


REPUBLIC OF KENYA



REPORT

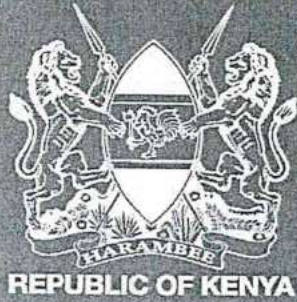
 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	21 MAR 2023
	DAY: TUESDAY
TABLED BY:	HON. SILVANUS SHIRO
	MAJORITY PARTY WHIP
CLERK-AT-THE-TABLE:	JH25FU MWALU

THE AUDITOR-GENERAL

ON

**KENYA TRADE REMEDIES
AGENCY**

**FOR THE SIXTEEN (16) MONTHS
PERIOD ENDED 30 JUNE, 2022**



**KENYA TRADE
REMEDIES
AGENCY**

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

01 FEB 2023

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Kenya Trade Remedies Agency

Annual Report And Financial Statements

For The Sixteen (16) Months Period Ended 30 June 2022

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

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1. Key Entity Information and Management

(a) Background information

The Kenya Trade Remedies Agency has been established by Section 3 of the Kenya Trade Remedies Act (No. 32 of 2017) with the purpose of investigating and evaluating allegations of dumping and subsidisation of imported products into Kenya; investigating and evaluating requests for application of safeguard measures on any product imported into Kenya and advising the Cabinet Secretary responsible for Trade on the results and recommendations of its investigations. Kenya Trade Remedies Agency is located in Nairobi and has no branches.

(b) Principal Activities

The broad mandate of the Agency is to implement Trade Remedies in Kenya in line with International Law (World Trade Organization Law on Trade Remedies) to protect Kenya's domestic industry from unfair import trade practices.

The mandate is derived from the Kenya Trade Remedies Act No. 32 of 2017, Executive Order No. 1 of 2020, the WTO Agreements on Subsidies and Countervailing Measures (ASCM) Safeguards and Anti-dumping Agreement. The Agency Mandate is in three-fold;

- i. Implement Trade Remedies in Kenya in line with the World Trade Organization (WTO) Law on application of Trade Remedies (Defence Instruments);
- ii. Domesticating the WTO Agreements on Anti-Dumping, subsidies and countervailing Measures and Safeguards so as to protect domestic industry from unfair import Trade practices and import surges which cause material injury or retardation to the domestic industry; and
- iii. Support Kenya's development agenda in attaining Vision 2030 and advancing the Big 4 Agenda on the manufacturing and food security pillars.

Functions

The main functions of the Agency are to;

- i. Investigate and evaluate allegations of dumping and subsidization of imported products into Kenya;
- ii. Investigate and evaluate requests for application of safeguard measures on any product imported into Kenya;
- iii. Advise the Cabinet Secretary on the results and recommendations of its investigations;
- iv. Initiate and conduct public awareness and the training of stakeholders on its functions and on trade remedies;
- v. Publish and disseminate manuals, codes, guidelines and decisions relating to its functions; and perform such other appropriate functions as the Cabinet Secretary may assign to it.

Vision

A nation free of unfair import trade practices.

Mission

Create a level playing field by facilitating fair import trade practices through application of trade defence tools so as to promote the growth of Kenyan industry.

(c) Key Management

The Kenya Trade Remedies Agency management is under the following key organs:

- Board of Directors
- Accounting officer/ Executive Director
- Management

(d) Fiduciary Management

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

Designation	Name
Ag. Executive Director	Samuel Chemisto
Ag. Head of Corporate Services	Swaleh Kilele
Ag. Head of Trade Remedies Investigations and Evaluations	Daniel Nderi
Ag. Head of Public Outreach and Awareness	Eunice Mbiti
Ag. Head of Trade Remedies Complaints Management	Derrick Okello
Ag. Head of Finance	Evans Jilani
Ag. Head of Procurement	Mercy Wachira
Ag. Head of Accounts	Margaret Gakuo

(e) Fiduciary Oversight Arrangements

Board Committees

i) Finance and Administration Committee

S/No.	Name of Director	Position
1.	Dr. Wilson Songa, MBS, OGW	Chair
2.	Dr. Nicholas Kunga	Member
3.	Mr. Erastus Wahome, Alt Director to the Principal Secretary (PS), National Treasury	Member
4.	Mr. Leonard Kwinga Alt Director to the PS, State Department for Trade & Enterprise Development	Member
5.	Ms. Lilian Moraa Alt. Director to the PS, State Department for Industrialization	Member

This Committee is charged with the responsibility of coordinating the implementation of the Agency budget and its prudent management. The duties of the committee include:

- i. Review, discuss and make recommendations for the Board Approval and/or to deliver reports to the Board in the following areas:
 - Annual Reporting and Capital Budgeting
 - Annual Audited Financial Statements
 - Policies relating to Financial Management
 - Performance and Management Strategies

Provide information to the Board on:

- Significant financial planning, management and reporting issues
 - Reports from auditors on internal control issues and other matters
- ii. Review and discuss the Agency procurement and ensure efficiency and integrity of the Agency`s procurement systems in line with the procurement Act/Law and support the Agency in achievement of the procurement plans.
 - iii. To ensure that the finance function is appropriately resourced and meets or exceeds best professional practice.
 - iv. Oversee the appropriate utilization of donor funds provided to the Agency
 - v. Oversee and ensure that commitments to the Agency including pending bills are met
 - vi. Make recommendations to the Board on challenges and opportunities during the execution of the Budget
 - vii. Ensure that KETRA adheres to all legal requirements pertaining to financial operations in line with the Public Financial Management Act/Laws.
 - viii. Review and recommend for Board approval the Human Resources (HR) Strategies including key HR objectives, plans and workforce requirements, and monitor the implementation of the same.
 - ix. Review, comment and report annually to the Board on Agency`s succession plan for all critical and key positions and review development plans, talent retention and career development for potential successors.

- x. The Committee shall monitor and ensure the Agency's compliance with legal and regulatory requirements and corporate policy relating to human resources, compensation and any other matters within the scope of this mandate.
 - xi. The Committee shall review and recommend to the Board for approval the long-range plans and personnel policies for developing the Agency's employees.
 - xii. The Committee shall make recommendations to the Board regarding the amounts of the bonuses and sanctions based upon the Agency's performance and attainment of the organizational goals.
- ii) Technical and Operations Committee

No.	Name of Director	Position
1.	Mr. Jason Kapkirwok	Chair
2.	Dr. Wilson Songa, MBS, OGW	Member
3.	Mr. Leonard Kwinga, Alt Director to the PS, State Department for Trade & Enterprise Development.	Member
4.	Ms. Lilian Moraa Alt. Director to the PS, State Department for Industrialization.	Member
5.	Mr. Joshua Wabwire, Alt. Director to the Attorney General, State Law Office.	Member
6.	Dr. Nicholas Kunga	Member

The Committee's activities include: -

- a) To develop and ensure implementation of Kenya's Trade Remedies Policy and Strategy in line with the Trade Remedies Act (2017).
- b) To provide overall strategic guidance on the application of trade defence instruments, namely: Antidumping, Subsidies and Countervailing Measures and Safeguards.
- c) To determine priorities for trade defence actions consistent with Kenya's short, medium, and long-term development objectives.
- d) To receive, review and approve applications for investigations relating to complaints brought to KETRA by aggrieved parties.

- e) To recommend to the Board research sectors that have strategic economic value regarding trade remedies.
- f) To ensure appropriate synergy and partnership with relevant stakeholders in and outside the country
- g) To monitor, evaluate and review research activities at all stages of implementation and to make recommendations to the Board.
- h) To advise the Board on special projects that aligns and adds value to the overall mission of KETRA.
- i) To carry out advocacy, awareness, and capacity building on Trade Remedies
- j) To advise the Board on any other technical aspects of KETRA's work.

iii) Risk and Audit Committee

No.	Name Of Director	Position
1.	Dr. Nicholas Kunga	Chair
2.	Mr. Jason Kapkirwok	Member
3.	Mr. Erastus Wahome Alt Director to the PS, National Treasury	Member
4.	Mr. Joshua Wabwire, Alt. Director to the Attorney General, State Law Office	Member
5.	Mr. Leonard Kwinga Alt Director to the PS, State Department for Trade & Enterprise Development	Member

The Committee's activities include: -

- i. To ensure appropriateness of the Agency's accounting policies and procedures.
- ii. To Monitor and assess the role and effectiveness of the internal audit function.
- iii. Review procedures to manage financial and operational risks;
- iv. Responsible for Internal Audit and Risk Management Programs.
- v. Ensure compliance as per the recommendations made by both the Internal and External Auditors.
- vi. Review and oversee Internal Control and Risk Management Procedures.
- vii. Establishment of Risk Control Framework recommendations by both the Internal and External Auditors.

- viii. To Review the actions and judgements of management in relation to financial statements and other related documents.
- ix. Deliberate any issues arising from the audit of the financial statement and any matter the audit may wish to discuss
- x. Oversee the Performance of the Committee
- xi. To Provide Oversight in the organization and deliver information/data for decision making process.
- xii. To ensure adherence to the Code of Conduct and Ethics for the organisation.

- (f) Entity Headquarters
KIBT Building Complex
Ojjo Road, Parklands
P.O. Box 41989-00100,
Nairobi, KENYA

- (g) Entity Contacts
Telephone: (254) – (0) - 770586170/6
E-mail : ketra@trade.go.ke

- (h) Entity Bankers
Kenya Commercial Bank Ltd
Sarit Centre
P.O Box 14959 -00800
Nairobi, Kenya

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

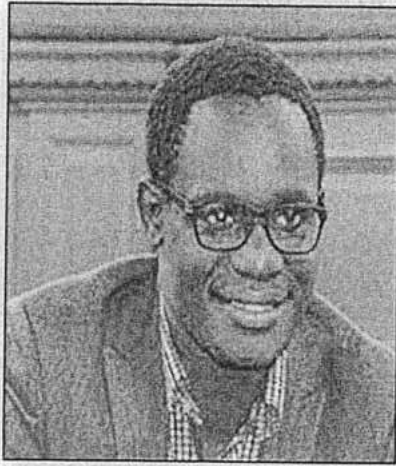
- (j) Principal Legal Adviser
The Attorney General
State Law Office and Department of Justice Harambee
Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

2. The Board of Directors

S/No.	Name	
1	 <p data-bbox="172 801 603 869">DR. WILSON SONGA, MBS, OGW Date of Birth: 1957</p>	<p data-bbox="707 342 1516 521">Dr. Wilson Songa holds a PhD in Plant Pathology from the University of Reading, UK, a MSC in Crop Science from Wageningen Agricultural University in the Netherlands, and a BSC in Agriculture from the University of Nairobi (UoN).</p> <p data-bbox="707 533 1516 902">He has served as Agriculture Secretary and Principal Secretary in the Kenyan Ministry of Agriculture and Ministry of Industrialization and Enterprise Development, Managing Director of Kenya's Horticultural Crops Development Authority, and as Chief Executive Officer (CEO) and Secretary of the Pest Control Products Board. He has also held various Senior Leadership and Research roles at the Kenya Plant Health Inspectorate Services (KEPHIS) and at the Kenya Agricultural Research Institute (KARI).</p> <p data-bbox="707 913 1516 981">He is an Independent Director and chairs The Finance and Administration Committee of the Board of Directors.</p>
2	 <p data-bbox="164 1541 443 1619">DR. NICHOLAS KUNGA Date of Birth: 1975</p>	<p data-bbox="707 999 1516 1447">Dr. Kunga holds a Phd in Economics (Environment Entrepreneurship) from SMC University, Switzerland, MSC in Natural Resource Management from the University of Nairobi and BSC from Egerton University, Njoro, Kenya. He is a Programme/Project/Organization Management & Monitoring, Evaluation, Adaptation, Reporting and Learning (MEAL) Specialist; with over 18 years' experience in development, design, fundraising, resourcing, planning and management of Donor, Private Sector and Government funded programmes. Dr. Kunga is a 4-time global finalist and 2-time global winner on developing Sustainability Community Enterprises.</p> <p data-bbox="707 1458 1516 1637">Dr. Kunga has worked as an Environment and Social Safeguards Specialist- IGAD, A consultant on Programme Design, Management, Monitoring, Evaluation, Adaptation, Reporting and Learning (MEAL) and Resource Mobilization Specialist at DETRA- Africa Consulting.</p> <p data-bbox="707 1648 1516 1715">He is an Independent Director and the Chairman of the Audit & Risk Committee.</p>

3	 <p>MR. JASON KAPKIRWOK Date of Birth: 1960</p>	<p>Mr. Kapkirwok (Kap) holds MBA in Organizational Development, Economics from Eastern University, Davids PA, USA, and a BSC Degree, UoN, Kenya. He obtained his Professional and Management Development from Wharton Business School, University of Pennsylvania, University of Cape Town, Boeing & General Electric Corporation and Management for Development Foundation, Ede, and The Netherlands. He is a specialist in strategic Management and Regional Economic Integration. Currently, he is the Chief of Party, RIGO System Strengthening - a USAID-funded project since 2018 covering 22 Countries in the Eastern Africa Region. He is an aspiring writer, poet and strategist. He has worked at senior level (Board & Executive) for various organizations: Agricultural Development Corporation (ADC), ICIPE, COMESA, Kenya Airways (KQ) Group, Heifer International (HI), Senior Director at Trade Market East Africa (TMEA) and the Kaizen Company. He is an Independent Director and Chair of the Technical and Operations Committee.</p>
4	 <p>MR. ERASTUS WAHOME</p>	<p>Mr. Erastus Wahome holds a Master's Degree and Post Graduate Diploma in Economics from Monach University Australia and a Bachelor's Degree in Economics from the University of Nairobi. He is an experienced Economist with a wealth of experience in linking planning to budgeting, policy prioritization, resource mobilization and expenditure control. He has worked closely with the East Africa Community (EAC), Common Market for Eastern and Southern Africa (COMESA) and the African Union (AU) on Regional Economic Integration issues. Mr. Wahome has also served at the Board of the National Environmental Management Authority (NEMA). During his tenure at the Board of NEMA; the Authority introduced the new policy on stoppage of use of plastic bags which has become a national success. He is also skilled in strategic leadership. He represents the Principal Secretary National Treasury and is a Member of the Finance and Administration as well as the Risk and Audit Committees.</p>

5



MR. JOSHUA WABWIRE

Date of Birth: 1988

He is an Advocate of the High Court of Kenya. He Holds a Bachelor of Civil Law degree from the University of Oxford, and LLMs in International Trade and Investment Law in Africa, University of Pretoria, South Africa (2014) and the University of Exeter (2015), Diploma, Kenya School of Law (2013) and Bachelor of Laws (LLB with Honours), Moi University, Kenya (August, 2012).

He is a Legal Advisor to the Honourable Attorney General. He has taught law at the Catholic University of East Africa and Mount Kenya University as well as being an Adjunct Tutorial Fellow at the University of Oxford, United Kingdom in June 2017 to July 2018. He is currently pursuing his Doctor of Philosophy Degree in Law at the University of Oxford.

He has experience in private law practice obtained from the law firm of Mohammed Muigai Advocates in Nairobi. Mr. Wabwire brings to the Board a wealth of legal knowledge in International Trade; International Investment Law, International Business Transactions, International Dispute Settlement Law, International Commercial Arbitration Law, and Commercial Remedies. He is an Alternate Director, Representing Attorney General, State Law Office and a Member of the Technical Committee and Audit and Risk Committee.

6



MS. LILIAN MORAA

Ms. Lilian Moraa is a seasoned Legal practitioner in Public Sector. She holds an LLB in Law from Makerere University, Uganda and a Diploma in Law from The Kenya School of Law. She is currently undertaking a Masters in Law at the University of Nairobi.

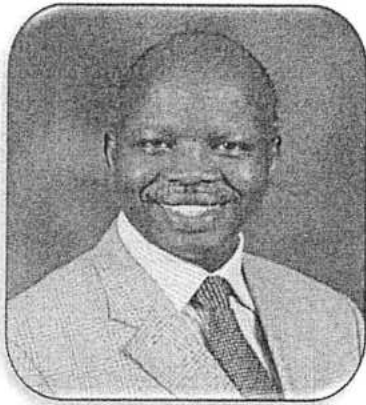


At the moment she is in charge of the legal unit at the State Department of Industrialization. Ms. Moraa has worked as the Chief of Staff to the Cabinet Secretary.



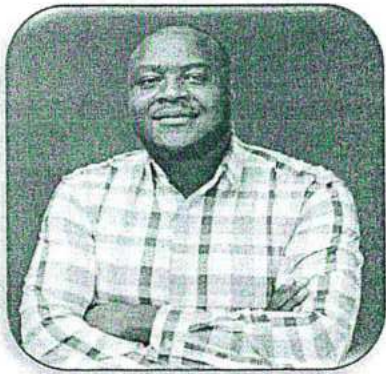
She has worked in various sectors in Public Service which include The East Africa Community, Information, Tourism and Industrialization. During her years of practice, she has undertaken various trainings on Judiciary procedures and practices, legal drafting and negotiations. She was instrumental in the legal migration of the country from analogue to digital system of telecommunication.



Ms. Moraa brings to the Board a wealth of legal knowledge in Public Law; East African Law; Dispute Resolution Mechanism; and Drafting and Negotiation skills. She is an alternate Director, Representing Principal Secretary, State Department of Industrialization and a Member of the Finance and Administration Committee of the Board as well as the Technical Committee.

7		<p>Mr. Kwinga is the Director of Planning at the State Department for Trade and Enterprise Development Ministry of Industrialization, Trade and Enterprise Development. He holds a Master's Degree in Development Management from Ruhr University, Germany and a BSC from the University of Nairobi. He is also a Certified Public Accountant (CPA-K).</p> <p>He has experience in planning, budgeting, monitoring and evaluation. Mr. Kwinga has previously worked at the State Department for East African Community where he played a key role in monitoring and reporting on Kenya's progress on implementation of the EAC Council of Ministers decisions through the East African Monitoring System (EAMS). He has also served as the National representative at the East African Community Audit and Risk Committee from 2018 to 2020. He is an alternate Director representing the Principal Secretary, State Department for Trade and Enterprise Development and a Member of the Technical Committee and Audit and Risk Committee.</p>
	<p>MR. LEONARD KWINGA KAUSYA</p> <p>Date of Birth: 1979</p>	
8		<p>Mr. Chemisto is a holder of Bachelor of Arts, Economics & Sociology from Egerton University and Diploma in Trade Policy from WTO Institute of Training and Technical Cooperation, in Geneva. He is a Career Civil Servant in Trade Development spanning over 20 Years. He is the Secretary to the Board.</p>
	<p>MR. SAMUEL CHEMISTO, HSC Ag- Executive Director/CEO</p> <p>Date of Birth: 1967</p>	

3. Management Team

1		<p>He holds a Bachelor of Arts, Economics & Sociology (Egerton University) and Diploma, Trade Policy (WTO Institute of Training and Technical Cooperation, Geneva)</p>
	<p>Mr. Samuel K. Chemisto HSC Ag. Executive Director/ Chief Executive Officer (CEO)</p>	
2		<p>He holds MSC Entrepreneurship (Jomo Kenyatta University of Agriculture & Technology), Bachelor of Science(Statistics & Pure Mathematics - Maseno University and Diploma, International Trade Policy & Law (TRAPCA & ESAMI)</p>
	<p>Mr. Daniel Nderi Ag. Head, Trade Remedies Investigation and Evaluation</p>	
3		<p>He holds MSC in international Economics and Commerce (University Polytechnic Della Marche – Italy) and Bachelor's in Business Administration (Economics) from the University of Nairobi</p>
	<p>Mr. Derrick Okello Ag. Head, Trade Remedies Complaints and Management</p>	

4	 <p style="text-align: center;">Ms. Eunice Mbiti Ag. Head, Public Awareness & Outreach.</p>	<p>She holds Masters in Entrepreneurship (JKUAT), Bachelor in Business Management (Moi University) Diploma in Co-operative Management (Co-operative College of Kenya) and Training of Trainers (KIM).</p>
5	 <p style="text-align: center;">Mr. Swaleh Kilele Ag. Head Corporate Services</p>	<p>Bachelor of Arts from University of Nairobi and Post Graduate Diploma in Entrepreneurship (JKUAT).</p>
6	 <p style="text-align: center;">Mr. Evans Jilani Finance Officer</p>	<p>MSc in Strategic Management (JKUAT University) and Bachelor of Commerce in Finance from JKUAT.</p>

7	 <p>Ms. Mercy Wachira Procurement Officer</p>	<p>MSc in Procurement and Contract Management (JKUAT University), Bachelor of Commerce in Finance (JKUAT University) and Senior Management Course from Kenya School of Government. She is a member of Kenya Institute of Supplies Management and Chattered Institute of Purchasing and Supplies.</p>
8	 <p>MS. Magret Gakuo Accounting Officer</p>	<p>Bachelor's in Business Management (Finance) from Moi University, Diploma in Business Management (KIM Computerised Accounting (STAR College) and CPA II fro KASNEB.</p>

4. Chairman's Statement

It is with great pleasure to present on behalf of KETRA's Board of Directors the Annual Report and Financial Statements for the period ended June 30th, 2022.



KETRA's Board has continued to pursue and implement the Agency's mandate, guided by its mission "Create a level playing field by facilitating fair import trade practices through application of trade defense tools so as to promote the growth of Kenyan Industry". The Agency's work has been designed within the broader government development frameworks such as the "Big Four" Agenda, Vision 2030, Medium Term Plan Three (MTP III) (2018-

2022), Sector Performance Standards, Sustainable Development Goals and Post Covid-19 Recovery Strategies and Plans.

Overview

The Financial period presented the Agency with an opportunity to continue with its operationalization activities. Despite the various challenges brought by COVID-19 pandemic the Agency stayed on its course of ensuring fair import trade practices within the Kenyan Borders. The Agency within the financial period was able to establish the investigation framework in order to actuate its core mandate of investigating allegations of unfair import trade practices. Inadequate Budgetary Resources has continued to inhibit full operationalization of KETRA's mandate leading to scaled back implementation of some of the Agency's programmes.

Operating Environment

The Agency executed its mandate of investigating unfair import trade practices offering its services to various sectors of the economy such as electrical cables, leather industry and glass manufacturers in Kenya, industries which raised concerns on unfair import trade practices related to dumping and subsidies.

The Board recognizes the close working relationship with Kenya Association of Manufacturers, the Kenya Chamber of Commerce and Industry and Kenya Private Sector Alliance. The sustained momentum of the manufacturing sector and agricultural

goods producers in embracing trade remedies as a strategy of protecting the local industry from unfair import trade practices is attributed to this relationship.

Risk Management

The Board through its Committee of Risk and Audit led the Agency in development of a Risk Management Policy. This was prioritized in order to offer guidance to the Management and the Board in mitigating risks. The Board is committed in reviewing and auditing the Agency's processes in anticipation of any internal or external risks that may disrupt the operations and activities of the Agency. The Risk Management Policy will go a long way in guiding the Management as they chart a way forward in the current operating environment.

In the reporting period, the Agency took proactive steps to minimize physical meetings and moved to virtual and on-line meetings which minimized chances of COVID-19 infections. These actions allowed the Agency to meet the planned targets in a period of uncertainty.

Future Outlook

As the Agency continues to roll out its operations, it's cognizant of the effects of the COVID-19 pandemic and how it has stalled some of its activities. This will inform the Agency's policy towards adoption of systems that are integrated with information communication technology. This will enhance the efficiency of the Agency's operations. The groundwork has been laid out by the development of the Agency's website, acting as a launch pad for the public outreach and public awareness programme to the stakeholders. Efforts will be needed to bring on board all the pertinent stakeholders in the operationalization of KETRA. In the meantime, the Agency must make do with the support extended to it by the Kenya Revenue Authority on Trade performance data and the Kenya Association Manufacturers on the sector composition data.

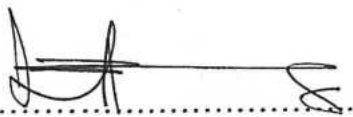
Efforts are needed in addressing the challenges of inadequacy of relevant data in some sectors and industries as well as producers. The Agency will continue to seek for strategic partnerships and collaborations to ensure a real time data base is developed and implemented. In the meantime, the Agency will keep relying on State Department for Trade, Kenya Revenue Authority for its data needs and Kenya Association of Manufacturers for information on the composition of the various manufacturing sectors.

The Board is looking forward to growing a pool of skilled staff capable of investigating and litigating cases on unfair import trade practices on the international arena. The Board will continue to operationalize the Agency and ensure that the Country is free of unfair import trade practices.

Acknowledgement

Finally, I sincerely appreciate the Government of the Republic of Kenya through the Ministry of Industrialization, Trade & Enterprise Development, the National Treasury, the National Assembly Parliamentary Committee(s) on Trade and Industry, The Trade Mark East Africa, Kenya Association of Manufacturers, Kenya National Chambers of Commerce and Industry and other stakeholders for their continued support.

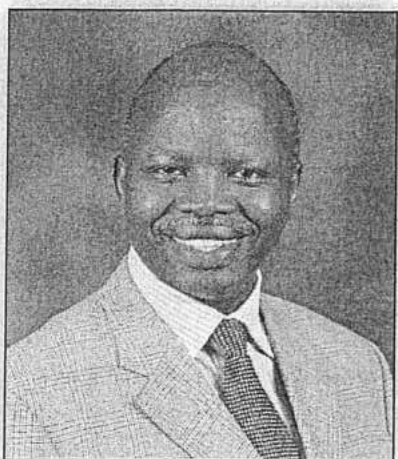
I also wish to salute my colleagues in the Board for dedicating their time and effort in steering the Agency towards full operationalization. To our management and staff thank you for your diligence and tireless efforts in achieving our goals and objectives. God bless KETRA; God bless Kenya.



.....

Dr. Wilson Songa, MBS, OGW
Session Chair of the Board

5. Report of the Executive Director



Overview

I would like to record my appreciation to the Board, Management Team and the Staff Members for their dedication, work ethics and care for one another. Thanks to you all for your tireless efforts towards meeting the performance targets as set in the Performance Contract and the Annual Work Plan for the financial year 2021/2022.

Funding and Performance.

During the period, the Agency received Kshs. 35,800,000 as recurrent funds from the State Department for Trade. The Agency also managed to access Kshs. 12,500,000.00 from the Regional Integration Implementation Programme (RIIP) Fund from Treasury. The Agency was able to pay all its suppliers and did not have any pending bills in the financial period. In 2022/2023 Financial Year, the Agency will ensure that pending bills do not exceed 1% of the total approved budget as per National Treasury Guidelines. Despite the challenges and disruptions occasioned by COVID-19 pandemic the Agency's staff continued to discharge their duties diligently. There was an emphasis on the health and safety of our clients and employees thus putting into place the COVID-19 prevention measures as guided by the Ministry of Health. KETRA embraces the adoption of Information Communication Technology as a backbone of operationalizing the Agency. The staff of the Agency made efforts in offering services to our clients considering the technical expertise needed in solving issues related to unfair import trade practices.

During the period, the Agency witnessed an increased enquiry of its services by the manufacturing sector. This could be attributed to the continued capacity building and outreach programmes spearheaded by the Agency staff. The Agency during the period collaborated with the Ministry of Industry, Trade and Industrialization in public outreach programmes like the African Industrialization Week. The Agency ensured that its presence in the market is felt through outreach programmes by participating in the Public Service Week and also participating in capacity building on Trade Remedies organized by the Kenya Association of Manufacturers.

We continued to embrace various stakeholders involved in manufacturing and production of agricultural goods.

Annual work programme

To accomplish its Mandate the Agency developed and approved Trade Remedies Investigation Manuals. The Investigation Manuals were introduced to our clients for them to utilize in reporting the unfair import trade practices. The Agency received complains on alleged subsidization of electrical cables from Egypt. The complaint case did not move to conclusion due to inadequate comprehensive data from the Industry to sustain an investigation.

The Agency draft strategic plan was subjected to an internal stakeholders' consultation/engagement. The consultative engagement brought on board the Government Agencies and Departments who subjected the draft strategic plan to scrutiny. The Agency intends to hold a public participation/external stakeholders' engagement as well as validation workshop in the Financial Year 2022/2023.

To operationalize KETRA and implement some of the requirements dictated by Mwongozo Code of Governance the Agency developed the following manuals; The Finance and Accounting Policy, The Procurement Policy, the Human Resources Policy and the Risk Management Policy. The Agency also developed a Brand Manual to guide its branding and promotion strategy. The Brand Manual has guided the development of the Agency Website as well as the development and registration of the Agency's Logo. This has harnessed and shaped the communication strategy within the organization.

During the period, the Agency witnessed an increased enquiry of its services by the manufacturing sector. This could be attributed to the continued capacity building and outreach programmes spearheaded by the Agency staff. The Agency has been on the forefront of creating awareness on unfair import trade practices thus participating in various public outreach programmes with the prominent ones being the National Public Service Week and the African Industrialization Week held in Nanyuki. In the Financial period the Agency participated in various fora's where it disseminated knowledge on Trade Remedy measures and their role in economic development. This includes the 5th Kenya Institute for Public Policy Research and Analysis (KIPPRA) 5th Regional Conference and Trade Remedies forum organized by Kenya Association of

Manufacturers (KAM). We continue to embrace various stakeholders involved in manufacturing and production of agricultural goods.

Human Capital

The Agency operates at less than 75% of optimum staffing level. This is expected to change this Financial Year 2022/2023 since the Human Resource Instruments have been approved by the relevant Government institutions. The Agency will strive to recruit persons with appropriate technical skills and organize for specialized training in Trade Remedies. Trade Remedies skills are not readily available in the open Kenyan Labour market and will have to be developed and nurtured.

The Agency has been relying on staff deployed from the State Department for Trade and Enterprise Development to fulfil its mandate. During the period under review the Agency was able to offer internships to three candidates to support various Divisions in the Agency. The staff were taken through an auditing and financial management workshop organized by the Internal Auditing Department within the Ministry.

Future Outlook

In the midst of the COVID-19 pandemic there is hope that our domestic industries will rise more stronger to spur the much-needed economic growth and development. The future looks promising with strengthened partnership as well as new collaborations with stakeholders like Kenya National Chamber of Commerce and Industry and Kenya Association of Manufacturers. The Agency is exploring the revival of its partnership with Trademark East Africa as well as other like-minded partners desirous with improving fair international trade practices.

KETRA being a customer focused government institution; looks forward to working with other regulatory Agencies in ensuring unfair import trade practices are minimized and eventually eliminated from the Kenyan market. The Agency looks forward to collaborating with World Trade Organization and other Trade Remedies Agencies/Authority in the World to upskill the technical officers. The lessons learnt through these collaborations will be utilized to build a strong foundation for the Agency.

The Agency looks forward to continue automating its process in order to offer world class services to its stakeholders. It looks forward to establishing an enterprise resource

planning system that is scalable to incorporate new functions and activities as the Agency expands. The Agency will continue expanding its operations by deployment of more staff, equipment, vehicles, and automation of processes.

Appreciation

I sincerely thank the Board of Directors, Management and Staff of the Agency for their continued dedication towards operationalization of KETRA. The Board and Staff have been an inspiration to me. They have put in countless hours of hard work and dedication to ensure KETRAs mandate is realized. The present status of the Agency is a culmination of your guidance, resilience and believes in the purpose of the Agency.

A note of gratitude is extended to our stakeholders, the Government of Kenya through the Ministry of Industrialization, Trade and Enterprise Development, the National Treasury and all our external stakeholders for their cooperation and support in the war against unfair import trade practices.

Also my appreciation goes to Kenya Association of Manufacturers for their mobilization acumen and for providing us with a platform to interact with our core clients. We look forward towards many years of cooperation as we build strong and vibrant domestic industries.



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Samuel K. Chemisto, HSC
Ag. Executive Director

6. Statement of Performance against Predetermined Objectives for Period Ended 30th June 2022

The Kenya Trade Remedies Agency has five (5) strategic objectives within the current Strategic Plan for the period 2021-2025. These strategic objectives are as follows:

- a) To investigate and make sound, objective, and timely determinations in Trade Remedy Proceedings
- b) Build the capacity of KETRA to conduct effective Trade Remedies investigations
- c) Create public awareness of KETRA
- d) Effective Strategic Management to advance KETRA's Mission
- e) Identify, acquire, and develop adequate infrastructure, tools and equipment for KETRA

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

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Effective investigations	To investigate and make sound, objective, and timely determinations in Trade Remedy Proceedings	Number of Investigations initiated	Develop Complaints and Investigation Manual	Complaints and Investigations Manuals developed.
Institutional capacity building	Build the capacity of KETRA to conduct effective trade remedies investigations	Number Capacity Workshops & seminars undertaken	Train KETRA Officers	Officers trained and training reports prepared
Enhance public awareness	Create public awareness of KETRA	Number of Workshops	Sensitize business Community	Sensitization done and reports prepared.

Effective management, leadership and governance	Effective Strategic Management to advance KETRA's Mission	Number of Policy Documents developed	Develop Corporate Brand Strategy. Develop KETRA Risk management Plan	Brand Manual developed. Risk Management plan developed.
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7. Corporate Governance Statement

The Board of KETRA has continued to strengthen its Board's capability as well as its role of policy direction through adherence to *Mwongozo*, the code of governance for state corporations. The Board has embraced input from Corporate Governance experts from time to time to ensure the Board's decisions are well informed by knowledge and expertise for the advancement and prosperity of the Agency.

The Agency held its Full Board and Committee Meetings as per its Board Almanac. The Attendance of the Board Meetings was good, and no meeting was postponed due to lack of quorum.

Board members are required to avoid conflict of interest in any matter that relates to the Agency. Board members are expected to declare any real or perceived conflict of interest with the Agency upon appointment to the Board. At no meeting did Members declare any conflict of interest on matters under deliberations.

The Meetings of the Board and its committees is as indicated in the following matrices.

i. Full Board Committee

S/No	Name	21/7/21	22/9/21	24/11/21	2/2/22	9/3/22	11/5/22	29/6/22
1	Dr. Wilson Songa	√	√	√	√	√	√	√
2	Mr. Jason Kapkirwok	√	√	√	√	√	√	√
3	Dr. Nicholas Kunga	√	√	√	√	√	√	√
4	Mr. Erastus Wahome	√	√	√	√	x	√	√
5	Mr. Joshua Wabwire	√	√	√	x	√	√	x
6	Ms. MaryAnn Macheru	√	√	x	x	x	x	x
7	Mr. Lawrence Lelei	√	√	x	x	x	x	x
8	Mr. Samuel Chemisto	√	√	√	√	√	√	√
9	Ms. Lilian Moraa	x	x	√	√	√	√	√
10	Mr. Leonard Kwinga	x	x	x	x	x	x	√

ii. Finance and Administration Committee

S/No	Name	18/08/21	27/10/21	22/12/21	09/02/22	06/04/22	02/06/22
1	Mr. Jason Kapkirwok	√	√	√	√	√	√
2	Dr. Wilson Songa	√	√	√	√	√	√
3	Dr. Nicholas Kunga	√	√	√	√	√	√
4	Mr. Joshua Wabwire	√	√	√	√	√	√
5	Ms. MaryAnn Macheru	√	√	x	x	x	x
6	Mr. Lawrence Lelei	√	x	x	x	x	x
7	Mr. Samuel Chemisto	√	√	√	√	√	√
8	Ms. Lilian Moraa	x	√	√	√	√	√

iii. Technical Committee

S/No	Name	18/08/21	27/10/21	22/12/21	09/02/22	06/04/22	02/06/22
1	Mr. Jason Kapkirwok	√	√	√	√	√	√
2	Dr. Wilson Songa	√	√	√	√	√	√
3	Dr. Nicholas Kunga	√	√	√	√	√	√
4	Mr. Joshua Wabwire	√	√	√	√	√	√
5	Ms. MaryAnn Macheru	√	√	x	x	x	x
6	Mr. Lawrence Lelei	√	x	x	x	x	x
7	Mr. Samuel Chemisto	√	√	√	√	√	√
8	Ms. Lilian Moraa	x	√	√	√	√	√

iv. Audit and Risk Committee

S/No	Name	07/07/21	01/09/21	04/11/21	23/02/22	10/06/22
1	Dr. Nicholas Kunga	√	√	√	√	√
2	Mr. Jason Kapkirwok	√	√	√	√	√
3	Mr. Erastus Wahome	√	√	√	x	√
4	Mr. Joshua Wabwire	√	√	x	x	x
5	Ms. MaryAnn Macheru	√	√	x	x	x
6	Mr. Samuel Chemisto	√	√	√	√	√

Board Induction

All the Board Members have undertaken their induction Course at the Kenya School of Government Embu, in June 2021. The Programme was jointly organized by the State Corporations Advisory Committee (SCAC) in collaboration with the Kenya School of Government in line with Mwongozo guidelines.

Board Charter

The Board has not yet developed its Board Charter, but plans are underway to develop one in the next Financial Year.

Process of Appointment and Removal of Directors

Section 6 (1) and (2) of the Trade Remedies Act, 2017 provides for the appointment of the Directors while Section 7 provide for the qualifications.

The tenure and removal of Directors is provided for under Section 9 of the Act. Role and Functions of The Board

The Governance of the Agency rests with the Board. The role and functions of the Board are provided by Section 10 of the Act.

Members Performance

The Members of the Board have been discharging their duties diligently and hence have performed well.

Plans are underway for the Members to undertake their self-evaluations with the technical guidance of State Corporations Advisory Committee (SCAC).

Board Remuneration

The Board Members are remunerated in line with the existence guidelines provided for Board Members of State Corporations. For the period under review the total amount for the Board's remuneration is approximately Ksh 6.7 million.

Ethics And Conducts

The Board Members have observed ethics and conducted themselves in line with the guidelines provided by Mwongozo code of ethics and other relevant statutes.

Governance and Audit

The Agency attained financial operations autonomy from the Parent Ministry during the financial period. The Audit and Risk Committee of the Board requested for an Internal Audit of the Agency Operations and Systems. This was undertaken and the recommendations of the Audit are currently being implemented.

8. Management Discussion and Analysis

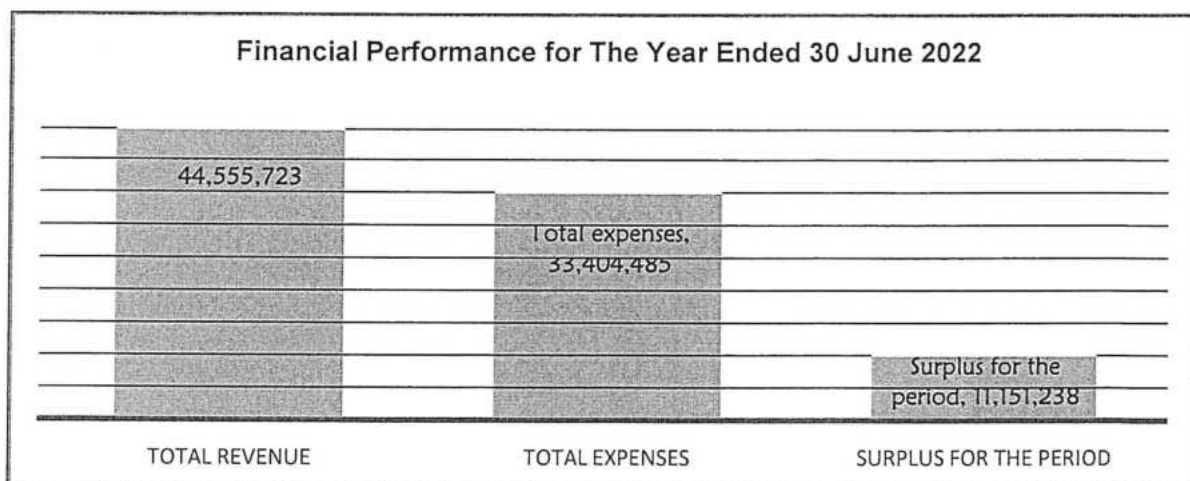
KETRA'S Operational and Financial Performance.

KETRA is a new Agency being operationalized in line with the Trade Remedies Act, No. 32 of 2017 to provide the institutional and legal framework for implementation of Trade Remedies in Kenya. Trade Remedies are Trade Policy Tools or Trade Defense Measures available to Governments to use to assist their domestic industry suffering from unfair import trade practices. The Trade Remedies Act domesticates the World Trade Organization (WTO) Agreements on Anti – Dumping, Subsidies and Countervailing Measures and Safeguards thus allowing Kenya to use the policy tools under these instruments as provided by the WTO Law.

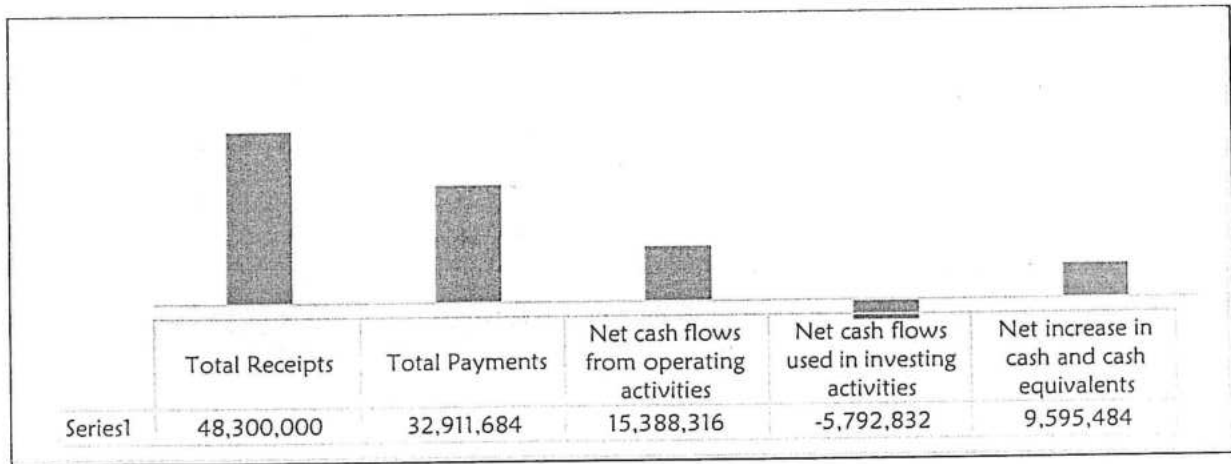
Prior to the enactment of the Trade Remedies Act, 2017, it was not possible to use Trade Remedies in Kenya because the Legal and Institutional Framework was insufficient to meet the threshold provided in the WTO Agreements on Trade Remedies.

The Board and Management therefore intends to create an agile organization that is in touch with industry expectations and assist the Government in the realization of its Big4 Agenda on Manufacturing and Food Security as an enabler. The Agency intends to collaborate with the interest to address its needs while at the same time creating awareness on its mandate.

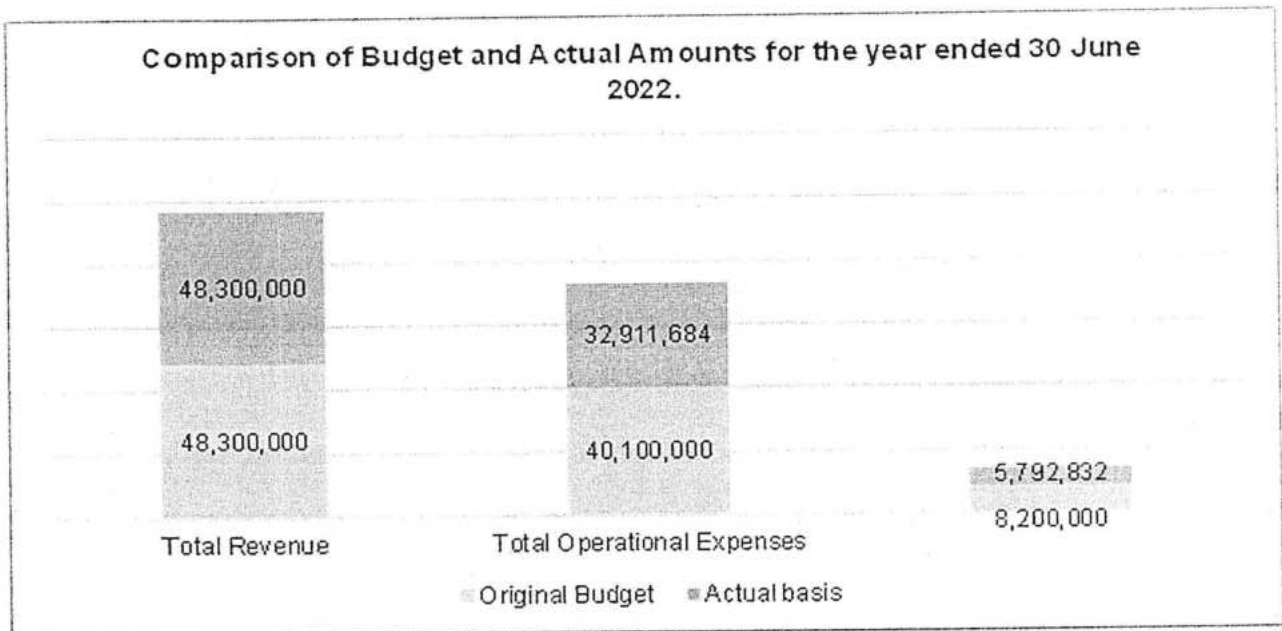
To enhance its Financial Performance, the Agency will align its budget with the strategic plan, Medium Targets and Annual Work Plan as well adopting sound financial management and accounting practices as provided in law and guided by National Treasury Circulars from time to time. Below is financial performance.



Cash Flows for the year ended 30 June 2022



Comparison of Budget and Actual Amounts for the year ended 30 June 2022.



KETRA'S compliance with statutory requirements

The Agency operates under the following key statutes, Trade Remedies Act No. 32 of 2017, State Corporations Act, 1986, Public Finance Management Act, 2012, Income Tax Act,

1996, Public Procurement and Asset Disposal Act, 2015 among other statutes.

Management will ensure that the Agency complies with all the relevant sections of these statutes. During the period under review the Agency complied with all the statutes.

Key projects and investment decisions KETRA is planning/implementing.

During this operationalization phase the Agency finalized the development of Human Resource Instruments in collaboration with the State Corporations Advisory Committee, Developed Trade Remedies Investigations Manuals, Finalized the Agency draft Strategic Plan, Service Delivery Charter and other policy instruments and Manuals geared towards ensuring the Agency starts its operations on a sound professional footing.

The Agency will collaborate with the industry's umbrella Associations to create awareness on its mandate while identifying sectors affected by non-application of Trade Remedies to provide a baseline for intervention. These projects and investments will be met from the budgetary resources.

Major risks facing KETRA.

Establishing a Trade Remedies Institution is highly technical and expensive. In Africa, it is only South Africa and Egypt which have a functional Trade Remedies Law and Institution.

The major risk facing the Agency is insufficient budget to establish the Agency and Liquidity challenges caused by delay in release of budgetary resources as well as budget cuts. A good budget is required to hire qualified Human Resources and Training. Trade Remedies Experts are not available in the open market. Qualified Economists/Statisticians, Accountants, Trade Lawyers will have to be hired and trained in analytical, investigation and prosecution skills to be competent to undertake Trade Remedies Investigations and prosecution both in the local and international courts (WTO Court).

Material arrears in statutory/financial obligations

The Agency has met all its statutory and financial obligations in the reporting period.

KETRA'S financial probity and serious governance issues

There is no major financial probity as reported by internal audit/Board Audit committee or any other National Government Agencies providing oversight; and there are no serious governance issues among the Board Members and top management including conflict of interest.

9. Environmental and Sustainability Reporting

KETRA exists to transform lives through protection of Domestic Manufacturing Industries from unfair import trade practices by invoking Trade Remedies (Trade Defence Measures). This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/citizen first, delivering relevant services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

i) Sustainability strategy and profile

KETRA envisages a nation free of unfair import trade practices through creating a level playing field by facilitating fair import trade practices through application of trade defence tools so as to promote the growth of Kenyan industry. The measures put in place protect the citizens from unfair import Trade practices and import surges which cause material injury or retardation to the domestic industry.

ii) Environmental performance

KETRA works within the existing environmental policy framework in Kenya and strives to contribute to the current commitments made by Kenya in its domestic and global environmental agenda. As a service-based Agency, KETRA does not produce any waste that pollutes the environment. The Agency ensures that its offices are environment friendly and always uses office equipment and facilities that do not contribute to environmental degradation.

iii) Employee welfare

KETRA is committed to the welfare of its employees. At the moment the Agency has not recruited its own staff but has a team of 10 officers both technical and support deployed by the State Department for Trade and Enterprise Development to assist the Board in operationalizing the Agency.

The Agency is planning to collaborate with the World Trade Organization to assist in training of the Technical Officers to improve their technical skills in handling Trade Remedies issues. The support team will also be trained in line with the existing government regulations on human capital development.

When the opportunity to recruit comes, the Agency will ensure it is done in line with the Kenyan Constitution 2010 and relevant laws.

iv) Market place practices

a) Responsible competition practice.

KETRA has been established to implement Trade Remedies in Kenya in accordance with International Trade Law (World Trade Organization Law on Trade Remedies). Kenya will therefore strive to ensure that there are fair international trade practices.

b) Responsible Supply chain and supplier relations

KETRA has maintained good supplier relations with its clients. At the close of the Financial period, the Agency was able to settle all its bills with suppliers. The Agency adheres to the guidelines issued regarding procurement of goods, works and services including considering the marginalized groups.

c) Responsible marketing and advertisement

The Agency strives to observe all regulations and guidelines relating to ethical marketing practices. This is done by ensuring that its officers have the necessary skills and competencies.

d) Product stewardship

As an Agency established to ensure fair international Trade practices, KETRA jointly works with its stakeholders both internal and external to ensure that consumer rights and interests are safeguarded. This is done through public outreach and awareness programmes.

v) Corporate Social Responsibility / Community Engagements

During the period, the Agency had planned to undertake Tree Planting in Karura Forest in collaboration with the Kenya Forest Service to contribute to the 10% forest cover that the Government of Kenya has been striving to achieve. This was however not possible due to a limited budget and logistical challenges. The Agency is planning to undertake the same activity in the coming year in collaboration with the Kenya Forest Service.

10. Report of the Directors

The Directors submit their report together with the audited financial statements for the 16 Months period ended June 30, 2022, which show the state of the KETRA'S affairs.

i) Principal activities

The principal activities of the Agency are to investigate and evaluate allegations of dumping and subsidization of imported products into Kenya; investigate and evaluate requests for application of safeguard measures on any product imported in Kenya; advise the Cabinet Secretary responsible for Trade on the results and recommendations of its investigations; initiate and conduct public awareness; training of stakeholders on its functions and on trade remedies; publish and disseminate manuals, codes, guidelines, and decisions relating to its functions.

ii) Results

The results of the Agency for the 16 months period ended June 30, 2022, are set out on page 1 to 7 of this report.

iii) Directors

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

iv) Auditors

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

By Order of the Board


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Samuel K. Chemisto, HSC
Ag. Executive Director

11. Statement of Directors' Responsibilities

Section 83 of the Public Finance Management Act, 2012 require the Directors to prepare financial statements in respect of the entity, which give a true and fair view of the state of affairs of the entity at the end of the financial period and the operating results for that period. The Directors are also required to ensure that the entity keeps proper accounting records which disclose with reasonable accuracy the financial position of the entity. The Directors are also responsible for safeguarding the assets of the entity.

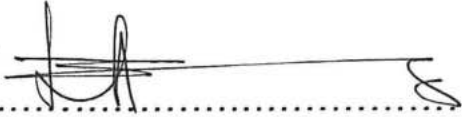
The Directors are responsible for the preparation and presentation of the Kenya Trade Remedies Agency financial statements, which give a true and fair view of the state of affairs of the Agency for and as at the end of the financial period ended on 30th June 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of Kenya Trade Remedies 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 Kenya Trade Remedies 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 Kenya Trade Remedies Agency 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 Corporation Act. The Directors are of the opinion that the Agency's financial statements give a true and fair view of the state of Agency's transactions during the financial period ended 30th June 2022. The Directors further confirms 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 Kenya Trade Remedies 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 Kenya Trade Remedies Agency financial statements were approved by the Board on 29.09.2022 and signed on its behalf by:



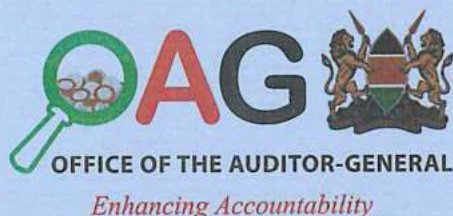
Dr. Wilson Songa, MBS, OGW
Session Chair of the Board



Samuel K. Chemisto, HSC
Ag. Executive Director

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON KENYA TRADE REMEDIES AGENCY FOR THE SIXTEEN (16) MONTHS PERIOD ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Trade Remedies Agency set out on pages 1 to 24, which comprise of the statement of financial position as at

30 June, 2022 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the period 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 the Kenya Trade Remedies Agency as at 30 June, 2022, and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Kenya Trade Remedies Act, 2017.

Basis for Opinion

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects total recurrent expenditure budget and actual on comparable basis amounts of Kshs.40,100,000 and Kshs.35,158,143 respectively, resulting to an under-expenditure of 4,941,857 or 12% of the budget. Further, the Agency spent an amount of Kshs.5,792,832 out of the approved capital expenditure budget of Kshs.8,200,000, resulting to an under expenditure of Kshs.2,407,168 or 29% of the approved capital expenditure budget.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness

and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Appointment of a Board Chairperson

Review of records provided revealed that the Agency did not have a substantive chairperson. This is contrary to Section 6(1)(a) of the Kenya Trade Remedies Act, 2017 that requires a chairperson be appointed by the President upon the recommendation of the Public Service Commission through a competitive process.

In the circumstances, the Agency was in breach of the Law.

2. Gender Imbalance in the Composition of the Board

Review of records provided for audit revealed that the Agency had a total of seven (7) board members during the period under review. However, six (6) board members or 86% out of seven (7) were male. This is contrary to Article 27 (8) of the Constitution which stipulates that the State shall take legislative and other measures to implement the affirmative action programmes and policies and that not more than two-thirds of the members of elective or appointive bodies shall be of the same gender.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall 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 processes and systems of internal controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Board of Directors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Agency to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Agency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

20 February, 2023

13. Statement of Financial Performance for the 16 Months Period Ended 30 June 2022

	Notes	16 months Ended
		30 th June 2022
		Ksh s
Revenue from non-exchange transactions		
Transfers from other governments entities	6	44,555,723
Total revenue		44,555,723
Expenses		
Use of goods and services	7	24,377,328
Board Expenses	8	6,780,698
Depreciation and amortization expense	9	2,246,459
Total Expenses		33,404,485
Net Surplus for the Period		11,151,238

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



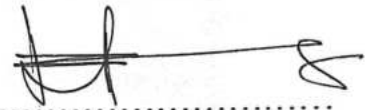
Samuel K. Chemisto, HSC
Accounting Officer

Date: 07.12.2022



CPA Milly Eve Akoth
Dep. Accountant General
ICPAK Number:20112

Date: 7/12/2022



Dr. Wilson A. Songa, MBS, OGW
Session Chair of the Board

Date: 7-12-2022

14. Statement of Financial Position As At 30 June 2022

	Notes	16 months Ended 30th June 2022 Kshs
Assets		
Current Assets		
Cash and Cash equivalents	10	9,595,484
Inventories	11	1,950,565
Prepayments	12	307,794
Total Current Assets		11,853,843
Non-Current Assets		
Property, Plant and Equipment	13	5,969,643
Total Non- Current Assets		5,969,643
Total Assets		17,823,486
Liabilities		
Current Liabilities		
Deferred Income	14	6,672,248
Total Liabilities		6,672,248
Accumulated Surplus		11,151,238
Total Net Assets and Liabilities		17,823,486

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



Samuel K. Chemisto, HSC
Accounting Officer

Date: 07-12-2022



CPA Milly Eve Akoth
Dep. Accountant General

ICPAK Number:20112

Date: 7/12/2022



Dr. Wilson A. Songa, MBS, OGW
Session Chair of the Board

Date: 7-12-2022

15. Statement of Changes in Net Assets for the 16 Months period Ended 30 June 2022

	Retained earnings	Total
	Kshs	Kshs
As at March 1, 2021	-	-
Surplus for the period	11,151,238	11,151,238
As at 30th June 2022	11,151,238	11,151,238

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



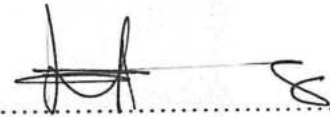
Samuel K. Chemisto, HSC
Accounting Officer

Date: 07-12-2022



CPA Milly Eve Akoth
Dep. Accountant General
ICPAK Number: 20112

Date: 7/12/2022



Dr. Wilson A. Songa, MBS, OGW
Session Chair of the Board

Date:

7-12-2022

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

		16 months Ended 30 th June 2022 Kshs
	Notes	
Cash flows from operating activities		
Receipts		
Transfers from other governments entities	6A	35,800,000
RIP Fund	6B	12,500,000
Total receipts		48,300,000
Payments		
Use of goods and services and Consumable Stores	7 & 11	25,823,192
Board Expenses	8 & 12	7,088,492
Total payments		32,911,684
Net cash flows from/ (used in) operating activities	15	15,388,316
Cash flows from investing activities		
Purchase of PPE and Intangible assets	13	(5,792,832)
Net cash flows from/ (used in) investing activities		(5,792,832)
Cash flows from financing activities		
Net cash flows from financing Activities		-
Net increase/(decrease) in cash & Cash equivalents		9,595,484
Cash and cash equivalents at 1 March		-
Cash and cash equivalents at 30 June	10	9,595,484

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



Samuel K. Chemisto, HSC
Accounting Officer

Date: 07.12.2022



CPA Milly Eve Akoth
Dep. Accountant General

ICPAK Number: 20112

Date: 7/12/2022



Dr. Wilson Songa, MBS, OGW
Session Chair of the Board

Date: 17-12-2022

Kenya Trade Remedies Agency
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17. Statement of Comparison of Budget and Actual Amounts for the 16 Months Period ended 30 June 2022

	Original budget Kshs	Adjustments Kshs	Final budget Kshs	Actual on comparable basis Kshs	Performance difference Kshs	% of utilization
	a	b	C=(a+b)	d	e=(c-d)	f=d/c* 100
Revenue						
Transfers from Other Governments entities	35,800,000	-	35,800,000	35,800,000	-	100%
RIP Fund	12,500,000	-	12,500,000	5,827,752	6,672,248	47%
Donations in Kind	-	-	-	2,927,971	(2,927,971)	-
Total Income	48,300,000	-	48,300,000	44,555,723	3,744,277	92%
Expenses						
Use of Goods and Services	32,900,000	-	32,900,000	25,823,192	7,076,808	78%
Depreciation & Amortization	-	-	-	2,246,459	(2,246,459)	-
Board expense	7,200,000	-	7,200,000	7,088,492	111,508	98%
Total Expenditure	40,100,000	-	40,100,000	35,158,143	4,941,857	88%
Capital Expenditure	8,200,000	-	8,200,000	5,792,832	2,407,168	71%
Total	48,300,000	-	48,300,000	40,950,957	7,349,025	85%
Balance at Period End	-	-	-	3,604,748	(3,604,748)	-

Budget Notes

1. The original budget is equal to the final budget because there was no reallocation or supplementary during the financial reporting period.
2. There were no significant material variances.
3. The Budget is presented on a cash basis outlining the cash received and paid out during the periods.

18. Notes to The Financial Statements

i) General Information

The Kenya Trade Remedies Agency is established by and derives its authority and accountability from Trade Remedies Act (No. 32 of 2017). Kenya Trade Remedies Agency is wholly owned by the Government of Kenya and is domiciled in Kenya.

KETRA's principal activity is to implement Trade Remedies in Kenya in line with International Law (World Trade Organization Law on Trade Remedies) to protect Kenya's domestic industry from unfair import trade practices.

ii) Statement of Compliance and Basis of Preparation

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

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

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

iii) Adoption of New and Revised Standards

a) New and amended standards and interpretations in issue effective in the period ended 30 June 2022.

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

b) New and amended standards and interpretations in issue but not yet effective in the period ended 30 June 2022.

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk

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Standard	Effective date and impact:
	<p style="text-align: center;">management strategies and the accounting treatment for instruments held as part of the risk management strategy.</p> <p>The standard has no impact on KETRA</p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. <p>The standard has no impact on KETRA</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p>The Standard has no impact on KETRA</p>

Kenya Trade Remedies Agency
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Standard	Effective date and impact:
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <p><input type="checkbox"/> <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i></p> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <p><input type="checkbox"/> <i>IPSAS 39: Employee Benefits</i></p> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <p><input type="checkbox"/> <i>IPSAS 29: Financial instruments: Recognition and Measurement Standard</i> no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p> <p>The standard has no impact on KETRA</p>
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>The Standard has no impact on KETRA</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>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 cost to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the</p>

Kenya Trade Remedies Agency
Annual Report and Financial Statements for the 16 Months period ended June 30, 2022.

Standard	Effective date and impact:
	results of discontinued operations to be presented separately in the statement of financial performance. The standard has no impact on KETRA

c) Early adoption of standards

The Entity did not early – adopt any new or amended standards in financial period.

iv) 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 KETRA and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

b) Budget information

The original budget for FY 2021-2022 was approved by the National Assembly on June 2021. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by KETRA upon receiving the respective approvals in order to conclude the final budget. Accordingly, KETRA recorded additional appropriations on the 2021-2022 budget following the governing body's approval.

KETRA's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are

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

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 16 of these financial statements.

c) Property, plant and equipment

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

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

capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

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

e) Inventories

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of *KETRA*.

f) Provisions

Provisions are recognized when *KETRA* 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 *KETRA* 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) Nature and purpose of reserves

KETRA creates and maintains reserves in terms of specific requirements.

h) Changes in accounting policies and estimates

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

i) Foreign currency transactions

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

j) Related parties

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

k) Cash and cash equivalents

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

l) Comparative figures

The financial statements and the notes do not have comparative figures since this is our initial report.

m) Subsequent events

There have been no events subsequent to the financial period end with a significant impact on the financial statements for the 16 months period ended June 30, 2022.

v) Significant Judgments and Sources of Estimation Uncertainty

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

a) 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. KETRA based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of KETRA. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

b) 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 40.

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.

Kenya Trade Remedies Agency
Annual Report and Financial Statements for the 16 Months period ended June 30, 2022.

Note 6A: Transfers from Other Government Entities	16 months Ended 30th June 2022
	Kshs
Unconditional grants	
Grant from State Department for Trade	35,800,000
Grant from RIIP Fund (National Treasury)	5,827,752
Donations in Kind from the State dept for Trade	2,927,971
Total Transfers	44,555,723

Note 6 B Transfers from MDAs				
Name of the Entity sending the grant	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total transfers 2021- 2022
	Kshs	Kshs	Kshs	Kshs
State Department for Trade	35,800,000			35,800,000
Grant from RIIP Fund	5,827,752	6,672,248		12,500,000
Donation in Kind from SDT	2,927,971			2,927,971
Total	44,555,723	6,672,248	-	51,227,971

Note 7: Use of Goods and Services	16 months Ended 30th June 2022
	Kshs
Airtime	310,000
Bank Charges	44,240
Catering services	2,445,820
Fuel and oil	265,000
Hospitality	1,474,000
Courier and postage	7,175
Other General Expenses	698,362
Advertising and publicity	206,260
Printing and Stationery	230,260
Rent and Service Charge	7,528,308
Travel, accommodation, and other allowances	9,526,948
Repair and maintenance	15,000
Foreign Travel	1,121,254
Sub-Total	23,872,627
Assorted Consumables (Donations in Kind)	504,701
Total	24,377,328

Note: Use of Goods & Services includes Donation in kind for Assorted Consumables of KSH 504,701

Kenya Trade Remedies Agency
Annual Report and Financial Statements for the 16 Months period ended June 30, 2022.

Note 8: Board Expenses	16 months Ended 30th June 2022
	Kshs
Chairman's Honoraria	
Sitting allowances	3,820,000
Mileage Allowance	557,911
Hospitality	258,000
Travel and accommodation	1,383,200
Telephone Allowances	146,000
GPA Insurance	340,680
Medical Insurance	274,907
Total	6,780,698

Note 9: Depreciation & Amortization	16 months Ended 30th June 2022
	Kshs
Property, plant and equipment	2,246,459
Total	2,246,459

Note 10A: Cash and Cash Equivalents	16 months Ended 30th June 2022
	Kshs
Cash at Bank	9,595,484
Total Cash and Cash Equivalents	9,595,484

Note 10 B: Analysis of Cash and Cash Equivalent	16 months Ended 30th June 2022
Financial institution	Kshs
KCB A/C No:1282732390	9,595,484
Grand total	9,595,484

Kenya Trade Remedies Agency
Annual Report and Financial Statements for the 16 Months period ended June 30, 2022.

Note 11: Inventory	16 months Ended 30th June 2022
	Kshs
Consumable Stores	1,950,565
Total	1,950,565

Note 12: Prepayments	16 months Ended 30th June 2022
	Kshs
GPA Insurance	170,340
Medical Insurance	137,454
Total	307,794

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Kenya Trade Remedies Agency

Note 13: Property Plant and Equipment

Rate	ICT Equipment	Furniture and Fittings	Office Equipment	Total
Cost at 1st March 2021				
Additions in Kind	33.30%	12.5%	12.5%	
Cost at 30th June 2021	130,500			
Cost at 1st July 2021	130,500	1,187,770	1,105,000	2,423,270
additions	130,500	1,187,770	1,105,000	2,423,270
Cost at 30th June 2022	5,272,932	1,187,770	1,105,000	2,423,270
	5,403,432	1,187,770	519,900	5,792,832
Depreciation				
As 1st March 21			1,624,900	8,216,102
Charge for the period				
Disposals		49,490.42		
Impairment			46,041.67	95,532
As at 30th June 2021				
	-	49,490.42	46,041.67	95,532
As 1st July 2021				
Charge for the period		49,490.42	46,041.67	95,532
Disposals	1,799,342.86	148,471.25	203,112.50	2,150,927
Impairment				
As at 30 June 2022	1,799,342.86	197,961.67	249,154.17	2,246,459
Net Book Value 30 June 2022	3,604,089	989,808	1,375,746	5,969,643

Kenya Trade Remedies Agency
Annual Report and Financial Statements for the 16 Months period ended June 30, 2022.

	16 months Ended 30th June 2022
Note 14: Deferred Income	Kshs
Transfers from RIIP (Treasury)	6,672,248
Total	6,672,248

	16 months Ended 30th June 2022
Note 15: Cash Generated from Operations	Kshs
Surplus for the period before tax	11,151,238
Adjusted for:	
Depreciation	2,246,459
Non-cash grants received	(2,927,971)
Increase in Inventory	(1,950,565)
Non-cash expenses (consumables from SDT)	504,701
Increase in deferred income	6,672,248
Net cash flow from operating activities	15,696,110

Other Disclosures

a) Financial Risk Management

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

i) Credit risk

KETRA has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks.

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

ii) Liquidity risk management

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

iii) Market risk

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

iv) Interest rate risk

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

b) Management of interest rate risk

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

Fair value of financial assets and liabilities

Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

c) Capital Risk Management

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

	2021-2022
	Kshs
Retained Earnings	11,151,238
Total Borrowings	0
Less: Cash and Bank Balances	9,595,484
Net Debt/ (Excess Cash and Cash Equivalent)	
Gearing	0%

d) Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of *KETRA*, holding 100% of *KETRA*'s equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of *KETRA*, both domestic and external.

Other related parties include:

- i) The Parent Ministry.
- ii) Key management.

Related party transactions	2021-2022
	Kshs
Transactions with related parties	
a) Grants /transfers from the government	
Grants from National Government	51,227,971
Total	
b) Key management compensation	
Board Expenses	6,780,698

e) Events after the Reporting Period

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

f) Ultimate And Holding Entity

KETRA is a Semi- Autonomous Government Agency under the Ministry of Industrialization, Trade and Enterprise Development. Its ultimate parent is the Government of Kenya.

g) Currency

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

19. Appendices

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

KETRA did not have pending matters with the office of The Auditor General.



.....
Ag. CEO KETRA

Date: 07.12.2022

Appendix II: Projects implemented.

KETRA had no Capital project in the 16 months period under review

Kenya Trade Remedies Agency
Annual Report and Financial Statements for the 16 Months period ended June 30, 2022.

Appendix III: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the 16 months period
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
RIP Fund	18/03/2021	Recurrent	7,500,000	5,827,752	-	1,672,248	-	-	7,500,000
SDT	10/09/2021	Recurrent	8,950,000	8,950,000	-	-	-	-	8,950,000
SDT	12/23/2021	Recurrent	8,950,000	8,950,000	-	-	-	-	8,950,000
SDT	3/4/2022	Recurrent	8,950,000	8,950,000	-	-	-	-	8,950,000
RIP Fund	5/18/2022	Recurrent	5,000,000	-	-	5,000,000	-	-	5,000,000
SDT	6/6/2022	Recurrent	8,950,000	8,950,000	-	-	-	-	8,950,000
			48,300,000	41,627,752	-	6,672,248	-	-	48,300,000

Kenya Trade Remedies Agency
Annual Report and Financial Statements for the 16 Months period ended June 30, 2022.

Appendix IV- Inter-ENTITY Confirmation Letter



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

Confirmation of amounts received by [Insert name of beneficiary KETRA] as at 30th June 2022

Reference Number	Date Disbursed	Amounts Disbursed by State Department of Trade (KShs) as at 30 th June 2022				Inter-Ministerial (C)	Total (D)=(A+B+C)	Amount Received by [beneficiary KETRA] (KShs) as at 30 th June 2021 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)						
REC/0020	10.09.2021	8,950,000	-		-	8,950,000	8,950,000	NIL	
REC/0020/1	20.12.2021	8,950,000	-		-	8,950,000	8,950,000	NIL	
REC/0020/2	04.03.2022	8,950,000	-		-	8,950,000	8,950,000	NIL	
REC0020/3	23.05.2022	8,950,000	-		-	8,950,000	8,950,000	NIL	
Total						35,800,000	35,800,000	NIL	

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

Head of Accountants department of beneficiary KETRA:

Name SAMUEL W. CHEMISTO Sign [Signature] Date 07-12-2022

Appendix V: Reporting of Climate Relevant Expenditures

KETRA had no expenditure under climate change

Appendix VI: Disaster Expenditure Reporting Template There
was no expenditure under this category.



**KENYA TRADE
REMEDIES
AGENCY**

When replying please quote:

Ref No: KETRA/ACCTS/VOL I (37)

16th September 2022

The Principal Secretary
National Treasury
P.O Box 30007-00100
Nairobi

ATT: RIIP Coordinator, Mr. Alice Mwololo

Dear Sir,

**RE: CONFIRMATION OF GRANTS RECEIVED FOR THE PERIOD
ENDING 30TH JUNE 2022**

Confirmations of amounts Received by Kenya Trade Remedies Agency as at 30th June, 2022

Reference Number	Date Disbursed	Amounts Received by Kenya Trade Remedies Agency as at 30 th June 2022			Total (Kshs) (D)=(A+B+C)	Amount Received by (Kenya Trade Remedies Agency as at 30 th June 2022) (Kshs) E	Difference (Kshs) (F)=(D-E)
		Deposit (Kshs) (A)	Recurrent (Kshs) (B)	Development (Kshs) (C)			
TR/R OC/0010	18-Mar-2021	7,500,000	-	-	7,500,000	7,500,000	-
EC/0010	10-May-2022	5,000,000	-	-	5,000,000	5,000,000	-
Total		12,500,000	-	-	12,500,000	12,500,000	-

I can confirm that the amount shown above are correct as of the date indicated
Regional Integration and Implementation Programme Coordinator

Name Alice Mwololo Signature [Signature]

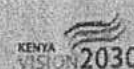
Date 19/09/2022

Yours Faithfully

[Signature]

Samuel K. Chemisto

Your Trade Defense Partner



KIBI Building, Ohio Road Parklands
P.O Box 41939-00100

Telephone: +254-(0)20-3315001/2-4
E-mail: ketra@trade.go.ke

@KenyaTrade



**KENYA TRADE
REMEDIES
AGENCY**

When replying please quote:

Ref No: KETRA/ACCTS/VOL I (36)

22nd August 2022

The Principal Secretary
State Department for Trade and Enterprise Development
P.O Box 30430-00100
NAIROBI

ATTN: MS. MILDRED AKOTH



Dear Madam,

RE: CONFIRMATION OF GRANTS RECEIVED DURING THE FY 2021/2022

Confirmation of amounts received by Kenya Trade Remedies Agency as at 30th June, 2022

Reference Number	Date Received	Amounts Received by Kenya Trade Remedies Agency as at 30 th June 2022				Total (KShs) (D)=(A+B+C)	Amount Received by (Kenya Trade Remedies Agency as at 30 June 2022 (KShs) E	Differences (KShs) (F)=(D-E)
		Recurrent (KShs) (A)	Development (KShs) (B)	Inter - Ministerial (KShs)(C)				
REC/0020	10/09/2021	8,950,000	-	-	8,950,000	8,950,000	NIL	
REC/0020/1	20/12/2021	8,950,000	-	-	8,950,000	8,950,000	NIL	
REC/0020/2	04/03/2022	8,950,000	-	-	8,950,000	8,950,000	NIL	
REC/0020/3	23/05/2022	8,950,000	-	-	8,950,000	8,950,000	NIL	
Total					35,800,000	35,800,000	NIL	

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

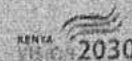
Name MILLY EVE AKOTH Signature [Signature]
Date _____

Yours faithfully,

[Signature]

S.K Chemisto
Ag. Executive Director

Your Trade Defences Partner



KITA Building, City Road Parklands
P.O.Box 30430-00100

Telephone: +254 (0)20-3315001/2-4
E-mail: ketra@trade.go.ke

@KenyaTrade

