



ANNUAL REPORT & **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025





NUCLEAR POWER AND ENERGY AGENCY

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025

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

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1.

A. Acronyms, Abbreviations

CEO	Chief Executive Officer
BIS	Bid Invitation Specification
ESIA	Environmental and Social Impact Assessment
HRCB	Human Resource Capacity Building
IAEA	International Atomic Energy Agency
ICPAK	Institute of Certified Public Accountants of Kenya
INIR-RR	Integrated Nuclear Infrastructure Review – Research Reactor
IPSAS	International Public Sector Accounting Standards
KAERI	Korea Atomic Energy Research Institute
KNRA	Kenya Nuclear Regulatory Authority
NCEA	Netherlands Commission for Environmental Assessment
NDMU	National Disaster Management Unit
NPP	Nuclear Power Programme
NT	National Treasury
NuPEA	Nuclear Power and Energy Agency
OAG	Office of the Auditor General
OECD	Organisation for Economic Co-operation and Development
OCOB	Office of the Controller of Budget
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
R&D	Research and Development
RR	Research Reactor
ToR	Terms of Reference
SAGAs	Semi-Autonomous Government Agencies
SESA	Strategic Environmental and Social Assessment
SC	State Corporations
TWG	Technical Working Group
WtE	Waste-to-Energy

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.

2.

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

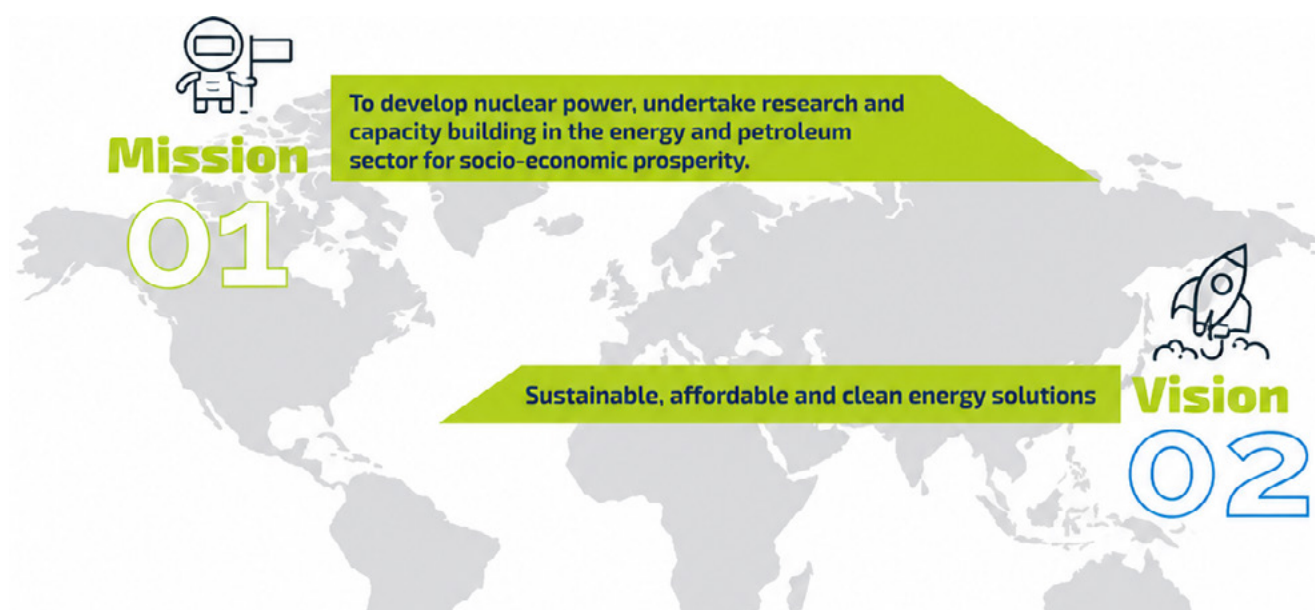
(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	CS Justus A. Wabuyabo
2.	Director, Strategy and Planning	Dr. Winfred Ndubai (PhD)
3.	Director, Nuclear Energy Infrastructure Development	Eng. Erick Ohaga
4.	Ag. Director, Corporate Services	CPA Caren Oduor
5.	Ag. Director, Internal Audit	CPA Peter Ndungu
6.	Manager, ICT	Mr. Lawrence Siele
7.	Manager, Human Resource and Administration	CHRP Benedict Njuguna
8.	Director, Legal & Regulatory and Corporation Secretary	CS Serah Esendi
9.	Ag. Head of Supply Chain Management	Mr. Alexander Kyalo, MCIPS

Table 1: Fiduciary Management in NuPEA

Mission, Vision, Core Values



CORE VALUES



Figure 1: Mission, Vision and Core Values

(e) Fiduciary Oversight Arrangements

The key fiduciary oversight arrangements for the Agency for the financial year 2024/25 included:

I. Board Committees**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, acts on behalf of the Board, or makes 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 reviews, and as appropriate, acts on behalf of the Board, or makes 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, Information Communication and Technology, Strategy & Planning issues and Procurement policies and procedures.

II. Other Fiduciary Oversight Arrangements**i. 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.

ii. 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.

iii. 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.

iv. 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.

v. 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) NuPEA Headquarters

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

(g) NuPEA Contacts

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

(h) NuPEA 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

3.

The Board of Directors

Eng. Prof. Lawrence O. M. Gumbe (PhD)

CHAIRMAN of the Board – Appointed on 16th May 2025



Eng. Gumbe is a seasoned professional engineer accredited in the Republic of Kenya, the United Kingdom and the United States of America. He holds a Ph.D. from The Ohio State University in the USA, an MSc degree from Cranfield University in the UK and a B.Sc. Degree from the University of Nairobi in Kenya. He is a registered Professional Consulting Engineer (CE) with the Engineers Board of Kenya (EBK), a Lead Consultant with NEMA, and a Chartered Environmentalist in the United Kingdom. He has worked in several countries regionally and internationally such as Kenya, Uganda, Tanzania, Sudan, Ethiopia, Rwanda, Burundi, Malawi, Zambia, Nigeria, USA and the UK. He has vast experience in governance, management and recruitment in the public, private and civil society sectors.

He has worked as a Professor and Adjunct Professor in Engineering at the University of Nairobi, Technical University of Kenya, Kenyatta University and Jaramogi Oginga University of Science and Technology. He is an accredited checker by the Engineering Board of Kenya and is a member of several professional bodies and societies such as the Institution of Engineers of Kenya, the Association of Consulting Engineers of Kenya, the Architectural Association of Kenya, the Environmental Institute of Kenya, the American Society of Civil Engineers and Mechanical Engineers, the Institution of Agricultural Engineers in the UK, among others. Eng. Gumbe has authored a book and has articles published in several science and engineering journals.

Mr. Ezra Odondi Odhiambo

CHAIRMAN of the Board – Exited 12 May 2025



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, computer systems, human resource management, and design, development and implementation of application software. He has held Board positions and undertaken consultancy work in sugar company operations, financial services, postal services and telecommunication services, among others. He has served on the Boards of Directors of: Chemelil Sugar Company, National Irrigation Board, Kenya National Bureau of Statistics, Netcom Information System Ltd, BOMAS of Kenya, Apex Construction Company Ltd, Information Standards Technology Association (Kenya)

He is a Member of the Computer Society of Kenya.



Mr. Arthur Koteng
Board Member

Mr. 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).



Ms. Elizabeth M. Lenjo
Board Member

Ms. Lenjo holds a Master of Laws (LL.M) from the University of Turin (Italy) in conjunction with the World Intellectual Property Organization (WIPO) Academy, a Bachelor of Laws (LL.B) from the Catholic University of Eastern Africa (C.U.E.A) and a Post-Graduate Diploma from the Kenya School of Law (KSL).

She specializes in: Intellectual Property Law, Entertainment Law, Media Law, Technology Law, Fashion Law. Ms. Lenjo has a legal consulting firm, MyIP Legal Studio, which conducts legal advisory and capacity building workshops on Intellectual Property Law.

She is a member of the Law Society of Kenya (L.S.K.), where she served on the Intellectual Property and ICT Law Committee between 2018 and 2022, and is also a member of the International Trademark Association (INTA).





Prof. Henry Kipkogei Rono (Ph.D.)

Board Member – Exited 12 May 2025



Prof. Rono holds a Ph.D. in Industrial Sociology and Economic Development from McGill University, Quebec, Canada, an M.A. in Industrial Sociology & Information Science from the University of Calgary, Alberta, Canada, a B.A. in Sociology from the University of Calgary, 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) 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 of MIS for three regional hospitals in Kenya.

Mr. Edwin Munene Wanjohi

Board Member – Alternate to the Attorney General



Mr. Munene holds a Bachelor of Laws (LL.B) from the Catholic University of Eastern Africa (C.U.E.A.) 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.

Mr. Paul M. Mwangi

Board Member – Alternate to the Principal Secretary, State Department for University Education and Research

Mr. Mwangi holds an MSc. (Pure Mathematics) from Kenyatta University and a B.Ed. (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.



FA. Joseph Mwaura Kamau

Board Member – Alternate to the Principal Secretary, National Treasury

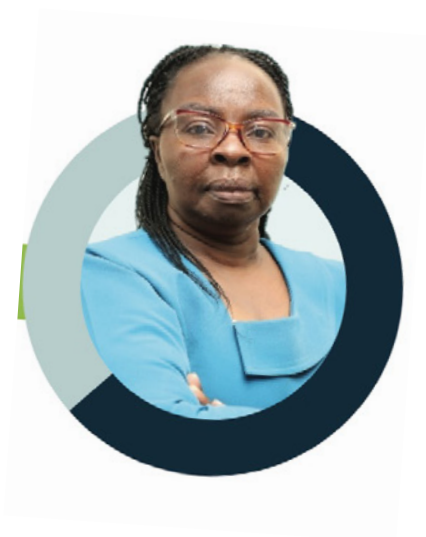
FA. Mwaura holds an MBA (Finance) from KAIST (South Korea) and also another Masters in MA Economics Finance & Banking (Financial Sector Policy) from Moi University.

He holds a BA (Mathematics; Economics) from the University of Nairobi. He is an economist in the National Treasury, Department of Government Investment and Public Enterprises, and an Alternate to the National Treasury Principal Secretary on the NuPEA Board.

FA. Kamau is a Financial Analyst and a member of the Institute of Certified Investment and Financial Analysts (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.





CPA Rose Akeyo Baraza

Board Member – Alternate to the Principal Secretary, State Department for Energy

CPA Baraza holds an MBA (Finance), a Bachelor of Commerce Degree and a Bachelor of Laws Degree from the Catholic University of Eastern Africa (C.U.E.A.).

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 for Energy, Ministry of Energy and Petroleum.

CS. Justus Ambusti Wabuyabo

CHIEF EXECUTIVE OFFICER

CS Wabuyabo holds a Master in Laws (LLM) from the University of Nairobi and a Bachelor of Laws (LL.B) from Moi University.

He is the Chief Executive Officer for the Agency from July 1st, 2023. Prior to this appointment, he served as the Director, Legal and Regulatory Services and Corporation Secretary.

He is a Certified Public Secretary of Kenya, a Commissioner of Oaths and Notary Public. He is a member of: The Law Society of Kenya (LSK), The East Africa Law Society (EALS), The Pan African Lawyers Union (PALU), The Commonwealth Lawyers Association (CLA)

He is also a member of: The Institute of Certified Secretaries (ICS), 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.

The Management



CS Justus Wabuyabo
Chief Executive Officer

CS Wabuyabo holds a Master 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).



Dr. Winfred Ndubai
Director, Strategy and Planning

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



CS Serah Esendi
Director, Legal and Regulatory Affairs and 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, a Bachelor of Laws (LL.B) Degree from the Catholic University of Eastern Africa, and 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.



Eng. Erick Ohaga
Director, Nuclear Energy Infrastructure Development

Eng. Ohaga holds an MSc in Nuclear Engineering (KINGS), a Master of Business Administration, a BSc in Electrical/Electronic Engineering, and a 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 Institution of Engineers of Kenya (IEK).



CPA Caren Oduor
Ag. Director, Corporate Services

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 the Institute of Certified Public Accountants of Kenya (ICPAK), and a member of the Association of Women Accountants of Kenya (AWAK).



CPA Peter Ndungu
Ag. Director, Internal Audit

CPA Ndungu holds a Master of Science in Finance from Kenyatta University and a Bachelor of Science in Agriculture Economics from Egerton University. He is a Certified Public Accountant of Kenya (ICPAK) and also a Certified Information Systems Auditor (CISA) and a member of the Information Systems Audit and Control Association (ISACA).



Mr. Lawrence Siele
Manager, ICT

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



CHRP Benedict Njuguna
Manager, Human Resource and Administration

CHRP Njuguna holds a Master of Arts in International Studies and a Bachelor of Arts degree, both from the University of Nairobi. Additionally, he possesses 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 a practicing member of the Institute of Human Resource Management (IHRM)

The Management



Ms Hilda Mpakany

Ag. Director, Energy Research and Development

Ms. Hilda Mpakany has a Master of Science in Nuclear Power Plant Engineering from KEPCO International Nuclear Graduate School (KINGS) in South Korea and a Bachelor of Science in Chemistry from the University of Nairobi. She is the Vice President of Nuclear Society of Kenya (NSK) and Vice Chairperson, Women in Nuclear Kenya (WiN-Kenya).

She is also a member of the Eastern Africa Association for Radiation Protection (EAARP) and the Kenya Chemical Society (KCS).



Ms Lilian Matu

Ag Director, Information Advocacy and Communication

Ms Lilian Matu holds a Master's in Business Administration and a Degree in International Relations, both from the United States International University (USIU). She is also a member of the Public Relations Society of Kenya (PRSK).



Mr Alex Kyalo

Head of Procurement

Mr Alex Kyalo holds a Master's in Science in Procurement and Logistics from Jomo Kenyatta University of Agriculture and Technology (JKUAT) and a Degree in Purchasing and Supplies Management from Multimedia University.

He is also a member of the Kenya Institute of Supplies Management (KISM).

5.

Chairman's Statement



Dear Stakeholders,

I am honoured, on behalf of the Board of Directors, to present the Nuclear Power and Energy Agency (NuPEA) Annual Report and Financial Statements for the year ended 30th June 2025. This has been a year of renewed momentum and strategic positioning for Kenya's nuclear power programme, as we remain firmly focused on the national target of commissioning our first nuclear power plant by 2034.

Mandate and Board Oversight

NuPEA, established in 2019 under the Energy Act No. 1 of 2019, continues to drive Kenya's nuclear energy agenda, coordinate energy research and development, and strengthen capacity building in the energy and petroleum sectors. The Board has remained committed to providing strategic oversight, ensuring that all our programmes are aligned with the Government's clean energy vision, Kenya Vision 2030, and the country's transition towards a sustainable, low-carbon economy. Our role is not only to govern but also to ensure that the Agency builds the institutional resilience, technical readiness, and public trust necessary for a successful nuclear future.

Key Milestones in the Year

The financial year under review was marked by achievements that strengthened Kenya's nuclear readiness and elevated our standing in the global nuclear community. The hosting of the US-Africa Nuclear Energy Summit (USANES) - Industry Readiness Edition in Nairobi was a landmark event, bringing together policy makers, industry leaders, and experts to deliberate on Africa's path towards nuclear energy deployment. In collaboration with the International Atomic Energy Agency (IAEA), the Agency hosted Sub-Saharan Africa's first Small Modular Reactor (SMR) School, a significant step in building technical expertise for the next generation of nuclear technologies.

Kenya also strengthened its international profile through a high-level delegation to the IAEA Headquarters in Vienna for policy and technical discussions with the Director General for Nuclear Energy. On the technical front, critical studies were completed, including site assessment, grid interconnection, feasibility, and nuclear fuel supply assessments. Work also advanced on establishing Kenya's Nuclear Owner-Operator, a critical institutional milestone in preparing for future nuclear plant operations. At the policy and legislative level, the Revised Draft National Nuclear Policy moved closer to approval, accompanied by draft regulations and legal reforms to reinforce the programme's governance framework.

Strategic Partnerships and Collaboration

The Board recognises that strategic partnerships are the foundation of a successful nuclear programme. In March 2025, the Agency signed a Memorandum of Understanding (MoU) with the China Nuclear Engineering and Construction Corporation (CNECC) to foster technical cooperation, research, and technology transfer. Locally, engagements with the National Disaster Management Unit (NDMU) and the Office of the Attorney General

strengthened emergency preparedness and regulatory readiness. The Agency also initiated a nationwide survey to assess local industry readiness, ensuring that Kenyan businesses are positioned to benefit from the nuclear power programme and the research reactor project.

Stakeholder Engagement and Social Responsibility

Building and sustaining public trust remains a priority for the Board. During the year, the Agency intensified its engagement with stakeholders from the host county of Kilifi, including county leadership and National Government Administration Officers. Public forums such as the Kilifi International Investment Conference and World Nuclear Energy Day at Pwani University were instrumental in creating awareness and fostering dialogue.

Our corporate social responsibility programmes also remained active. The planting of 40,000 trees across various regions reinforced our environmental stewardship and our commitment to inclusive socio-economic development.

Financial Performance and Governance

For the year under review, the Agency operated with an approved budget of **Ksh 757,800,000** for recurrent expenditure and development programmes. While a **Ksh 110,000,000** shortfall in development funding posed challenges, the Agency maintained prudent financial management, ensuring that priority activities were delivered.

Board Changes

In the year under review, the term of the outgoing Chairman Mr. Ezra Odondi Odhiambo lapsed on 12th May 2025 and I was appointed as Chairman on 16th May 2025 by H.E. The President through Gazette Notice No. 6252. Also the terms of two board members lapsed on 12th May 2025, these are Prof. Henry Rono (PhD) and Eng. Samson Maundu. In this regard, Dr. Anne Michura was appointed on

16th May 2025 by the CS Energy and Petroleum for a period of 3 years vide Gazette Notice No. 6259. Additionally, Mr. Edwin Munene has been replaced by Ms Irene Okwach as the alternate representative of the Office of the Attorney General while Mr. Kennedy Ndwiga replaced Ms Theodora Gichana as the representative for the Inspectorate of State Corporations effective 17th February 2025.

Challenges

Budget constraints delayed certain development projects, and community resistance to the construction of the Uyombo meteorological station underscored the importance of sustained, transparent, and inclusive engagement with host communities.

Future Outlook

As we look ahead to the 2025/2026 financial year, the Board's focus will be on accelerating site development and land acquisition, strengthening community engagement, deepening international partnerships for technology transfer, and positioning nuclear power as a central pillar of Kenya's clean energy mix. We envision a future where nuclear energy not only secures Kenya's energy supply but also drives industrial growth, supports climate action, and transforms livelihoods across the country. On behalf of the Board of Directors, I extend my heartfelt appreciation to the Government of Kenya, the Ministry of Energy and Petroleum, our development partners, the management and staff of NuPEA, and all our stakeholders for their steadfast commitment and support. Together, we are laying the foundation for a safe, reliable, and sustainable nuclear energy future for Kenya.



Eng. Prof.. Lawrence Gumbo (PhD)
CHAIRMAN OF THE BOARD

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 2025.

As Kenya targets its first nuclear plant by 2034, NuPEA remains committed to powering Kenya's future through safe and sustainable energy solutions. In the year under review, the Agency in collaboration with the US hosted the US-Africa Nuclear Energy Summit (USANES) - industry readiness edition in Nairobi, Kenya developed under the auspices of the regional Clean Energy Training Centre that brought together policy makers, technical experts and the industry at large.

The Cabinet Secretary, Hon. Opiyo Wandayi, has supported the Agency during consultations with the leadership of Kilifi County regarding considerations for the nuclear power programme and has highlighted Kenya's plans to include nuclear power in its energy mix by 2034 to diversify the nation's energy. NuPEA participated in the Kilifi International Investment Conference and the World Nuclear Energy Day at Pwani University in December 2024.

In May 2025, Kenya sent a delegation to a scientific visit for policy makers at the IAEA HQ in Vienna, Austria for a high level engagement with IAEA Director General Mr Rafael Grossi among other activities with the aim to advance Kenya's nuclear energy agenda through stakeholder engagement, establish a strong national position and strategic participation in upcoming global events. The Agency hosted key stakeholders and international experts in a meeting towards establishing Kenya's Nuclear Owner-Operator. Further, Kenya hosted the first Small Modular Reactor (SMR) school for Sub Sahara Africa in Nairobi Kenya with participation from delegates from the African Continent and led by IAEA experts focusing on key aspects of SMR development and deployment. The Agency is also conducting a survey to assess local industry readiness to take part in Kenya's nuclear power programme and the research reactor project.

Revenue and Budget

NuPEA is a state-owned agency under the Ministry of Energy and Petroleum receiving instrumental support from the Government of Kenya through the allocation and provision of financial resources to run its operations. It is fully funded through Exchequer allocations disbursed through the Ministry of Energy and Petroleum on a monthly basis.

In the Financial year 2024/2025, the Agency had an approved budget of **Ksh 757,800,000** comprising **Ksh 587,800,000** recurrent and development budget of **Ksh 170,000,000**. As at the end of the period the Agency had received exchequer of **Ksh 110,000,000** for development and **Ksh 587,800,000** recurrent. This represents total receipt of 92% of the annual budget.

Expenditure

As at 30 June 2025, the Agency incurred expenditure of **Ksh 793.4 million**, a 20% decline from **Ksh 989.5 million** in FY 2023/2024, mainly due to reduced budget allocations and delayed Exchequer releases. The overall budget absorption stood at 106% against the 100% target.

Performance overview

The Agency undertook activities in the financial year 2024/2025 under six 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.

During the year under review, NuPEA achieved significant milestones across key areas of Kenya's nuclear power programme. Major accomplishments included the completion of critical technical studies such as the site assessment and grid interconnection reports, development of reactor technology procurement frameworks, and finalization of the feasibility study and nuclear fuel supply assessment.

The Agency also advanced legal and regulatory frameworks by submitting the Revised Draft National Nuclear Policy to the Ministry of Energy for approval, initiating legislative amendments and draft regulations to implement the nuclear programme, and supported treaty ratification processes by a stakeholder validation workshop on Kenya's accession to the four nuclear safety conventions. Strategic partnerships were pursued through local and international collaborations. In research and development, foundational reports were completed, and key capacity-building initiatives implemented. Public engagement efforts were successfully

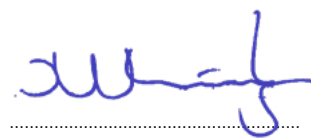
executed, including nationwide awareness campaigns, stakeholder consultations, and a major initiative involving the planting of 40,000 trees. These achievements collectively reflect steady progress in laying the groundwork for Kenya's nuclear power programme.

Strategic Partnerships

The Agency entered into Memoranda of Understanding (MOUs) with China Nuclear Engineering and Construction Corporation (CNECC) to foster technical collaboration, research and technology transfer in nuclear energy development in March 2025. These collaborations and strategic partnerships will assist in the advancement of nuclear power plant development. The Agency engaged in strategic dialogue with several government agencies such as National Disaster Management Unit (NDMU), the Office of the Attorney General to strengthen various aspects of the nuclear power programme.

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, Board of Directors, our strategic partners, industry players, management, staff, and all our valued stakeholders for their ongoing support over the years. We anticipate your continued backing in the upcoming financial year 2025/2026.



CS Justus Wabuyabo, LLM (UoN)
Chief Executive Officer

7.

Statement of Performance against Predetermined Objectives for FY 2024/2025

NuPEA has 6 key result areas (KRAs) within 2023-2027 Strategic Plan. The KRAs are as follows:

- KRA 1: Nuclear power infrastructure development
- KRA 2: Public education and stakeholder engagement
- KRA 3: Energy Research Development & Innovation
- KRA 4: Energy Capacity Building and Knowledge Management
- KRA 5: Research Reactor Programme Development
- KRA6: Institutional Capacity Development

NuPEA develops its annual work plans based on the above 6 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 2024/25 period for its 6 KRAs, as indicated in Table 2

Table 2: Nuclear Power and Energy Agency's Performance against Predetermined Objectives for FY 2024/2025

KRA 1: Nuclear Power Infrastructure Development			
Objective 1.1: To ensure readiness of key nuclear power infrastructure			
Key Performance Indicators	Activities	Achievements	
Nuclear Power Plant preliminary site characterization and evaluation.	1. Develop a project plan for NPP Site Characterization 2. Undertake studies on location of a seismic station for Kenya's NPP 3. Collect flooding data at the RR site	1. Developed a Project Plan for NPP Site Characterization 2. Completed a report on the location of a seismic station for Kenya's NPP 3. Completed Flood Mapping Report for Konza Technopolis, including the flood maps	
Feasibility study for the Nuclear Power Plant Project.	Develop a preliminary Nuclear feasibility Study framework	Completed the feasibility framework report for Kenya's nuclear power plant project	
Nuclear Power Plant Reactor Technology and Vendor Assessment.	Develop the Request for information (RFI) for the potential reactor technology.	Completed Request for information (RFI) document for the potential reactor technology	
Environmental and Social Impact Assessment at the Nuclear Power Plant site.	1. Conduct marine sensitivity study at the NPP preferred site 2. Create awareness on environmental and social impacts of nuclear power plants and their mitigation by developing technical content for awareness creation material	1. Completed the report on marine and terrestrial environment sensitivity at the preferred and alternate site 2. Completed the technical content on awareness creation on environmental impact concerns in readiness to develop awareness material	

Undertake technical studies to support the Nuclear Power Project.	1. Undertake Analysis of fabricated fuel suppliers for a range of reactors & estimate costs for lifetime supply, including Light Water Reactors (LWR) and Small Modular Reactors (SMR). 2. Develop technical criteria of interim storage facility for spent fuel/high level radioactive waste 3. Undertake a grid integration study on nuclear power interconnection to Kakuyuni (Malindi) 220/33kV and New Kilifi 220/33kV Substations 4. Undertake Assessment of the Capability and Capacity of Kenyan Companies to Participate in the Nuclear Power Plant Project-Related Supply Chain 5. Strengthen the Local Industry Readiness for the Nuclear Power Plant Project	1. Completed Nuclear Fuel Supply Assessment Report, which analyzed lifetime fuel requirements and cost estimates for selected reactor technologies, aligned with national deployment scenario 2. Completed report on Technical Criteria and Requirements for Storage of Spent Fuel, detailing safety, siting, and design standards for both wet and dry storage 3. Complete simulation and analysis of the NPP PSSE Interconnection Model. 4. Completed Grid Interconnection Scheme Report. The simulation and analysis of the model incorporated evacuation of power through both the 400kV and 220 kV grid networks and involved Power Flow Analysis, Contingency Analysis (N-I) and Short Circuit. 5. Conducted the survey, analyzed the data, and developed a report on the Kenyan companies' capability and capacity assessment to participate in the nuclear power plant project-related supply chain.
Preparation of the Bid Invitation Specifications.	1. Develop the BIS framework and structure.	1. Completed development of the zero draft BIS Framework structure with inclusion of data and information collected from IAEA workshop training on the procurement capabilities of the Owner-Operator and the development/preparation of BIS and Contracting held from March 17-21, 2025
Development of plans/strategies to support the implementation of the Nuclear Power Programme.	1. Create awareness on the IAEA safety standards for the Publicity directorate and senior Management 2. Undertake power sector energy planning through the Least Power Development Planning Committee	1. Developed the IAEA safety standards awareness materials 2. Participated in Energy Planning in LCPDP to represent the interests of Nuclear Power.
Capacity development for the Nuclear Power Programme	1. Undertake capacity building initiatives to support the development and implementation Nuclear Power Programme	1. Completed the Nuclear Infrastructure Mapping Report 2. Trained 50 Kenyans in various workshops both domestically and internationally on various Nuclear Science and Technology domains

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	1. Finalize the National Nuclear Policy 2. Development of adequate regulations to operationalize the Nuclear Regulatory Act CAP 243 in collaboration with KNRA 3. Harmonisation of National Laws to implement the Nuclear Power Programme. 4. Accession to international conventions on nuclear safety and liability. 5. Undertaking the Strategic Environmental and Social Assessment (SESA)	1. Development of the Draft National Nuclear Policy 2025 submitted to the Ministry of Energy and Petroleum for review and national validation. 2. Development and review of the regulations on siting and licensing for the nuclear power programme in conjunction with Kenya Nuclear Regulatory Authority. 3. Towards harmonisation of national laws relevant to implementing the nuclear power programme, the Agency developed drafting instructions for preparation of an Amendment Bill for the Nuclear Regulatory Act CAP 243. 4. Conducted stakeholder validation of accession to the four (4) nuclear safety conventions and submitted the Cabinet Memorandum to the Ministry of Energy and Petroleum for onward transmission to the Attorney General. 5. Incorporated the findings from the independent review by NCEA, provided up-to-date data and technical insights, addressed specific gaps identified by NEMA and ensured that the revised SESA report meets the regulatory standards and stakeholder expectations.
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)	1. Developing and implementing the National Nuclear Power Leadership and Management Development Programme (NLMDP) 2. Developing a draft framework for the development and implementation of an Integrated Management System (IMS) for the nuclear power programme	1. Draft Nuclear Power Leadership and Management Development Programme (NLMDP) developed. 2. Preliminary IMS framework for nuclear power programme developed.

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	- Undertake Ten (10) National public education and awareness programs - Undertake stakeholder engagement forums to promote and interest students toward uptake of Science, Technology, Engineering and Mathematics (STEM) subjects by involving: 3 Universities, 10 secondary schools 10 primary schools - Undertake one national public opinion and perception survey - Undertake one (1) stakeholder mapping in the coastal region of Mombasa, Kilifi and Kwale - Undertake engagement of five (5) policymakers - Undertake 1 Corporate Social Responsibility (CSR) Project	- To comply with the presidential directive for a National Tree Growing Restoration Campaign, aiming to plant 15 billion trees by 2032, the Agency planted 41,000 trees in Londiani Forest, Kericho County. - A draft stakeholder mapping register was developed. Additionally, the following targets are underway: - In collaboration with the Nuclear Energy Agency (OECD-NEA) completed plans to hold a webinar on nuclear energy for academic institutions. - The Agency launched a National Public Opinion survey to assess public awareness, perceptions regarding nuclear power development running from June to August 2025.
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)	- Develop preliminary functional requirements of Kenya National Energy Laboratory. - Conduct an assessment of Waste-to-Energy conversion technologies in Kenya (continuation) - Undertake capacity building on intellectual property management - Finalize the development of the IP policy	- As part of establishing national infrastructure to support energy R&D, the Agency developed a report outlining the preliminary functional and technical requirements for the Kenya National Energy Laboratory. This lays the groundwork for a state-of-the-art facility to support energy R&D. - An updated report on WtE technologies was developed to guide decision-making on integrating waste management with energy production. The study provides evidence-based recommendations for scalable WtE deployment in the country. - A training program on IP management was successfully conducted to equip staff with knowledge on creating and protecting innovations in the Agency. - The Agency developed a comprehensive IP policy to enhance innovation protection, promote research commercialization, and foster partnerships with other industry players.

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
Development of human capital in the energy and petroleum sectors	1. Develop Terms of Reference for the assessment of knowledge, skills and capacity gap in the energy and petroleum sector	1. Developed Terms of Reference to guide a national skills gap analysis aimed at informing policy and training interventions for the energy and petroleum workforce.
	2. Implement pilot program on Capacity Development in Power Transmission Systems in the Republic of Kenya	2. In collaboration with the State Department for Energy and IESR, the Agency submitted a draft prospectus for a pilot program that will build competencies in Power Transmission Systems in the Republic of Kenya
	3. Conduct capacity building on the existing organization knowledge management repository	3. Conducted a capacity-building session focused on improving the utilization and updating of the Agency's existing knowledge management systems, ensuring institutional memory is preserved and accessible.
	4. Develop preliminary Functional Requirements for knowledge management system	4. Completed a report detailing the technical and functional specifications for a centralized KMS that will enable efficient data sharing and collaboration across the energy sector.
	5. Develop event Management system for Energy Conferences	5. Designed and deployed a digital event management system to streamline planning, registration, and feedback for sector-wide energy forums and conferences.

KRA 5: Research Reactor Programme Development			
Objective: Ensure infrastructure readiness for deployment of the KNRR			
Key Performance Indicators		Activities	Achievements
Implementation of nuclear research reactor (RR) project	1.	Finalize the development of Stakeholder Involvement and Communication Strategy for KNRR project	1. To ensure public and relevant stakeholders' buy-in and, informed participation, the Agency finalized and updated the Stakeholder Involvement and Communication Strategy for the KNRR project, aligning it with IAEA standards and national regulatory requirements. 2. Completed a detailed study identifying reactor-based radioisotope production methods, demand forecasts, and application areas—supporting strategic planning for Kenya's entry into the medical and industrial isotope markets. 3. Finalized a study on cooling system options and safety requirements for research reactors, providing a technical basis for selecting optimal cooling technologies during the design phase. 4. Completed the preliminary report outlining the infrastructure, systems, and capabilities required for the future Kenya Nuclear Research Centre, which will support nuclear R&D, education, training, and isotope production.
	2.	Conduct a technical study on radioisotope production from research reactors	
	3.	Conduct a technical study on research reactor cooling systems	
	4.	Develop preliminary functional and technical requirements for Kenya nuclear research center.	
KRA 6: Institutional Capacity			
Objective 6.1: To have a versatile, competent, highly performing and motivated workforce			
Key Performance Indicators		Activities	Achievements
Staff capacity development	1.	Carrying out comprehensive Staff Training Needs Assessments (TNA)	1. Developed and executed Annual Training and Development Interventions
	2.	Develop and implement an Annual Staff Training and Development Plan based on identified training needs and organizational priorities.	2. Conducted post-training evaluations to measure the effectiveness of knowledge transfer and assess the overall impact of training interventions.
	3.	Managing Employee Performance and Development	3. Conducted biannual performance appraisals with structured feedback mechanisms
	4.	Enhancing Talent Management and Retention	
	5.	Monitoring, Evaluation, and Reporting	
Objective 6.2: To enhance financial sustainability of the Agency			
Prudent management of financial resources	1.	Absorption of allocated funds by Gok	1. Absorption rate was 100% of allocated funds
	2.	Absorption of externally mobilised funds	

Corporate Governance Statement

8.

The responsibility of governing the Agency lies with the Board of Directors. NuPEA is committed to maintaining the highest standards of integrity, professionalism, ethics, and compliance with all applicable laws in all its operations and has adopted high standards and applies strict rules of conduct based on the best corporate practices. The members of the Board 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 (CAP 182 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 CAP 183.

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.

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.

Composition of the Board FY 24/25

In line with the guidelines of the Mwongozo Code of Governance for State Corporations and section 58 of the Energy Act CAP 314, the Board of the Agency 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; the Independent 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; while alternates to the principal secretaries are appointed by the relevant entity through an appointment letter to the Board Chairman.

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.

Changes in the Board Membership in FY2024/2025

In the year under review, the term of the outgoing Chairman Mr. Ezra Odondi Odhiambo lapsed on 12th May 2025 and the new Chairman Eng. Prof. Lawrence Gumbo was appointed on 16th May 2025 by H.E. The President through Gazette Notice No. 6252. The terms of two board members also lapsed on 12th May 2025, these are Prof. Henry Rono (PhD) and Eng. Samson Maundu. In this regard, Dr. Anne Michura was appointed on 16th May 2025 by the CS Energy and Petroleum for a period of 3 years vide Gazette Notice No. 6259. Additionally, Mr. Edwin Munene has been replaced by Ms Irene Okwach as the alternate representative of the Office of the Attorney General while Mr. Kennedy Ndwiga replaced Ms Theodora Gichana as the representative for the Inspectorate of State Corporations effective 17th February 2025.

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 that include the Human Resource and General Purpose Committee, the Technical and Research Committee, the Finance, Strategy and Planning Committee and the Audit Committee.

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 is required to meet regularly depending on the needs of the business of the Agency. Board meetings should be held at least four (4) times a year, and not more than 4 months should lapse between the date of one meeting and the date of the next meeting. The Board's Calendar contains a schedule of meetings of the Board and its commit-

tees 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 eight (8) full Board meetings and 21 Committee meetings to consider key issues relating to strategy, performance and sustainability of the Agency. The Board and Board Committees members' attendance during the year was as follows:

Table 3: Full Board Meetings Attendance 2024/2025

	Name	Position	No. of Meetings
1	Mr. Ezra O. Odhiambo	Chairman	7
2	Prof. Henry K. Rono	Independent Member	7
3	Eng. Samson N. Maundu	Independent Member	7
4	Mr. Arthur O. Koteng	Independent Member	8
5	Ms. Elizabeth M. Lenjo	Independent Member	8
6	Mr. Paul K. Mwangi	Alternate PS State Dept of Higher Education	8
7	Mr. Joseph K. Mwaura	Alternate PS National Treasury	8
8	Mr. Edwin W. Munene	Alternate Attorney General	8
9	CPA Rose A. Baraza	Alternate PS State Dept for Energy	7
10	CS Justus Wabuyabo	Chief Executive Officer	7
11	Eng. Erick Ohaga	Director NEID (representing CEO)	1
12	Mr. Eliud Mathu	SCAC Representative	1
13	Ms. Grace Murungi	SCAC Representative	1
14	Mr. Kennedy Ndwiga	Inspectorate of State Corporations	1
15	Eng. Prof. Lawrence Gumbe(PhD)	Chairman	1
16	Dr. Anne Michura	Member	1

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 recommendations 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:

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. Mr. Arthur Koteng – Chairperson
2. Eng. Samson Maundu
3. CPA Rose Baraza
4. Mr. Paul Mwangi

Table 4: Human Resource and General Purpose Committee Attendance FY 2024/2025

No	Name	Position	No. of Meetings
1	Prof. Henry Rono	Chairperson	5
2	Ms. Elizabeth Lenjo	Member	5
3	Mr. Paul Mwangi	Member	5
4	Mr. Edwin Munene	Member	5
5	CS Justus Wabuyabo	Chief Executive Officer	5
6	Mr. Arthur Koteng	Member	1
7	CPA Rose Baraza	Member	1

Table 5: Technical and Research Committee Attendance FY 2024/2025

No	Name	Position	No. of Meetings
1.	Mr. Arthur Koteng	Chairperson	3
2.	Eng. Samson Maundu	Member	3
3.	CPA Rose Baraza	Member	3
4.	Mr. Paul Mwangi	Member	3
5.	Ms. Elizabeth Lenjo	Member	1
6.	CS Justus Wabuyabo	Chief Executive Officer	3
7.	Prof. Henry Rono	Member	1
8.	Mr. Edwin Munene	Member	1

Table 6: Finance Strategy and Planning Committee Attendance FY 2024/2025

No	Name	Position	No. of Meetings
1.	Eng. Samson Maundu	Chairperson	7
2.	Prof. Henry Rono	Member	7
3.	Mr. Joseph Mwaura	Member	8
4.	Mr. Edwin Munene	Member	8
5.	CS Justus Wabuyabo	Chief Executive Officer	8
6.	Mr. Paul Mwangi	Member	1
7.	Ms. Elizabeth Lenjo	Member	1

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. Eng. Samson Maundu – Chairperson
- 2. Prof. Henry Rono
- 3. Mr. Joseph Mwaura
- 4. Mr. Edwin Munene

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. Ms. Elizabeth Lenjo – Chairperson
- 2. Mr. Arthur Koteng
- 3. Mr. Joseph Mwaura
- 4. CPA Rose Baraza

Table 7: Board Audit Committee Attendance FY 2024/2025

No	Name	Position	No. of Meetings
1.	Ms. Elizabeth Lenjo	Chairperson	3
2.	Mr. Arthur Koteng	Member	3
3.	Mr. Joseph Mwaura	Member	3
4.	CPA Rose Baraza	Member	3

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 following scientific visits for various board members:

- The Chairman of the Board of Directors and a Board Director attended the 31st Institution of Engineers of Kenya (IEK) International Convention from October 29th to November 1st, 2024, in Mombasa, Kenya.
- The Board Chairman attended the Nuclear Business Platform 2025 in Rabat Morocco between 22nd to 24th April 2025.
- A board member attended a technical/scientific visit on capacity building for decision makers from Kenya at the IAEA HQ in Vienna, Austria from 5th to 9th May, 2025.

- Members of the Board attended the International Atomic Energy Agency (IAEA) expert mission workshop on the Establishment of the Owner Operator Organization for the Nuclear Power Project taking place between 28 th April to 2 nd May, 2025 in Mombasa, 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 2024/2025 on the 9th and 10th December 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 infor-

mation 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 Mwon-gozo 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, ongoing

implementation of the recommendations of the Legal Compliance & Governance Audit that was undertaken in the FY 2022/23.

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

9

I NuPEA'S Operational and Financial Performance

Operational Performance

During the Financial year 2024/2025, the Agency planned to implement several programs and projects aimed at achieving its overall core mandate as per the Energy Act 2019 CAP 314. 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

The development of the policy, legal and institutional framework involves addressing key areas such as to propose policies and legislation necessary to implement the NPP; harmonization of national laws relevant to the nuclear power programme; ratify or accede to necessary nuclear conventions and relevant treaties to the Nuclear Programme; and provision of legal services and strategic partnerships.

In this regard, the Agency developed the Draft National Nuclear Policy 2025 and submitted to the Ministry of Energy and Petroleum for review and national validation; reviewed two (2) regulations on siting and licensing for the nuclear power programme for proposal to Kenya Nuclear Regulatory Authority for development; reviewed the report on harmonisation of national laws relevant to implementing the nuclear power programme and developed drafting instructions for preparation of an Amendment Bill for the Nuclear Regulatory Act CAP 243; and conducted stakeholder validation of accession to the four (4) nuclear safety conventions and submitted the Cabinet Memorandum to the Ministry of Energy and Petroleum for onward transmission to the Attorney General.

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. The Agency is mandated to undertake a Strategic Environmental and Social Assessment (SESA) as a pre-requisite for the successful implementation of the Nuclear Power Programme (NPP). This is essential in identifying, assessing and addressing environmental and social impacts in line with the implementation of the NPP. The Agency submitted the draft SESA Report for Kenya's Nuclear Power Programme to the National Environmental Management Authority (NEMA) for review.

During the financial year under review, the Agency continued with the Strategic Environmental and Assessment (SEA) process incorporating the findings from the independent review done in August 2024 by NCEA, supported the consultants by providing up-to-date data and technical insights, addressed specific gaps identified by the review and ensured that the revised SESA report meets the regulatory standards and stakeholder expectations.

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 a predetermined criteria. This process, including regional screening, site surveys, and ranking, was successfully completed. With Uyombo/Roka being selected as the potential site and Kwale as an alternate site. The setting up of a weather station that had been planned was halted and the materials stored in Malindi (Ketraco Kakyuni substation). This was as a result of absence of a social license in coastal communities to undertake

the project. To mitigate this, NuPEA is enhancing stakeholder engagement, initiating structured dialogue with local leadership, and working closely with affected county governments. Other options have arisen with Siaya county recently offering to host the NPP. This development shall require an assessment of Siaya in hosting the plant with a commensurate budget to undertake this task.

With the cessation of Preparatory site investigation activities at the Preferred Candidate Site in Uyoombo, deployment of seismic, hydrological, and geotechnical monitoring equipment was halted. This informed the Agency to initiate launching baseline studies and stakeholder coordination in Kwale. In Siaya, a potential future site, initial assessments are to be performed in FY2024/25 focusing on land suitability, infrastructure scoping, and community mapping. These multi-site activities are being supported by NuPEA's regional offices, which are facilitating local coordination and public outreach.

Concurrently, NuPEA is developing the Bid Invitation Specification (BIS) Framework, a critical deliverable that consolidates all technical, legal, and commercial information required to initiate the nuclear bidding process. The BIS draws on inputs from feasibility studies, international guidance such as IAEA standards, and national infrastructure assessments to ensure that Kenya's procurement process is transparent, competitive, and internationally compliant. A key challenge in this phase is integrating diverse technical inputs into a cohesive and complete framework, while ensuring that all stakeholder concerns are adequately reflected. The complexity of aligning regulatory, technical, and procurement standards within a developing institutional environment requires strong cross-agency collaboration, high-level oversight, and continuous capacity building.

The convergence of these activities reflects a critical transition from planning to pre-procurement readiness. However, challenges such as land acquisition delays due to limited social license, and the complexity of integrating multiple streams of technical data into the BIS, highlight the need for strong cross-agency coordination. The ongoing work signals Kenya's commitment to a transparent, technically sound, and internationally benchmarked approach to launching its first nuclear power project.

D. Energy Research and Development

To enhance use of sustainable energy systems and application of nuclear technologies, the Agen-

cy seeks to establish a National Energy Research Laboratory (NERL) which is a crucial step towards scaling up development, transmission, and distribution of energy solutions. In the FY 2024/2025 the Agency commenced the development of functional and technical requirements for energy laboratories. These activities will continue in the subsequent years.

Additionally, the Agency is carrying out research on clean and renewable energy systems. The research, a collaborative initiative between NuPEA and Rural Electrification and Renewable Energy Corporation (REREC) on Renewable Energy Research, was aimed at evaluating suitable Waste to Energy (WtE) options for Kenya and providing evidence-based recommendations for action. WtE offers a dual solution addressing waste management while also generating renewable energy. In the subsequent years, the Agency, in collaboration with other sector entities will be collecting relevant data on waste streams in Kenya's major cities for analysis of the most suitable WtE technology.

E. Capacity Building in the Energy Sectors

To enhance human and institutional capacity in the Energy sector the agency is developing an integrated knowledge management system for capturing, organizing, and disseminating critical knowledge and best practices across all energy sector entities. This system aims to address diverse stakeholder needs by analyzing, storing, sharing, and utilizing the sector's critical information and knowledge assets efficiently. This development is in line with the identified need for a centralized Knowledge Management (KM) system for all stakeholders in the energy and petroleum sector. The agency is also implementing the "Capacity Development in Power Transmission Systems in the Republic of Kenya" in collaboration with the State Department of Energy and Institute of Energy and Research. This programme is intended to strengthen technical competencies, enhance the planning and operational efficiency of power transmission infrastructure, and promote the adoption of modern grid technologies. Further, the Agency developed terms of reference for the assessment of knowledge, skills and capacity gap in the energy and petroleum sector. These will guide in carrying out a comprehensive scoping study on knowledge and skills gap analysis in the energy and petroleum sector. This is in line with the Human Resource Capacity Building (HRCB) Masterplan and R&D Coordination Frameworks for the sector which were adopted in FY 2023/2024.

F. Nuclear Research & Development

To ensure infrastructure readiness for deployment of the KNRR, the Agency shall complete the acquisition of the 35-acre land for KNRR construction, carry out quasi-development activities, including master planning, preliminary design, and infrastructure planning. Further, the Agency will carry out SESA for the research reactor at the Konza Site. The Agency will also carry out two technical studies on utilizations for Research Reactors (RR) and research reactor systems.

The Agency is also developing functional and technical requirements for the nuclear research centre (NRC). The NRC will be utilized for the peaceful applications of nuclear science and technology, including energy, isotope production for medical and industrial use, agriculture, and radiation science. Additionally, the NRC will be key in education and training, providing resources for building local expertise and supporting research on nuclear reactor operations, radiation safety, and radioactive waste management.

G. Industrial Involvement

Kenya is implementing the nuclear power programme with plans to commission its first Nuclear Power Plant (NPP) by 2034. In order to benefit from the programme, local industry participation is key. Therefore, there is a need to carry out an assessment of its industrial capability to support an NPP project and thereafter develop its industry accordingly so as to optimally participate in this venture. Local industrial involvement is required to make well-informed decisions about which parts of industrial involvement need to be developed locally. An industrial survey is essential so as to provide comprehensive information on the capabilities of these industries for self-assessment on the level of preparedness to participate in Kenya's nuclear power programme.

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 this FY, the Industrial Involvement team developed a comprehensive questionnaire based on the criteria for the capability and capacity assessment of Kenyan companies to participate in the nuclear

power plant project-related supply chain.

Towards strengthening the local industry readiness for the nuclear power plant project, NuPEA successfully hosted the second US-Africa Nuclear Energy Summit in collaboration with the US Department of Energy that focused on local industry readiness, drawing participants from the private sector/industry (118), government (225), academia (351), and non-governmental organisations (102). The second US-Africa Nuclear Energy Summit report was finalized; with the inclusion of a way forward, based on the summit's proceedings, to ensure a strengthened local industry readiness.

H. Human Resources 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. 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 2027. A total of 58 students have been sponsored to undertake MSc Nuclear Science at the Institute of Nuclear Science and Technology, University of Nairobi.

The HRD team developed Communities of Professional Database that includes professionals (e.g. radio physicists) in the nuclear field in the health sector in institutions such as Kenyatta Hospital, Kenya Medical and Pharmacy Register

This led to the development of a comprehensive repository for nuclear power plants workforce, categorizing the nuclear workforce into specific workgroups and within each workgroup defining the relevant professions with their associated qualifications and trainings i.e workgroup is Safety and Radiation Protection and relevant professions under its Radiation Protection Officers, Health Physicists, and Safety Engineers.

The HRD team held an IAEA HRD Expert mission on 1-4 October to receive feedback and recommendations for the NPHR Modeling Report, Institutional Mapping Report, Gap Assessment Report and HRD Strategy.

The Agency was also trained on an IAEA Systematic Approach to Training of Workforce Workshop on 11 – 15 November 2024. The training focused on strategic training of the workforce using the ADDIE methodology (Analysis, Design, Development, Implementation and Evaluation).

A total of 175 trainings were undertaken in FY2024/25 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

NuPEA's stakeholder engagement efforts aimed to educate stakeholders on nuclear electricity generation, reassure the public of the safety and security of nuclear technology, and highlight the potential economic benefits of hosting a nuclear power plant in the country. During the period under review, NuPEA implemented a range of targeted activities to enhance public communication and stakeholder engagement around Kenya's nuclear power programme.

Key initiatives included finalizing preparations for one nuclear energy webinar organized in partnership with the Nuclear Energy Agency (OECD-NEA) targeting academia and coastal stakeholders. The Agency also held a high-level consultative meeting with Kilifi County leadership, led by the Cabinet Secretary for Energy, to promote local engagement. In line with strengthening effective stakeholder outreach, draft policy documents were developed, including the Social Media Policy, Grievance Redress Mechanism Policy, Information Disclosure Policy, and Community Liaison Committee Guidelines.

Additional efforts focused on both national and international collaboration. NuPEA organized a scientific visit to Austria and Hungary in partnership with the International Atomic Energy Agency (IAEA), involving senior policymakers and energy sector stakeholders. The Agency also engaged industrial stakeholders during the 2025 Energy Management Awards hosted by the Kenya Association of Manufacturers (KAM). A tree planting exercise was car-

ried out in Londiani Forest, Kericho, resulting in the planting of 41,000 trees. To support long-term engagement, a draft stakeholder register for Mombasa, Kilifi, and Kwale counties was developed, and a national online public opinion survey was launched to gauge awareness and perceptions of nuclear energy development, running from June to August 2025.

NuPEA undertook proactive stakeholder engagement activities aimed at educating the public and key stakeholders on nuclear electricity generation, assuring them of the safety and security of nuclear technology, and highlighting the potential economic benefits of establishing a nuclear power plant in Kenya. During the reporting period, the Agency implemented a series of targeted actions to strengthen public communication and foster greater stakeholder involvement in the nuclear power programme.

NuPEA finalized preparations for a nuclear energy webinar, organized in collaboration with the Nuclear Energy Agency (OECD-NEA), specifically targeting academic institutions and stakeholders from the coastal region. The Agency also convened a high-level consultative meeting with Kilifi County leadership, led by the Cabinet Secretary for Energy, to promote local-level engagement. To enhance stakeholder relations, NuPEA developed key draft policy documents, including the Social Media Policy, Grievance Redress Mechanism Policy, Information Disclosure Policy, and Community Liaison Committee Guidelines.

NuPEA coordinated a scientific visit to Austria and Hungary, in partnership with the International Atomic Energy Agency (IAEA), for senior policymakers, county government officials, media, and energy sector stakeholders among others, engaged stakeholders from the manufacturing industry during the 2025 Energy Management Awards organized by the Kenya Association of Manufacturers (KAM). As part of environmental conservation efforts, NuPEA carried out a tree planting exercise in Londiani Forest, Kericho, where it planted 41,000 trees. To support continuous stakeholder engagement, the Agency developed a draft stakeholder register for Mombasa, Kilifi, and Kwale counties, and launched a national online public opinion survey running from June to August 2025 to assess public awareness and perceptions of nuclear energy development.

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.

Budget

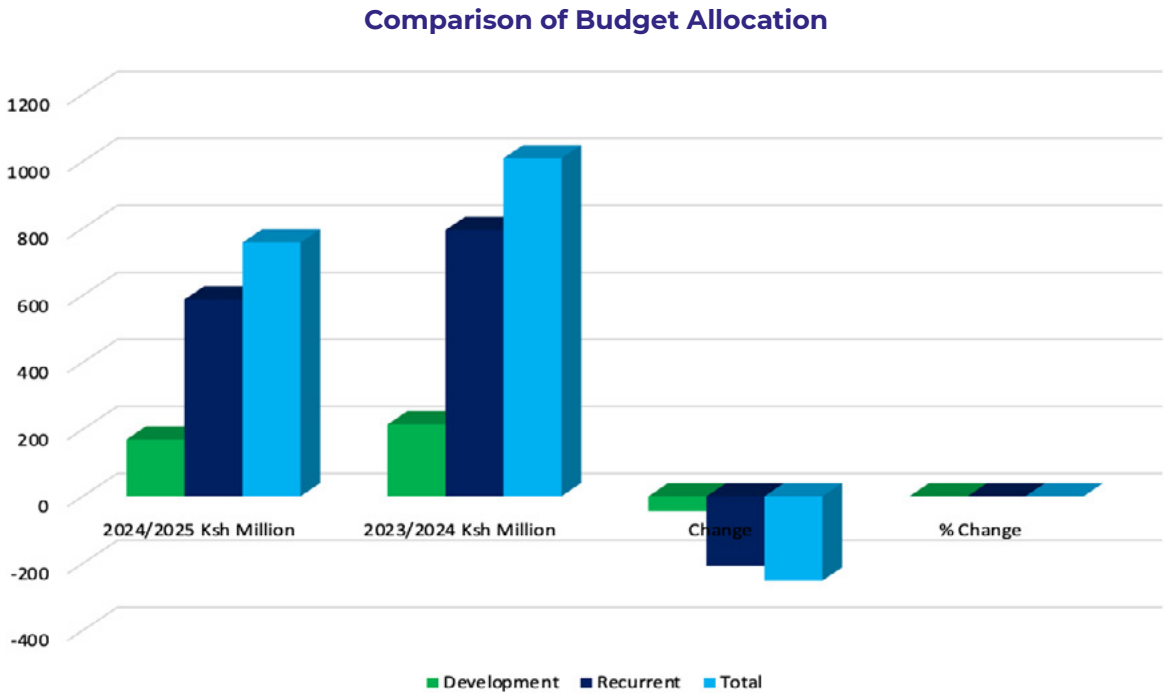
For the FY 2024/2025, the Agency was allocated a total budget of **Ksh 757.8M** comprising of **Ksh 587.8M** recurrent expenditure and **Ksh 170.0M** development.

During the period under review the Agency experienced a total budget reduction of 25% as compared with the previous financial year. This is as illustrated in the table below.

Table 9: Comparison of budget allocation for the financial year 2024/2025 and 2023/2024

No	2024/2025	2023/2024	Change	No. of Meetings
	Kshs Million	Kshs Million	Kshs Million	
Development	170.0	214.5	(44.5)	(21%)
Recurrent	587.8	795.0	(207.2)	(26%)
Total	757.8	1,009.5	(251.7)	(25%)

Figure 1: Comparison of budget allocation for the financial year 2024/2025 and 2023/2024



Budget Variance Analysis

The reduction in the approved budget for the financial year contributed to over-expenditure in several expenditure categories, as outlined in the table below:

Table 10: Comparison of budget and expenditure on expenditure categories

Expense Item	Budget	Expenditure	Over(under) Expenditure
	Kshs Million	Kshs Million	Kshs Million
Use of Goods and Services	248.1	264.5	16.4
Employee Costs	457.2	483.1	26.0
Remuneration to Directors	19.6	21.8	2.2
Repairs and Maintenance	7.0	5.9	(1.1)
Purchase of Non-Financial Assets	26.0	78.9	52.9
Total	757.9	854.1	96.3

Revenue

NuPEA is fully funded by the Government of Kenya through the Exchequer under the Ministry of Energy and Petroleum. For the FY 2024/2025, the Agency expected to receive the full budget allocation of **Ksh 757.8 million**. However, total Exchequer disbursements as at 30th June, 2025 amounted to **Ksh 697.8 million** representing 92% of the annual budget allocation. There was an unreleased exchequer balance of **Ksh 60 million**.

Table 11: Comparison of expected budget allocation and actual receipts

Budget Category	Expected Allocation	Actual Receipts	Variance (Unreleased)
	Kshs Million	Kshs Million	Kshs Million
Recurrent	587.8	587.8	-
Development	170.0	110.0	60.0
Total	757.8	697.8	60.0

Expenditure

As at 30 June 2025, the Agency had incurred total expenditure amounting to **Ksh 793.4 million**, reflecting a 20% decrease compared to **Ksh 989.5 million** spent during the FY 2023/2024. This reduction is mainly attributed to lower budget allocations and delays in Exchequer releases.

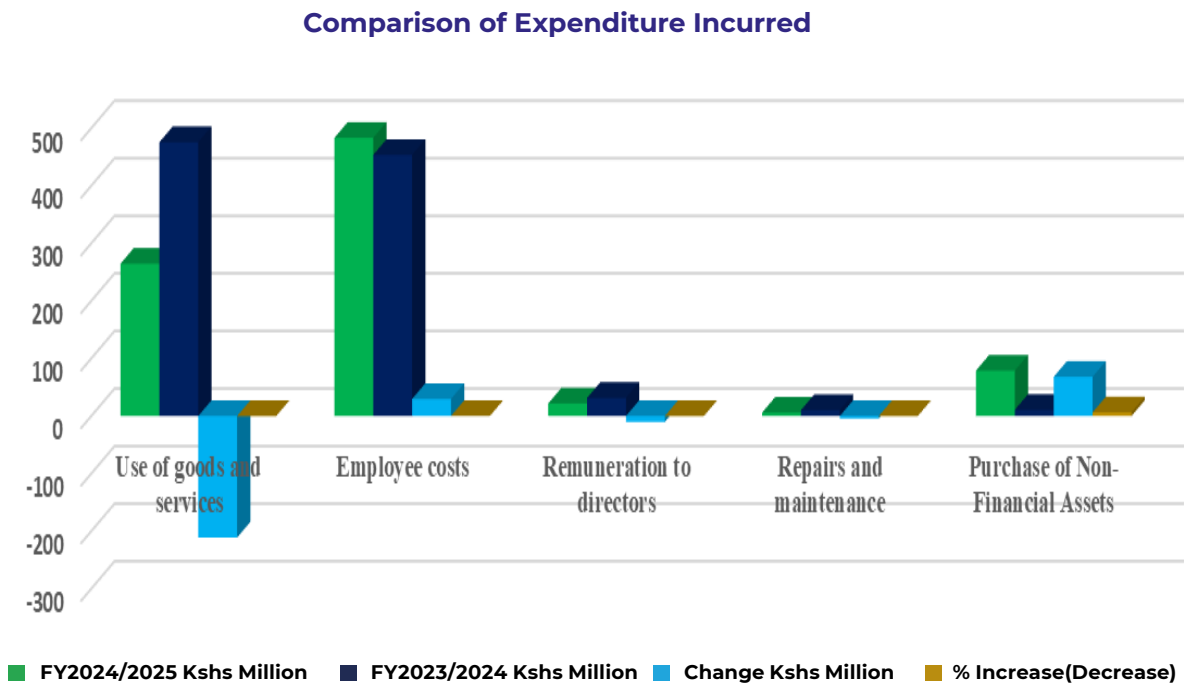
Additionally, the Agency spent **Ksh 78.9 million** on the acquisition of non-financial assets, a significant increase from the **Ksh 10.8 million** spent in FY 2023/2024. The expenditure primarily relates to the ongoing implementation of an Enterprise Resource Planning (ERP) system, which is currently a work in progress.

The expenses were incurred under the following categories;

Table 12: Comparison of actual Expenditure for the FY 2024/2025 and 2023/2024

Expense Item	FY 2024/2025	FY 2023/2024	Change	%Increase (De-crease)
	Kshs Million	Kshs Million	Kshs Million	
Use of goods and services	264.5	475.6	(211.1)	(44%)
Employee costs	483.1	453.5	29.6	7%
Remuneration to directors	21.8	31.5	(10.1)	(31%)
Repairs and maintenance	5.9	10.2	(4.3)	(42%)
Purchase of Non-Financial Assets	78.9	10.8	68.1	631%

Figure 2: Comparison of expenditure incurred for the financial year 2024/2025 and 2023/2024.



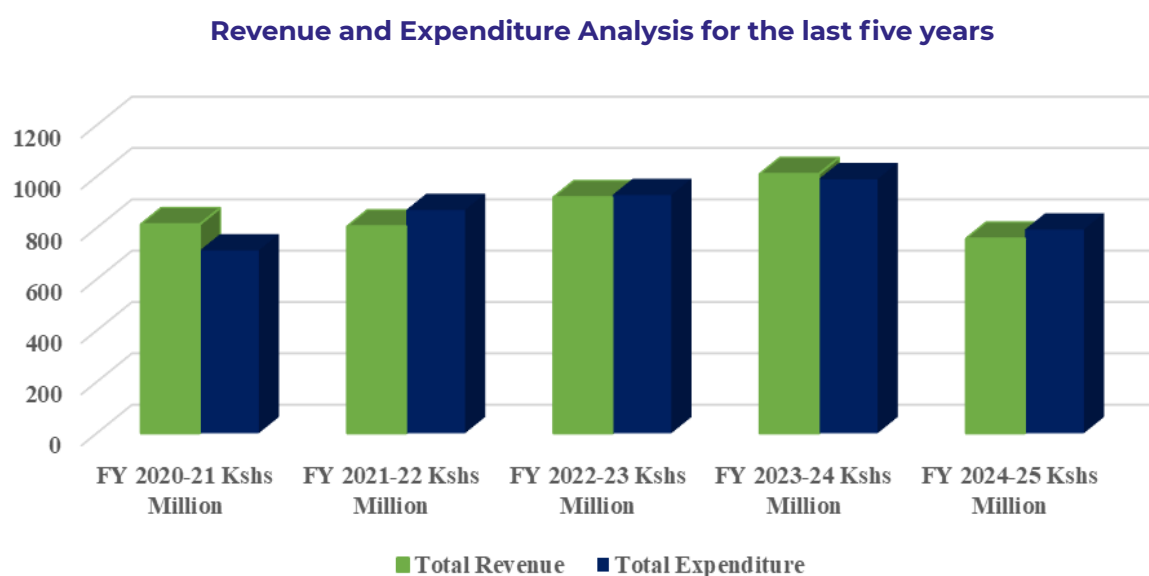
Trend Analysis of Revenue and Expenditure (FY 2020/21 – FY 2024/25)

Over the past five years, the Agency has experienced a steady growth in both revenue and expenditure. However, in the financial year under review (FY 2024/25), both revenue and expenditure recorded a marginal decline compared to the previous year. This trend is summarized in the table below:

Table 13: Revenue and Expenditure Analysis (Ksh. Million)

Expense Item	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
	Kshs Million	Kshs Million	Kshs Million	Kshs Million	Kshs Million
Total Revenue	813.6	805.4	918.8	1,009.5	757.8
Total Expenditure	712.2	869.5	927.8	989.5	793.4

Figure 3: Revenue and expenditure analysis for the last five years



The Agency continued to operate within its budget and demonstrated strong financial discipline amid a constrained economic environment. The shortfall in Exchequer releases impacted the implementation of some development activities; however, full absorption of disbursed funds was achieved.

NuPEA remains committed to prudent financial management and will continue engaging the parent Ministry and the National Treasury to ensure timely and adequate funding to support program implementation

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 organizational arrangements for designing, implementing, reviewing and continu-

ally improving risk management throughout the organization.

In the FY 2018/2019, the Agency adopted a proactive process-based approach towards identification, mitigation and management of risks that could impede the realization of its objectives. Departmental Risk Registers were developed in line with ISO 9001:2015 and the

Agency's Quality Procedures.

During the FY 2024/2025, 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 14: 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).	1.	Failure to achieve the strategic objectives.	1.	Stakeholder involvement during planning.
		2.	Weak monitoring, evaluation and reporting.	2.	Develop and implement a Monitoring and Evaluation system/plan.
				3.	Implement a performance management system.
Operational Risk	Risks arising from activities engaged in including systems, processes and procedures	1.	Lack of requisite policies, procedures and systems.	1.	Develop/Review requisite policies and procedures.
				2.	Implement appropriate organizational systems (i.e. ISO 90001:2015, ISO/IEC 27001:2013, ISO 31000).
Technology Risk	Risks arising from technological, process and service delivery innovations	1.	Resistance to adoption of new technologies.	1.	Undertake staff training on new systems adopted by the Agency.
		2.	Information security and cybercrime.	2.	Continuous monitoring and strengthening of information system security.
Political Risks	Change in government laws and policies	1.	Change in government priorities	1.	Advising the government on the status of ongoing projects
		2.	Social Media Influence and Activism (Gen-Z in Kenya is highly active on social media platforms.)	2.	Public Communication and Stakeholder Management strategy
				3.	Open Channels of Communication (with Gen-Z through social media platforms, town halls, and forums)

Risk Category	Description	Risks	Mitigation Strategy
Financial Risk	This involves the adequacy and accessibility of funds to finance the Agency's projects and programmes	1. Inadequate funding. 2. Delays in disbursement of resources to programmes/ activities. 3. Delayed project implementation	1. Pitch for allocation of adequate resources from the government. 2. Seek support from development partners. 3. Synchronize 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	1. Inadequate regulatory framework. 2. Litigation	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

As at 30th June 2025, NuPEA had outstanding statutory and financial obligations totaling **Ksh 249 million**, comprising:

- Gratuity for Contract Staff: **Ksh 37.9 million** in unpaid provision for gratuity entitlements for contract staff.
- Implementation of ERP: **Ksh 59.1 million** obligation arising from the ongoing acquisition and implementation of an Enterprise Resource Planning (ERP) System.
- Operational Payables – **Ksh 32.0 million**: Payables arising from routine operational activities.
- Pending Court Case: **Ksh 120.0 million**: Estimated financial exposure relating to the ongoing court matter (ELCEPPET No.

3 of 2023 – Mkoba Ngolo & Another vs Nu-PEA & Others), currently before the Malindi Environment and Land Court.

The Agency's management is engaging with the National Treasury and the Ministry of Energy and Petroleum to secure funding to clear these obligations and reduce associated risks.

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.

Environmental and Sustainability Reporting

10

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 co-ordination 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 realization 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 Education 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 minimize 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 utilization 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 acknowledges that employees are its most critical asset and that their overall wellbeing plays a critical role in the successful realization of the Agency's Vision and Mission. In this regard, the Agency is firmly committed to fostering a supportive and inclusive work environment that promotes the physical, emotional and professional wellbeing of all staff.

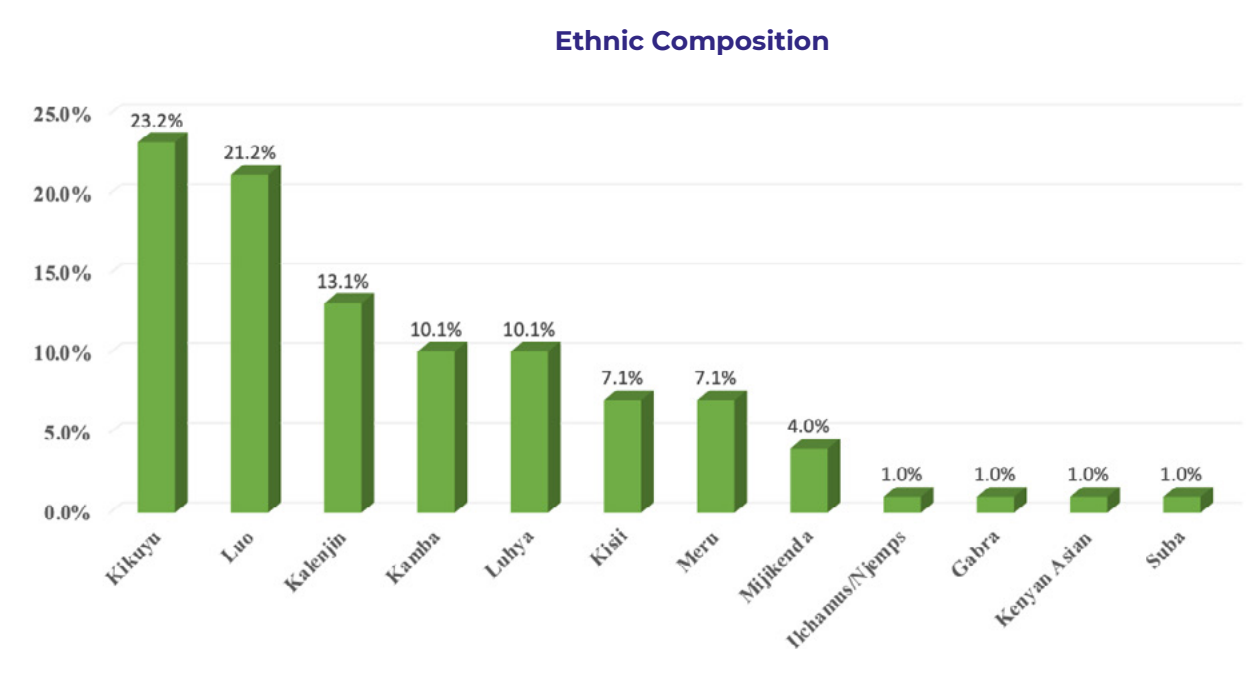
To this end, the Agency has implemented a range of staff welfare initiatives and policies designed to enhance the quality of work life and support employees in achieving their full potential. These include comprehensive medical coverage, group life insurance, work injury compensation as well as mortgage and car loan schemes among others. Recognizing that staff welfare is a shared responsibility, the Agency encourages active participation and engagement from all employees in the continuous improvement and utilization of these welfare programs.

a) Recruitment

The Agency recognizes human capital as a key driver in the achievement of its strategic objectives and overall institutional success. To support this, a strategic and structured resourcing approach has been adopted to attract and retain competent staff with the necessary skills, knowledge and capabilities.

As an equal opportunity employer, the Agency is committed to a fair and transparent recruitment process that is competitive and upholds the principles of equality, diversity and non-discrimination on the basis of race, religion, ethnicity or any other grounds.

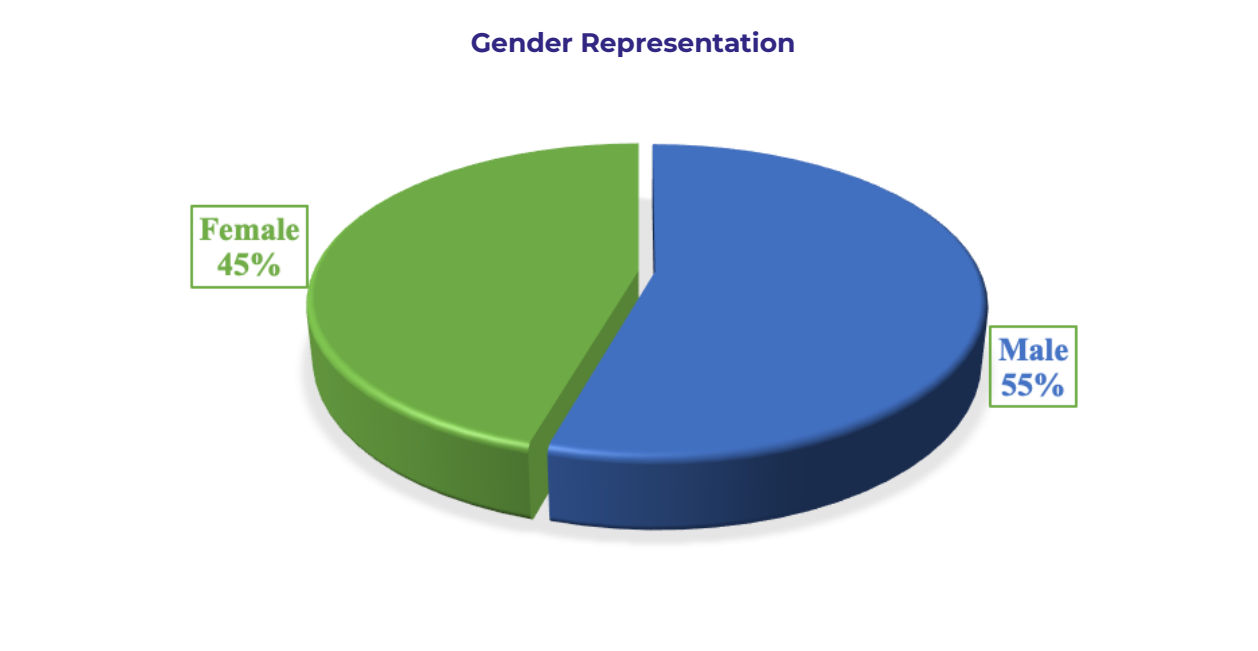
Figure 4: Ethnic composition of the NuPEA staff members



The Agency fully adheres to the constitutional requirements on the mainstreaming of gender and the inclusion of persons with disabilities, as outlined in Articles 52 and 57 of the Constitution of Kenya, 2010. These commitments are further supported by compliance with relevant guidelines and policies issued by the National Cohesion and Integration Commission, aimed at promoting equity, inclusivity and national unity.

To reinforce these efforts, the Agency has developed and implemented a Gender Policy along with other gender-responsive frameworks which are aligned with national values and principles of governance. These policies guide the Agency in fostering a diverse, inclusive and equitable work environment that ensures equal opportunities and meaningful participation for all.

Figure 5: NuPEA percentage gender composition



b) Career guidelines

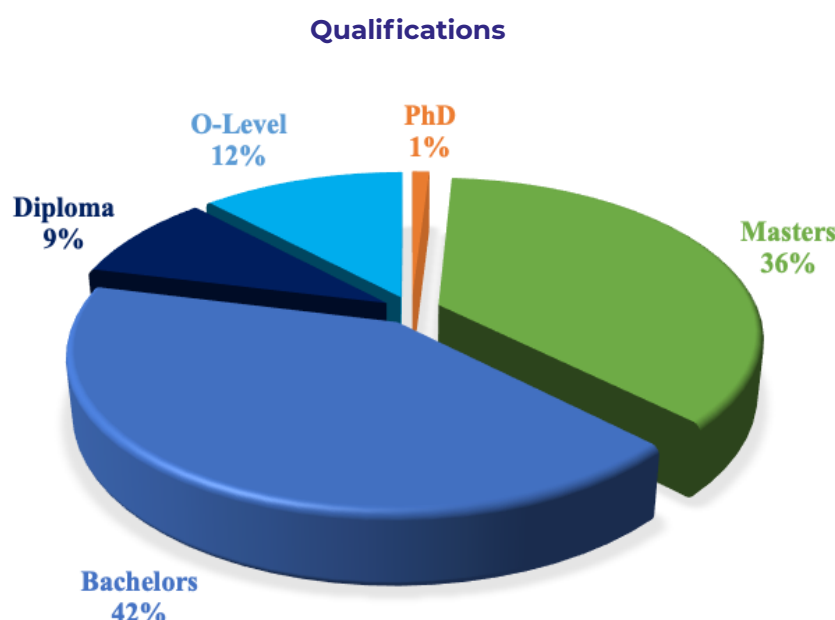
The Agency has a Career Guidelines Policy designed to provide a structured framework for the appointment, deployment and promotion of employees within their respective fields. This Policy plays a critical role in supporting employee motivation, enhancing career development and fostering a high-performance culture across the organization.

The Career Guidelines Policy clearly outlines the competencies, qualifications and relevant experience required for progression within each job category. It establishes transparent criteria for career

advancement, ensuring that staff have a clear understanding of the expectations and pathways available for professional growth.

In addition, the Policy incorporates a well-defined succession planning component which identifies key positions, delineates responsibilities and sets out clear lines of accountability. This approach ensures continuity in leadership and operational efficiency by proactively preparing and equipping employees for future roles within the Agency. Through this Policy, the Agency reaffirms its commitment to merit-based progression, talent development and long-term organizational sustainability.

Figure 6: Academics Qualifications



c) Performance Management

The Agency is firmly committed to fostering a culture of high performance as a critical driver for the successful delivery of its mandate and the attainment of its strategic objectives. In pursuit of this goal, the Agency has institutionalized the use of performance contracting—a results-based management approach that provides a structured framework for setting clear objectives, planning work, monitoring progress, evaluating outcomes and building capacity for sustained performance improvement.

The Agency's Performance Contract is aligned with national development priorities and directly linked

to its Strategic Plan, ensuring coherence between broader government goals and institutional targets. This contract is systematically cascaded across all Directorates/ Departments, Divisions and levels of staff, thereby promoting accountability, shared responsibility and clarity of purpose throughout the organization.

Complementing this is the Staff Performance Appraisal System (SPAS) which is anchored on the principles of collaborative work planning, establishment of measurable and agreed-upon performance targets, continuous feedback and structured performance reporting. SPAS is integrated with key human resource management systems

such as employee development, deployment, career progression and the Rewards and Sanctions Framework, creating a seamless linkage between performance and HR decision-making processes.

To further reinforce a performance-driven culture, the Agency has implemented an incentive scheme that recognizes and rewards staff based on their individual and team contributions, professional competencies and demonstrated experience. The Rewards and Sanctions Framework provides a formal mechanism for acknowledging exceptional performance while addressing underperformance in a fair and constructive manner. This framework serves to motivate employees, reinforce positive behavior and enhance overall productivity and service delivery within the Agency.

d) Training and Development

The Agency acknowledges that while the recruitment of qualified and competent personnel is essential, continuous enhancement of employees' core competencies, knowledge, skills, and attitudes is equally critical to maintaining high performance standards and aligning with emerging best practices. To this end, the Agency is committed to fostering a culture of continuous learning and professional development to ensure the effective and efficient delivery of its mandate.

Recognizing the strategic importance of human capital development, the Agency prioritizes training and capacity-building initiatives for all employees, ensuring fair and equitable access to learning opportunities without discrimination. These initiatives are designed to bridge identified skills gaps, enhance job performance and support career progression in alignment with both organizational goals and individual development needs.

During the year under review, the Agency undertook a comprehensive internal Training Needs Assessment (TNA) to identify priority areas for capacity development. Based on the outcomes of the assessment, the Agency facilitated staff participation in various Continuous Professional Development (CPD) programmes offered by their respective professional bodies. In addition, employees were supported to attend targeted training, seminars and conferences aimed at strengthening technical expertise, leadership capabilities and cross-functional collaboration. These interventions have contributed significantly to improved operational effectiveness, enhanced staff competencies and the overall performance of the Agency. NuPEA remains committed

to investing in the growth and development of its workforce as a strategic pillar for institutional success.

e) Occupational Health and Safety

The Management of NuPEA is fully committed to ensuring the health, safety and overall well-being of its employees, stakeholders, visitors and the general public. Recognizing that a safe working environment is essential to operational efficiency and employee productivity, the Agency is dedicated to the continuous improvement of workplace safety standards with the goal of achieving and maintaining an accident-free environment.

To realize this commitment, NuPEA has put in place a comprehensive Occupational Health and Safety (OHS) Policy that serves as a guiding framework for promoting and maintaining safe and healthy working conditions. The Policy emphasizes proactive risk management, continuous safety education, regular training and effective administrative controls. It reinforces the Agency's obligation to comply with the Occupational Safety and Health Act No. 15 (2007) as well as other applicable occupational safety and health regulations and standards.

The OHS Policy is designed to significantly reduce the incidence of work-related accidents and occupational illnesses through the implementation of preventive and corrective measures. Additionally, it provides for equitable compensation, rehabilitation and support for employees who may suffer injuries or contract diseases in the course of their duties. Through this policy, NuPEA demonstrates its strong leadership and unwavering commitment to fostering a culture of safety, accountability and shared responsibility across all levels of the organization.

iv) Marketplace practices

NuPEA remains dedicated to public advertising as a means of increasing awareness and understanding of Kenya's nuclear power programme and its institutional mandate. These efforts also aim to enhance the Agency's brand recognition and overall corporate visibility. The intended audience includes both domestic and international stakeholders, as well as the general public. Through its advertising efforts, the Agency seeks to share well-crafted messages on nuclear energy, employment opportunities, upcoming events, procurement notices, and other relevant information.

To ensure consistent and impactful outreach, NuPEA employs a robust multimedia strategy. This primarily involves the use of electronic and print media, including paid advertorials aired on television and radio, as well as newspaper inserts particularly in the MyGov publication. Additionally, the Agency engages in digital advertising by regularly publishing content on its official website and social media platforms such as Twitter, Facebook, Instagram, and YouTube. Complementary advertising tools include Information, Education and Communication (IEC) materials like brochures, flyers, banners, and various branded items, all of which contribute to enhancing NuPEA's public profile and visibility.

a) Responsible Competition Practice

The Agency remains committed to upholding responsible competition by strictly adhering to and aligning its supply chain practices to regulatory frameworks and internal policies. This ensures that supply chain activities are compliant and legal risks are minimized. To promote inclusivity and transpar-

ency, suppliers are given the opportunity to register with the Agency under relevant categories that reflect their expertise in providing goods, works, or services. Once registered, suppliers are invited to participate in procurement opportunities on a rotational basis, ensuring fair access and equal opportunity in the bidding process.

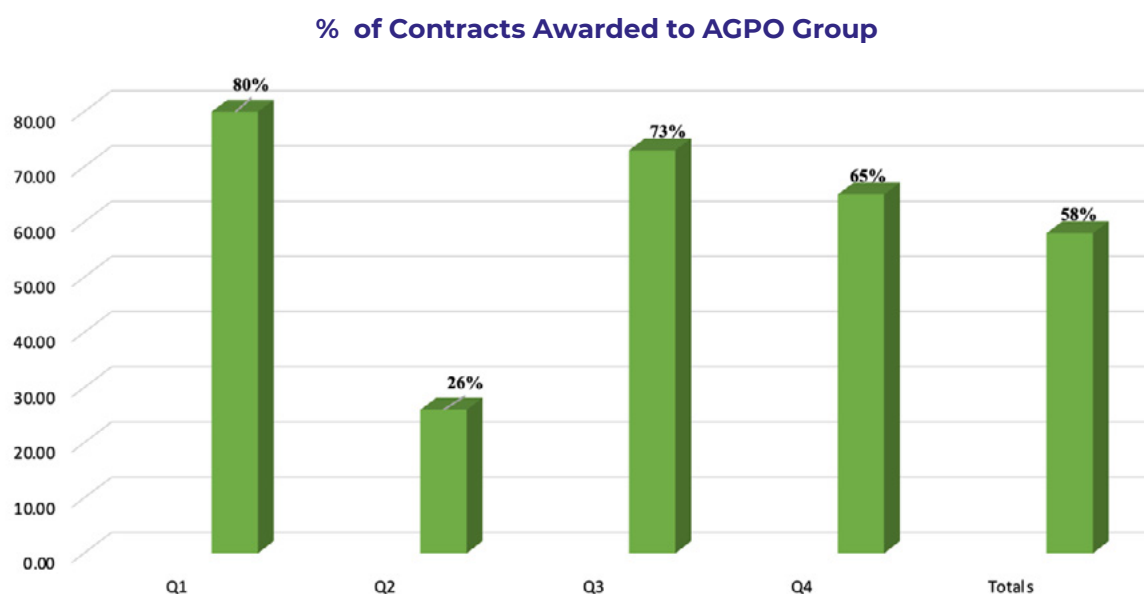
b) Responsible Supply Chain and Supplier Relations

The Agency complied with allocation of at least 30% of its procurement budget to Youth, Women and Persons Living with Disabilities (PWDs) as prescribed in the Public Procurement and Asset Disposal Act 2015, Public Procurement and Asset Disposal Regulations, 2020 and Government preferential procurement policy on Access to Government Procurement Opportunities (AGPO). In the year under review, the Agency awarded 56% of its total procurement spending on tenders to special interest groups (Youth, Women & PWDs) as per the table below;

Table 15: Contracts Awarded to AGPO

S/N	Contracts awarded to AGPO (Kshs)	Total procurements per quarter (Kshs)	% of contracts awarded to AGPO group
Q1	10,818,495	13,516,154	80
Q2	6,485,785	25,149,767	26
Q3	8,854,191	12,151,948	73
Q4	27,133,265	41,641,101	65
Totals	53,291,736	92,458,970	58

Figure 7: Percentage of contracts awarded to AGPO by Quarter



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 maintaining transparency, accountability, and efficiency in its financial dealings with suppliers. To uphold this commitment, all supplier payment documents are compiled accurately and submitted in a timely manner. This ensures that payments for goods, works, and services provided are processed and disbursed within the stipulated contractual timelines, thus promoting strong supplier relationship and trust. To improve efficiency in the procurement process, the Agency is implementing e-procurement.

c) Responsible marketing and advertising

The Agency advertised its open tenders via MyGov, Public Procurement Information Portal (PPIP) and the Agency's official website as per the government guidelines on public procurement. This approach supported fair competition and equal opportunity for all eligible suppliers. Further, the Agency published all contracts awarded in the PPIP to enhance accountability and transparency and submitted required statutory reports to the Ministry of Energy, The National Treasury and Ministry of Industry, Trade and Enterprise Development.

d) Product stewardship

The Agency ensures that the goods, works and services procured meets defined quality requirements, comply with regulatory standards and align with responsible supply chain practices. This ensures safety, sustainability and accountability.

v) Corporate Social Responsibility (CSR)/ Community Engagements

As a responsible corporate entity, NuPEA embraces Kenya's cultural richness, diversity, and social cohesion by actively supporting initiatives that contribute to improving the quality of life for its citizens. In tandem with its core operations, the Agency continued to roll out CSR programmes aimed at creating meaningful and lasting impacts within local communities.

NuPEA also upholds its commitment to environmental sustainability by partnering with various stakeholders to support the national tree growing initiative, in line with the Presidential directive. This nationwide effort targets the planting of 15 billion trees by the year 2032 to help expand Kenya's forest cover. In the 2024/25 financial year, the Agency reinforced this commitment by planting over 41,000 tree seedlings during an environmental conservation drive in Londiani, Kericho County.

In line with its mandate to develop indigenous human capacity for Kenya's nuclear power programme, the Agency continued to invest in education through its scholarship programme. During the year under review, NuPEA sponsored two top-performing students from Kilifi County to join Starehe Boys Centre and Starehe Girls Centre, providing full tuition fees and related support at a total cost of **Ksh 235,000**. This initiative reaffirms the Agency's commitment to empowering communities, bridging educational gaps, and nurturing future leaders in the energy sector.

Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended 30th June, 2025, 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, 2025, are set out on page 1 to 26

iii) Directors

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

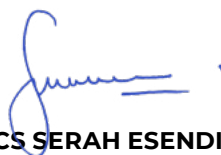
iv) Surplus remission

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



CS SERAH ESENDI
CORPORATION SECRETARY

Statement of Directors' Responsibilities

12 .

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, 2025. 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;

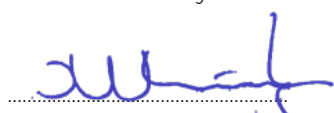
- iv. Safeguarding the assets of the Agency;
- v. Selecting and applying appropriate accounting policies; and
- vi. Making accounting estimates that are reasonable in the circumstances.

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, 2025, 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 4/12/2025 2025 and signed on its behalf by:


Eng. Prof. Lawrence Gumbe (PhD)
 CHAIRMAN OF THE BOARD


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

Report of the Auditor General on Nuclear Power and Energy Agency for the Year Ended 30 June 2025

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON NUCLEAR POWER AND ENERGY AGENCY OR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Nuclear Power and Energy Agency (NuPEA) set out on pages 1 to 26 which comprise of the statement of financial

position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Nuclear Power and Energy Agency as at 30 June, 2025 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.

Basis for Opinion

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

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 Audit Matters

In the prior years' audit report, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on the Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the of Agency 2024/2025 financial year, revealed that the following matters remained unresolved.

	Audit Issue
1	Budgetary Control and Performance
2	Late Exchequer Releases
3	Members of Staff Acting Beyond Stipulated Period
4	Non-Compliance with the Framework for the Approved Establishment

	Audit Issue
5	Delayed Project Implementation
6	Over-Expenditure in Board Expenses
7	Excess Board Sitzings
8	Inadequate Board Meetings of the Technical and Research Committee

Other Information

Management is responsible for the Other Information set out on page vi to lxix which comprise of Key Entity Information and Management, The Board of Directors, The Management, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the 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 and I am required to report that fact. I have nothing on this report on this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Use of Petroleum Development Levy Funds

The statement of financial performance reflects transfers from other Government entities balance of Kshs.697,799,994 as disclosed in Note 6 to the financial statements. Included in this balance is Kshs.110,000,000 being receipts from the Petroleum Development Levy Fund. Examination of how these receipts were utilized revealed that the Agency spent

these amounts on publicity and advocacy, Nuclear Plant sitting expenses, Nuclear Policy Legislation, Resource Development for Nuclear Power Programme (RDNPP) and Strategic Environmental and Social Assessment. Review of the above expenditure revealed that the activities undertaken related to stakeholder advocacy and engagement and energy capacity development as indicated in the Agency's Strategic Plan for financial year 2023/2027 and not petroleum development activities. Further, review of NuPEA Strategic Plan did not indicate any plan on undertaking of petroleum development activities.

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

2. Non-Compliance with on Persons with Disabilities (PWDs)

Review of the staff biodata revealed that the Agency has a total of one hundred and one (101) members of staff. However, only one (1) staff member, representing 0.99% of the total workforce, is Persons Living With Disabilities. This is contrary Article 54(2) of the Constitution and Section 4 of the Persons with Disabilities Act, 2025 which requires national government to promote the inclusion and integration of persons with disability in the public service and put in place measures to ensure that at least five per centum of the employment positions are filled by persons with disability. Although Management has committed to adopt deliberate and progressive measures to improve representation of persons with disabilities within its workforce, including reviewing recruitment guidelines to identify and address potential barriers to access persons with disabilities, this has not been achieved and the statutory minimum of 5% employment of persons with disabilities has not been attained.

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

3. Payment on Expired Contract

The Agency entered into a contract with the local Company on 24 October, 2016 for a period of 24 weeks, approximately six (6) months, ending on 24 April, 2017 at a contract sum of Kshs.68,347,200. During the year under review, the Agency paid the Company Kshs.4,500,000 on 10 June, 2025 for consultancy services for strategic environmental assessment of Kenya's Nuclear Power Programme. Review of the expenditure records and supporting documents revealed the following anomalies;

- i. An invoice submitted to the Agency on 10 February, 2023 for Kshs.5,946,206 being 15% payment for preparation of final report was for expenditure was incurred in the financial year 2023/2024 and not in the year under review and payment was made in July, 2025; and
- ii. Management made payments with an expired contract as no evidence has been provided for an extension of the contract despite the contract expiring on 24 April, 2017.

In the circumstances, the value for the funds incurred on expired contract could not be ascertained.

4. Recruitments Beyond the Approved Staff Establishment

Review of the Agency's staffing requirements revealed that while the approved staff establishment is one hundred and forty-seven (147), the in-post staff was one hundred and one (101). However, Management had exceeded the approved staff numbers in some grades. In other cases, the approved staff establishment did not have provision for some positions while in others the establishment had fewer provisions, but the entity had more in-post staff than those positions.

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

5. Lack of a Legal Compliance Audit

Review of records at the Agency revealed no evidence of the Board having undertaken an annual legal compliance audit during the year under review. The audit is expected to establish the level of adherence to applicable laws, rules, regulations and standards by the Agency. Therefore, it was not possible to confirm the level of adherence to applicable laws, rules, regulations and policies of the Agency as required by Mwongozo Code of Governance for State corporations.

In the circumstances, Management was in breach of the Mwongozo code of governance for State corporations.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance

were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and 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 Agency's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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 of 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

19 December, 2025

Statement of Financial Performance for the Year Ended 30 June, 2025

14

	Notes	FY 2024/2025	FY 2023/2024
Revenue from non-exchange transactions		Kshs	Kshs
Transfers from other government entities	6	697,799,994	998,709,443
Other Income	7	5,398	1,398,482
Total Revenue		697,805,392	1,000,107,925
Expenses			
Use of goods and services	8	264,479,076	475,581,845
Employee costs	9	483,130,140	453,507,927
Board expenses	10	21,751,796	31,554,959
Depreciation and amortization expense	11	18,136,362	18,686,569
Repairs and maintenance	12	5,909,438	10,194,067
Total expenses		793,406,811	989,525,368
Surplus(Deficit) before Tax		(95,601,419)	10,582,557
Taxation			
Surplus(Deficit)for the period		(95,601,419)	10,582,557

The notes set out on pages 6 to 26 form an integral part of these Financial Statements

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:



Chief Executive Officer
CS Justus Wabuyabo, LLM
(UoN)

Date: 4/12/2025



Head of Finance
CPA Caren Oduor
CPAK No: 6187

Date: 4/12/2025



Chairman of the Board
Eng. Prof. Lawrence Gumbo
(PhD)

Date: 4/12/2025

15.

Statement of Financial Position as at 30 June, 2025

Description	Notes	FY 2024/2025	FY 2023/2024
Assets		Kshs	Kshs
Current assets			
Cash and cash equivalents	13	3,917,176	112,878,611
Receivables from non-exchange transactions	14(a)	7,924,304	12,937,966
Total Current Assets		11,841,480	125,816,577
Non-current assets			
Long Term receivables (Mortgage & Car loan	14(b)	317,270,000	317,270,000
Property ,plant and equipment	15	174,445,406	101,422,298
Intangible Assets	16	13,480,968	14,897,388
Total non - current assets		505,196,374	433,589,686
Total assets		517,037,855	559,406,264
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	17	93,261,709	70,557,990
Provisions	17	348,000	696,000
Total current liabilities		93,609,709	71,253,990
Non-current liabilities			
Non-current employee benefit obligation	18	39,430,740	25,132,546
Total non-current liabilities		39,430,740	25,132,546
Total liabilities		133,040,449	96,386,537
Net assets			
Reserves		118,518,313	118,518,313
Accumulated surplus		265,479,093	344,501,414
Total net assets		383,997,406	463,019,727
Total net assets and liabilities		517,037,854	559,406,263

Chief Executive Officer
CS Justus Wabuyabo, LLM
(UoN)

Date:

4/12/2025

Head of Finance
CPA Caren Oduor
CPAK No: 6187

Date:

4/12/2025

Chairman of the Board
Eng. Prof. Lawrence Gumbo
(PhD)

Date:

4/12/2025

Statement of Changes in Net Assets for the Year Ended 30 June, 2025

	Fund Account	Accumulated Surplus	Total
	Kshs	Kshs	Kshs
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	10,797,050
At 30 June 2024	118,518,313	344,501,414	463,019,727
At 1 July 2024	118,518,313	344,501,414	463,019,727
Prior year adjustment		*16,579,098	*16,579,098
Deficit for the period		(95,601,419)	(95,601,419)
At 30 June 2025	118,518,313	265,479,093	383,997,406

Note: Prior Year Adjustments

The prior year adjustments amounting to **Ksh 16,579,098** comprise the following:

- * **Ksh 5,854,919** – Adjustment relating to the correction of an omission in the payroll ledger for the Housing Levy for FY 2023/2024.
- * **Ksh 7,508,771** – Reclassification of expenditure incurred in FY 2023/2024 for the construction of a weather monitoring station, which has now been correctly classified as Work-in-Progress (WIP) in FY 2024/2025.
- * **Ksh 3,215,408** - Adjustments relating to error correction noted on various accounts noted during audit.

These adjustments have been made in accordance with applicable accounting standards to ensure accurate financial reporting and presentation.

17.

Statement of Cash flows for the Year Ended 30 June, 2025

	Notes	Budget Cur- rent year	FY 2024/2025	FY 2023/2024
		Kshs	Kshs	Kshs
Cash flows from operating activities				
Receipts				
Transfers from other government entities	6	757,800,000	697,799,994	1,009,506,493
Prior year Exchequer Receipts			-	45,000,000
Other income	7	-	5,398	1,398,482
Total Receipts		757,800,000	697,805,392	1,055,904,975
Payments				
Use of goods and services	8(a)	248,085,000	236,268,391	524,738,924
Employees costs	9(a)	457,170,000	463,833,733	433,525,751
Board expenses	10	19,545,000	21,751,796	31,554,959
Repairs and maintenance	12	7,000,000	5,909,438	10,194,067
Deposits	14(c)	-	127,075	-
Total Payment		731,800,000	727,890,432	1,000,013,701
Net cash flows from operating activities			(30,085,040)	55,891,273
Cash flows from investing activities				
Purchase of property, plant, equipment and intangible assets	15	26,000,000	(78,876,401)	(10,797,050)
Prior Year Adjustment(WIP)				
Net cash flows used in investing activities			(78,876,401)	(10,797,050)
Net increase/(decrease) in cash and cash equivalents			(108,961,441)	45,094,223
Cash and cash equivalents at 1July	13		112,878,617	67,784,388
Cash and cash equivalents at 30 June	13		3,917,176	112,878,611

Statement of Comparison of Budget and Actual Amounts for the Year Ended 30 June, 2025

	Original Budget	Adjustments	Final Budget	Actual Cumulative to date	% of Utilisation
	a	b	c=a+b	d	e=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs
Revenue					
Government grants and subsidies	550,000,000	207,800,000	757,800,000	697,799,994	92%
Other incomes	-	-	-	5,398	-
Total income	550,000,000	207,800,000	757,800,000	697,805,392	92%
Expenses					
Use of goods and services	92,985,000	155,100,000	248,085,000	264,479,076	107%
Employees costs	441,470,000	15,700,000	457,170,000	483,130,140	106%
Board expenses	11,045,000	8,500,000	19,545,000	21,751,796	111%
Repairs and maintenance	4,000,000	3,000,000	7,000,000	5,909,438	84%
Total expenditure	549,500,000	182,300,000	731,800,000	775,270,449	106%
Surplus for the period	500,000	25,500,000	26,000,000	(77,465,057)	
Purchase of non -financial assets	500,000	25,500,000	26,000,000	78,876,401	303%

Notes on Statement of Comparison of Budget and Actual amounts**Note 1. Reconciliation of Budget and Statement of Financial Performance**

Details	Kshs
Deficit as per Statement of performance	(95,601,419)
Add	
Depreciation Expense	18,136,362
Deficit as per Statement of Budget	(77,465,057)

Notes to the Financial Statements

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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 man-

agement 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.

3. Adoption of New and Revised Standards

- i. ***New and amended standards and interpretations in issue effective in the year ended 30 June 2025.***
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 2025***

Standard	Effective date and impact:
IPSAS 43	<i>Applicable 1st January 2025</i> 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. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. There is no expected impact of the standard to the Agency financial statements as there are no active leases.

Notes to the Financial Statements (Continued)

Standard	Effective date and impact:
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 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: 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. There is no expected impact of the standard to the Agency's financial statements.
IPSAS 45- Property Plant and Equipment	Applicable 1st January 2025 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. 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.
IPSAS 46 Measurement	Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by: 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. The standard also introduces a public sector specific measurement bases called the current operational value. The Agency is in the process of assessing any impact of the standard on the Agency's financial statements

Notes to the Financial Statements (Continued)

Standard	Effective date and impact:
IPSAS 47- Revenue	Applicable 1st January 2026 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. 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.
IPSAS 48- Transfer Expenses	Applicable 1st January 2026 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. 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.
IPSAS 49- Retirement Benefit Plans	Applicable 1st January 2026 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. There is no expected impact of the standard to the Agency's financial statements.

iii. **Early adoption of standards**

The Entity did not early adopt any new or amended standards in year 2024/2025

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.

Notes to the Financial Statements (Continued)

b) Budget Information

The original budget for the current year FY 2024-2025 was approved by the National Assembly in June 2024. 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 ex-

penditure 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.

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 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.

Summary of Significant Accounting Policies (Continued)

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.

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

Notes to the Financial Statements (Continued)

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 commercial 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 reconfigured 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, 2025.

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

Summary of Significant Accounting Policies (Continued)

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

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 FY 2024/2025	Total Transfers FY 2024/2025	FY 2023/2024
	Kshs	Kshs	Kshs	Kshs
Ministry of Energy (Recurrent)	587,799,994	587,799,994	587,799,994	998,709,443
Ministry of Energy (Development)	110,000,000	110,000,000	110,000,000	10,797,050
Total	697,799,994	697,799,994	697,799,994	1,009,506,493

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 2024/2025	FY 2023/2024
	Kshs	Kshs
Grant from International Atomic Energy Agency	-	321,616
Interest on staff loans	5,398	64,232
Compensation from WIBA	-	1,012,634
Total other income	5,398	1,398,482

Summary of Significant Accounting Policies (Continued)

8. Use of goods and services

No.	Description	FY 2024/ 2025	FY 2023/2024
		Kshs	Kshs
1	Telephone and internet services	10,789,620	11,559,709
2	Audit fees	348,000	348,000
3	Conferences ,seminars and workshops	10,768,484	46,450,603
4	Consultancy fees	3,000,000	7,333,800
5	Staff welfare	3,789,110	8,292,898
6	Office Utilities	1,972,574	1,611,116
7	Office Supplies	6,775,558	8,217,660
8	Fuel and oil	4,218,192	9,710,528
9	Insurance	1,613,518	1,763,120
10	Cleaning Services	4,767,576	4,543,587
11	Litigation and Legal fees	8,000,000	2,246,529
12	Licenses and permits	10,899,436	10,849,454
13	Training	9,117,925	33,367,259
14	Travelling expenses	9,860,473	10,553,644
15	Security expenses	4,924,446	4,223,900
16	Rent	6,611,349	6,422,543
17	Postage	75,030	83,506
18	Printing and stationery	3,715,296	17,134,920
19	Bank Charges	548,288	652,136
20	Penalties and Fines	855,279	889,948
21	Membership and subscriptions	150,000	8,778,868
22	Publicity and advocacy(PA)	30,250,880	97,104,395
23	Nuclear plant siting expenses(NPPD)	23,590,985	29,803,757
24	Nuclear policy Legislation(NPL)	35,796,910	37,873,996
25	Resource development for Nuclear power programme (RDNPP)	60,621,648	105,004,145
26	Research and development(RD)	2,759,846	9,752,225
27	Strategic Environmental and Social Assessment	8,658,654	1,009,600
Total use of goods and services		264,479,076	475,581,845

Notes to the Financial Statements (Continued)

8(a). Use of goods and services

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Total use of goods and services	264,479,076	
Trade payables accrued 2023/2024	63,250,776	
Trade payables accrued 2024/2025	(91,461,460)	
Total use of goods and services paid	236,268,391	524,753,919

9. Employee Costs

No.	Description	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
1	Salaries and wages	410,182,761	404,676,153
2	Gratuity	20,381,786	19,392,649
3	Medical Expenses	46,826,103	24,303,136
4	Staff Group life insurance	5,739,490	5,135,989
	Employee costs	483,130,140	453,507,927

9(a). Employee costs

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Total Employee costs	483,130,140	
Accrued Staff receivables 2023/2024	(14,365,413)	
Accrued Staff receivables 2024/2025	3,497,230	
Employee Benefit obligation 2023/2024	8,003,219	
Employee Benefit obligation 2024/2025	(2,148,249)	
Total Non-current employee benefit obligation 2023/2024	25,147,546	
Total Non-current employee benefit obligation 2024/2025	(39,430,740)	
Total Employee costs paid	463,833,733	433,359,552

Notes to the Financial Statements (Continued)

10. Remuneration of Directors

No.	Description	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
1	Chairman's Honoraria	952,258	960,000
2	Directors emoluments	13,284,972	25,194,228
3	Traveling Expenses	6,560,286	4,349,070
4	Medical expenses	954,281	1,051,661
	Total director emoluments	21,751,796	31,554,959

11. Depreciation and Amortization Expense

No.	Description	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
1	Motor vehicle	6,055,776	7,891,101
2	Furniture and Fittings	4,028,419	3,743,073
3	Computers	4,228,865	3,872,020
4	Office equipment	2,406,885	1,734,116
5	Intangible assets	1,416,417	1,446,259
	Total depreciation and amortization	18,136,362	18,686,569

12. Repairs and Maintenance

No.	Description	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
1	Building	627,363	4,347,954
2	Equipment	766,558	1,368,460
3	Vehicles	4,515,517	4,477,653
	Total repairs and maintenance	5,909,438	10,194,067

13. Cash and Cash Equivalents

No.	Description	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
	Current account	3,847,316	112,691,211
	Cash in hand	69,860	187,400
	Total cash and cash equivalents	3,917,176	112,878,611

Notes to the Financial Statements (Continued)

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

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Kenya Commercial Bank	3,833,656	85,068,848
National Bank of Kenya	-	27,578,654
Co-operative Bank of Kenya	13,660	43,709
Sub- total	3,847,316	112,691,211

14. Receivables from Non-Exchange Transactions

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
a)Current receivables		
Staff Receivables	3,497,230	8,637,966
Deposits	4,427,075	4,300,000
Total current receivables	7,924,304	12,937,966

b)Non-current receivables		
Staff Mortgage fund	244,670,000	244,670,000
Staff Car loans Fund	72,600,000	72,600,000
Total non-current receivables	317,270,000	317,270,000
Total receivables	325,194,304	330,207,966

14(c)Receivables from non-exchange contracts		
Total Deposits	4,427,075	4,300,000
Accrued Deposits 2023/2024	(4,300,000)	(4,300,000)
Total Deposits Paid	127,075	-

Ageing Analysis- Receivables from non- exchange transactions	FY 2024-2025	Total %	FY 2023-2024	Total %
	Kshs	Kshs	Kshs	Kshs
Less than 1 year	3,624,304	46%	8,486,767	66%
Over 3 years	4,300,000	54%	4,300,000	34%
Total	7,924,304	100%	12,786,767	100%

Notes to the Financial Statements (Continued)

15. Property, Plant and Equipment

	Motor vehicles		Furniture and fittings		Computers		Office Equipment		W.I.P		Total
Cost	Kshs		Kshs		Kshs		Kshs		Kshs		Kshs
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
Additions	-	140,250		2,200,000		1,017,630		86,385,172			89,743,052
At 30 June 2025	56,302,250		50,777,131		29,150,450		22,681,108		86,385,172		245,296,111
Depreciation and impairment											
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
Depreciation for period	6,055,776	4,028,419		4,228,865		2,406,885					16,719,945
At 30 June 2025	34,607,659		15,598,084		12,784,550		7,860,412		-		70,850,705
Net book values											
At 30 June 2025	21,694,591		35,179,046		16,365,900		14,820,696		86,385,172		174,445,406
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 2024/2025	FY 2023/2024
Cost	Kshs	Kshs
At beginning of year (1/7//2024)	20,483,541	20,483,541
At end of the year (30/6/2025)	20,483,541	20,483,541
Amortization and impairment		
At beginning of year (1/7/2024)	5,586,155	4,139,896
Amortization	1,416,417	1,446,259
At end of the year (30/6/2025)	7,002,572	5,586,155
Net Book Value (30/6/2025)	13,480,968	14,897,386

17. Trade and Other Payables from Exchange Transactions

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Trade payables	91,113,460	62,554,776
Employee Benefit obligation	2,148,249	8,003,219
Audit fees Accrued/Provisions	348,000	696,000
Total trade and other payables	93,609,709	71,253,994

Ageing analysis: (Trade and other payables)

Ageing analysis: (Trade and other payables)	FY 2024-2025	Total %	FY 2023-2024	Total %
	Kshs	Kshs	Kshs	Kshs
Under one year	89,595,412	96%	67,513,594	95%
1 year and above	4,014,297	4%	3,740,400	5%
Total	93,609,709	100%	71,253,994	100%

Notes to the Financial Statements (Continued)

18. Non-Current Employee Benefit Obligation

Description	Gratuity	Pension	Total
	Kshs	Kshs	Kshs
Opening Balance 1 July 2024	23,609,268	1,538,278	25,147,546
Additional Provisions	19,366,161	-	19,366,161
Provisions utilized	(5,082,967)	-	(5,082,967)
Total provisions at 30 June 2025	37,892,462	1,538,278	39,430,740
Current Provisions	19,366,161	-	19,366,161
Non-Current Provisions	18,526,301	1,538,278	20,064,579

19. Cash Generated from Operations

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Deficit for the period before tax	(95,601,419)	10,582,557
Adjusted for:		
Depreciation	18,136,362	18,686,569
Non-Current Liabilities	11,145,790	14,425,184
Purchase of non-financial assets	3,357,880	10,797,050
Working Capital adjustments		
(Increase)Decrease in receivables	5,013,662	44,399,746
Increase(Decrease) in provisions	(696,000)	-
Increase(Decrease) in payables	28,558,684	(55,119,832)
Prior year adjustment	-	12,120,000
Net cash flow from operating activities	(30,085,040)	55,891,273

20. Financial Risk Management

i) 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.

Notes to the Financial Statements (Continued)

	Less than 1 month	Between 1-3 months	Over 5 months
	Kshs	Kshs	Kshs
As at June 2025			
Trade payables	71,477,862	7,129,770	9,141,476
Non-current employee benefit obligation	1,466,110	2,932,221	35,032,409
Current employee benefit obligation	2,148,249	-	-
Total	75,092,221	10,061,991	44,173,885

ii) 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.

iii) 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 2024/2025	FY 2023/2024
	Kshs	Kshs
Revaluation Reserve	6,104,440	6,104,440
Retained Earnings	333,621,782	295,648,073
Capital Reserve	139,872,602	139,872,602
Total Funds	479,598,825	441,625,115
Cash and Bank Balances	3,847,316	112,878,611

Notes to the Financial Statements (Continued)

21. Events after the Reporting Period

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

22. Ultimate and Holding Entity

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

23. Currency

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

24. Related Parties Disclosure.

Nature of related party relationships

Entities and other parties related to the Agency include those parties who have ability to exercise con-

trol or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the 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

	FY 2024/2025	FY 2023/2024
	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	1,376,751	91,166
Purchase of water from govt service providers	595,823	
Training and conference fees paid to govt. Agencies	5,914,510	8,360,022
Total	7,887,084	8,451,188
b) Grants /transfers from the government		
Grants from national government	697,800,000	1,009,506,493
Total	697,800,000	1,009,506,493
c) Expenses incurred on behalf of related party	N/A	N/A
Total	N/A	N/A
d) Key management compensation		
Directors' emoluments	20,359,902	31,554,959
Compensation to key management	78,794,692	89,788,661
Total	99,154,594	121,343,620

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

APPENDICES

20.

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
			(Resolved / Not Resolved)	
1	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 7.2% 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.	The initial budget for Energy Technology Innovations, Research, and Development was Ksh. 66,500,000. However, during the Supplementary 1 budgeting process, it was reduced by Ksh. 55,000,000, resulting in a final budget of Ksh. 11,500,000. Of this amount, an expenditure of Ksh. 9,752,225 was incurred, reflecting an absorption rate of 85% of the approved budget. This demonstrates efficient utilization of the funds and not under-absorption as per your observation. The approved budget has been provided for your review.	Not Resolved 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:	Timeframe:
			(Resolved / Not Resolved)	
2.	2. Late Exchequer Releases 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 stated 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.	Delays in exchequer releases adversely affect the performance and implementation of planned activities. To mitigate this challenge, the Agency has appointed a dedicated finance officer to advocate for timely disbursement of funds from the National Treasury, through the Ministry of Energy. The disbursement process, however, remains dependent on the availability of funds	Not Resolved Report has not been tabled before the Parliamentary Investment Committee (PIC) of the National Assembly for deliberations	
3.	Unresolved Prior Year Issues In the audit of the previous year, a matter was raised under the Report on Financial Statements and 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 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.	This has been noted and necessary adjustments done on appendix 1 to the financial statements.	Not Resolved Report has not been tabled for deliberations by the Parliamentary Investment Committee (PIC) of the National Assembly	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
			(Resolved / Not Resolved)	
4	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 regulations	The Agency's approved Human Resource Policy and Procedures Manual clause 4.5.5. provides that "Appointment on acting basis is a temporary measure pending the substantive filling of the vacant post by either recruitment or resumption of duty by the substantive holder of the post. The appointment shall normally be limited to a continuous period of 6 months or until the vacant post is filled, whichever is the earlier, but may be extended by the Board or Chief Executive Officer if the post remains vacant for a period not exceeding 6 months." In the current scenario, all acting appointments exceeding six months have received the necessary approvals from the Board or CEO, in compliance with the Manual. Despite this, some officers have served in an acting capacity for over one year due to the critical nature of their positions which cannot afford prolonged vacancies. Recognizing the importance of continuity in operations, the Agency has engaged the relevant Government Agencies, requesting approval to substantively appoint these officers. This measure is aimed at addressing staffing gaps in these critical roles, thereby ensuring the seamless functioning of operations and maintaining organizational stability. However, the approvals are still pending .	Not Resolved Report has not been tabled before the Parliamentary Investment Committee (PIC) of the National Assembly for deliberations	

5	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 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.	The Agency has an approved staff establishment of one hundred and forty-seven (147) positions as observed. However, full staffing has not been achieved due to budgetary constraints, inadequate office space and delays in obtaining approvals for the recruitment of new staff. The Agency has requested for additional funding and necessary approvals to recruit the additional staff.	Not Resolved Report has not been tabled before the Parliamentary Investment Committee (PIC) of the National Assembly for deliberations	
6	Delayed Project Implementation 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 Agency has an approved staff establishment of one hundred and forty-seven (147) positions as observed. However, full staffing has not been achieved due to budgetary constraints, inadequate office space and delays in obtaining approvals for the recruitment of new staff. The Agency has requested for additional funding and necessary approvals to recruit the additional staff. The payment of first phase was based on quantum meruit principle given that the last activity among the three activities be paid has not been undertaken and it was not known when the contractor will be able to move on site in order to complete the assignment and get full payment of 40%. The Quantum meruit was based on the ration for each activity and was calculated equally among the three activities at 13.3% giving a percentage of 27%, amounting to Kshs. 7,508,781 was paid. The project could not be completed due hostility from the host community. The Agency has since taken the possession of the items i.e mast lattice assemblies..	Not Resolved 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:	Timeframe:
			(Resolved / Not Resolved)	
7.	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 5.2%. This is contrary to Section D part (1) of the 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.	The over expenditure of Ksh.1,554,959 on board expenses was occasioned by extra meetings meeting held during the year in respect to recruitment of Chief Executive Officer, Manager Human Resources & Administration and Director Legal Affairs & Corporation Secretary. The Agency going forward will ensure adherence to the provisions of Circular No.OP/CAB,9/1A of March 2020.	Not Resolved Report has not been tabled before the Parliamentary Investment Committee (PIC) of the National Assembly for deliberations	
	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 availed for audit review.	During the financial under review the board carried out recruitment of the Chief Executive Officer, Manager Human resources & Administration and Director Legal Affairs & corporations Secretary which necessitated extra meetings. The Agency wrote to the Cabinet Secretary Ministry of Energy to seek for approval for the extra meetings. Going forward the Board will adhere to the provisions of section A (1) and (2) of Presidential Circular OP/CAB.9/1A of March 2020 on Management of State Corporations.	Not Resolved 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:	Timeframe:
			(Resolved / Not Resolved)	
9	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.	According to Board register the Technical and Research Committee met three times and not two times as indicated in the auditor's observation. Additionally, the work plan and performance contract for the technical directorates were presented corporately to the full Board in the first quarter through the Finance, Strategy and Planning Committee as adopted through the Strategic Plan. Further, the long-term nature of implementation of projects and activities in the technical directorates means that maturation of projects and activities is realized in the third and fourth quarter, by which meaningful progress can be reported to the Board. We had preferred to send to the Board finalized technical reports as opposed to drafts. The Four Final technical reports considered by the technical committee comprised of the following; 1. Roadmap for Kenya Nuclear Fuel Cycle; 2. Radio waste Disposal Facilities for Kenya's Nuclear Power Program; 3. User Requirements/specifications for Kenya's Nuclear Power Program; 4. Status of Nuclear Weather Station Installation were presented. However, going forward the Agency shall ensure that Technical Committee meetings are convened every quarter and the Board updated on progress of projects and activities at each stage of implementation.		

Appendix II: Projects implemented by Nuclear Power and Energy Agency

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
		Kshs (Million)	Kshs (Million)		Kshs (Million)	Kshs (Million)	
1152105101	Nuclear Power Plant Siting	4,000	887.04	22%	60	71	CoK
1152108301	Nuclear Policy and Legislation	3,000	560.69	19%	20	37.7	CoK
1152105201	Strategic Environmental and Social Assessment.	950	583.2	61%	10	9.5	CoK
1152107501	Resource Development for the Nuclear Power Programme	4,000	437.03	11%	50	57.2	CoK
1152110200	Publicity and advocacy	850	359.25	42%	30	31	CoK

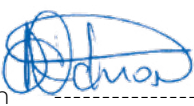
Appendix III: Inter-Entity Transfers

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FY 2024/2025			
a. Recurrent Grants			
	Bank Statement Date	Amount (Kshs)	Financial Year
	13/8/2024	41,666,667	2024/2025
	16/9/2024	41,666,667	2024/2025
	11/10/2024	41,666,666	2024/2025
	08/11/2024	41,666,666	2024/2025
	18/12/2024	41,666,666	2024/2025
	3/1/2025	41,666,666	2024/2025
	10/2/2025	41,666,666	2024/2025
	13/3/2025	41,666,666	2024/2025
	09/04/2025	41,666,666	2024/2025
	05/05/2025	87,800,000	2024/2025
	05/05/2025	41,666,666	2024/2025
	16/06/2025	41,666,666	2024/2025
	09/07/2025	41,666,666	2024/2025
	Total	587,799,994	
b. Development Grants			
	14/11/2024	50,000,000	2024/2025
	17/04/2025	60,000,000	2024/2025
	Total	110,000,000	

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		Where Recorded/ recognized		
	as per bank statement	Nature: Recurrent/ Development /Others	Total amounts- Kshs	Statement of Financial Performance	Total transfers during the Year
Ministry of Energy	13/8/2024	Recurrent	41,666,667	41,666,667	41,666,667
Ministry of Energy	16/9/2024	Recurrent	41,666,667	41,666,667	41,666,667
Ministry of Energy	11/10/2024	Recurrent	41,666,667	41,666,667	41,666,667
Ministry of Energy	08/11/2024	Recurrent	41,666,667	41,666,667	41,666,667
Ministry of Energy	18/12/2024	Recurrent	41,666,667	41,666,667	41,666,667
Ministry of Energy	14/11/2024	Development	50,000,000	50,000,000	50,000,000
Ministry of Energy	17/04/2025	Development	60,000,000	60,000,000	60,000,000
Ministry of Energy	03/01/2025	Recurrent	41,666,667	41,666,667	41,666,667
Ministry of Energy	02/10/2025	Recurrent	41,666,667	41,666,667	41,666,667
Ministry of Energy	13/3/2025	Recurrent	41,666,667	41,666,667	41,666,667
Ministry of Energy	09/04/2025	Recurrent	41,666,666	41,666,666	41,666,666
Ministry of Energy	05/05/2025	Recurrent	87,800,000	87,800,000	87,800,000
Ministry of Energy	05/05/2025	Recurrent	41,666,666	41,666,666	41,666,666
Ministry of Energy	16/06/2025	Recurrent	41,666,666	41,666,666	41,666,666
Ministry of Energy	09/07/2025	Recurrent	41,666,666	41,666,666	41,666,666
Total			697,800,000	697,800,000	697,800,000



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