

REPUBLIC OF KENYA

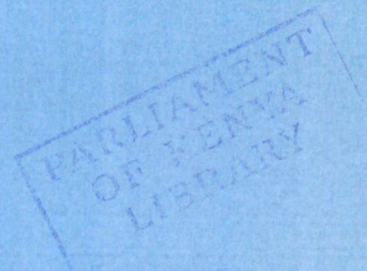


OFFICE OF THE AUDITOR-GENERAL



|                                      |   |
|--------------------------------------|---|
| THE NATIONAL ASSEMBLY<br>PAPERS LAID |   |
| DATE: 08 MAY 2019                    | DAY:<br>WED   |
| TABLED BY:<br>CLERK-AT-THE-TABLE:    | The Majority Whip<br>Hon. Benjamin W. Wachira<br>Mr. Moko |

REPORT



OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
MINISTRY OF TOURISM

FOR THE YEAR ENDED  
30 JUNE 2018





---

**MINISTRY OF TOURISM  
VOTE 1201**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2018**

---

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

**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

---

| Table of Contents   | Page |
|---|------|
| I. KEY MINISTRY INFORMATION AND MANAGEMENT .....                                    | 1    |
| II. FORWARD BY THE CABINET SECRETARY .....  | 3    |
| STATEMENT OF MINISTRY MANAGEMENT RESPONSIBILITIES .....                             | 6    |
| III. STATEMENT OF RECEIPTS AND PAYMENTS .....                                       | 8    |
| IV. STATEMENT OF ASSETS AND LIABILITIES .....                                       | 9    |
| V. STATEMENT OF CASH FLOWS .....  | 10   |
| VI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT<br>COMBINED ..... | 11   |
| VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT .....                            | 13   |
| SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT .....                               | 14   |
| VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES .....                       | 15   |
| IX. SIGNIFICANT ACCOUNTING POLICIES .....   | 16   |
| X. NOTES TO THE FINANCIAL STATEMENTS .....  | 20   |

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

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

The Ministry of Tourism was formed by Executive Order No.1 /2016 dated May 2016(Organisation of the Government of the Republic of Kenya). At Cabinet level, the Ministry is represented by the Cabinet Secretary for Tourism, who is responsible for the general policy and strategic direction of the Ministry. The Vision of the Ministry of Tourism is to make Kenya “To be the preferred tourism destination of choice” while the Mission is “To develop, manage and market sustainable tourism in Kenya”. The mandate of the Ministry of Tourism is Tourism Policy and Standards, Development, Promotion and Marketing of Tourism, Tourism Research and Monitoring, Protection of Tourism and Regulation, Tourism Financing and Tourism Training.

### **(b) Key Management**

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

- Senior Management Committee
- Ministerial Human Resource Advisory Committee

### **(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June, 2018 and who had direct fiduciary responsibility were:

| <b>No.</b> | <b>Designation</b>           | <b>Name</b>     |
|------------|------------------------------|-----------------|
| 1.         | Accounting Officer           | Fatuma M. Hirsi |
| 2.         | Tourism Secretary            | Said Athman     |
| 3.         | Director of Administration   | Albert Kobia    |
| 4.         | Chief Finance Officer        | Margaret Byama  |
| 5.         | Assistant Accountant General | Rita Njiru      |
| 6.         | Chief Economist              | Simon Korir     |

**MINISTRY OF TOURISM**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

---

**(d) Fiduciary Oversight Arrangements**

- *Audit committee activities*
- *Ministerial budget implementation committee*

**(e) Ministry of Tourism Headquarters**

NSSF Building, Block A 15<sup>th</sup> Floor  
Ngong Rd 5<sup>th</sup> Avenue  
P.O Box 30126  
Nairobi, Kenya

**Contacts**

Telephone: (254) 20 315001-6  
E-mail: [ps@tourism.go.ke](mailto:ps@tourism.go.ke)  
Website: [www.tourism.go.ke](http://www.tourism.go.ke)

**(f) Bankers**

Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya

**(g) Independent Auditors**

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

**(h) Principal Legal Adviser**

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

# MINISTRY OF TOURISM

## Reports and Financial Statements

For the year ended June 30, 2018

### II. FORWARD BY THE CABINET SECRETARY

The Tourism sector plays an important role in the economy of Kenya through its contribution to Gross Domestic Product (GDP), employment and foreign exchange earnings. It also has several linkages with other sectors of the economy. This puts the sector as a good pedestal to catalyze investment and growth in other sectors and therefore stimulate economic diversification across sectors through multiplier effect.

The Kenya Vision 2030 identifies Tourism as one of the key sectors that will spearhead the envisaged economic growth rate of 10% per annum in the medium term. The overall aim of the tourism sector is to position Kenya among the top ten long haul tourist destinations offering a high end, diverse and distinctive and unique visitor experience.

The total allocation for the Ministry in the 2017-2018 Financial year was Kshs. 2.744 Billion of which Kshs. 1.763 Billion (65%) was Recurrent and Kshs. 0.98 Billion (35%) being Development. The actual expenditure amounted to Kshs. 2.10 Billion translating to an absorption rate of 76.5%. This is represented as follows:

| No | Economic Classification   | Amount (Kshs Millions) | Percentage |
|----|---------------------------|------------------------|------------|
| 1  | Compensation of Employees | 186                    | 9%         |
| 2  | Transfers to SAGAS        | 1,351                  | 64%        |
| 3  | Acquisition of Assets     | 189                    | 9%         |
| 4  | Others                    | 383                    | 18%        |
|    | Total                     | 2,109                  | 100%       |

During the Financial year, the Ministry's programmes were geared towards recovery and growth of the tourism industry and sustaining it towards increased tourism sector contribution to the economy. The year 2017 witnessed sustained growth in international arrivals and earnings, a trend which had commenced in 2015. The security situation in the Country normalized, this led to the lifting of travel restrictions to Kenya by key source markets. Additionally, strategic marketing and destination reassurance efforts provided the much needed impetus to put the sector firmly on the recovery path.

**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

**TOTAL  
INTERNATIONAL  
ARRIVALS**



2017 **1,474,671**  
 2016 **1,342,899**  
 2015 **1,180,500**

**UP  
9.8%**

**TOURISM  
RECEIPTS**



2017 **Ksh 119.9 bn.**  
 2016 **Ksh 99.69 bn.**  
 2015 **Ksh 84.6 bn.**

**UP  
20.3%**

Aggressive tourism promotion in both the domestic and international markets together with enhanced security within the country saw an improvement in the tourism sector during the year. Tourism receipts grew to Kshs 119.9 Billion in 2017 from 99.7 Billion the previous year. This was as a result of an increase in international tourist arrivals from 1,339,700 Million to 1,448,800 million. Domestic bed-night occupancy stood at 3.645 million against the previous year's 3.495 million.

Specific programmes and activities that contributed to the improved performance include creating brand awareness and sustaining growth in key markets and increased penetration into new markets. This was done through various programs like joint marketing campaigns with Huawei in China, Joint marketing campaign with Travel Trade United States Tour Operator Association's Annual (USTOA) conference, participating in travel expos, direct consumer engagement in the USA, strategic



# MINISTRY OF TOURISM

## Reports and Financial Statements

### For the year ended June 30, 2018

---

partnerships with premium brands as well as PR and Media interviews to maintain the visibility of the brand.

To stimulate growth and grow awareness of the domestic market, various programmes like the Tembea, *Kenyanamimi* campaign and other social media campaigns were undertaken. In addition, various cultural festivals were undertaken across the country. Stakeholder engagements for both the local and international stakeholders were undertaken, like foreign correspondents breakfast forum and domestic familiarization trips. Other programs and initiatives included targeted trade forums in a number of counties, implementation of a 360 degree communication framework as well as installing a number of tourist signages.

Product and Infrastructure development was also another key focus of the Ministry during the financial year with focus on innovative and sustainable products. The Ministry carried on with the development of Nairobi International Convention and Exhibition Centre (NAICEC) which aims at expanding the MICE tourism capacity. Development of cruise terminal in Mombasa is also underway as well as the construction of Ronald Ngala Utalii College in Kilifi. The Ministry also continued with the rehabilitation works on one of the access roads to Meru National Park from Farm to Murera Gate.

Other initiatives included efforts to mainstream Women and Youth into Tourism. One such intervention “Ushanga Programme”, which is part of the ‘big four’ agenda with the aim of adding value to locally made products to increase income for Kenyans specifically Women from the beads producing communities. Secondly, as regards youths, the ministry rehabilitated the little theater club in Mombasa, as a way of developing music and performing arts talent, one of the flagship projects under Vision 2030 and a potential tourism product.

On emerging issues, today’s traveller is technology savvy and technology plays an immense role in choosing a destination and in consumption of the tourism product offering. In addition, the tourists are increasingly becoming sophisticated, wants experiential travel to interact with the destination. Tourists have changed across the generations ranging from the young millennials and the baby boomers. Policy interventions are being formulated taking into considerations some of these emerging issues. These emerging issues have been mainstreamed in the National Tourism Blueprint.

Tourism sector experienced a number of challenges which included product quality, incidences of poaching, inadequate physical infrastructure, inadequate bed capacity and poor distribution of facilities across regions, funding challenges and weak inter-governmental collaboration among others.

Hon. Najib Balala, EGH

**CABINET SECRETARY**

**MINISTRY OF TOURISM**

## **MINISTRY OF TOURISM**

### **Reports and Financial Statements**

**For the year ended June 30, 2018**

---

#### **STATEMENT OF MINISTRY MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Ministry shall prepare financial statements in respect of that Ministry. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the Ministry of Tourism is responsible for the preparation and presentation of the Ministry's financial statements, which give a true and fair view of the state of affairs of the Ministry for and as at the end of the financial year (period) ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Ministry; (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 Ministry; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the Ministry of Tourism accepts responsibility for the Ministry's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the Ministry's financial statements give a true and fair view of the state of Ministry's transactions during the financial year ended June 30, 2018, and of the Ministry's financial position as at that date. The Accounting Officer charge of the Ministry of Tourism further confirms the completeness of the accounting records maintained for the Ministry, which have been relied upon in the preparation of the Ministry's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Ministry of Tourism confirms that the Ministry has complied fully with applicable Government Regulations and the terms of external financing covenants (where

**MINISTRY OF TOURISM**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

applicable), and that the Ministry's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the Ministry's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The Ministry's financial statements were approved and signed by the Accounting Officer on 31st December 2018.



Principal Secretary

Name: Joe Okudo



Principal Accountant

Name: Isaac Mbuthia

ICPAK Member No.8730

# REPUBLIC OF KENYA

Telephone: +254-20-342330  
Fax: +254-20-311482  
Mail: oag@oagkenya.go.ke  
Website: www.kenao.go.ke



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON MINISTRY OF TOURISM FOR THE YEAR ENDED 30 JUNE 2018

#### REPORT ON THE FINANCIAL STATEMENTS

##### Qualified Opinion

I have audited the accompanying financial statements of Ministry of Tourism set out on pages 8 to 42 which comprise the statement of financial assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of changes in equity, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Ministry of Tourism as at 30 June 2018 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and the Public Finance Management Act, 2012.

##### Basis for Qualified Opinion

###### 1. Inaccurate Cash and Cash Equivalents

The cash and cash equivalents as at 30 June reflected Kshs.32,545,359. However, the supporting trial balance indicated a figure of Kshs.14,450,735,288 resulting to an unreconciled difference of Kshs.14,418,189,929 as tabulated below:-

| Bank Account No.                       | Balance as Per Trial Balance Kshs. | Balance as Per Financial Statement Kshs. | Difference Kshs. |
|--|------------------------------------|--|------------------|
| 1000210133-<br>Recurrent account       | 3,130,903,694                      | 433,698                                  | 3,129,653,359    |
| 1000210095 -<br>Development<br>Account | 4,820,828,208                      | 598,042                                  | 4,820,826,122    |
| 1000212675 -<br>Deposit Account        | --                                 | 31,506,997                               | (31,506,997)     |

*Report of the Auditor-General on the Financial Statements of Ministry of Tourism for the year ended 30 June 2018*

| <b>Bank Account No.</b> | <b>Balance as Per Trial Balance Kshs.</b> | <b>Balance as Per Financial Statement Kshs.</b> | <b>Difference Kshs.</b> |
|-------------------------|---|---|-------------------------|
| Cash in hand            | 6,499,003,386                             | 6,622   | 6,498,996,764           |
| <b>Total</b>            | <b>14,450,735,288</b>                     | <b>32,545,359</b>                               | <b>14,418,785,885</b>   |

In view of the above unreconciled differences, it has not been possible to confirm the accuracy and completeness of cash and cash equivalents balance of Kshs.32,545,359 as at 30 June 2018.

## **2. Expenditure on Payment of a Pending Bill and Non-Disclosure**

As reported in the previous year's audit, the Ministry made a payment of Kshs.150 million to a local law firm in respect of pending bill from the former Ministry of Trade. Available information indicates that the payment was in respect of an initial bill of Kshs.12 million payables to Tele News Africa and Atlantic Region but which was in contention as the contract for advertising services by the firm had expired in June 2004 but the firm continued to render the service. The Attorney General vide letter Ref. A.G/CIR/3016/04 in 2006 observed that the Ministry was obligated to settle the claim since the Ministry agreed to participate in disputed third phase of the Programme. As at 17 June 2010, the bill had accumulated to Kshs.52,606,872 being outstanding amount plus 3% interest since 2004. In August 2011, the Attorney General advised the Ministry of Trade and Industry to pay the contractual amount but negotiate the interest payable even though there was no formal contract for Phase 11. However, the advice was not adhered to.

The firm went to court for non-payment and by the judgement dated 24 July 2012 ruled in their favour, the firm was awarded Kshs.110,061,691 being the initial Kshs.12 million plus 26% interest since April 2004. Part payment was made in July 2013 of Kshs.65 million as interest continued to accumulate. As at December 2016, the outstanding bill had accumulated to Kshs.210 million.

It was noted that there was lack of diligence on the side of the then Ministry's officials in allowing the company to continue offering the services without a valid contract. There was also further negligence on part of the officials in not adhering to the professional advice by the Attorney General to pay the outstanding amount and negotiate the interest payable in 2011. Had this advice been followed, this could have saved the Government the interest accumulated of Kshs.198 million.

In the year under review, a further payment of Kshs.70 million was made. Despite the fact that the Ministry to date has paid Kshs.220 million against Kshs.210 million as per December 2016 accumulated balance, the Ministry has since received an estimation statement from the Attorney General instructing the Ministry to pay a further amount of Kshs.62 million arising from the accrued interest. The same has not been disclosed on the face of the financial statements nor by way of notes.

Consequently, there is risk of further loss of public funds through continued accumulated interest and penalties. The Ministry should therefore fast track on settlement of this issue to avoid further interest and penalties.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Ministry of Tourism in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAIs and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no Key Audit Matters to communicate in my report.

### Other Matter

#### 1. Budget Under Absorption

The following expense items were noted to have significant under absorption;

| Program   | Item    | Description                        | Final Budget Kshs. | Actual Expense Kshs. | Variance Kshs. | Variance % |
|-----------|---------|------------------------------------|--------------------|----------------------|----------------|------------|
| 306000000 |         | Tourism Development and Promotion  | 3,689,008,614      | 3,015,059,025        | 673,949,589    | 18%        |
|           | 2520000 | Subsidies                          | 116,600,000        | -                    | 116,600,000    | 100%       |
|           | 2630000 | Transfer to other Government Units | 2,729,868,517      | 2,253,782,739        | 476,085,778    | 17%        |
|           | 3110000 | Acquisition of Assets              | 253,021,941        | 189,904,622          | 63,117,319     | 25%        |
|           | 2210000 | Goods and Services                 | 361,586,673        | 343,049,093          | 18,537,580     | 5%         |

Consequently, the Ministry may not have achieved its desired objectives in its planned activities.

#### 2. Unrelated Expenditure on Various Items and Unrealistic Budget

The Ministry's mandate entails the management to spend mainly on items aimed at development of tourism policy and standards, development, promotion, marketing of tourism, tourism research and monitoring, protection of tourism and regulations, tourism financing, tourism training, tourism recovery and supervision. However in the cause of audit it was not possible to establish how Kshs.63,731,876 spent on various heads/items were related to tourism recovery as detailed below;

| No.          | Nature of Item                         | Specific Expenditure                      | Amount Kshs.             |
|--------------|--|---|--------------------------|
| 1            | Hospitality Supplies and Services      | Token of Appreciation Task Force          | 720,000                  |
| 2            | Specialized materials and services     | Task force                                | 5,001,600                |
| 3            | Foreign Travel                         | Task Force                                | 320,100                  |
| 4            | Operating Expenses                     | Task Force                                | 3,753,000                |
| 5            | Acquisition of Assets-Tourism Recovery | Task Force (Various)<br>Imprest Surrender | 18,172,627<br>35,764,550 |
| <b>Total</b> |  |   | <b>63,731,876</b>        |

### 3. Acquisition of Assets - Tourism Recovery

As previously reported in the year ended 30 June 2017, the Ministry spent an amount of Kshs.1,042,214,337 under expenditure item acquisition of assets (tourism recovery) sub-item; research, studies, project preparation, design and supervision. The scrutiny of the expenditure in the previous year revealed that an amount of Kshs.206,569,933 was incurred on items not related to tourism recovery. Further, most of the expenditure were recurrent in nature rather than development (acquisition of assets) as ought to have been the case. Consequently, it was not possible to confirm propriety of funds amounting to Kshs.206,569,933 as then reflected in the financial statements.

## 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 Qualified Opinion 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

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

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

### Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Qualified

*Report of the Auditor-General on the Financial Statements of Ministry of Tourism for the year ended 30 June 2018*

Opinion section of my report, 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 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with international Public Sector Accounting Standards (Cash 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 controls, risk management and governance.

In preparing the financial statements, management is responsible for assessing the Ministry's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the Ministry's or to cease operations, or have no realistic alternative but to do so.

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.

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

### **Auditor-General's Responsibilities for the Audit of the Financial Statements**

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 the audit of compliance, I consider internal control in order to give an assurance on 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 the 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 going concern 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 Ministry'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 Ministry to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Ministry to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



**FCPA Edward R. O. Ouko, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**29 March 2019**

**MINISTRY OF TOURISM****Reports and Financial Statements****For the year ended June 30, 2018****III. STATEMENT OF RECEIPTS AND PAYMENTS**

|  | Note | 2017-2018<br>KShs    | 2016-2017<br>KShs    |
|--|------|----------------------|----------------------|
| <b>RECEIPTS</b>                          |      |                      |                      |
| Exchequer releases                       | 1    | 2,105,599,884        | 4,652,850,000        |
| Transfers from Other Government Entities | 2    | 2,450,005            | 0                    |
| Proceeds from Sale of Assets             | 3    | 0                    | 24,000               |
| Other Receipts                           | 4    | 902,357,570          | 745,132,313          |
|  |      |                      |                      |
| <b>TOTAL RECEIPTS</b>                    |      | <b>3,010,407,459</b> | <b>5,398,006,313</b> |
| <b>PAYMENTS</b>                          |      |                      |                      |
|  |      |                      |                      |
| Compensation of Employees                | 5    | 186,831,481          | 223,270,827          |
| Use of goods and services                | 6    | 343,049,093          | 102,666,515          |
| Transfers to Other Government Units      | 7    | 2,253,782,739        | 3,997,132,313        |
| Other grants and transfers               | 8    | 24,100,000           | 21,949,281           |
| Social Security Benefits                 | 9    | 16,999,998           | 2,644,125            |
| Acquisition of Assets                    | 10   | 189,904,622          | 1,042,700,957        |
| <b>TOTAL PAYMENTS</b>                    |      | <b>3,014,667,933</b> | <b>5,390,364,018</b> |
|  |      |                      |                      |
| <b>SURPLUS/DEFICIT</b>                   |      | <b>(4,260,474)</b>   | <b>7,642,295</b>     |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Ministry financial statements were approved on 31st December 2018 and signed by:



Principal Secretary  
Name: Joe Okudo



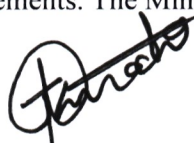
Principal Accountant  
Name: Isaac Mbutia  
ICPAK Member No.8730

**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

**IV. STATEMENT OF ASSETS AND LIABILITIES**

|   | Note | 2017-2018          | 2016-2017         |
|---|------|--------------------|-------------------|
|   |      | Kshs               | Kshs              |
| <b>FINANCIAL ASSETS</b>                     |      |                    |                   |
| <b>Cash and Cash Equivalents</b>            |      |                    |                   |
| Bank Balances                               | 11A  | 32,538,737         | 45,101,844        |
| Cash Balances                               | 11B  | 6,622              | 0                 |
| <b>Total Cash and cash equivalent</b>       |      | <b>32,545,359</b>  | <b>45,101,844</b> |
| Accounts receivables – Outstanding Imprests | 12   | 2,343,460          | (3,352,148)       |
| <b>TOTAL FINANCIAL ASSETS</b>               |      | <b>34,888,819</b>  | <b>41,749,696</b> |
| <b>FINANCIAL LIABILITIES</b>                |      |                    |                   |
| Accounts Payables – Deposits and retentions | 13   | 31,506,997         | 34,107,400        |
| <b>NET FINANCIAL ASSETS</b>                 |      | <b>3,381,822</b>   | <b>7,642,296</b>  |
| <b>REPRESENTED BY</b>                       |      |                    |                   |
| Fund balance b/fwd                          | 14   | 7,642,296          | 132,040,085       |
| Prior year adjustment                       | 15   | 0                  | (132,040,085)     |
| <b>Surplus/Deficit for the year</b>         |      | <b>(4,260,474)</b> | <b>7,642,295</b>  |
| <b>NET FINANCIAL POSITION</b>               |      | <b>3,381,822</b>   | <b>7,642,295</b>  |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Ministry financial statements were approved on 31st December 2018 and signed by:



Principal Secretary  
Name: Joe Okudo



Principal Accountant  
Name: Isaac Mbuthia  
ICPAK Member No.8730

**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

**V. STATEMENT OF CASH FLOWS**

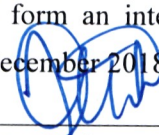
|  |    | 2017-20 18           | 20 16 -20 17           |
|--|----|----------------------|------------------------|
|  |    | Kshs                 | Kshs                   |
| <b>Receipts for operating income</b>                     |    |                      |                        |
| Exchequer Releases                                       | 1  | 2,105,599,884        | 4,652,850,000          |
| Transfers from Other Government Entities                 | 2  | 2,450,005            | 0                      |
| Other Revenues   | 4  | 902,357,570          | 745,132,313            |
|  |    | <b>3,010,407,459</b> | <b>5,397,982,313</b>   |
| <b>Payments for operating expenses</b>                   |    |                      |                        |
| Compensation of Employees                                | 5  | 186,831,481          | 223,270,827            |
| Use of goods and services                                | 6  | 343,049,093          | 102,666,515            |
| Transfers to Other Government Units                      | 7  | 2,253,782,739        | 3,997,132,313          |
| Other grants and transfers                               | 8  | 24,100,000           | 21,949,281             |
| Social Security Benefits                                 | 9  | 16,999,998           | 2,644,125              |
|  |    | <b>2,824,763,311</b> | <b>4,347,663,061</b>   |
| <b>Adjusted for:</b>                                     |    |                      |                        |
| Changes in receivables                                   |    | (5,695,608)          | 4,275,115              |
| Changes in payables                                      |    | (2,600,403)          | (13,361,040)           |
| Adjustments during the year                              |    | 0                    | (132,040,085)          |
| <b>Net cash flow from operating activities</b>           |    | <b>177,348,138</b>   | <b>909,193,242</b>     |
| <b>CASHFLOW FROM INVESTING ACTIVITIES</b>                |    |                      |                        |
| Proceeds from Sale of Assets                             | 3  | 0                    | 24,000                 |
| Acquisition of Assets                                    | 10 | (189,904,622)        | (1,042,700,957)        |
| <b>Net cash flows from Investing Activities</b>          |    | <b>(189,904,622)</b> | <b>(1,042,676,957)</b> |
| <b>CASHFLOW FROM BORROWING ACTIVITIES</b>                |    |                      |                        |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>          |    |                      |                        |
|  |    | <b>(12,556,485)</b>  | <b>(133,483,715)</b>   |
| <b>Cash and cash equivalent at BEGINNING of the year</b> | 14 | <b>45,101,844</b>    | <b>178,585,558</b>     |
| Cash and cash equivalent at END of the year              |    | 32,545,359           | 45,101,843             |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Ministry financial statements were approved on 31st December 2018 and signed by:

Principal Secretary  
Name: Joe Okudo



Principal Accountant  
Name: Isaac Mbuthia  
ICPAK Member No.8730



## Reports and Financial Statements

For the year ended June 30, 2018

## VI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

| Receipt/Expense Item                     | Original Budget<br>a | Adjustments<br>b       | Final Budget<br>c=a+b | Actual on<br>Comparable Basis<br>d | Budget<br>Utilization<br>Difference<br>e=c-d | % of<br>Utilization<br>f=d/c % |
|--|----------------------|------------------------|-----------------------|------------------------------------|--|--------------------------------|
| <b>RECEIPTS</b>                          |                      |                        |                       |                                    |  |                                |
| Exchequer releases                       | 5,798,900,000        | (3,054,891,386)        | 2,744,008,614         | 2,105,599,884                      | 638,408,730                                  | 77%                            |
| Transfers from Other Government Entities | 0                    | 0                      | 0                     | 2,450,005                          | (2,450,005)                                  | #DIV/0!                        |
| Other Receipts -AIA                      | 979,000,000          | (34,000,000)           | 945,000,000           | 902,357,570                        | 42,642,430                                   | 95%                            |
| <b>TOTAL RECEIPTS</b>                    | <b>6,777,900,000</b> | <b>(3,088,891,386)</b> | <b>3,689,008,614</b>  | <b>3,010,407,459</b>               | <b>678,601,155</b>                           | <b>82%</b>                     |
| <b>PAYMENTS</b>                          |                      |                        |                       |                                    |  |                                |
| Compensation of Employees                | 79,500,000           | 107,331,483            | 186,831,483           | 186,831,481                        | 3  | 100%                           |
| Use of goods and services                | 110,606,118          | 250,980,556            | 361,586,674           | 343,049,093                        | 18,537,581                                   | 95%                            |
| Subsidies                                | 216,800,000          | (100,200,000)          | 116,600,000           | 0                                  | 116,600,000                                  | 0%                             |
| Transfers to Other Government Units      | 3,923,300,000        | (1,193,431,483)        | 2,729,868,517         | 2,253,782,739                      | 476,085,778                                  | 83%                            |
| Other grants and transfers               | 11,700,000           | 12,400,000             | 24,100,000            | 24,100,000                         | 0  | 100%                           |
| Social Security Benefits                 | 0                    | 17,000,000             | 17,000,000            | 16,999,998                         | 2  | 100%                           |
| Acquisition of Assets                    | 1,011,543,882        | (758,521,941)          | 253,021,941           | 189,904,622                        | 63,117,319                                   | 75%                            |
| <b>TOTAL PAYMENTS</b>                    | <b>5,353,450,000</b> | <b>(1,664,441,385)</b> | <b>3,689,008,615</b>  | <b>3,014,667,933</b>               | <b>674,340,682</b>                           | <b>82%</b>                     |
| <b>Surplus/Deficit</b>                   | <b>1,424,450,000</b> | <b>(1,424,450,001)</b> | <b>(1)</b>            | <b>(4,260,474)</b>                 | <b>4,260,473</b>                             |                                |

**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

---

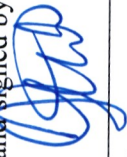
*Notes*

- (a) Underutilization (below 90% of utilization) in Transfers to Other Government Units and Acquisition of Assets was due to lack of exchequer
- (b) The changes between the original and final budget are as a result of reallocations within the budget and budget cuts.

The Ministry financial statements were approved on 31st December 2018 and signed by:



\_\_\_\_\_  
Principal Secretary  
Name: Joe Okudo



\_\_\_\_\_  
Principal Accountant  
Name: Isaac Mbutia  
ICPAK Member No.8730

## Reports and Financial Statements

For the year ended June 30, 2018

## VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

| Receipt/Expense Item                     | Original Budget<br>a | Adjustments<br>b       | Final Budget<br>c=a+b | Actual on<br>Comparable Basis<br>d | Budget<br>Utilization<br>Difference<br>e=c-d | % of<br>Utilization<br>f=d/c % |
|--|----------------------|------------------------|-----------------------|------------------------------------|--|--------------------------------|
| <b>RECEIPTS</b>                          |                      |                        |                       |                                    |  |                                |
| Exchequer releases                       | 1,877,900,000        | (114,141,386)          | 1,763,758,614         | 1,550,941,924                      | 212,816,690                                  | 88%                            |
| Transfers from Other Government Entities |                      |                        | 0.00                  | 2,450,005                          | (2,450,005)                                  |                                |
| Other Receipts - AIA                     | 979,000,000          | (34,000,000)           | 945,000,000           | 902,357,570                        | 42,642,430                                   | 95%                            |
| <b>TOTAL RECEIPTS</b>                    | <b>2,856,900,000</b> | <b>(148,141,386)</b>   | <b>2,708,758,614</b>  | <b>2,455,749,499</b>               | <b>253,009,115</b>                           | <b>91%</b>                     |
| <b>PAYMENTS</b>                          |                      |                        |                       |                                    |  |                                |
| Compensation of Employees                | 79,500,000           | 107,331,483            | 186,831,483           | 186,831,481                        | 3  | 100%                           |
| Use of goods and services                | 110,606,118          | 250,980,556            | 361,586,674           | 343,049,093                        | 18,537,581                                   | 95%                            |
| Subsidies                                | 216,800,000          | (100,200,000)          | 116,600,000           | 0                                  | 116,600,000                                  | 0%                             |
| Transfers to Other Government Units      | 1,013,300,000        | 989,068,517            | 2,002,368,517         | 1,890,032,739                      | 112,335,778                                  | 94%                            |
| Other grants and transfers               | 11,700,000           | 12,400,000             | 24,100,000            | 24,100,000                         | 0  | 100%                           |
| Social Security Benefits                 | 0                    | 17,000,000             | 17,000,000            | 16,999,998                         | 2  | 100%                           |
| Acquisition of Assets                    | 543,882              | (271,941)              | 271,941               | 0                                  | 271,941                                      | 0%                             |
| <b>TOTAL PAYMENTS</b>                    | <b>1,432,450,000</b> | <b>1,276,308,615</b>   | <b>2,708,758,615</b>  | <b>2,461,013,311</b>               | <b>247,745,304</b>                           | <b>91%</b>                     |
| <b>Surplus/ Deficit</b>                  | <b>1,424,450,000</b> | <b>(1,424,450,001)</b> | <b>(1)</b>            | <b>(5,263,812)</b>                 | <b>5,263,811</b>                             |                                |

Notes

(a) The changes between the original and final budget are as a result of reallocations within the budget and budget cuts. The Ministry financial statements were approved on 31st December 2018 and signed by 

Principal Secretary  
Name: Joe Okudo

Principal Accountant  
Name: Isaac Mbuthia  
ICPAK Member No.8730



**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

**SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT**

| Receipt/Expense Item                | Original Budget<br>a | Adjustments<br>b       | Final Budget<br>c=a+b | Actual on<br>Comparable Basis<br>d | Budget<br>Utilization<br>Difference<br>e=c-d | % of<br>Utilization<br>f=d/c % |
|-------------------------------------|----------------------|------------------------|-----------------------|------------------------------------|--|--------------------------------|
| <b>RECEIPTS</b>                     |                      |                        |                       |                                    |  |                                |
| Exchequer releases                  | 3,921,000,000        | (2,940,750,000)        | 980,250,000           | 554,657,960                        | 425,592,040                                  | 57%                            |
| <b>TOTAL RECEIPTS</b>               | <b>3,921,000,000</b> | <b>(2,940,750,000)</b> | <b>980,250,000</b>    | <b>554,657,960</b>                 | <b>425,592,040</b>                           | <b>57%</b>                     |
| <b>PAYMENTS</b>                     |                      |                        |                       |                                    |  |                                |
| Transfers to Other Government Units | 2,910,000,000        | (2,182,500,000)        | 727,500,000           | 363,750,000                        | 363,750,000                                  | 50%                            |
| Acquisition of Assets               | 1,011,000,000        | (758,250,000)          | 252,750,000           | 189,904,622                        | 62,845,378                                   | 75%                            |
| <b>TOTAL PAYMENTS</b>               | <b>3,921,000,000</b> | <b>(2,940,750,000)</b> | <b>980,250,000</b>    | <b>553,654,622</b>                 | <b>426,595,378</b>                           | <b>56%</b>                     |
| <b>Surplus/Deficit</b>              | <b>0</b>             | <b>0</b>               | <b>0</b>              | <b>1,003,338</b>                   | <b>(1,003,338)</b>                           |                                |

*Notes*

- (a) Underutilization of 50% and 75% of utilization in Transfers to Other Government Units and Acquisition of Assets respectively was due to lack of exchequer.  
 (b) The changes between the original and final budget are as a result of budget cuts.

The Ministry financial statements were approved on 31st December 2018 and signed by:



Principal Secretary  
 Name: Joe Okudo



Principal Accountant  
 Name: Isaac Mbuthia  
 ICPAK Member No.8730

## Reports and Financial Statements

For the year ended June 30, 2018

## VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

| Programme/Sub-programme  | Original Budget      | Adjustments            | Final Budget         | Actual on                              | Budget                            |
|--|----------------------|------------------------|----------------------|--|-----------------------------------|
|  | 20xx<br>Kshs         | Kshs                   | 20xx<br>Kshs         | comparable basis<br>Date, 20xx<br>Kshs | utilization<br>difference<br>Kshs |
| <b>Tourism Development and Promotion</b>                               | <b>6,777,900,000</b> | <b>(3,088,891,386)</b> | <b>3,689,008,614</b> | <b>3,015,059,025</b>                   | <b>673,949,589</b>                |
| Sub-programme 1: Tourism Promotion and Marketing                       | 2,226,100,424        | (1,014,500,424)        | 1,211,600,000        | 992,100,000                            | 219,500,000                       |
| Sub-programme 2: Niche tourism product development and diversification | 1,047,528,024        | (477,389,795)          | 570,138,229          | 547,267,359                            | 22,870,871                        |
| Sub-programme 3: Tourism Infrastructure Development                    | 620,096,478          | (282,596,478)          | 337,500,000          | 168,750,000                            | 168,750,000                       |
| Sub-programme 4: Tourism Training & Capacity Building                  | 1,315,523,195        | (599,523,195)          | 716,000,000          | 648,164,222                            | 67,835,778                        |
| Sub-programme 5:   | 1,568,651,879        | (714,881,494)          | 853,770,385          | 658,755,205                            | 195,015,180                       |
| <b>TOTAL</b>   | <b>6,777,900,000</b> | <b>(3,088,891,386)</b> | <b>3,689,008,614</b> | <b>3,015,036,786</b>                   | <b>673,971,828</b>                |

**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

---

**IX. SIGNIFICANT ACCOUNTING POLICIES**

The principle accounting policies adopted in the preparation of these financial statements are set out below:

**1. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

**2. Reporting Ministry**

The financial statements are for the Ministry of Tourism The financial statements encompass the reporting Ministry as specified under section 81 of the PFM Act 2012 and also comprise of the following development projects implemented by the Ministry:

- (a) Sustaining new markets and sitting booths in tourism target markets
- (b) Meru national park access road
- (c) Little theatre club in Mombasa
- (d) Charter Incentive Programme
- (e) Tourism Recovery
- (f) Nairobi International Convention centre (NICEC)
- (g) Ronald Ngala Utalii College
- (h) Capital Lending to hotels

**3. Reporting Currency**

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

**4. Significant Accounting Policies**

## MINISTRY OF TOURISM

### Reports and Financial Statements

For the year ended June 30, 2018

---

The accounting policies set out in this section have been consistently applied by the Ministry for all the years presented.

#### a) Recognition of Receipts

The Ministry recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Ministry.

- **Transfers from the Exchequer**

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving Ministry.

- **Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognised in the financial statements the time associated cash is received.

#### b) Recognition of payments

The Ministry recognises all payments when the event occurs and the related cash has actually been paid out by the Ministry.

- **Compensation of Employees**

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

- **Use of Goods and Services**

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

- **Acquisition of Fixed Assets**

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public Ministry and a summary provided for

**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

---

purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

**5. Cash and Cash Equivalents**

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

**Restriction on Cash**

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2018, this amounted to Kshs 31,506,997.30 compared to Kshs 31,826,890.00 in prior period as indicated on note 13.

There were no other restrictions on cash during the year.

**6. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**7. Accounts Payable**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

## **MINISTRY OF TOURISM**

### **Reports and Financial Statements**

**For the year ended June 30, 2018**

---

#### **8. Pending Bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Ministry at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

#### **9. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2017 for the period 1<sup>st</sup> July 2017 to 30<sup>th</sup> June 2018 as required by Law and there were two supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

Government Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-Ministry transfers.

#### **10. Comparative Figures**

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

#### **11. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2018.

#### **12. Errors**

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented. During the year, errors that have been corrected are disclosed under note 15 explaining the nature and amounts.

**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

**X. NOTES TO THE FINANCIAL STATEMENTS**

**1 EXCHEQUER RELEASES**

| Description                            | 2017 -2018            | 2016 -2017           |
|--|-----------------------|----------------------|
|  | Kshs                  | Kshs                 |
| Total Exchequer Releases for quarter 1 | 460,484,484.00        | 1,056,150,000        |
| Total Exchequer Releases for quarter 2 | <b>52,396,400.00</b>  | 1,275,200,000        |
| Total Exchequer Releases for quarter 3 | <b>774,250,000.00</b> | 53,800,000           |
| Total Exchequer Releases for quarter 4 | <b>818,469,000.00</b> | 2,267,700,000        |
| <b>Total</b>                           | <b>2,105,599,884</b>  | <b>4,652,850,000</b> |

Budgeted exchequer versus received exchequer varies due to exchequer requested but not funded during the year

**2 TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

| Description                                | 20 17 -20 18        | 2016 -2017 |
|--|---------------------|------------|
|  | Kshs                | Kshs       |
| Transfers from Central government entities | 2,450,005.00        | 0          |
| <b>TOTAL</b>                               | <b>2,450,005.00</b> | <b>0</b>   |

The above transfers were received from the following self-reporting entities in the year

**2a) TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

| Description                                      | Recurrent    | Development | Total               | 2017 -2018          |
|--|--------------|-------------|---------------------|---------------------|
|  | Kshs         | Kshs        | Kshs                | Kshs                |
| Transfers from Central government entities       |              |             |                     |                     |
| TOURISM REGULATORY AUTHORITY JUNE 2017 PE REFUND | 2,450,005.00 | 0           | 2,450,005.00        | 2,450,005.00        |
| <b>TOTAL</b>                                     |              |             | <b>2,450,005.00</b> | <b>2,450,005.00</b> |

**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**3 PROCEEDS FROM SALE OF ASSETS**

|   | 2017 -20 18 | 2016 -2017       |
|---|-------------|------------------|
|   | Kshs        | Kshs             |
| Receipts from the Sale of Strategic Reserves Stocks | 0           | 24,000.00        |
| <b>Total</b>  | <b>0</b>    | <b>24,000.00</b> |

**4 OTHER REVENUES**

| Description  | 2017 -2018         | 2016 -2017         |
|--|--------------------|--------------------|
|  | Kshs               | Kshs               |
| Receipts from Administrative Fees and Charges - Collected as AIA | 902,164,222        | 745,132,313        |
| Other Receipts Not Classified Elsewhere                          | 193,348            |                    |
| <b>Total</b>   | <b>902,357,570</b> | <b>745,132,313</b> |

Other Receipts Not Classified Elsewhere comprise of:

- i. Salary refund i.r.o Simon Kiarie for May and June 2017 salary paid after secondment 178,348.00
- ii. FT18129Z0L7V received on 9th may in recurrent bank no details provided 15,000.00

**5 COMPENSATION OF EMPLOYEES**

|  | 2017 -2018         | 2016 -2017         |
|--|--------------------|--------------------|
|  | Kshs               | Kshs               |
| Basic salaries of permanent employees      | 105,536,193        | 109,889,117.00     |
| Personal allowances paid as part of salary | 70,870,481         | 108,646,190.00     |
| Personal allowances paid as reimbursements | 10,424,807         | 4,735,520.00       |
| <b>Total</b>                               | <b>186,831,481</b> | <b>223,270,827</b> |



**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**6 USE OF GOODS AND SERVICES**

|  | <b>2017 -2018</b>  | <b>2016 -2017</b>  |
|--|--------------------|--------------------|
|  | <b>Kshs</b>        | <b>Kshs</b>        |
| Utilities, supplies and services                             | 990,000            | 703,038.00         |
| Communication, supplies and services                         | 1,558,384          | 4,155,640.00       |
| Domestic travel and subsistence                              | 23,428,234         | 6,018,861.00       |
| Foreign travel and subsistence                               | 31,009,994         | 8,934,051.00       |
| Printing, advertising and information supplies & services    | 916,960            | 1,201,790.00       |
| Rentals of produced assets                                   | 40,011,070         | 45,601,920.00      |
| Training expenses  | 2,795,747          | 5,172,302.00       |
| Hospitality supplies and services                            | 9,132,315          | 6,616,430.00       |
| Insurance costs  | -                  | -                  |
| Specialized materials and services                           | 30,715,756         | 15,045,969.00      |
| Office and general supplies and services                     | 1,785,946          | 4,011,023.00       |
| Other operating expenses                                     | 184,801,288        | 909,461.00         |
| Routine maintenance – vehicles and other transport equipment | 4,053,962          | 705,083.00         |
| Routine maintenance – other assets                           | 320,607            | 1,214,679.00       |
| Fuel Oil and Lubricants                                      | 11,491,031         | 2,376,268.00       |
| <b>Total</b>   | <b>343,049,093</b> | <b>102,666,515</b> |

**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**7 GRANTS AND TRANSFERS TO OTHER GOVERNMENT ENTITIES**

| <b>Description</b>  | <b>2017-2018</b>     | <b>2016-2017</b>     |
|---|----------------------|----------------------|
|   | <b>Kshs</b>          | <b>Kshs</b>          |
| Transfers to National Government entities<br>(SCOA Codes 2630100, 2630200, 2640400,<br>2640500, 2649900, 2820100, 2820200, 2820300) |                      |                      |
| <b>See attached list</b>  | 2,253,782,739        | 3,997,132,313        |
| <b>TOTAL</b>  | <b>2,253,782,739</b> | <b>3,997,132,313</b> |

The above transfers were made to the following self-reporting entities in the year:

| <b>Description</b>                | <b>Recurrent</b>   | <b>Development</b> | <b>A-I-A</b>       | <b>2017-2018</b>     |
|-----------------------------------|--------------------|--------------------|--------------------|----------------------|
|                                   | <b>Kshs</b>        | <b>Kshs</b>        | <b>Kshs</b>        | <b>Kshs</b>          |
| <b>Transfers to SAGAs and SCs</b> |                    |                    |                    |                      |
| Tourism Regulatory Authority      | 201,000,000        | 15,000,000         | 131,000,000.00     | 347,000,000          |
| Bomas of Kenya                    | 249,768,517        | 20,000,000         | 195,000,000.00     | 464,768,517          |
| Kenya Utalii College              | 130,000,000        | 25,000,000         | 473,164,222.00     | 628,164,222          |
| Kenya Tourism Board               | 360,500,000        | 125,000,000        | 103,000,000.00     | 588,500,000          |
| Tourism Fund                      | 0                  | 93,750,000         | 0                  | 93,750,000           |
| Tourism Finance Corporation       | 0                  | 75,000,000         | 0                  | 75,000,000           |
| Tourism Research Institute        | 46,600,000         | 10,000,000         |                    | 56,600,000           |
| <b>TOTAL</b>                      | <b>987,868,517</b> | <b>363,750,000</b> | <b>902,164,222</b> | <b>2,253,782,739</b> |

We have confirmed these amounts with the recipient entities and attached these confirmations as an Appendix to this financial statements

**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8 OTHER GRANTS AND TRANSFERS**

| <b>Explanation</b>   | <b>2017 -2018</b> | <b>2016 -2017</b> |
|--|-------------------|-------------------|
|  | <b>Kshs</b>       | <b>Kshs</b>       |
| Membership dues and subscriptions to international organizations | 4,100,000         | 1,949,281         |
| Scholarships and other educational benefits                      | 20,000,000        | 20,000,000        |
| <b>Total</b>   | <b>24,100,000</b> | <b>21,949,281</b> |

- (a) Scholarships were provided to Kenya Utalii College  
(b) Subscription was to World Tourism Organization.

**9 SOCIAL SECURITY BENEFITS**

| <b>Explanation</b>                         | <b>2017 -2018</b> | <b>2016 -2017</b> |
|--|-------------------|-------------------|
|  | <b>Kshs</b>       | <b>Kshs</b>       |
| Government pension and retirement benefits | 16,999,998        | 2,644,125         |
| <b>Total</b>                               | <b>16,999,998</b> | <b>2,644,125</b>  |

Gratuity payments were to employees on contract at the end of their contracts

**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**10 ACQUISITION OF ASSETS**

| <b>Non Financial Assets</b>                                  | <b>2017 -2018</b>  | <b>2016 -2017</b>    |
|--|--------------------|----------------------|
|  | <b>Kshs</b>        | <b>Kshs</b>          |
| Overhaul of Vehicles and Other Transport Equipment           | 0                  | 486,620              |
| Research, Studies, Project Preparation, Design & Supervision | 189,904,622        | 1,042,214,337        |
| <b>Sub-total</b>   | <b>189,904,622</b> | <b>1,042,700,957</b> |
| <b>Financial Assets</b>                                      |                    |                      |
| <b>Sub-total</b>   | <b>0</b>           | <b>0</b>             |
| <b>Total</b>   | <b>189,904,622</b> | <b>1,042,700,957</b> |

**11A: Bank Accounts**

| <b>Name of Bank, Account No. &amp; currency</b> | <b>Amount in bank account currency</b> | <b>Indicate whether recurrent, Development, deposit e.t.c</b> | <b>Exchange rate (if in foreign currency)</b> | <b>2017 -2018</b> | <b>2016 -2017</b> |
|---|--|---|---|-------------------|-------------------|
|   |  |   |   | <b>Kshs</b>       | <b>Kshs</b>       |
| <i>Central Bank of Kenya, 1000303255, KShs</i>  |  | RECURRENT   | 1   | 433,698           | 13,008,083        |
| <i>Central Bank of Kenya, 1000303263, KShs</i>  |  | DEVELOPMENT   | 1   | 598,042           | 266,871           |
| <i>Central Bank of Kenya, 1000303573, KShs</i>  |  | DEPOSIT   | 1   | 31,506,997        | 31,826,890        |
| <i>Central Bank of Kenya, 1000303298, KShs</i>  |  | CBK 165   | 1   | 0                 | 0                 |
| <b>Total</b>                                    |  |   |   | <b>32,538,737</b> | <b>45,101,844</b> |

**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

---

**11B: CASH IN HAND**

|  | 2017 -2018   | 2016 -2017 |
|--|--------------|------------|
|  | Kshs         | Kshs       |
| Cash in Hand – Held in domestic currency | 6,622        | 0          |
| <b>Total</b>                             | <b>6,622</b> | <b>0</b>   |

**12: ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS**

| <i>Description</i>  | 2017 -2018       | 2016 -2017         |
|---------------------|------------------|--------------------|
|                     | Kshs             | Kshs               |
| Government Imprests | 2,290,909        | 351,100            |
| Salary advances     | 40,090           | 12,404             |
| District suspense   | 0                | (3,715,652 )       |
| Clearance accounts  | 12,461           | 0                  |
| <b>Total</b>        | <b>2,343,460</b> | <b>(3,352,148)</b> |

*See annex 2*

**13. ACCOUNTS PAYABLE**

| Description                      | 2017 -2018        | 2016 -2017        |
|----------------------------------|-------------------|-------------------|
|                                  | Kshs              | Kshs              |
| Deposits                         | 31,506,997        | 31,826,890        |
| Amounts Payable to Third parties |                   | 2,280,510         |
| <b>Total</b>                     | <b>31,506,997</b> | <b>34,107,400</b> |

**MINISTRY OF TOURISM**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

**ANALYSIS OF DEPOSIT ACCOUNT NO.1000303573**

| <b>DATE OF RECEIPT</b> | <b>MR NO.</b> | <b>FROM WHOM RECEIVED</b> | <b>PURPOSE OF DEPOSIT</b> | <b>AMOUNT</b>        |
|------------------------|---------------|---------------------------|---------------------------|----------------------|
| 30-Jun-15              | 4382615       | Flolizz Contractors       | Retention Money           | 548,937.75           |
| 30-Jun-15              | 10000862      | Mulji -Tourism Fund       | Retention Money           | 25,000,000.00        |
| 6-Jul-17               | 7287690       | Flolizz Contractors       | Retention Money           | 672,069.20           |
| 6-Jul-17               | 7287689       | Joytech Enterprises       | Retention Money           | 1,004,803.60         |
| 10-Jul-17              | 7287691       | Flolizz Contractors       | Retention Money           | 4,281,186.75         |
| <b>TOTAL</b>           |               |                           |                           | <b>31,506,997.30</b> |

**14. FUND BALANCE BROUGHT FORWARD**

| <b>Description</b>   | <b>2017 -2018</b> | <b>2016 -2017</b>  |
|----------------------|-------------------|--------------------|
|                      | <b>Kshs</b>       | <b>Kshs</b>        |
| Bank accounts        | 45,101,844        | 177,371,047        |
| Cash in hand         | 0                 | 1,214,511          |
| Accounts Receivables | (3,352,148 )      | 922,967            |
| Accounts Payables    | (34,107,400)      | (47,468,440)       |
| <b>Total</b>         | <b>7,642,296</b>  | <b>132,040,085</b> |

**15. PRIOR YEAR ADJUSTMENTS**

| <b>Description of the error</b>      | <b>2016-2017</b>     |
|--------------------------------------|----------------------|
|                                      | <b>Kshs</b>          |
| Adjustments on bank account balances | (177,371,047)        |
| Adjustments on cash in hand          | (1,214,511)          |
| Adjustments on payables              | (922,967)            |
| Adjustments on receivables           | 47,468,440           |
| Others                               | 0                    |
| <b>Total</b>                         | <b>(132,040,085)</b> |

## MINISTRY OF TOURISM

### Reports and Financial Statements

For the year ended June 30, 2018

#### 16. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the Financial Year 2014/2015 summary of issues raised by the external auditor, and recommendations by Parliamentary Account Committee.

| FINANCIAL YEAR | PARAGRAPH NO.                                       | RECOMMENDATIONS BY PAC   | ACTION TAKEN   |
|----------------|---|--|--|
| 2014/2015      | 458.Expenditure Not Related to the State Department | <p>The Committee recommend that:-</p> <ol style="list-style-type: none"><li>1. Within three months of the adoption of this Report, the former Accounting Officer, Dr. Ibrahim Mohammed should ensure that he liaises with the current Accounting Officer to avail to the Auditor General supporting documentation requested to support payment of Kshs.3,680,000.00 for audit verification and review.</li><li>2. Where the former Accounting Officer fails to provide the supporting documents, the Cabinet Secretary-National Treasury should proceed to surcharge him for Ksh.3,680,000.00 pursuant to the provisions of Article 226(5) of the Constitution and section 202 of the Public Finance Management Act, 2012.</li><li>3. The EACC and DCI must investigate the propriety of transfer of Ksh.3,680,000.00 from the State Department of Commerce and Tourism during the financial year 2014/2015 with a view to prosecuting any person found culpable for a criminal offence.</li></ol> | <p>The current accounting officer liaised with the former accounting officer with a view of reviewing the supporting documents to be availed to the auditor.</p> <p>The following documents were then availed to the auditor for review and verification:</p> <ol style="list-style-type: none"><li>1. Letter from Coffee directorate ref:ADM/2/8/2 C dated 6<sup>th</sup> july 2015</li><li>2. Copies of bank statements showing receipt and onward forwarding of Kshs.3,680,000.00</li></ol> |

**MINISTRY OF TOURISM****Reports and Financial Statements****For the year ended June 30, 2018**

|           |  |   |   |
|-----------|--|---|---|
| 2014/2015 | 459. Prior Year Adjustment             | The Committee recommended that the Accounting Officers must at all times ensure that they provide the Auditor General and any other office, where relevant, with any information it may require to fulfill its functions pursuant to the provisions of section 68(2)(n) of the Public Finance Management Act, 2012.   | Accurate and complete financial statements are submitted to the auditors within three months after the end of each financial year |
| 2014/2015 | 460. Pending Bills                     | Resolved  |   |
| 2014/2015 | 461. Late disbursements of Grants      | <p>The Committee recommended that the Accounting Officers must at all times ensure that they:</p> <ol style="list-style-type: none"><li>1. prepare annual cash flow which shall be broken down into a three months rolling basis and adjust them reflect any implementation realities in consultation with the National Treasury pursuant to the provisions of regulation 44(3) of the Public Finance Management (National Government) Regulations, 2015.</li><li>2. submit financial statements for review at least within three months after the end of the financial year pursuant to the provisions of Section 81(4)(a) of the Public Finance Management Act, 2012.</li></ol> | Accurate and complete financial statements are submitted to the auditor within three months after the end of each financial year  |
| 2014/2015 | 462. Budgetary Control and Performance | Resolved  |   |



**MINISTRY OF TOURISM**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

|           |   |   |  |
|-----------|---|---|--|
| 2014/2015 | 463. Payments towards Ronald Ngala Utalii Academy                           | The Committee recommended that the Accounting Officers must ensure that all contracts entered into by the entity are lawful and are complied with pursuant to the provisions of section 68(2)(d) of the Public Finance Management Act, 2012.  | The accounting officer has ensured that all contracts entered into by the state department are lawful and are complied with.   |
| 2014/2015 | 464. Open Plan Partitioning Contract at Utalii Housed 4 <sup>th</sup> Floor | <p>The Committee recommended that:</p> <ol style="list-style-type: none"> <li>1. Within three months of the adoption of this Report, the former Accounting Officer, Dr. Ibrahim Mohammed should ensure that he liaises with the current Accounting Officer to avail to the Auditor General justification for payment of Ksh8.5million without a signed contract.</li> <li>2. where the former Accounting Officer fails to provide the supporting documents, the Cabinet Secretary – National Treasury should proceed to surcharge him for Ksh8.5million pursuant to the provisions of Article 226(5) of the Constitution and section 202 of the Public Finance Management Act, 2012.</li> <li>3. the EACC and DCI should within three months after the adoption of this report, investigate the propriety of payment of Ksh8.5million from the State Department of Commerce and Tourism during the financial year 2014/2015 with a view to prosecuting any person found culpable for a criminal offence.</li> </ol> | <p>The current accounting officer liaised with the former accounting officer with a view of reviewing the supporting documents to be availed to the auditor.</p> <p>The following documents were then availed to the auditor for review and verification:</p> <ol style="list-style-type: none"> <li>1. Copy of the agreement dated 24<sup>th</sup> July, 2014.</li> <li>2. Certificate No.2 for Contract No. MEAACT/13/2 013-14 dated 27<sup>th</sup> October 2014.</li> <li>3. Certificate of practical completion dated 22<sup>nd</sup> October, 2014.</li> </ol> |

**MINISTRY OF TOURISM**

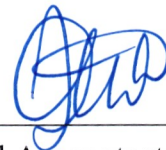
**Reports and Financial Statements**

**For the year ended June 30, 2018**

|           |   |  |   |
|-----------|---|--|---|
| 2014/2015 | 465. Payment of Irregular Pending Bills | The Committee recommended that the Accounting Officers must at all times ensure that they submit accurate and complete financial statements for review at least within three months after the end of the financial year pursuant to the provisions of section 81(4)(a) of the Public Finance Management Act, 2012. | Accurate and complete financial statements are submitted to the auditor within three months after the end of each financial year. |
|-----------|---|--|---|



Principal Secretary  
Name: Joe Okudo



Principal Accountant  
Name: Isaac Mbutia  
ICPAK Member No.8730

**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**  
**TABLE 1: PENDING VOUCHERS FROM ACCOUNTS**

| Supplier of Goods or Services      | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance | Outstanding Balance JUNE 2018 | Comments                                 |
|------------------------------------|-----------------|-----------------|---------------------|---------------------|-------------------------------|--|
|                                    | A               | B               | c                   | d=a-c               |                               |  |
| <b>Construction of civil works</b> |                 |                 |                     |                     |                               |  |
| FLOLIZ CONTRACTORS LIMITED         | 198,799,982.20  | 27/4/2017       | 42,811,867.40       | 155,988,114.80      | 19,288,302.60                 | ON-GOING CONTRACT/<br>Unfunded Exchequer |
| <b>Sub-Total</b>                   |                 |                 |                     |                     | <b>19,288,302.60</b>          |  |
| <b>Supply of goods</b>             |                 |                 |                     |                     |                               |  |
| CARLPAX ENTERPRISES                | 552,000         | 21/6/2018       | -                   | -                   | 552,000                       | Unfunded Exchequer                       |
| DIATECH CLEANING SERVICES          | 1,230,000       | 21/6/2018       | -                   | -                   | 1,230,000                     | Unfunded Exchequer                       |
| JOCELLA INVESTMENTS                | 397,500         | 21/6/2018       | -                   | -                   | 397,500                       | Unfunded Exchequer                       |
| FAST CHOICE LIMITED                | 188,000         | 21/6/2018       | -                   | -                   | 188,000                       | Unfunded Exchequer                       |
| VIKES SUPPLIES LIMITED             | 1,225,000       | 21/6/2018       | -                   | -                   | 1,225,000                     | Unfunded Exchequer                       |
| DOCIE GENERAL SUPPLIERS            | 598,000         | 21/6/2018       | -                   | -                   | 598,000                       | Unfunded Exchequer                       |
| <b>Sub-Total</b>                   |                 |                 |                     |                     | <b>4,190,500</b>              |  |
| <b>Supply of services</b>          |                 |                 |                     |                     |                               |  |
| PEARL BEACH HOTELS LTD             | 665,000         | 7/6/2018        | -                   | -                   | 665,000                       | Unfunded Exchequer                       |
| BATIAN CAPITAL LIMITED             | 2,194,816       | 24/5/2018       | -                   | -                   | 2,194,816                     | Unfunded Exchequer                       |
| HOPEODOR ENTERPRISES               | 989,200         | 21/6/2018       | -                   | -                   | 989,200                       | Unfunded Exchequer                       |
| SOLYNET WORKS AGENCIES             | 350,000         | 21/6/2018       | -                   | -                   | 350,000                       | Unfunded Exchequer                       |
| <b>Supply of services</b>          |                 |                 |                     |                     |                               |  |
| TRAVEL MATTERS (K) LIMITED         | 37,800          | 31/5/2018       | -                   | -                   | 37,800                        | Unfunded Exchequer                       |

**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance | Outstanding Balance JUNE 2018 | Comments           |
|-------------------------------|-----------------|-----------------|---------------------|---------------------|-------------------------------|--------------------|
| TRAVEL MATTERS (K) LIMITED    | 58,400          | 31/5/2018       | -                   | -                   | 58,400                        | Unfunded Exchequer |
| TRAVEL MATTERS (K) LIMITED    | 39,450          | 31/5/2018       | -                   | -                   | 39,450                        | Unfunded Exchequer |
| TRAVEL MATTERS (K) LIMITED    | 68,790          | 31/5/2018       | -                   | -                   | 68,790                        | Unfunded Exchequer |
| TRAVEL MATTERS (K) LIMITED    | 305,600         | 24/5/2018       | -                   | -                   | 305,600                       | Unfunded Exchequer |
| TRAVEL MATTERS (K) LIMITED    | 69,350          | 31/5/2018       | -                   | -                   | 69,350                        | Unfunded Exchequer |
| TRAVEL MATTERS (K) LIMITED    | 68,480          | 31/5/2018       | -                   | -                   | 68,480                        | Unfunded Exchequer |
| TRAVEL MATTERS (K) LIMITED    | 186,250         | 24/5/2018       | -                   | -                   | 186,250                       | Unfunded Exchequer |
| TRAVEL MATTERS (K) LIMITED    | 68,700          | 31/5/2018       | -                   | -                   | 68,700                        | Unfunded Exchequer |
| TRAVEL MATTERS (K) LIMITED    | 42,300          | 31/5/2018       | -                   | -                   | 42,300                        | Unfunded Exchequer |
| TRAVEL MATTERS (K) LIMITED    | 67,900          | 4/6/2018        | -                   | -                   | 67,900                        | Unfunded Exchequer |
| TRAVEL MATTERS (K) LIMITED    | 40,800          | 31/5/2018       | -                   | -                   | 40,800                        | Unfunded Exchequer |
| TRAVEL MATTERS (K) LIMITED    | 37,850          | 31/5/2018       | -                   | -                   | 37,850                        | Unfunded Exchequer |
| TRAVEL MATTERS (K) LIMITED    | 850,000         | 24/5/2018       | -                   | -                   | 850,000                       | Unfunded Exchequer |
| TRAVEL MATTERS (K) LIMITED    | 69,400          | 31/5/2018       | -                   | -                   | 69,400                        | Unfunded Exchequer |
| GLOBUS TOURS & TRAVEL LIMITED | 78,000          | 22/6/2018       | -                   | -                   | 78,000                        | Unfunded Exchequer |
| GLOBUS TOURS & TRAVEL LIMITED | 49,200          | 24/5/2018       | -                   | -                   | 49,200                        | Unfunded Exchequer |
| GLOBUS TOURS & TRAVEL LIMITED | 117,000         | 31/5/2018       | -                   | -                   | 117,000                       | Unfunded Exchequer |
| GLOBUS TOURS & TRAVEL LIMITED | 39,000          | 24/5/2018       | -                   | -                   | 39,000                        | Unfunded Exchequer |
| ATTIC TOURS & TRAVEL LIMITED  | 104,325         | 24/5/2018       | -                   | -                   | 104,325                       | Unfunded Exchequer |
| ATTIC TOURS & TRAVEL LIMITED  | 195,500         | 24/5/2018       | -                   | -                   | 195,500                       | Unfunded Exchequer |
| ATTIC TOURS & TRAVEL LIMITED  | 167,895         | 24/5/2018       | -                   | -                   | 167,895                       | Unfunded Exchequer |
| ATTIC TOURS & TRAVEL LIMITED  | 78,160          | 24/5/2018       | -                   | -                   | 78,160                        | Unfunded Exchequer |
| ATTIC TOURS & TRAVEL LIMITED  | 69,550          | 24/5/2018       | -                   | -                   | 69,550                        | Unfunded Exchequer |
| ATTIC TOURS & TRAVEL LIMITED  | 73,790          | 24/5/2018       | -                   | -                   | 73,790                        | Unfunded Exchequer |
| ATTIC TOURS & TRAVEL LIMITED  | 168,765         | 24/5/2018       | -                   | -                   | 168,765                       | Unfunded Exchequer |

**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance | Outstanding Balance JUNE 2018 | Comments           |
|-------------------------------|-----------------|-----------------|---------------------|---------------------|-------------------------------|--------------------|
| ATTIC TOURS & TRAVEL LIMITED  | 36,410          | 24/5/2018       | -                   | -                   | 36,410                        | Unfunded Exchequer |
| ATTIC TOURS & TRAVEL LIMITED  | 39,040          | 24/5/2018       | -                   | -                   | 39,040                        | Unfunded Exchequer |
| THE TRAVEL LOUNGE LIMITED     | 139,740         | 24/5/2018       | -                   | -                   | 139,740                       | Unfunded Exchequer |
| THE TRAVEL LOUNGE LIMITED     | 258,160         | 24/5/2018       | -                   | -                   | 258,160                       | Unfunded Exchequer |
| THE TRAVEL LOUNGE LIMITED     | 237,440         | 24/5/2018       | -                   | -                   | 237,440                       | Unfunded Exchequer |
| THE TRAVEL LOUNGE LIMITED     | 166,655         | 7/6/2018        | -                   | -                   | 166,655                       | Unfunded Exchequer |
| THE TRAVEL LOUNGE LIMITED     | 47,450          | 24/5/2018       | -                   | -                   | 47,450                        | Unfunded Exchequer |
| THE TRAVEL LOUNGE LIMITED     | 197,880         | 24/5/2018       | -                   | -                   | 197,880                       | Unfunded Exchequer |
| THE TRAVEL LOUNGE LIMITED     | 34,600          | 24/5/2018       | -                   | -                   | 34,600                        | Unfunded Exchequer |
| THE TRAVEL LOUNGE LIMITED     | 1,034,800       | 24/5/2018       | -                   | -                   | 1,034,800                     | Unfunded Exchequer |
| THE TRAVEL LOUNGE LIMITED     | 39,387          | 24/5/2018       | -                   | -                   | 39,387                        | Unfunded Exchequer |
| THE TRAVEL LOUNGE LIMITED     | 58,760          | 24/5/2018       | -                   | -                   | 58,760                        | Unfunded Exchequer |
| THE TRAVEL LOUNGE LIMITED     | 468,100         | 24/5/2018       | -                   | -                   | 468,100                       | Unfunded Exchequer |
| THE TRAVEL LOUNGE LIMITED     | 1,466,435       | 24/5/2018       | -                   | -                   | 1,466,435                     | Unfunded Exchequer |
| THE TRAVEL LOUNGE LIMITED     | 762,295         | 24/5/2018       | -                   | -                   | 762,295                       | Unfunded Exchequer |
| KSG-LOWER KABETE              | 306,240         | -               | -                   | -                   | 306,240                       | Unfunded Exchequer |
| SAFARICOM KENYA LIMITED       | 385,132         | -               | -                   | -                   | 385,132                       | Unfunded Exchequer |
| <b>Sub-Total</b>              |                 |                 |                     |                     | <b>13,029,795</b>             |                    |
| <b>Grand Total</b>            |                 |                 |                     |                     | <b>36,508,597.60</b>          |                    |

MINISTRY OF TOURISM

Reports and Financial Statements

For the year ended June 30, 2018

**TABLE 2: PENDING WITH PROCUREMENT  
ANALYSIS OF PENDING ACCOUNTS PAYABLE**

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance 20XX | Outstanding Balance 20XX | Comments           |
|-------------------------------|-----------------|-----------------|---------------------|--------------------------|--------------------------|--------------------|
|                               | A               | B               | c                   | d=a-c                    |                          |                    |
| <b>Supply of services</b>     |                 |                 |                     |                          |                          |                    |
| TRAVEL MATTERS (K) LIMITED    | 37,600          |                 | -                   | -                        | 37,600                   | Closure of Ifmisis |
| TRAVEL MATTERS (K) LIMITED    | 37,180          |                 | -                   | -                        | 37,180                   | Closure of Ifmisis |
| TRAVEL MATTERS (K) LIMITED    | 68,750          |                 | -                   | -                        | 68,750                   | Closure of Ifmisis |
| TRAVEL MATTERS (K) LIMITED    | 1,182,000       |                 | -                   | -                        | 1,182,000                | Closure of Ifmisis |
| TRAVEL MATTERS (K) LIMITED    | 243,650         |                 | -                   | -                        | 243,650                  | Closure of Ifmisis |
| TRAVEL MATTERS (K) LIMITED    | 678,900         |                 | -                   | -                        | 678,900                  | Closure of Ifmisis |
| TRAVEL MATTERS (K) LIMITED    | 69,870          |                 | -                   | -                        | 69,870                   | Closure of Ifmisis |
| TRAVEL MATTERS (K) LIMITED    | 68,100          |                 | -                   | -                        | 68,100                   | Closure of Ifmisis |
| TRAVEL MATTERS (K) LIMITED    | 68,250          |                 | -                   | -                        | 68,250                   | Closure of Ifmisis |
| TRAVEL MATTERS (K) LIMITED    | 68,580          |                 | -                   | -                        | 68,580                   | Closure of Ifmisis |
| TRAVEL MATTERS (K) LIMITED    | 194,600         |                 | -                   | -                        | 194,600                  | Closure of Ifmisis |
| TRAVEL MATTERS (K) LIMITED    | 43,600          |                 | -                   | -                        | 43,600                   | Closure of Ifmisis |
| TRAVEL MATTERS (K) LIMITED    | 68,400          |                 | -                   | -                        | 68,400                   | Closure of Ifmisis |
| TRAVEL MATTERS (K) LIMITED    | 113,940         |                 | -                   | -                        | 113,940                  | Closure of Ifmisis |
| TRAVEL MATTERS (K) LIMITED    | 39,800          |                 | -                   | -                        | 39,800                   | Closure of Ifmisis |
| TRAVEL MATTERS (K) LIMITED    | 38,800          |                 | -                   | -                        | 38,800                   | Closure of Ifmisis |

**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

| Supplier of Goods or Services   | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance 20XX | Outstanding Balance 20XX | Comments           |
|---------------------------------|-----------------|-----------------|---------------------|--------------------------|--------------------------|--------------------|
| TRAVEL MATTERS (K) LIMITED      | 77,400          |                 | -                   | -                        | 77,400                   | Closure of Ifmis   |
| TRAVEL MATTERS (K) LIMITED      | 38,900          |                 | -                   | -                        | 38,900                   | Closure of Ifmis   |
| TRAVEL MATTERS (K) LIMITED      | 75,200          |                 | -                   | -                        | 75,200                   | Closure of Ifmis   |
| TRAVEL MATTERS (K) LIMITED      | 39,700          |                 | -                   | -                        | 39,700                   | Insufficient Funds |
| TRAVEL MATTERS (K) LIMITED      | 38,900          |                 | -                   | -                        | 38,900                   | Closure of Ifmis   |
| TRAVEL MATTERS (K) LIMITED      | 34,800          |                 | -                   | -                        | 34,800                   | Closure of Ifmis   |
| TRAVEL MATTERS (K) LIMITED      | 39,850          |                 | -                   | -                        | 39,850                   | Insufficient Funds |
| TRAVEL MATTERS (K) LIMITED      | 69,870          |                 | -                   | -                        | 69,870                   | Closure of Ifmis   |
| TRAVEL MATTERS (K) LIMITED      | 42,900          |                 | -                   | -                        | 42,900                   | Closure of Ifmis   |
| TRAVEL MATTERS (K) LIMITED      | 68,500          |                 | -                   | -                        | 68,500                   | Closure of Ifmis   |
| ATTIC TOURS AND TRAVEL LIMITED  | 48,685          |                 | -                   | -                        | 48,685                   | Closure of Ifmis   |
| ATTIC TOURS AND TRAVEL LIMITED  | 438,900         |                 | -                   | -                        | 438,900                  | Insufficient Funds |
| GLOBUS TOURS AND TRAVEL LIMITED | 36,155          |                 | -                   | -                        | 36,155                   | Closure of Ifmis   |
| GLOBUS TOURS AND TRAVEL LIMITED | 78,000          |                 | -                   | -                        | 78,000                   | Closure of Ifmis   |
| TONDWE AFRICA GROUP LIMITED     | 59,910          |                 | -                   | -                        | 59,910                   | Closure of Ifmis   |
| TONDWE AFRICA GROUP LIMITED     | 29,955          |                 | -                   | -                        | 29,955                   | Closure of Ifmis   |
| THE TRAVEL LOUNGE LIMITED       | 32,450          |                 | -                   | -                        | 32,450                   | Closure of Ifmis   |
| THE TRAVEL LOUNGE LIMITED       | 18,151          |                 | -                   | -                        | 18,151                   | Closure of Ifmis   |
| THE TRAVEL LOUNGE LIMITED       | 34,600          |                 | -                   | -                        | 34,600                   | Closure of Ifmis   |
| THE TRAVEL LOUNGE LIMITED       | 22,400          |                 | -                   | -                        | 22,400                   | Closure of Ifmis   |
| THE TRAVEL LOUNGE LIMITED       | 32,450          |                 | -                   | -                        | 32,450                   | Closure of Ifmis   |

**MINISTRY OF TOURISM**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance 20XX | Outstanding Balance 20XX | Comments         |
|-------------------------------|-----------------|-----------------|---------------------|--------------------------|--------------------------|------------------|
| THE TRAVEL LOUNGE LIMITED     | 33,600          |                 | -                   | -                        | 33,600                   | Closure of Ifmis |
| THE TRAVEL LOUNGE LIMITED     | 32,400          |                 | -                   | -                        | 32,400                   | Closure of Ifmis |
| AIMAT COMPANY LIMITED         | 814,641.60      |                 | -                   | -                        | 814,641.60               | Closure of Ifmis |
|                               |                 |                 |                     |                          |                          |                  |
| <b>Sub-Total</b>              |                 |                 |                     |                          |                          |                  |
| <b>Grand Total</b>            |                 |                 |                     |                          | <b>5,260,337.60</b>      |                  |



**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

**TABLE 3: HISTORICAL PENDING BILLS**  
**ANALYSIS OF PENDING ACCOUNTS PAYABLE**

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance | Outstanding Balance 2017/18 | Comments                     |
|-------------------------------|-----------------|-----------------|---------------------|---------------------|-----------------------------|------------------------------|
| A                             | B               | C               | D=A-C               |                     |                             |                              |
| <b>Supply of services</b>     |                 |                 |                     |                     |                             |                              |
| ATTIC TOURS AND TRAVEL        | 12,635          |                 | -                   | -                   | 12,635                      | Pending Supporting Documents |
| ATTIC TOURS AND TRAVEL        | 147,010         |                 | -                   | -                   | 147,010                     | Pending Supporting Documents |
| ATTIC TOURS AND TRAVEL        | 87,710          |                 | -                   | -                   | 87,710                      | Pending Supporting Documents |
| ATTIC TOURS AND TRAVEL        | 25,940          |                 | -                   | -                   | 25,940                      | Pending Supporting Documents |
| ATTIC TOURS AND TRAVEL        | 35,175          |                 | -                   | -                   | 35,175                      | Pending Supporting Documents |
| ATTIC TOURS AND TRAVEL        | 69,200          |                 | -                   | -                   | 69,200                      | Pending Supporting Documents |
| ATTIC TOURS AND TRAVEL        | 30,600          |                 | -                   | -                   | 30,600                      | Pending Supporting Documents |
| ATTIC TOURS AND TRAVEL        | 29,500          |                 | -                   | -                   | 29,500                      | Pending Supporting Documents |
| ATTIC TOURS AND TRAVEL        | 67,540          |                 | -                   | -                   | 67,540                      | Pending Supporting Documents |
| ATTIC TOURS AND TRAVEL        | 57,610          |                 | -                   | -                   | 57,610                      | Pending Supporting Documents |
| ATTIC TOURS AND TRAVEL        | 26,140          |                 | -                   | -                   | 26,140                      | Pending Supporting Documents |
| ATTIC TOURS AND TRAVEL        | 39,410          |                 | -                   | -                   | 39,410                      | Pending Supporting Documents |
| ATTIC TOURS AND TRAVEL        | 32,365          |                 | -                   | -                   | 32,365                      | Pending Supporting Documents |
| ATTIC TOURS AND TRAVEL        | 66,060          |                 | -                   | -                   | 66,060                      | Pending Supporting Documents |
| ATTIC TOURS AND TRAVEL        | 198,740         |                 | -                   | -                   | 198,740                     | Pending Supporting Documents |
| ATTIC TOURS AND TRAVEL        | 198,740         |                 | -                   | -                   | 198,740                     | Pending Supporting Documents |
| ATTIC TOURS AND TRAVEL        | 67,840          |                 | -                   | -                   | 67,840                      | Pending Supporting Documents |

**MINISTRY OF TOURISM**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance | Outstanding Balance 2017/18 | Comments                     |
|-------------------------------|-----------------|-----------------|---------------------|---------------------|-----------------------------|------------------------------|
| ATTIC TOURS AND TRAVEL        | 12,460          |                 | -                   | -                   | 12,460                      | Pending Supporting Documents |
| ATTIC TOURS AND TRAVEL        | 36,225          |                 | -                   | -                   | 36,225                      | Pending Supporting Documents |
| ATTIC TOURS AND TRAVEL        | 39,720          |                 | -                   | -                   | 39,720                      | Pending Supporting Documents |
| ATTIC TOURS AND TRAVEL        | 61,685          |                 | -                   | -                   | 61,685                      | Pending Supporting Documents |
| ATTIC TOURS AND TRAVEL        | 116,930         |                 | -                   | -                   | 116,930                     | Pending Supporting Documents |
| ATTIC TOURS AND TRAVEL        | 35,270          |                 | -                   | -                   | 35,270                      | Pending Supporting Documents |
| ATTIC TOURS AND TRAVEL        | 260,270         |                 | -                   | -                   | 260,270                     | Pending Supporting Documents |
| ATTIC TOURS AND TRAVEL        | 39,800          |                 | -                   | -                   | 39,800                      | Pending Supporting Documents |
| LONGROCK TOURS AND TRAVEL     | 27,375          |                 | -                   | -                   | 27,375                      | Pending Supporting Documents |
| LONGROCK TOURS AND TRAVEL     | 20,445          |                 | -                   | -                   | 20,445                      | Pending Supporting Documents |
| LONGROCK TOURS AND TRAVEL     | 28,410          |                 | -                   | -                   | 28,410                      | Pending Supporting Documents |
| THE TRAVEL LOUNGE             | 39,675          |                 | -                   | -                   | 39,675                      | Pending Supporting Documents |
| THE TRAVEL LOUNGE             | 16,975          |                 | -                   | -                   | 16,975                      | Pending Supporting Documents |
| THE TRAVEL LOUNGE             | 29,790          |                 | -                   | -                   | 29,790                      | Pending Supporting Documents |
| THE TRAVEL LOUNGE             | 33,450          |                 | -                   | -                   | 33,450                      | Pending Supporting Documents |
| THE TRAVEL LOUNGE             | 59,700          |                 | -                   | -                   | 59,700                      | Pending Supporting Documents |
| THE TRAVEL LOUNGE             | 37,780          |                 | -                   | -                   | 37,780                      | Pending Supporting Documents |
| THE TRAVEL LOUNGE             | 59,480          |                 | -                   | -                   | 59,480                      | Pending Supporting Documents |
| THE TRAVEL LOUNGE             | 29,800          |                 | -                   | -                   | 29,800                      | Pending Supporting Documents |
| THE TRAVEL LOUNGE             | 59,480          |                 | -                   | -                   | 59,480                      | Pending Supporting Documents |
| THE TRAVEL LOUNGE             | 96,880          |                 | -                   | -                   | 96,880                      | Pending Supporting Documents |

**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance | Outstanding Balance 2017/18 | Comments                     |
|-------------------------------|-----------------|-----------------|---------------------|---------------------|-----------------------------|------------------------------|
| THE TRAVEL LOUNGE             | 36,218          |                 | -                   | -                   | 36,218                      | Pending Supporting Documents |
| THE TRAVEL LOUNGE             | 39,530          |                 | -                   | -                   | 39,530                      | Pending Supporting Documents |
| THE TRAVEL LOUNGE             | 61,240          |                 | -                   | -                   | 61,240                      | Pending Supporting Documents |
| THE TRAVEL LOUNGE             | 43,210          |                 | -                   | -                   | 43,210                      | Pending Supporting Documents |
| THE TRAVEL LOUNGE             | 32,400          |                 | -                   | -                   | 32,400                      | Pending Supporting Documents |
| THE TRAVEL LOUNGE             | 45,700          |                 | -                   | -                   | 45,700                      | Pending Supporting Documents |
| THE TRAVEL LOUNGE             | 39,720          |                 | -                   | -                   | 39,720                      | Pending Supporting Documents |
| AFRICAN TOUCH SAFARIS         | 30,000          |                 | -                   | -                   | 30,000                      | Pending Supporting Documents |
| AFRICAN TOUCH SAFARIS         | 85,605          |                 | -                   | -                   | 85,605                      | Pending Supporting Documents |
| AFRICAN TOUCH SAFARIS         | 17,750          |                 | -                   | -                   | 17,750                      | Pending Supporting Documents |
| AFRICAN TOUCH SAFARIS         | 2,755           |                 | -                   | -                   | 2,755                       | Pending Supporting Documents |
| AFRICAN TOUCH SAFARIS         | 22,520          |                 | -                   | -                   | 22,520                      | Pending Supporting Documents |
| AFRICAN TOUCH SAFARIS         | 37,400          |                 | -                   | -                   | 37,400                      | Pending Supporting Documents |
| <b>Sub-Total</b>              |                 |                 |                     |                     |                             |                              |
| <b>Grand Total</b>            |                 |                 |                     |                     | <b>2,827,863</b>            |                              |

**SUMMARY OF TOTAL PENDING**

Pending From Accounts ..... Ksh. 36,508,597.60  
 Pending With Procurement.....Ksh.5, 260, 337.60  
 Historical..... Ksh. 2,827,863

**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

**ANNEX 2 - ANALYSIS OF ACCOUNTS RECEIVABLE**

**GOVERNMENT IMPRESTS**

| NO.          | NAME              | PERSONAL No. | FOLIO No. | F.O No. | DATE ISSUED | SURR/DATE  | AMOUNT           |
|--------------|-------------------|--------------|-----------|---------|-------------|------------|------------------|
| 1            | SAID ATHMAN       | 2008080402   | 31        | 3140546 | 14/11/2017  | 24/11/2017 | 288,531.20       |
| 1            | SAID ATHMAN       | 2008080402   | 31        | 3140698 | 02-07-18    | 15/2/2018  | 67,200.00        |
| 1            | SAID ATHMAN       | 2008080402   | 31        | 3140629 | 01-04-18    | 26/1/2018  | 605,502.00       |
| 1            | SAID ATHMAN       | 2008080402   | 31        | 3140920 | 04-09-18    | 18/4/2018  | 37,800.00        |
| 1            | SAID ATHMAN       | 2008080402   | 31        | 3388655 | 14/5/2018   | 28/5/2018  | 168,000.00       |
| 1            | SAID ATHMAN       | 2008080402   | 31        | 3388722 | 06-06-18    | 15/6/2018  | 444,216.00       |
| 1            | SAID ATHMAN       | 2008080402   | 31        | 3388750 | 15/6/2018   | 07-12-18   | 558,560.00       |
| 2            | ISAAC OTIENO OKAL | 2010002494   | 111       | 3140699 | 02-05-18    | 16/2/2018  | 81,500.00        |
| 3            | JOSEPH K. KAMAU   | 2005061239   | 137       | 3140957 | 04-10-18    | 18/4/2018  | 1,000.00         |
| 4            | KENNETH J. KIOKO  | 2009125970   | 60        | 3388652 | 14/5/2018   | 21/5/2018  | 37,800.00        |
| 5            | STEVEN KINYANJUI  | 2009109699   | 63        | 3140627 | 01-04-18    | 26/1/2018  | 800.00           |
| <b>TOTAL</b> |                   |              |           |         |             |            | <b>2,290,909</b> |

**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

**CLEARANCE ACCOUNTS**  
**DEDUCTIONS NOT PAID**

| PAYEE                              | MONTH  | AMOUNT           |
|------------------------------------|--------|------------------|
| Magereza sacco                     | Mar-18 | 6,088.00         |
| Kenindia assurance company limited | Jun-18 | 6,372.90         |
| <b>TOTAL</b>                       |        | <b>12,460.90</b> |

**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

**ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER**

| Asset class                | Historical Cost b/f<br>(Kshs)<br>2017/2018 | Additions during the<br>year<br>(Kshs) | Disposals during the<br>year<br>(Kshs) | Historical Cost c/f<br>(Kshs)<br>2018/2019 |
|----------------------------|--|--|--|--|
| Land                       | n/a  | n/a                                    | n/a                                    | n/a  |
| Buildings and structures   |  |  |  |  |
| Transport equipment        |  |  |  |  |
| Mercedes Benz              | 6,873,780/=                                |  | 800,000/=                              | 6,000,780/=                                |
| Toyota Prado               | 13,825,000/=                               |  | New                                    | 13,825,000/=                               |
| Toyota Prado               | 7,000,000/=                                |  | 4,500,000/=                            | 2,500,000/=                                |
| Toyota Prado               | 7,000,000/=                                |  | 4,500,000/=                            | 2,500,000/=                                |
| Toyota Prado               | 7,000,000/=                                |  | 4,500,000/=                            | 2,500,000/=                                |
| Mercedes Benz              | 6,873,780/=                                |  | New                                    | 6,873,780/=                                |
| Volkswagen Passat          | 5,000,000/=                                |  | 4,200,000/=                            | 800,000/=                                  |
| Toyota corolla             | 3,000,000/=                                |  | 2,550,000/=                            | 450,000/=                                  |
| Toyota Corolla             | 3,000,000/=                                |  | 2,550,000/=                            | 450,000/=                                  |
| Mitsubishi Pajero GKA 543L | 5,000,000/=                                |  | 3,000,000/=                            | 2,000,000/=                                |

**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

| Asset class                | Historical Cost b/f<br>(Kshs)<br>2017/2018 | Additions during the<br>year<br>(Kshs) | Disposals during the<br>year<br>(Kshs) | Historical Cost c/f<br>(Kshs)<br>2018/2019 |
|----------------------------|--|--|--|--|
| Mitsubishi Pajero GKA 542L | 5,000,000/=                                |  | 3,000,000/=                            | 2,000,000/=                                |
| Volkswagen Passat GKA118U  | 5,000,000/=                                |  | 4,910,000/=                            | 90,000/=                                   |
| Nissan Terrano KAQ 837E    | 4,500,000/=                                |  | 3,000,000/=                            | 1,500,000/=                                |
| Mitsubishi Pajero GKA 695K | 5,000,000/=                                |  | 3,500,000/=                            | 1,500,000/=                                |
| Foton pick up GKB 502E     | 4,500,000/=                                |  | 2,200,000/=                            | 2,300,000/=                                |
| Toyota Hiace GKA 468T      | 4,500,000/=                                |  | 3,000,000/=                            | 1,500,000/=                                |
| Nissan Urvan GKA 445L      | 4,500,000/=                                |  | 3,000,000/=                            | 1,500,000/=                                |
| Toyota Corolla GKA 568Y    | 3,000,000/=                                |  | 2,100,000/=                            | 900,000/=                                  |
| Nissan Patrol GKA 507Q     | 6,000,000/=                                |  | 5,300,000/=                            | 700,000/=                                  |
| Nissan Xtrail KAV 400K     | 3,000,000/=                                |  | 2,100,000/=                            | 900,000/=                                  |
| Nissan Urvan GKA 702G      | 4,500,000/=                                |  | 3,000,000/=                            | 1,500,000/=                                |
| Toyota Hilux GKA 911K      | 5,500,000/=                                |  | 3,500,000/=                            | 2,000,000/=                                |
| Opel Astra KAH 930T        | 2,000,000/=                                |  | 1,940,000/=                            | 60,000/=                                   |
| Land rover GKA 140Y        | 5,000,000/=                                |  | 4,950,000/=                            | 50,000/=                                   |
|                            |  |  |  |  |

**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

| Asset class                              | Historical Cost b/f<br>(Kshs)<br>2017/2018 | Additions during the<br>year<br>(Kshs) | Disposals during the<br>year<br>(Kshs) | Historical Cost c/f<br>(Kshs)<br>2018/2019 |
|--|--|--|--|--|
| Office equipment, furniture and fittings |  |  |  |  |
| Executive tables                         | 12,000,000/=                               | 1,200,000/=                            | 4,200,000/=                            | 9,000,000/=                                |
| Executive high back chair                | 8,000,000/=                                | 500,000/=                              | 1,500,000/=                            | 7,000,000/=                                |
| Water dispensers                         | 1,000,000/=                                |  | 200,000/=                              | 800,000/=                                  |
| Coat hangers                             | 300,000/=                                  |  | 100,000/=                              | 200,000/=                                  |
| Visitors chairs                          | 5,000,000/=                                |  | 1,500,000/=                            | 3,500,000/=                                |
| Computer tables                          | 5,000,000/=                                |  | 3,000,000/=                            | 2,000,000/=                                |
| Book shelves glass                       | 2,000,000/=                                |  | 500,000/=                              | 1,500,000/=                                |
| Coffee tables (table)                    | 2,000,000/=                                |  | 1,000,000/=                            | 1,000,000/=                                |
| TV's 21" J.V.C                           | 700,000/=                                  |  | 450,000/=                              | 250,000/=                                  |
| TV stands                                | 300,000/=                                  |  | 100,000/=                              | 200,000/=                                  |
| Window curtains                          | 700,000/=                                  |  | 300,000/=                              | 400,000/=                                  |
| Window nets                              | 200,000/=                                  |  | 50,000/=                               | 150,000/=                                  |
| Sofa sets                                | 4,800,000/=                                |  | 1,800,000/=                            | 3,000,000/=                                |
| Filing cabinets                          | 5,000,000/=                                |  | 500,000/=                              | 4,500,000/=                                |
| Pedestal tables                          | 300,000/=                                  |  | 100,000/=                              | 200,000/=                                  |



**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

| Asset class   | Historical Cost b/f<br>(Kshs)<br>2017/2018 | Additions during the<br>year<br>(Kshs) | Disposals during the<br>year<br>(Kshs) | Historical Cost c/f<br>(Kshs)<br>2018/2019 |
|---|--|--|--|--|
| Office chairs                                       | 7,000,000/=                                |  | 2,000,000/=                            | 5,000,000/=                                |
| Table side drawers                                  | 400,000/=                                  |  | 150,000/=                              | 150,000/=                                  |
| Fridges   | 700,000/=                                  |  | 300,000/=                              | 400,000/=                                  |
| Stapler small                                       | 130,000/=                                  |  | 10,000/=                               | 120,000/=                                  |
| Staplers Big  | 130,000/=                                  |  | 10,000/=                               | 120,000/=                                  |
| Microwave   | 400,000/=                                  |  | 150,000/=                              | 250,000/=                                  |
| Dust hoovers  | 120,000/=                                  |  | 15,000/=                               | 105,000/=                                  |
|   |  |  |  |  |
|   |  |  |  |  |
| <b>ICT Equipment, Software and Other ICT Assets</b> |  |  |  |  |
| Desk top computers                                  | 15,000,000/=                               |  | 5,000,000/=                            | 10,000,000/=                               |
| Laptops   | 12,000,000/=                               | 900,000/=                              | 2,900,000/=                            | 10,000,000/=                               |
| Printers  | 8,000,000/=                                | 800,000/=                              | 3,800,000/=                            | 5,000,000/=                                |
| Photocopiers  | 6,000,000/=                                |  | 2,000,000/=                            | 4,000,000/=                                |
| IP Headsets   | 1,000,000/=                                |  | 200,000/=                              | 800,000/=                                  |
| Projectors  | 400,000/=                                  |  | 150,000/=                              | 250,000/=                                  |

**MINISTRY OF TOURISM**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

| Asset class                   | Historical Cost b/f<br>(Kshs)<br>2017/2018 | Additions during the<br>year<br>(Kshs) | Disposals during the<br>year<br>(Kshs) | Historical Cost c/f<br>(Kshs)<br>2018/2019 |
|-------------------------------|--|--|--|--|
| Projector screens             | 150,000/=                                  |  | 0                                      | 150,000/=                                  |
|                               |  |  |  |  |
|                               |  |  |  |  |
| Other Machinery and Equipment |  |  |  |  |
|                               | n/a  | n/a                                    | n/a                                    | n/a  |
| Heritage and cultural assets  |  |  |  |  |
|                               | n/a  | n/a                                    | n/a                                    | n/a  |
| <b>Total</b>                  | <b>225,302,560/=</b>                       | <b>2,320,000/=</b>                     |  | <b>85,955,000/=</b>                        |

**MINISTRY OF TOURISM**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

**ANNEX4 – LIST OF PROJECTS IMPLEMENTED BY THE MINISTRY OF TOURISM**

| Ref | Project Name  | Principal activity of the project                                    | Accounting Officer                 | Project consolidated in these financial statements(yes/no) |
|-----|---|--|------------------------------------|--|
| 1   | Sustaining new markets and sitting booths in tourism target markets | Marketing Kenya as a preferred tourist destination of choice         | Fatuma Hirsi Mohamed (Mrs),<br>CBS | YES  |
| 2   | Meru national park access road                                      | Grading and re-carpeting 26.1Km of access road to the park           | Fatuma Hirsi Mohamed (Mrs)         | YES  |
| 3   | Little theatre club in Mombasa                                      | Rehabilitation of Club to enhance art and other creative art talents | Fatuma Hirsi Mohamed (Mrs)         | YES  |
| 4   | Charter Incentive Programme   | Incentivise charters through rebates and subsidised landing fees     | Fatuma Hirsi Mohamed (Mrs)         | YES  |
| 5   | Tourism Recovery  | Undertake Tourism Recovery initiatives                               | Fatuma Hirsi Mohamed (Mrs)         | YES  |
| 6   | Nairobi International Convention centre (NICEC)                     | Feasibility Studies and master planning (NICEC)                      | Fatuma Hirsi Mohamed (Mrs)         | YES  |
| 7   | Ronald Ngala Utalii College   | Construction of college  | Fatuma Hirsi Mohamed (Mrs)         | YES  |
| 8   | Capital Lending to hotels   | Concession loans to tourism operators                                | Fatuma Hirsi Mohamed (Mrs)         | YES  |

**MINISTRY OF TOURISM**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

**ANNEX 5 – LIST OF SCs, SAGAs AND PUBLIC FUNDS UNDER THE MINISTRY OF TOURISM**

| Ref          | SC, SAGA or Public Fund's name | Principal activity of Ministry | Accounting Officer                 | Amount transferred during the year | Inter- Ministry reconciliations done?(yes/no) |
|--------------|--------------------------------|--------------------------------|------------------------------------|------------------------------------|---|
| 1            | Tourism Regulatory Authority   | Regulatory                     | Fatuma Hirsi Mohamed<br>(Mrs), CBS | 216,000,000.00                     | YES   |
| 2            | Bomas Of Kenya                 | Cultural activities            | Fatuma Hirsi Mohamed<br>(Mrs), CBS | 269,768,517.00                     | YES   |
| 3            | Kenya Utalii College           | Training                       | Fatuma Hirsi Mohamed<br>(Mrs), CBS | 175,000,000.00                     | YES   |
| 4            | Kenya Tourism Board            | Promotional                    | Fatuma Hirsi Mohamed<br>(Mrs), CBS | 485,500,000.00                     | YES   |
| 5            | Tourism Fund                   | Financing                      | Fatuma Hirsi Mohamed<br>(Mrs), CBS | 93,750,000.00                      | YES   |
| 6            | Tourism Finance Corporation    | Financing                      | Fatuma Hirsi Mohamed<br>(Mrs), CBS | 75,000,000.00                      | YES   |
| 7            | Tourism Research Institute     | Research                       | Fatuma Hirsi Mohamed<br>(Mrs), CBS | 56,600,000.00                      | YES   |
| <b>TOTAL</b> |                                |                                |                                    | <b>1,371,618,517.00</b>            |   |

**MINISTRY OF TOURISM**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

**APPROPRIATION-IN-AID COLLECTED BY SAGAS UNDER THE MINISTRY OF  
TOURISM**

| <b>NO</b> | <b>SAGA</b>                  | <b>AMOUNT</b>         |
|-----------|------------------------------|-----------------------|
| 1         | TOURISM REGULATORY AUTHORITY | 131,000,000.00        |
| 2         | BOMAS OF KENYA               | 195,000,000.00        |
| 3         | KENYA UTALII COLLEGE         | 473,164,222.00        |
| 4         | KENYA TOURISM BOARD          | 103,000,000.00        |
|           | <b>TOTAL A-I-A</b>           | <b>902,164,222.00</b> |

## **MINISTRY OF TOURISM**

### **Reports and Financial Statements**

**For the year ended June 30, 2018**

#### **ANNEX6- REPORTS GENERATED FROM IFMIS**

The following financial Reports Generated from IFMIS are appendices to these financial statements.

- i. GOK IFMIS Comparison Trial Balance
- ii. FO30 (Bank reconciliations) for all bank accounts
- iii. GOK IFMIS Receipts and Payments Statement
- iv. GOK IFMIS Statement of Financial Position
- v. GOK IFMIS Statement of Cash Flows
- vi. GOK IFMIS Notes to the Financial Statements
- vii. GOK IFMIS Statement of Budget Execution
- viii. GOK IFMIS Statement of Deposits
- ix. GOK IFMIS Budget Execution by Programme and Economic Classification
- x. GOK IFMIS Budget Execution by Heads and Programmes
- xi. GOK IFMIS Budget Execution by Programmes and Sub-programmes



## **NATIONAL ASSEMBLY -OAG - REPORTS 2019 VOLUME 20**

1. Kamukunji Constituency Development Fund. Paper Laid 08/05/2019
2. Kangema Constituency Development Fund. Paper Laid 08/05/2019
3. Gichugu Constituency Development Fund. Paper Laid 08/05/2019
4. Soy Constituency Development Fund. Paper Laid 08/05/2019
5. Samburu East Constituency Development Fund. Paper Laid 08/05/2019
6. Othaya Constituency Development Fund. Paper Laid 08/05/2019
7. Ministry of Tourism. Paper Laid 08/05/2019
8. State Department for Investment and Industry. Paper Laid 08/05/2019
9. Tana Water Services Board. Paper Laid 08/05/2019
10. State Department of Transport. Paper Laid 08/05/2019
11. Sigor Constituency Development Fund. Paper Laid 08/05/2019