key management	89,788,661	109,038,180
Total	121,343,620	138,143,918

The Agency did not make any sale to related parties or incur expenses on behalf of related parties.

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Appendix I: Implementation Status of Auditor-General’s Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
1	Irregular utilisation of Petroleum Development Levy funds	The Agency budget for FY 2022-2023 was subjected to the budgeting process as provided for in the PFM Act 2012. The parliament appropriated the budget and thus there was no breach of law.	<i>Not Resolved</i> Report has not been tabled before the Parliamentary Investment Committee (PIC) of the National Assembly for deliberations.	
2	Failure to prepare financial statements for Staff Mortgage and Car Loans Fund	The Agency has prepared the financial statements and reports for staff mortgage and car loans during the current financial year which will be submitted for Audit as stipulated in the Public Finance Management Act ,2012	<i>Not Resolved</i> Report has not been tabled before the Parliamentary Investment Committee (PIC) of the National Assembly for deliberations	
3	Irregular Procurement for Consultancy Services Enterprise Resource Planning (ERP) Implementation	Having a list of registered suppliers in the category of consultants for ICT Consultancy Services the Agency opted to use the list and invited the consultants under Quality & Cost Based Selection (QCBS) as the most suitable method for consultancy services.	<i>Not Resolved</i> Report has not been tabled before the Parliamentary Investment Committee (PIC) of the National Assembly for deliberations	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
4	Irregular Reallocation of Funds	The reallocation was done on approval by the Board of Directors of the Agency.	Not Resolved Report has not been tabled before the Parliamentary Investment Committee (PIC) of the National Assembly for deliberations	
5	Outstanding PAYE Penalties and Interest	The Agency filed and paid all the outstanding PAYE penalties and interest	Not Resolved Report has not been tabled before the Parliamentary Investment Committee (PIC) of the National Assembly for deliberations	
6	Non-compliance of Mortgage Loan Terms	Management acknowledged the typographical error in the Agency scheme regulations, which incorrectly stated the maximum repayment duration as 25 years. However, auditors were provided with evidence demonstrating that no beneficiary has had their mortgage repayment duration set at 25 years, but rather at 20 years in compliance with the SRC circular.	Not Resolved Report has not been tabled before the Parliamentary Investment Committee (PIC) of the National Assembly for deliberations	

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Appendix II: Projects implemented by Nuclear Power and Energy Agency

Status of Projects completion

SN	Project	Total project	Total expended	Completion %	Budget	Actual	Sources of
		Cost	to date	to date	Ksh (Million)	Ksh (Million)	funds
1152105101	Nuclear Power Plant Siting	4,000	804.5	22%	178	59.2	CoK
1152105201	Strategic Environmental and Social Assessment.	950	579.5	73%	80	23.7	CoK
1152107501	Resource Development for the Nuclear Power Programme	4,000	367.6	17%	80	43.4	CoK
1152108301	Nuclear Policy and Legislation	3,000	526.6	32%	50	23.7	CoK
1152110200	Publicity and advocacy	850	322.6	33%	113	64.5	CoK

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Appendix III: Inter-Entity Transfers

Break down of Transfers from the State Department of Energy

FY 2023/2024			
a. Recurrent Grants			
	Bank Statement Date	Amount (KShs)	Financial Year
	18/08/2023	66,250,000	2023/2024
	18/09/2023	66,250,000	2023/2024
	13/10/2023	66,250,000	2023/2024
	07/11/2023	66,250,000	2023/2024
	07/12/2023	66,250,000	2023/2024
	29/12/2023	66,250,000	2023/2024
	06/02/2024	66,250,000	2023/2024
	13/03/2024	66,250,000	2023/2024
	17/04/2024	66,250,000	2023/2024
	21/05/2024	66,250,000	2023/2024
	12/06/2024	66,250,000	2023/2024
	28/06/2024	66,250,000	2023/2024
	Total	795,000,000	
b. Development Grants			
	27/02/2024	170,000,000	2023/2024
	28/02/2024	50,000,000	2023/2024
	13/03/2024	20,000,000	2023/2024
	18/03/2024	25,000,000	2023/2024
	04/07/2024	(50,493,507)	2023/2024
	Total	214,506,493	

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

Manager Finance

NuPEA

Sign 

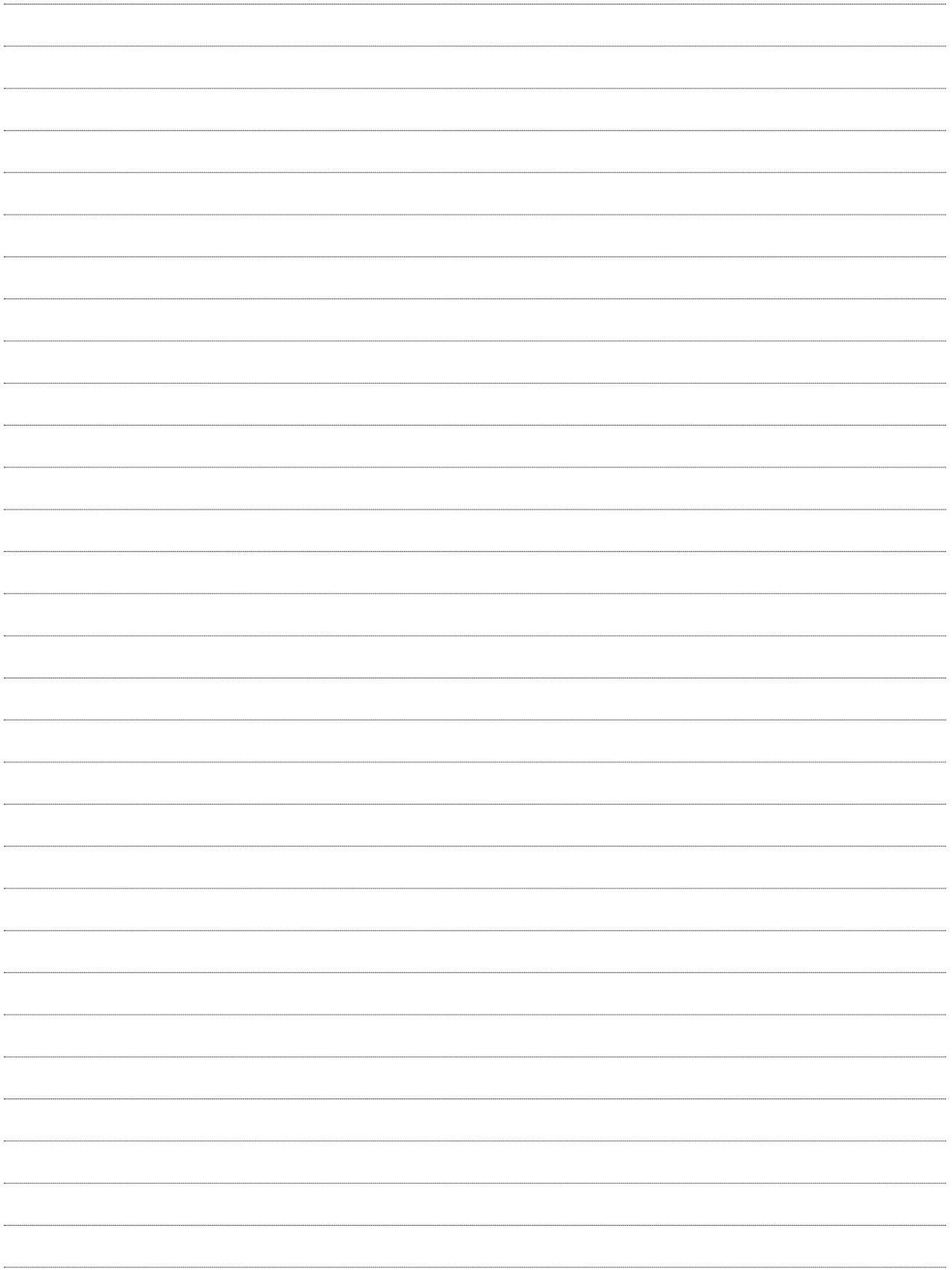
Head of Accounting Unit

Ministry of Energy

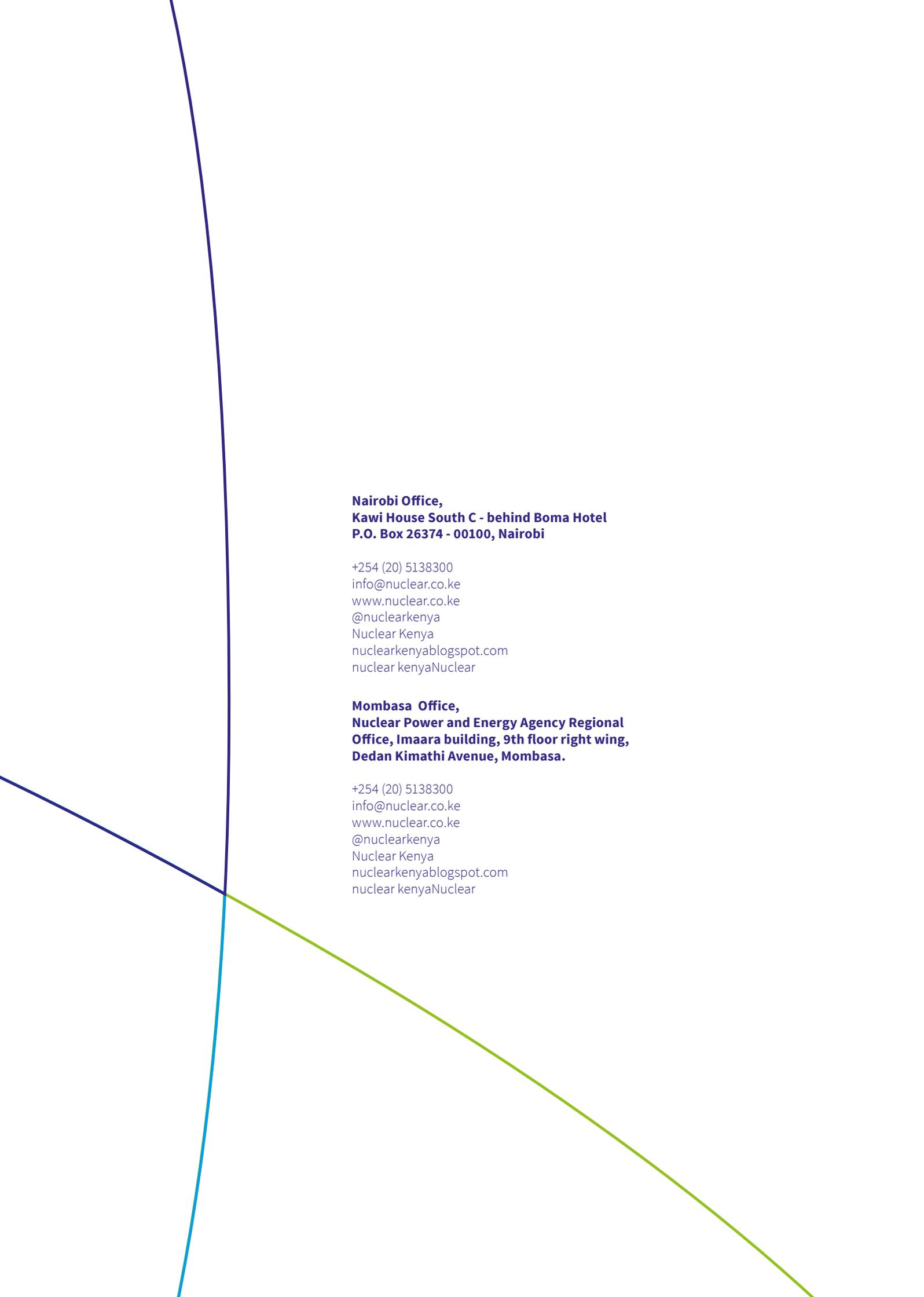
Sign 

Appendix IV: Recording of Transfers from other Government Entities

Name of MDA/ Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/ Others	Total amount - KES	Where Recorded/ recognized		Total transfers during the year
				Statement of Financial Performance	Others must be specific	
Ministry of Energy	18/08/2023	Recurrent	66,250,000	66,250,000	-	66,250,000
Ministry of Energy	18/09/2023	Recurrent	66,250,000	66,250,000	-	132,500,000
Ministry of Energy	13/10/2023	Recurrent	66,250,000	66,250,000	-	198,750,000
Ministry of Energy	07/11/2023	Recurrent	66,250,000	66,250,000	-	265,000,000
Ministry of Energy	07/12/2023	Recurrent	66,250,000	66,250,000	-	331,250,000
Ministry of Energy	29/12/2023	Recurrent	66,250,000	66,250,000	-	397,500,000
Ministry of Energy	06/02/2024	Recurrent	66,250,000	66,250,000	-	463,750,000
Ministry of Energy	27/02/2024	Development	170,000,000	170,000,000	-	633,750,000
Ministry of Energy	28/02/2024	Development	50,000,000	50,000,000	-	683,750,000
Ministry of Energy	13/03/2024	Development	20,000,000	20,000,000	-	703,750,000
Ministry of Energy	13/03/2024	Recurrent	66,250,000	66,250,000	-	770,000,000
Ministry of Energy	18/03/2024	Development	25,000,000	25,000,000	-	795,000,000
Ministry of Energy	17/04/2024	Recurrent	66,250,000	66,250,000	-	861,250,000
Ministry of Energy	21/05/2024	Recurrent	66,250,000	66,250,000	-	927,500,000
Ministry of Energy	12/06/2024	Recurrent	66,250,000	66,250,000	-	993,750,000
Ministry of Energy	08/07/2024	Recurrent	66,250,000	66,250,000	-	1,060,000,000
Ministry of Energy	04/07/2024	Development	(50,493,507)	(50,493,507)	Refund	1,009,506,493
Total			1,009,506,493	1,009,506,493	-	1,009,506,493







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