

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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THE AUDITOR-GENERAL

ON

TOURISM FUND

**FOR THE YEAR ENDED
30 JUNE, 2024**

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TOURISM FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2024



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

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



Table of Contents

1.	ACRONYMS AND DEFINITION OF KEY TERMS	iv
2.	KEY ENTITY INFORMATION AND MANAGEMENT.....	v
3.	THE BOARD OF DIRECTORS/COUNCIL	xi
4.	KEY MANAGEMENT TEAM	xvii
5.	CHAIRMAN'S STATEMENT	xxiii
6.	REPORT OF THE CHIEF EXECUTIVE OFFICER.....	xxv
7.	STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2023/2024	xxvii
8.	CORPORATE GOVERNANCE STATEMENTS	xxxi
9.	MANAGEMENT DISCUSSION AND ANALYSIS.....	xxxviii
10.	ENVIRONMENTAL AND SUSTAINABILITY REPORTING	xxxix
11.	REPORT OF THE DIRECTORS	xliv
12.	STATEMENT OF DIRECTORS RESPONSIBILITIES	xlvi
13.	REPORT OF THE INDEPENDENT AUDITOR FOR THE FINANCIAL STATEMENTS OF TOURISM FUND	xlviii
14.	STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024. 1	
15.	STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024	3
16.	STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2024 5	
17.	STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024.....	6
18.	STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024.....	8
19.	NOTES TO THE FINANCIAL STATEMENTS	9
25.	APPENDICES.....	46

1. ACRONYMS AND DEFINITION OF KEY TERMS

A: Acronyms

CEO	Chief Executive Officer
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank

B: Definition of Key Terms

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

Trustees – The Board of Trustees of Tourism Fund

Comparative Year- Means the prior period.

2. KEY ENTITY INFORMATION AND MANAGEMENT

(a) BACKGROUND INFORMATION

Tourism Fund is a statutory body established by an Act of Parliament under Section 66 of The Tourism Act, 2011. Tourism Fund is domiciled in Kenya and has branches in Nairobi, Mombasa, Kisumu, Nakuru, Eldoret, Nyeri and a satellite office in Garissa. The Tourism Act, 2011, establishes the Fund's object and purpose as follows:

- a) Finance the development of Tourism Products and Services;
- b) Finance the marketing of Kenya as a tourist destination through the Kenya Tourism Board;
- c) Finance the activities of the Protection Service;
- d) Finance the Tourism Research, Tourism Intelligence and the National Tourism Information Management System;
- e) Finance the activities of the Tourism Sector Safety, Communication and Crisis Management Centre to be established and managed by the Ministry;
- f) Finance training and capacity development activities of the College and of such other tourism hospitality training institutions as may be established under this Act; and
- g) Mobilize resources to support tourism-related activities.

The Fund's organization structure is at two levels, namely, the Governance and, Management structures. The Fund has a Board of Trustees at the governance level and a management led by a CEO.

(b) PRINCIPAL ACTIVITIES

Mandate

Mobilize resources to finance the development of a sustainable tourism industry in Kenya.

Vision

To be the ultimate source of funding for the sustainable development of Tourism Industry in Kenya.

Mission

To diversify the resource base for financing development of a sustainable tourism industry through innovation, service excellence and stakeholder engagement.

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



Key Entity Information and Management (continued)

Core Values

Teamwork: To create one family to deliver.

Customer Focus: Meet and surpass expectations of all our customers.

Integrity: To uphold good conduct and ethics in all our operations.

Accountability: Transparent and socially responsible.

Professionalism: Committed to excellence through continuous improvement

Innovation: To promote and reward creativity and embrace best practices in service delivery.

Equity: Committed to fairness in all our undertakings

(c) KEY MANAGEMENT

Tourism Fund's day-to-day management is under the following key organs:

No	Designation
1.	Board of Trustees
2.	Chief Executive Officer (A.g)
3.	Directors
4.	Managers

(d) FIDUCIARY MANAGEMENT

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

No.	Designation	Name
1.	Chief Executive Officer (A.g)	David K. Mwangi
2.	Director Corporate Services	Lilians Wafukho
3.	Director Levy Services	Charles Okeyo
4.	Director Strategy, Risk & Resource Mobilisation	Eden Odhiambo
5.	Ag. Manager Finance & Accounts	David Wainaina
6.	Ag. Corporate Communications Marketing Manager	Alex Maina
7.	Manager Supply Chain Management	Kelvin Mungasio Kasaine

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



8.	Manager Internal Audit	Abraham Kiprono Kiptum
9.	Ag. Manager Human Resources & Administration	George Machooka
10.	Ag. Manager ICT	Isaiah Rutto
11.	Ag. Manager Resource Mobilization	Laura Anyasi
12.	Manager- Research, Strategy and Planning	Willis O. Ondiek
13.	Manager - Training Revolving Fund	Enoch K Chebii
14.	Manager - Levy Enforcement	Edward Kisali
15.	Manager - Risk & Quality Assurance	Peter Otieno
16.	Ag. Corporate Secretary & Legal Services Manager	Margaret Jepkoech

(e) FIDUCIARY OVERSIGHT ARRANGEMENTS

i) Committees of the Board

The Board has four standing committees that meet under the terms of reference set out by the Board namely:

ii) Strategy, Resource Mobilisation & Partnerships.

The committee considers development, implementation and impact analysis of actualizing the strategic plan, planning, resource mobilisation endeavours, Project reports and stakeholder engagement plan implementation. The committee also oversees development and implementation of the Strategic Plan, review strategic direction and initiatives.

The members are: The members are Patrick Ngere (Chairperson), Joel Kamau, Joseph Sarisar, Zippie Metto, James Wangombe and John Karanja.

*Trustee James Wang'ombe was replaced by John Karanja on 19th February 2024.

iii) Audit and Risk Committee

The audit Risk Assurance Committee plays a key role in providing oversight of TF's governance processes, risk management and internal control practices. This oversight mechanism also serves to provide confidence in the integrity of these practices. The audit committee performs its roles by providing an independent oversight to the Board of Trustees. The committee is responsible for reviewing audit reports, compliance with relevant laws, procedures and standards, quality of financial reporting and oversight on internal controls among others. The Committee is also responsible for reviewing, approval or recommendation for Board approval

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



of policies and procedures from Internal Auditors reports, Management letter and Management's responses to the Auditor General's findings and recommendations and review of the enterprise risk management framework.

During the FY under review the following were the members are: Joseph Sarisar (Chairperson), Joel Kamau, Geoffrey Kibanda, James Wangombe, and John Karanja.

*Trustee James Wang'ombe was replaced by John Karanja on 19th February 2024.

iv) Corporate and Procurement Services Committee

This Committee is responsible for review, approval or recommendation for Board approval of policies and procedures in relation to human resource management & development, ICT automation, and procurement. It reviews budget, financial reports, human resource Instruments actualisation, staff welfare, ICT automation and procurement matters.

The Committee reviews procurement policies and practices ensuring that they are in compliance with current laws, regulations and recognized good practices. It also ensures that the Procurement Plan is in place, and is within approved budgets and is executed effectively and efficiently. The committee is also responsible for monitoring and appraising the performance management, review of human resource policies and making recommendations on issues to do with general staff welfare to the board.

The members are: Zippie Metto (Chairperson), Dorcas Mbalanya, Sylas Tochim, John Karanja, Geoffrey Kibanda, and James Wangombe.

*Trustee James Wang'ombe was replaced by John Karanja on 19th February 2024.

v) Revenue, Revolving Fund and Legal Matters

The committee is responsible for monitoring and appraising projects. The Committee reviews progress reports on tourism levy collection, tourism training revolving fund, regulatory and legal compliance status.

The members are: Mr. Sylas Tochim (Chairperson), Dr. Patrick Bucha, Mr. Patrick Ng'ere, Ms. Dorcas Mbalanya, James Wangombe and John Karanja.

*Trustee James Wang'ombe was replaced by John Karanja on 19th February 2024.

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



(a) ENTITY HEADQUARTERS & CONTACTS

Tourism Fund, Valley Road, 5th Floor,
P.O Box 46987-00100, Nairobi, Kenya
Tourism Fund Building
Bishop Road
Tel: 020-2714900/1/2, +254 728 337499
Website: www.tourismfund.go.ke

(b) Regional offices:

Nairobi North Regional office and Nairobi South Regional office,
Tourism Fund, Valley Road, 3rd and 4th Floor.
P.O Box 46987-00100, Nairobi, Kenya.
Tel: +254 728 337499

Mombasa Regional Office

Pereira Building 3rd Floor Machakos Road.
P.O. Box 99832-80100 Mombasa, Kenya.
Tel: +254 792 187841

Kisumu Regional Office

Reinsurance Plaza 7th Floor Oginga Odinga Road
P.O. Box 1406-40100 Kisumu, Kenya
Tel: +254 795 765412

Nakuru Regional office

Generation House, 2nd Floor, Kenyatta Avenue
P.O. Box 2812-20100 Nakuru, Kenya
Tel: +254 706 405950

Nyeri Regional office

Sohan Plaza 4th Floor Nyayo Road
P.O Box 348-10100 Nyeri, Kenya
Tel: +254 792 181960

North Rift Regional Office

KVDA Plaza
P.O Box 348-10100 Nyeri, Kenya
Tel: +254 716 477478

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



(c) ENTITY BANKERS

Kenya Commercial Bank
K.I.C.C Branch, Harambee Avenue
P.O. Box 48400-00100 Nairobi.

National Bank of Kenya Ltd,
Harambee Avenue Branch.
P.O Box 73866-00100 Nairobi

Co-operative Bank of Kenya Ltd
Parliament Road Branch.
P.O Box 5772-00200 Nairobi.

Equity Bank of Kenya Ltd
Mayfair Branch.
P.O Box 75104 - 00200 Nairobi.

Safaricom PLC Limited
P.O Box 66827-00800 Nairobi.
Paybill No. 884500 (closed)

E-Citizen Digital Revenue Collection Portal
Merchant Account – Tourism Fund

(d) INDEPENDENT AUDITORS

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



(e) PRINCIPAL LEGAL ADVISER



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



**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



3. THE BOARD OF DIRECTORS/COUNCIL



Ref	Directors	Details
1.	 <p data-bbox="384 1111 651 1144">Mr. Samson Some</p>	<p data-bbox="847 568 1481 1111">Mr. Samson Some was appointed to the Tourism Fund Board of Trustees in 2023. Mr. Some was born in November 1982. Mr. Some has a wealth of experience in the tourism industry, as he is experienced in leading and reinvigorating a travel society (American Society of Travel Advisors- ASTA), establishing working relationships between regional government institutions, private associations and the local travel industry. Mr. Some currently serves as the president of the American Society of Travel Advisors (ASTA). He holds a Master's in Business Administration (MBA) and a Bachelor of commerce (Finance major).</p>
2.	 <p data-bbox="384 1805 628 1839">Ms. Zippy Metto</p>	<p data-bbox="847 1357 1481 1626">Ms Zippy Metto was appointed to the Tourism Fund Board of Trustees in 2023. She has a solid 23 years' experience in the aviation industry and business experience in agribusiness. She is a holder of a Master's in Business Administration (MBA) and a Bachelor in Education.</p>

<p>3.</p>	 <p>Mr. Patrick Ngere</p>	<p>Mr. Ngere is competent in developing policies, strategies, promoting values and principle, implementing an effective performance management system. This is to ensure efficient and effective utilization of Financial, Human and other resources. He holds Masters in Business Administration – Corporate Management from KCA University</p> <p>He also has expertise in strategic management and financial planning in addition to this he possesses knowledge of the organization and functions of the government as well as an understanding of the goals, policies and development objectives of the nation. As a visionary leader, he is a highly capable change- agent who consistently refines and revitalizes strategies, initiates' change and facilities solution –driven in a team collaboration work environment.</p>
<p>4.</p>	 <p>Mr. Joseph Sarisar</p>	<p>A self – motivated, analytical and careful in planning and administration. Has vast experience to enhance the organisation's corporate identity by significantly contributing to its growth.</p> <p>Mr. Sarisar is a holder of PhD – Business Administration and Management and has Masters in Entrepreneurship from JKUAT. He has more than 25 years in the in Research, Technology Management, Strategic Plans, Performance contracts, policies and frameworks development. He has also been a Board member of other institutions across the Nation.</p>

<p>5.</p>	 <p>Mr. Sylas Kipkosgei Tochim</p>	<p>Sylas Kipkosgei TOCHIM is an accomplished MA graduate in Peace studies (Coventry University. UK) and MA Mission studies (University of Wales. UK). His undergraduate degree is in Theology from Bugema university. Uganda. He has a well-developed background in community development and empowerment. He worked and studied in the United Kingdom for 10 years. He has a vast experience in conflict resolution and reconciliation among warring communities and persons. He served as elected member of county assembly in Baringo county for five years (2017 - 2022).</p> <p>While at the assembly, Tochim served as chairman tourism, trade and cooperative committee. Initially he served as community worker and Gospel mister before proceeding to the UK. TOCHIM is an ordained minister with the Seventh Day Adventist church.</p>
<p>6.</p>	 <p>Ms. Dorcas Ayoma Mbalanya</p>	<p>Dorcas Ayoma Mbalanya is a Practicing Advocate of the High Court for more than 30 years. She is currently a Consultant (Civil and criminal) probate and Administration. Dorcas Ayoma has since January 2013 served as a member of FIDA and worked with Kituo Cha Sheria. She also served on the Conveyancing Committee of the Law Society of Kenya.</p> <p>Dorcas attended a course run by the Chartered Institute of Arbitrators of London and was admitted as a Fellow of the Chartered Institute of Arbitrators, she is also a Certified Public Secretary (CPS) K. She is also a Golfing-member of Karen Country Club, a member and Lady Captain at Kenya Air Force Golf Club and was Lady Captain at Vet. Lab in the year 2000. Has also served as Chair of Kenya Ladies Golf Union and in 2014 served as the Chair of the Organizing Committee for years, now she is a member of Senior Ladies Golfing Society.</p>


**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



<p>7.</p>	 <p>Mr. Joel Kamau</p>	<p>Joel is an experienced business leader with a successful track record of growing enterprises in the food and beverage industry. He has over 18 years of experience in commercial, sales, strategy, finance, and project management experience, providing hands-on leadership to achieve solid business results. Joel has successfully held leadership positions in various multinationals organizations, such as Unilever, Coca-Cola Beverages Africa [formerly known as Coca-Cola SABCO] and East African Breweries Ltd. He holds a Bcomm (Finance) from the University of Nairobi and is a CPA(K).</p>
<p>8.</p>	 <p>Mr. Geoffrey Kibanda</p>	<p>Mr. Geoffrey Kibanda was appointed as Alternate Trustee of Tourism Fund in 2020. Mr. Kibanda has over 28yrs wealth of experience in government. He holds MBA, Bachelors of Arts in History and Government and higher Diploma in Human Resource.</p>

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



<p>9.</p>	 <p>DR. (QS). Patrick M. Bucha, PhD, MBS</p>	<p>Holds a Doctor of Philosophy in Leadership and Governance, from Jomo Kenyatta University of Agriculture and Technology, Master degree in Building Management and a Bachelor's degree in Building Economics both from University of Nairobi. Served as part time lecturer in Architectural Department, University of Nairobi. He is a registered Quantity Survey and has worked with the Government for over 30 years in various positions including, Deputy Director Housing, Programme Coordinator, Kenya Slum Upgrading Programme (KENSUP), Project Manager, Civil Servants Housing Programme and Director of Estates Management in charge of all government houses</p> <p>Currently serving as Tourism Secretary in the State Department for Tourism implementing Tourism Policy and Standards, Development, Promotion, Marketing and Financing</p>
<p>10.</p>	 <p>Mr. David K. Mwangi Ag. Chief Executive Officer</p>	<p>Mr David Mwangi joined Tourism Fund in the year 2008 as a Management Trainee. Prior to his appointment as the Acting Chief Executive, Mr Mwangi had served as a Regional Manager for a period of seven years. He holds Masters in Business Administration (Finance option) from Kenyatta University and a Bachelor's degree in Business & Banking (Egerton University)</p>

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**





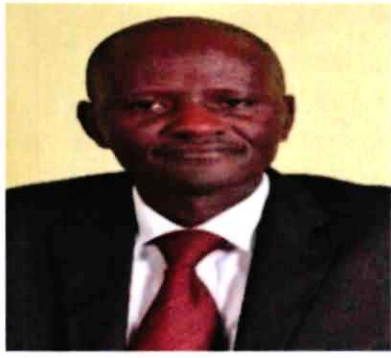
11.	 <p>Mrs. Margaret Jepkoech Ag. Corporate Secretary & Legal Services Manager</p>	<p>Ms Margaret Jepkoech joined Tourism Fund then Catering Levy Trustees in 1993 as Levy Officer. Ms. Margaret holds Bachelor of Law (LLB), Post Graduate Diploma in Law (Kenya school of Law). She is also a member of Law Society of Kenya (LSK). She is currently pursuing an M.A in Peace & Conflict Management. She's also a Certified Mediator.</p>
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**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



4. KEY MANAGEMENT TEAM

The management comprises of the Chief Executive Officer (Ag), three directorates, 8 departments at the headquarters and offices in five regions headed by Regional Manager.

	Management	Details
1.	 David K. Mwangi Ag. Chief Executive Officer	<p>Mr David Mwangi joined Tourism Fund in the year 2008 as a Management Trainee. Prior to his appointment as the Acting Chief Executive, Mr Mwangi had served as a Regional Manager for a period of seven years. He holds Masters in Business administration (Finance option) from Kenyatta University and a Bachelor's degree in Business & Banking (Egerton University)</p>
2.	 CPA Lilians Wafukho Director Corporate Services	<p>CPA Lilians Wafukho has MBA (Finance/Operations Management), B Com (1st Class Hons) (Accounting), Current pursuing PHD Strategic Management. She is a member of ICPAK, AWAK, AAPAM & KIM She has a Diploma in Purchasing & Supplies Management (KIM), is a Certified Monitoring & Evaluation, M&E specialist (KIM), She has over 18 years' experience in Financial Planning, Management & Reporting.</p>
3.	 Charles Okeyo Director of Levy Services.	<p>Mr Charles Okeyo was appointed as Acting Director Levy Services in 2018 and confirmed in January 2021. Mr Charles Okeyo is a graduate of Bachelor of Arts Economics from the University of Nairobi. He also holds bachelor of Law degree from University of Nairobi. Prior to his appointment Mr Okeyo was the head of Levy services for a period of 5 years. He joined Tourism Fund then Catering Levy Trustees in 1994 as a management trainee.</p>




**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



<p>4.</p>	 <p>Eden Robbinson Odhiambo Director Strategy and Resource Mobilization</p>	<p>Mr. Eden holds a Bachelor of Arts (Economics) with 29 years' experience in Revenue Management. He is a trained and gazetted Prosecutor and Investigator. Previously Head of Levy Operations for 15 years. A Board Member of Cedar Holdings Ltd and Patron of Kamondi School. Has worked as Managing Partner of Greenpoint Exporters Ltd and Lev Investment Ltd for 5 years. Has attended The Dale Carnegie Leadership training</p>
<p>5.</p>	 <p>David Wainaina Ag. Manager, Finance & Accounts</p>	<p>Mr. David Wainaina joined Tourism Fund in 2010 as an Accountant and rose through the ranks to his current position Ag. Manager – Finance & Accounts. He holds a Bachelor of Commerce in Accounting Option</p>
<p>6.</p>	 <p>Alex Maina Njuguna Ag. Corporate Communication and Marketing Manager</p>	<p>Alex is a seasoned Marketing Professional with over 12 years practicing experience. He Holds a Master of Arts degree in Marketing and a Bachelor of Arts in Tourism and Sociology from the University of Nairobi. Prior to his appointment as the Acting Manager, Corporate Communications and Marketing, he served in various capacities within the Fund, having also previously worked in other industry sectors. He is a registered member of the Marketing Society of Kenya (MSK) and Public Relations Society of Kenya.</p>




**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



<p>7.</p>	 <p>Margaret Jepkoech Ag. Corporate Secretary & Legal Services Manager</p>	<p>Ms Margaret Jepkoech joined Tourism Fund then Catering Levy Trustees in 1993 as Levy Officer. Ms. Margaret holds Bachelor of Law (LLB), Postgraduate Diploma in Law (Kenya school of Law). She is also a member of Law Society of Kenya (LSK). She is currently pursuing Masters in Peace & Conflict Management. She is also a Certified Mediator.</p>
<p>8.</p>	 <p>CPA Abraham Kiptum Internal Audit Manager</p>	<p>CPA Abraham Kiptum joined Tourism Fund in 2018 as Head of internal Audit & Risk. Prior to this, he had worked for Kenya Post Office Savings Bank (KPOSB) for a period of 27 years He holds MBA (Corporate Management), Bachelor of Commerce (Accounting Option) from KCA University. He is a Diploma in Criminology & Social Order from University of Nairobi. He is also a member of ICPAK and IIA Kenya in good standing.</p>
<p>9.</p>	 <p>George Machooka Ag. Manager Human Resource and Administration</p>	<p>Mr. George Machooka joined Tourism Fund in 1996 as Human Resource officer. He holds Degree in Arts from University of Nairobi and Post Graduate Diploma in Human Resource and Administration.</p>




**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



<p>10.</p>	 <p>Mr. Isaiah Rutto Ag. Information, Communication & Technology Manager</p>	<p>Mr. Isaiah Rutto joined Tourism Fund in 1990 as Levy Inspector. Prior to his appointment as Acting ICT Manager, Mr Rutto had previously worked as Senior System analyst. He is a graduate of Bachelor of Science Information Technology from JKUAT and Masters in Business Administration strategic Management option from Kenyatta University</p>
<p>11.</p>	 <p>Mr. Kevin Mungasio- Manager Supply Chain Management Chain</p>	<p>Mr. Kevin Kasaine Mungasio holds a professional Diploma in Procurement and supply from Chartered Institute of Procurement and Supply (CIPS), Bachelor of Commerce and Masters (MSC) in procurement and logistics from Jomo Kenyatta University of Agriculture and Technology (JKUAT). He is licensed procurement Practitioner and a Member of Chartered Institute of Procurement and Supply (MCIPS).</p>
<p>12.</p>	 <p>Laura Anyasi Ag. Manager, Resource Mobilization</p>	<p>Ms. Laura Anyasi joined the then CTDLT in 2012 as an assistant levy officer and rose through the ranks to her current position Ag. Manager – Resource Mobilization and Partnerships. She holds a Master's Degree in Strategic Management from Kenyatta University and Bachelors in Actuarial Science. She is a member of The Fundraising Association of Kenya and has 10 years' experience in the public sector.</p>

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



13.	 <p>Mr. Willis O. Ondiek Head of Secretariat- RNUC</p>	<p>Willis is a seasoned tourism professional with over 25 years' experience. He holds MBA (Strategy) and a BSc. in Tourism both from Moi University. He has been with the Fund for close to 20 years, with over fifteen (15) years in senior management and, a prior three years as an Advisor, Head Staff and PA to the Minister responsible for Tourism. During the period, he has headed Standards Department that established the National Tourism Sector Standards prior to founding and heading Research, Strategy and Planning Department. He is currently Heading Secretariat of RNUC on operationalization. Besides holding several certificates in leadership, sustainable dev't and, performance management, he is a Certified EAC Classification and Grading Trainer and, a Full Member of Kenya Institute of Management.</p>
14.	 <p>Mr. Enoch K Chebii Manager Training Revolving Fund</p>	<p>Mr. Enoch Chebii is in charge of Tourism Training Revolving Fund Docket. Before his appointment, he was Finance and Administration manager at KNCB and previously Regional Manager at Tourism Fund. He has over 20 years' experience in public sector in areas of Finance, Administration Paralegal and Training. He has also been chairman of Tourism Fund Defined benefits and defined contribution (DB &DC) pension schemes for 15 years. He holds MBA degree from Kenyatta University and Bachelor of Commerce from catholic University of Eastern Africa. He is a certified Public Accountant (K)</p>
15.		<p>Mr Edward Kisali joined Tourism Fund in the year 2008 as a Management Trainee. Prior to his appointment as the Manager- Levy Compliance, Mr Kisali had served as a Regional Manager for a period of 10 years. He holds Masters in Strategic Management, from Jomo Kenyatta University of Agriculture & Technology, Masters in Leadership Studies,</p>

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



	<p>Mr. Edward Kisali Manager, Levy Enforcement</p>	<p>From Global University USA and a Bachelor's degree in Applied Statistics (Maseno University)</p>
<p>16.</p>	<div data-bbox="368 456 735 775" data-label="Image"> </div> <p>Mr. Peter Otieno Manager, Risk & Quality Assurance</p>	<p>Mr. Peter Otieno holds a Bachelor of Arts in Sociology and Communications from the University of Nairobi. He is a certified Risk and Quality Assurance professional. Prior to his appointment as the Manager- Risk & Quality Assurance, Mr. Otieno served in various capacities within the Fund, amassing extensive knowledge and experience of over 30 years in the Human Resource and Administration field. He is a registered member of Institute of Human Resource Management of Kenya (IHRM)</p>

5. CHAIRMAN'S STATEMENT

The start of the financial year was marked by ongoing global uncertainties attributable to a number of factors. These factors included but not limited to the war in Ukraine, elevated geopolitical tensions and, worries about the stability of the financial sector in advanced economies. These, together with insecurity brought on by shocks related to climate change, confluence had the overall effect of slowing global growth. The strong dollar relative to most other currencies caused notable volatility in the world's financial markets. Despite these challenges, the Kenyan Tourism sector remained resilient. Tourism Fund continued to implement policies aimed at fulfilling its core mandates. The strategies in place ensured effective management and improvements resulting in increased tourism levy collection at 22% over the previous Fiscal Year.

Consequently, this enabled expanded support of development and increased opportunities in the tourism sector for all Kenyans. Furthermore, the Fund had traction in several fronts including improved funding of Ronald Ngala Umali College (RNUC) project leading to an 82.96% completion rate; funding marketing through KTB; funding training for the tourism sector workforce through KUC; funding of Tourism Research Institute for the first time; support for Tourism Protection Unit and the private sector associations. As part of climate change initiatives, there was deliberate investment in tree planting with over 34,000 seedlings done during the year surpassing the 30,000 target.

The main milestone during the year under review was the operationalization of Tourism Training Revolving Fund (TTRF), a landmark that is set to enhance training in the tourism sector. This initiative is part of the long-term goal of improving the talents, knowledge, and skills of those working in the tourism and hospitality industry. The initiative came together with training programmes that are focused on reskilling and tooling the employed workforce in effort to improve overall service delivery. The undertaking saw the Fund finance the training of over 2000-tourism industry employed workforce during the FY23/24 across all counties.

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



Lastly, the fund commenced preparation for the operationalisation of RNUC expected to admit its first cohort before the close of the 2024/2025 financial year.

Samson K. Some
Chairman Board of Trustees

6. REPORT OF THE CHIEF EXECUTIVE OFFICER

The financial year 2023/2024 has been an exciting one for the Tourism Fund we continue to grow in pace despite market volatility globally, the Kenyan shilling fluctuating against world's major currencies, the annual headline inflation rate as measured by the Consumer Price Index (CPI) increased to 5.1 per cent, and heavy rains. Tourism Fund had to remain resilient despite the challenges.

On 30th June, 2023 President Ruto unveiled online government services to enhance efficiency and inclusivity in service delivery and introduced a single government Pay Bill 222 222 as a payment platform, which the Treasury is being managed by treasury. This led to a revenue dip for a period of four months due to the change associated with adaptive and transformative changes associated with the presidential directive. The Tourism levy collected improved significantly after the incubation period.

Throughout this period, Tourism Fund continued to focus on educating Levy agents on the new government services new payment mode; this was done through mainstream media, social media and stakeholder engagement forums. Our team has been resilient throughout, despite the changes related to digitization of payments of services offered by the national government, the Tourism Fund team has been passionate in improving service delivery through listening to the levy agents and meeting them at their point of need. Our governance practices ensured we are a customer centric Fund thus improving the financial performance.

Overall, our results show evidence of flexibility towards change upon the introduction of a single payment mode for Tourism levy. Our revenue grew within months of accepting and implementing the changes as per government directive. This was supported by continues interactions with levy agents and other stakeholders through Tourism training revolving Fund (TTRF) offering upskilling courses across the country. The directorate of Levy service established a special unit that worked together with Tourist police unit to improve compliance on Tourism Levy remittance hence less likelihood to submit falsified returns to Tourism Fund.

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



We have continued to invest in the development of a sustainable tourism industry by stepping up our innovation and technology investment through the adaption of new technologies, Ronald Ngala Utalii college whose construction nears completion and is set to transform Tourism and Hospitality training not only in Kenya but also Africa, and tree planting and environmental activities as Corporate Social Responsibility and Investment.

The Fund will continue building a unique footprint in the tourism sector by serving stakeholders who are the engines of the sector's growth. We will seek partnerships that will ensure we continue to shape our tourism industry to drive success for the future. We have a huge opportunity to build a better future with committed and pragmatic partners and the establishment of Tourism training revolving Fund (TTRF) which is tasked with conducting upskilling courses across the country.

The Kenyan tourist ecosystem is still rapidly diversifying, offering a wide range of unique and unforgettable experiences in addition to the classic big five and beach travel offerings. We will produce long-term and sustainable value for our stakeholders with the steps we have outlined to continue driving, in fact, accelerating, our strategic priorities.

**David K. Mwangi
Chief Executive Officer (A.g)**



**7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES
FOR FY 2023/2024**

The Fund is formalized and legally operates as a body corporate with defined legislated mandate documented in Tourism Act CAP 383. Structured into Board and Management levels, the Fund has established credible, accountable and governance guided operations for the functions for which it exists. This is guided by a number of operation Manuals and Schedules that the day-to-day undertakings, services delivery and outputs are premise on.

The four (4) strategic pillars operationalized through a set of twenty-two (22) strategies. The Fund develops its annual work plans based on the strategic plan. Assessment of the Board performance against its annual work plan is done on a quarterly basis.

The Fund achieved its performance targets for the FY 2023/2024 as indicated below:

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



Performance against Strategic objectives

	Pillar	Strategic objectives	Key performance Indicators	Activities	achievements
1	Sustainable Environment	<p>-Facilitate the development and review of policies, legal and regulatory instruments</p> <p>Support and Incorporate Implementation of the National and Sector Strategies, Statutory obligations, Government and Presidential Directives</p> <p>-Establish and Nurture Strategic Partnerships and Networks</p> <p>-Promote Environmental Sustainability</p>	<p>Policies developed and reviewed as per the regulatory guidelines and policy development and review process</p> <p>Partnership portfolio</p> <p>Sustainable Tourism practices</p>	<p>-Initiate and coordinate review of Tourism Act,</p> <p>-CAP 383 to capture, clearly define and include all regulated enterprises</p> <p>-Develop and use a Framework for Funding Tourism Activities and Product Development Criteria</p> <p>-Monitor and Report on PC Implementation and Target Realization</p> <p>-Carryout stakeholders sensitization, outreach and engagement programmes</p>	<p>Tourism Act CAP 381 reviewed</p> <p>Funding Criteria in place</p> <p>PC contract in place and evaluation done</p> <p>Stakeholder sensitization and outreach done 100%</p>
2	Institutional Capability and Competence	<p>Re-engineer the Fund's Human Resource Capacity to Deliver the Strategy</p> <p>Institutionalize efficiency in the funds operations, resource mobilization and use</p> <p>Modernize and reengineer Internal Systems and Processes</p> <p>Corporate & Environmental Social Responsibility</p>	<p>Productivity efficiency Metrix at 3.5</p> <p>Widen the resource base</p> <p>Digitization of operations and service at 95%</p> <p>Corporate social responsibility at 100% on need basis – tree planting</p>	<p>Invest in culture change that embeds Fund's prescribed core values</p> <p>Appraise and hold staff accountable to role(s) and outcome(s) periodically</p> <p>Profile and prioritize Strategic CSR&I Opportunities</p> <p>Digitize processes, record keeping and security</p>	<p>Fund's Culture Change Strategy</p> <p>Staff appraisals conducted bi-annually</p> <p>Corporate Social Responsibility and</p> <p>Investment Strategy in place</p>

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



	Pillar	Strategic objectives	Key performance Indicators	Activities	achievements
		Align and allocate resources to/ for Strategic Plan Implementation and Targets realization	Budget based Annual corporate work plan in place and evaluated	Premise and organize SMARTER Strategy implementation around Departments through Work Plans	Digitization at 95% Budget based corporate work plan in place
3	Resource Mobilization	<ul style="list-style-type: none"> -Establish sustainable resource base for funding tourism sector activities -Establish, involve and maintain dependable development and investment partnerships for resource mobilization -Increase and Diversify Revenue Volume and Stream 	<ul style="list-style-type: none"> Partnership portfolio Resources Mobilized for funding product development 	<ul style="list-style-type: none"> Develop and implement Funding Tourism Product Development and Partnerships Policy and Strategy Engage through Memorandum of Understanding with Investment partners and stakeholders. Work in collaboration with relevant MDAs and County Government apparatus 	<ul style="list-style-type: none"> Funding Criteria and product development framework in place Memorandum of Understanding with Investment Partners and Stakeholders is ongoing The Fund has been able to collaborate with relevant MDAs and county Governments
4	Support Tourism Sector's Sustainable Development	-Fund Tourism Product Development and Activities.	Product Development profile	-Profile Tourism product development and diversification opportunities and potentials for funding	-Profile developed

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



	Pillar	Strategic objectives	Key performance Indicators	Activities	achievements
		-Establish accountability and value for funds invested	Funding criteria	-Build and engage dependable development partnership portfolio -Develop and use a credible and accountable framework for documenting, monitoring & reporting of levy fund use(s)	-Dependable partnership database exists -The Fund has a criteria in place that guides in funding the viable profiled products



8. CORPORATE GOVERNANCE STATEMENTS

Corporate governance pre-suppose balancing the interests of the organization's many stakeholders and provides the framework for attaining these objectives, it encompasses practically every sphere of management, from planning; ensuring presence of internal controls; performance measurement and necessary disclosure.

Tourism Fund is committed to the highest standards of corporate governance and has effectively adopted and applies strict rules of conduct based on best corporate practices including conforming to the guiding principles set by Government for public sector from time to time including applicable laws and regulations.

The Board of Tourism Fund is responsible for the long-term strategic direction of promoting the object for which the Fund is established by formulating sound policies for its regulation and management including attaining the mandate under Tourism Act or any other law while recognizing the legitimate interest of all stakeholders and maintain highest standards of corporate governance and ethics. The Board also attaches great importance to integrity and compliance with generally accepted good corporate governance practice in line with Constitutional guidelines for operations of the Public Sector.

Board of Trustees

The Board of Trustees jointly oversees the activities of the organization. The Board of Tourism Fund is comprised of (10) Members, seven (7) of whom are independent including the Chairman. The Board is availed appropriate and timely information to enable maintenance of full and effective control over strategic, financial, operational and compliance requirements. The day-to-day running of the Fund has been delegated to the Chief Executive Officer; but The Board retains responsibility for oversight, establishing and maintaining internal controls over the strategic, financial, operational and compliance issues. The Board further ensures availability of a succession plan and facilitates recruitment of the Chief Executive Officer. The following was the list of the Board Members;

No.	Name	Designation
1.	Mr. Samson Some	Chairman
2.	Ms. Zippie Metto	Trustee
3.	Mr. Joel Kamau	Trustee
4.	Mr. Joseph Sarisar	Trustee
5.	Mr. Patrick Ng'ere	Trustee
6.	Ms. Dorcas Mbalanya	Trustee
7.	Hon. Syllas Tochim	Trustee

8.	Mr. Geoffrey Kibanda	Rep, PS National Treasury, Trustee
9.	Dr. Patrick Bucha MBS	Rep' PS State Department for Tourism
10.	Mr. John Karanja	Rep' Directorate of State Corporation

THE BOARD CHARTER

The Board Charter is a pivotal document of the Board. The charter is developed and adopted by the Members to provide guidance in its proper functioning. The charter defines the composition, role, responsibilities and functions of Board Members in governance of the organization. It imparts guidelines on conduct of the Board, Committee Meetings, facilitates decision making, independent judgement and ensures professional competencies. The Charter is reviewed regularly by the Board of Trustees as guided by Mwongozo code of governance for State Corporations.

ROLE AND FUNCTIONS OF THE BOARD

The Board offers guidance, leadership guidelines, sets objectives and values to be complied with. The role and functions of the Board are provided for both in the Tourism Act Cap 381 Laws of Kenya and the Mwongozo "Code of Governance for State Corporations"

These includes;

- Collecting the tourism levy imposed under section 105 of Tourism Act or any other written law;
- Formulate sound policies for the regulation and management of the Fund;
- Ensure that the strategy of the organization is aligned with the long-term goals of the organization on sustainability so as not to compromise the ability of future generations to meet their own needs.
- Approve the Organization structure.
- Determine the organization's mission, vision, purpose and core values.

BOARD MEETINGS

The Board of Trustees meet on quarterly basis or as required. The Board Almanac and work plan are prepared at the before the end of financial year. Adequate notice is given to Members for all scheduled meetings. The agenda and the Board Packs are circulated within the stipulated timelines. The Board is responsible for monitoring implementation of the planned strategy and reviews the same where necessary in conjunction with its financial performance. Specific reviews are also undertaken on operational matters and future planning. At the end of each financial year, Board carry out a self-evaluation to ascertain performance and establish professional areas requiring improvement. The Board evaluates the Chief Executive Officer and the Senior Management against the targets set at the beginning of the financial year.

The board of Trustees held the following Meetings during the period under review;

MEMBERS ATTENDANCE LIST

No.	Name	Regular Meetings	Special Meetings	Other Meetings	Total Meetings Attended
1.	Mr. Samson Some	3	9	0	12
2.	Ms. Zippie Metto	3	9	0	12
3.	Mr. Joel Kamau	3	7	0	10
4.	Mr. Joseph Sarisar	3	6	0	9
5.	Mr. Patrick Ngere	3	7	0	10
6.	Ms. Dorcas Mbalanya	3	7	0	10
7.	Hon. Sylas Tochim	3	7	0	10
8.	Mr. Geoffrey Kibanda	2	8	0	10
9.	Dr. Patrick Bucha MBS	3	5	0	8
10.	Mr. John Karanja	0	1	0	1

THE BOARD COMMITTEES

The Board Committees are established with written terms of reference to facilitate delivery of respective mandates. There are four Committees of the Board which are expected to meet regularly under a well-defined and materially delegated terms of reference set by the Board.

Below is the list of Board Committees and Memberships:

AUDIT & RISK COMMITTEE	STRATEGY RESOURCE MOBILIZATION & PARTNERSHIP COMMITTEE	CORPORATE & PROCUREMENT SERVICES	REVENUE REVOLVING FUND & LEGAL MATTERS COMMITTEE
Mr. Joseph Sarisar - Chair	Mr. Patrick Ngere - Chair	Ms. Zippie Metto - Chair	Mr. Sylas Tochim- Chair
Mr. Joel Kamau	Mr. Joel Kamau	Ms. Dorcas Mbalanya	Dr. Patrick Bucha
Mr. Geoffrey Kibanda	Mr. Joseph Sarisar	Mr. Sylas Tochim	Mr. Patrick Ngere
Mr. John Karanja	Mr. Zippie Metto	Mr. Geoffrey Kibanda	Ms. Dorcas Mbalanya
	Mr. John Karanja	Mr. John Karanja	Mr. John Karanja

THE AUDIT AND RISK BOARD COMMITTEE

The Audit Risk Assurance Committee plays a key role in providing oversight of TF's governance processes, risk management and internal control practices. This oversight mechanism also serves to provide confidence in the integrity of these practices. The audit committee performs its roles by providing an independent oversight to the Board of Trustee. The committee is responsible for reviewing audit reports, compliance with relevant laws, procedures and standards, quality of financial reporting and oversight on internal controls among others. The Committee is also responsible for reviewing, approval or recommendation for Board approval of policies and procedures from Internal Auditors reports, Management letter and Management's responses to the Auditor General's findings and recommendations and review of the enterprise risk management framework.

During the FY under review, the Committee attended Meetings as follows:

BOARD AUDIT AND RISK COMMITTEE MEMBERS ATTENDANCE LIST

No	Name	Regular Meetings	Special Meetings	Total meetings attended
1	Joseph Sarisari	4	0	4
2	Joel Kamau	4	0	4
3	Geoffrey A. Kibanda	4	0	3
4	John Karanja	4	0	3

CORPORATE AND PROCUREMENT SERVICES

This Committee meets quarterly to review the financial reports, actualisation of human resource Instruments, staff welfare, ICT automation and procurement matters. The Committee oversees and provides guidance to Management on issues related to the Human Resource Strategy and make recommendations to the Board. The Committee is mandated to review the organizational structure, core functions & optimum establishment, policies and procedures on staff recruitment and selection, staff training and development, and recommends amend to the Board of Trustees for consideration and decision.

The Committee held the following Meetings during the FY under review:

MEMBER ATTENDANCE LIST

No	Name	Regular Meetings	Special Meetings	Other Meetings	Total Meetings Attended
1.	Ms. Zippie Metto	3	1	4	8
2.	Ms. Dorcas Mbalanya	3	1	4	8
3.	Mr. Sylas Tochim	3	1	4	8
4.	Mr. Geoffrey Kibanda	3	1	4	8
5.	*Mr. John Karanja	0	0	2	2

STRATEGY RESOURCE MOBILIZATION AND PARTNERSHIP

The Committee reviews and evaluates the development, implementation, and impact analysis of the strategic plan, planning processes, resource mobilization efforts, project reports, and stakeholder engagement plan implementation. The Committee is tasked with the responsibility of overseeing the completion of the construction of the Ronald Ngala Utalii College (RNUC) and ensure operationalisation of the college as anticipated.

The Committee held the below Meetings during the period under review;

MEMBER ATTENDANCE LIST

No	Name	Regular Meetings	Special Meetings	Other Meetings	Total Meetings Attended
1.	Patrick Ng'ere	3	0	0	3
2.	Joel Kamau	3	0	0	3
3.	Joseph Sarisar	3	0	0	3
4.	Zippie Metto	3	0	0	3
5.	John Karanja	1	0	0	1

REVENUE REVOLVING FUND AND LEGAL MATTERS COMMITTEE

Reviews progress reports on tourism levy collection, tourism-training revolving fund, regulatory and legal compliance status to confirm compliance and achievement of set sets. The Committee oversees the implementation of the Tourism Revolving Fund in in compliance with the BETA guidelines.

The Committee held the bellow Meetings during the FY under review;

MEMBER ATTENDANCE LIST

No.	Name	Regular Meetings	Special Meetings	Other Meetings	Total Meetings Attended
1.	Mr. Sylas Tochim	3	0	0	3
2.	Dr. Patrick Bucha	3	0	0	3
3.	Mr. Patrick Ng'ere	3	0	0	3
4.	Ms. Dorcas Mbalanya	3	0	0	3
5.	John Karanja	1	0	0	1

BOARD SUCCESSION PLANNING

The organizations succession plan in place and reviewed regularly to achieve proper succession planning for both the Board and Management. For example, appointment of Members of the Board of Trustees is staggered to ensure availability of the Board Quorum for continuity of the Fund's mandate.

Appointment and Removal of Directors

The Cabinet concerned is involved with the selection of the Members of the Board of Trustees. The appointments are made by name and become effective upon gazettelement in the Kenya Gazette. Appointment shall cease if the Board Member commits among others the following;

- a) Serves the Fund with a written notice of resignation in writing, copied to the Chairperson of the or
- b) Is absent without the permission of the Chairperson from three consecutive Meeting or;
- c) Is convicted of an offence and sentenced to imprisonment for a term exceeding six months or a fine exceeding twenty thousand shillings etc.

Induction and Training

Tourism Fund complies with the Mwongozo "the code of governance for state corporations" in that Board Members undergo training on the code and other relevant trainings as organised by the State Corporation Advisory Commission in conjunction with other state agencies. In 2023/2024 FY Board Members attended training on Board Induction organised by the institute of Certified Public Secretaries and SCAC and a further training on the Productivity Mainstreaming by NPCC for oversight purposes.

Board and Member Performance

The Board conducts self-annual evaluations to appraise its performance in accordance with the Board Evaluation Tool. The Board conducted its annual evaluation performance in August 31, 2023 in the year under review.

Conflict of Interest

The Office has put in place the Conflict of Interest Register which is signed by all the Board Members in attendance and the register is accessed at the office of the Board Secretary.

Board Remuneration

The Board Members are remunerated for their services in accordance with the applicable legislative provisions. In accordance with the Office of the President guidelines on term and conditions of the service, The Board Members are paid sitting allowance. The Chairperson of the Board is paid a monthly honorarium of up to Eighty Thousand (80,000/=) as per The Presidential guidelines dated 23rd November, 2021. The Board is also paid accommodation allowance.

Ethics and Conduct

Code of Ethics

Tourism Fund is committed to the Public Officers Integrity and Ethics Act 2003, Leadership and Integrity Act 2012 and Kenya Anti-Corruption and Economic Crimes Act 2003.

The Board of Trustees has developed a code of conduct for both the Board of Trustees, which is strictly adhered to. The code is reviewed occasionally in line with the applicable laws.

Governance Audit

The self-governance audit is intended to ensure the organization conforms to the highest standards of good governance. The audit ought to be carried out on yearly basis. However, the last Audit was conducted in 2016. During the year under review, the Audit was not carried but the Fund had scheduled to carry out the audit in the current Financial Year. However, following the deployment of austerity measures by the government the proposed budget for governance audit was affected leading to the decision of deferral of the audit to a future date and ensure availability of budgetary provision facilitate the audit process.

Directors' Emoluments

The aggregate amounts of emoluments paid to Directors for services rendered during the Year 2023/2024 is disclosed in Note 13 & 31 to the Financial Statements.

CHAIRMAN

A blue ink signature of the Chairman, consisting of several loops and a long horizontal stroke.

Ag. CHIEF EXECUTIVE OFFICER

A blue ink signature of the Ag. Chief Executive Officer, appearing as a series of connected loops.

9. MANAGEMENT DISCUSSION AND ANALYSIS

In the Financial Year 2023/2024, the organisation deployed robust strategies that saw the improvement of the Fund's tourism levy collection realisation by 22.5% i.e., from Kshs.4B to Kshs.4.9B. In the establishing Kenya's second premier hospitality institution, namely the Ronald Ngala Utalii College, the fund attained a completion rate of 83%.

The Fund disbursed 100% budgetary commitment support to Kenya Tourism Board's Marketing Programs and Kenya Utalii College's Capacity Building Programs. In addition, it supported upskilling capacity building initiative for over 2,000 establishment employees countrywide.

The quality management system was enhanced inclusive of policy implementation accountability to the Board of Trustees, hence resulting in improved compliance level to the strategic plan, budget and performance contracting commitments. The Fund's Quality Management System is now ISO9001:2015.

Performance Contract results registered excellent performance rating. There was increased industry support disbursements to Kenya Association of Hotel Keepers & Caterers (KAHC), Kenya Tourism Federation (KTF), Tourism Professional Association (TPA), Pubs Entertainment Restaurant Association of Kenya (PERAK) and Eco-Tourism Kenya.

The Fund took critical strides towards actualising additional mandates by among others; operationalising Resource Mobilisation and Revolving Fund objectives as envisaged by the provisions of Tourism Act Cap.383 Laws of Kenya.

10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

i) Environmental performance

Tourism Fund exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organization's policies and activities that promote sustainability.

i) Employee welfare

- **Mental Wellness**

The Fund recognizes that mental wellbeing is significant to staff productivity. The Fund is committed to ensure a state of well-being in which the staff realizes his or her own abilities, can cope with the normal stresses of life, work productively and fruitfully, and is able to contribute to his or her community. The Fund has an elaborate program for staff to identify and facilitate interventions for the affected staff to get counselling services.

Management ensures that arrangements are made to provide counselling services to the employees for their well-being and in order to develop a psychologically healthy workforce as per the Public Service Policy on Guidance and Counselling.

- **Drug and Substance Abuse**

Drugs or substance abuse is treated like any other disease at Tourism Fund. An employee who is confirmed to deal with drug and substance abuse problem is referred for rehabilitation services to a Medical facility for help.

The Fund provides both in-patient and out-patient rehabilitation services within the limits that are provided in the Medical Insurance Scheme.

- **Work Environment**

Each employee at Tourism Fund is duty-bound to maintain a clean and healthy working environment. The organization provides spacious working space, well ventilated offices and well lighted. Tourism Fund provides clean drinking water for the staff at all times.

- **Medical Cover**

The Fund has procured a comprehensive medical cover for members of staff, which includes last expense cover of KES. 100,000 (one hundred thousand shillings) for the employee, one spouse and up to four (4) dependent children.

- **Recruitment**

The Fund is an equal opportunity employer and does not in its recruitment and selection process, discriminate on the basis of gender, race, religion, ethnicity or any other form of discrimination. The constitutional requirement on mainstreaming of gender and persons with disabilities as stipulated in Article 232 of the Constitution is observed alongside any policies issued by the National Cohesion and Integration Commission.

- **Career Growth and Development**

Tourism Fund has provided career progression guidelines for all cadres in Tourism Fund which: -

- I. Provide norms and standards for the specific cadres for the determination of qualifications and progression;
- II. Prescribe relevant competencies for all cadres; and
- III. Advise on relevant technical and professional training for all carders.
- IV. Career progression in line with the approved organization structure.

- **Health and Safety**

The Fund recognizes and commits itself to the achievement of the highest standards of health and safety in the workplace, and the elimination or minimization of health and safety hazards and risks that may affect its employees. In this regard, it implements policies and programmes that assure their protection from such hazards and disasters. The policies and programmes are implemented in compliance with the provisions of Occupational Safety and Health Act, 2007 and other Labour Laws.

- **Retirement benefits**

Tourism Fund provides retirement benefits for its employees under its scheme CTDLTSPS -2011. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Fund Overview – In the year 2023; the fund value increased

from KES 1.22Bn to KES 1.26Bn. This was due to net contributions during the quarter as well as an investment growth. The performance was -0.87% mainly due to Unrealised Gain / (Loss) in Local Quoted Equity, and Unrealised Gain / (Loss) in Local Treasury Bonds.

ii) Market place practices, Responsible competition practice, and Responsible Supply chain and supplier relations

In the year under review the Fund's Board of Trustees approved the Tourism Fund Procurement policy that promotes a procurement system that is fair, equitable, transparent, competitive and cost effective. To ensure adherence to public procurement laws and best practices, all purchases and acquisitions in the year under review were undertaken based on a market survey accompanied by a professional opinion to the Chief Executive Officer. Supplier relationships were also enhanced in the year under review in terms of conducting pre-tender meetings and debriefing meetings to the interested bidders. All ongoing contracts have now been uploaded in the SAP system and through the contract management module all contractors' invoices are processed and paid promptly as per the terms of the respective contracts."

a) Responsible marketing and advertisement

The Fund has been able to enforce and maintain ethical marketing and advertising practises by observing the following:

- Ensuring adherence to the provisions of Data Protection Act 2019 that cover, amongst other clauses; the principles of personal data protection, processing for direct marketing, collection of personal data, duty to notify and conditions for consent.
- The Fund's strategic plan gives guidance to the marketing and communication policy and procedures that sets the guidelines for ensuring that all marketing and advertising practises are aligned to the budget, procurement plan and the departmental work plan. This ensures that all activities undertaken are as approved appropriately.
- The Public procurement and Asset Disposal Act, revised edition of 2016 provides for; establishing and maintaining good supplier relations through timely processing of all advertising documentation, publishing of all procurement opportunities through the different channels (print, media, social media etc.) as well procedures for reporting on conflict of interest on all matters that guide supplier relations. Additionally, the PPAD Act clearly outlines how to dispose of organisational assets such as furniture and vehicles in an environmentally friendly and sustainable manner of which the Fund strictly adheres to.



- The Finance Act, 2021 provides for timely processing of all works undertaken by suppliers to the Fund. This ensures that all marketing and advertising payments comply with budget allocations which are also in compliance with the Fund's Strategic plan.
- Monitoring and evaluation- The Fund has developed well-defined monitoring and evaluation tool kits that guide in reporting and analysis of all marketing and advertising activities conducted. This helps in ensuring that Management reports to the Board on activities undertaken while monitoring on budget expenditure.
- The Fund's Service Delivery Charter gives proper guidance on our service provision standards as a Fund; from handling of official complaints to settling creditor's debts.
- The code of practice for the deployment of communications infrastructure in Kenya provides for a clear legal framework on advertising practises as relates to confidentiality of information, data privacy and verification of facts. The Fund adheres to all relevant Government laws, regulations and industry standards that protect our stakeholders in all our marketing and advertising practises.

b) Product stewardship

The Fund as a service-oriented organisation does not directly engage in physical production or sales of a commodity, hence product stewardship does not apply to the Fund.

iii) Corporate Social Responsibility / Community Engagements

Corporate Social Responsibility and Investment practises (CSR&I) is the way in which an organisation meets her wider economic, social and ecological environment obligations through promoting a vision of business accountability to a wide range of stakeholders, shareholders and investors. The Fund's mandate is to mobilise resources to finance the development of a sustainable tourism industry in Kenya. Besides this, it has the responsibility of looking into activities that contribute to /or that have positive impact on the community which it operates in.

The Fund aims to transform people's lives through impactful and sustainable Tourism practises this is the purpose and the driving force behind everything we do. It's what guides us to deliver on our strategy; by putting our stakeholders first and delivering efficient and effective services that promote overall sustainability, and improving operational excellence. The Fund's key areas of concern are environmental protection,

the well-being of employees, the community and public in general, both now and in the future.

During the FY 2023/24, the Fund engaged on the following CSR&I activities:

- 1) Tree planting aimed toward towards the promotion of environmental sustainability initiatives in line with the presidential directives under the Mwongozo Act.

Equally, the Fund carried out the following community and stakeholder engagement activities during the period under review: -

1. Support towards industry training was carried out in the following areas: -
 - a. TF carried out the upskilling programme in Mombasa, Uasin Gishu, Nairobi, Lamu and Turkana Counties where 798 workers and 390 Owners/Managers Totalling 1,188 were trained. The programme targets employees who never got a chance to go through formal training. It is coined along the recognition of prior learning (RPL).
2. Promotion of Cultural tourism through sponsorships e.g. The Narok Cultural Festival which aimed at supporting County initiatives toward Cultural tourism promotion.

11. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the Tourism Fund.

The Board of Trustees submit their report together with the audited financial statements for the year ended June 30, 2024 which show the state of Tourism Fund's affairs.

i) Principal activities

The principal activities of the Entity are:

The principal activities of the Tourism Fund are as follows:

- a) Finance the development of tourism products and services;
- b) Finance the marketing of Kenya as a tourist destination through the Tourism Board;
- c) Finance the activities of the Protection Service;
- d) Finance the tourism research, tourism intelligence and the national tourism information management system;
- e) Finance the activities of the Tourism Sector Safety, Communication and Crisis Management Centre to be established and managed by the Ministry;
- f) Finance training and capacity development activities of the College and of such other tourism hospitality training institutions as may be established under this Act;
- g) Mobilize resources to support tourism-related activities.

ii) Results

The results of Tourism Fund for the year ended June 30, 2024 are set out on pages 1-8.

iii) Directors

The members of the Board of Trustees who served during the year are indicated under section 8 on Corporate Governance Statement.

iv) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. Tourism Fund is in the Financial Services Sector since reclassification in 2018. It is not a regulatory entity and hence doesn't fall within the entities that remit surpluses into the consolidated Fund.

**Tourism Fund
Annual Report and Financial Statements
For the year ended June 30, 2024.**



v) Auditors

The Auditor-General is responsible for the statutory audit of the *Tourism Fund* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or for the year/period ended June 30, 2024 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

Name *Margaret Jepkoech* Signature *MJR* Date 23.12.2024

Corporate Secretary/Secretary to the Board

12. STATEMENT OF DIRECTORS RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 69 of the Tourism Act, 2011, require the Board of Trustees to prepare financial statements in respect of Tourism Fund, which give a true and fair view of the state of affairs of the Fund at the end of the financial year and the operating results of the Fund for that year. The Board of Trustees is also required to ensure that the Fund keeps proper accounting records, which disclose with reasonable accuracy the financial position of the Fund. The Board of Trustees is also responsible for safeguarding the assets of the Fund.

The Board of Trustees is also responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund as at the end of the financial year ended on June 30, 2024. This responsibility includes:

- a) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- b) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity;
- c) 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;
- d) Safeguarding the assets of the Fund;
- e) Selecting and applying appropriate accounting policies; and
- f) Making accounting estimates that are reasonable in the circumstances.


The Board of Trustees accept responsibility for Tourism Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Tourism Act 2011. The Trustees are of the opinion that Tourism Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2024, and of the Fund's financial position as at that date.

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

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

Approval of the financial statements

Tourism Fund's financial statements were approved by the Board on 23.12.2024



Samson K. Some
Chairperson of the Board

Date: 23.12.2024



David K. Mwangi
Accounting Officer

Date: 23.12.2024

REPUBLIC OF KENYA



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HEADQUARTERS
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON TOURISM FUND FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Tourism Fund set out on pages 1 to 54, which comprise of the statement of financial position as at 30 June, 2024, and the

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Tourism Fund as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis)] and comply with the Tourism Act, 2011 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actuals on comparable basis of Kshs.4,681,000,000 and Kshs.5,400,867,515 respectively resulting in over collection of Kshs.719,867,515. However, Management spent Kshs.4,341,586,389 against actual receipts of Kshs.5,400,867,515 resulting to under-utilization of Kshs.1,059,281,126 or 20 % of actual receipts. In addition, the Funds' revenue budget of Kshs.4,681,000,000 was at variance with the approved final budget of Kshs.5,831,090,000 while budgeted expenditure of Kshs.4,864,986,568 was also at variance with the approved final budget of Kshs.5,831,000,000 resulting to an unexplained variance of Kshs.966,013,432.

The under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is unmodified in respect to this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under Report on Lawfulness and Effectiveness in Use of Public Resources. However, as at 30 June, 2024, Management had not resolved and disclosed the status of all the issues as prescribed in the reporting requirement set by the Public Sector Accounting Standards Board.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Carry out Inspection on Works and Services

The statement of financial performance reflects repairs and maintenance amount of Kshs.144,555,618. The Fund procured works, goods and services from various

contractors for the repairs and maintenance of its assets. However, out of the total amount on repairs and maintenance, repairs costing Kshs.20,685,105 were not supported with inspection and acceptance committee and their reports contrary to Section 154 of the Public Procurement and Asset Disposal Act, 2015 that states that an accounting officer of a procuring entity shall close out a procurement contract immediately after completion and the close out shall involve the following: - (b) where contract under (a) above is complex and specialized, the technical department will issue a certificate to the accounting officer of the procuring entity confirming the quality and quantity of such goods, works and services;

In the circumstances, the propriety of Kshs.20,685,105 could not be confirmed and Management was in breach of the law.

2. Violation of One-Third Rule of Basic Salary

Payroll analysis for twelve (12) months revealed that various employees received net salaries which were below 1/3 of their basic salaries contrary to Section 19 (3) of the Employment Act, 2007 and Public Service Human Resource Policies and Procedures Manual 2016 Section C.1(3) which states that public officers shall not over-commit their salaries beyond two thirds (2/3) of their basic salaries and Heads of Human Resource Units should ensure compliance

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

3. Failure to Recruit a Substantive Chief Executive Officer

Review of personal file for the acting Chief Executive Officer (CEO) revealed that the officer was appointed by the Board on acting capacity for six (6) months effective from 10 July, 2020 following resignation of the previous CEO. However, the terms of service for the acting Officer were not approved by the Cabinet Secretary of the parent Ministry contrary to circular No. OP/SCAC.9/73A (96) dated 5 August, 2020. The Board further, has been issuing extensions for acting appointment over time. The Ministry of Tourism, Wildlife & Heritage, State Department for Tourism vide letter Ref.MT 1/17 (47) dated 9 February, 2023 issued a directive which was supported by circular Ref. OP/CAB/9/1A dated 1 February, 2023 from the Head of Public Service indicating that Boards of the State Corporations should subsequently hasten the process of recruitment of a substantive Chief Executive Officer. As at the time of audit in the month of September, 2024 it was noted that the CEO's post had not been filled and therefore the Officer has been in acting position for more than five (5) years. In addition, the position has not been advertised even after clearance by the Office of the Attorney General on 27 March, 2024.

In the circumstances, the Board was in breach of Head of Public Service circular.

4. Anomalies in Construction Works for Proposed Ronald Ngala Utalii College

The Fund awarded tender reference number (CTDLT/MW/a) for construction works of the proposed Ronald Ngala Utalii College (RNUC) to a local contractor at an original contract

sum of Kshs.8,961,370,988. The scope of works was later reduced vide addendum number 2 dated 25 August, 2014 to a contract sum of Kshs.4,986,200,000. The omitted works would later be reinstated and implemented as phase II of the contract and subject to availability of funds. Review of the implementation of the contract during the year ended 30 June,2024 revealed the following matters:

4.1 Delay in Project Completion

On 21 June 2023 the accounting officer granted contract extension vide letter Ref: TF/CONF/1/158/VOL.XIX (46) from the initial completion date of 21 June, 2023 to 20 June, 2024. As at the time of audit in October 2024, monthly progress reports showed the project was at 85% completion being a 6% increase from the previous year of 79% completion rate. The certified and paid amounts amounted to Kshs.8,431,148,049. However, the project completion had delayed due to inadequate funds.

4.2 Expenditure on Claims and Interests

The statement of financial performance reflects grant and subsidies amount of Kshs.3,641,837,648 which were utilized for payments to the contractor. Review of payment certificates (Certificate No. 1 to No.62) revealed that the Fund incurred a cumulative expenditure of Kshs.8,431,148,049 which was paid to the main contractor, sub-contractors and consultants. This included Interests on delayed payments of Kshs.5,454,807,382, claims by the contractor for idle time Kshs.405,136,597, price fluctuations Kshs.1,494,219,156, interest on delayed release of retention money of Kshs.118,534,414, extended preliminary, Kshs.771,981,000 and loss on anticipated profit due to reduced scope of work amounting to Kshs.186,469,500.

4.3 Contractual Claims by the Sub- Contractor

As previously reported, interim certificate No. 53 dated 14 December, 2022, had certified work for the electrical subcontractor of Kshs.303,001,854 which included unsupported contractual claims of Kshs.8,000,000.

In the circumstances, delayed completion, interest on delayed payments has affected the overall cost of the project. Further, the objective of training opportunities for the students has not been achieved.

5. Unbalanced Budget

Review of the statement of comparison of budget and actuals amounts revealed that Management prepared an unbalanced budget that reflects budgeted revenue of Kshs.4,681,000,000 and budgeted expenditure of Kshs.4,864,986,568. This was contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which states that 'Unless provided otherwise in the Act, these Regulations or any other guidelines developed in furtherance of the Act, or these Regulations, the following guidelines shall be observed at all times during budget formulation and approval-(c) budget shall be balanced'.

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

6. Board Expenditure Beyond the Recommended Threshold

During the year under review, the Authority incurred Board expenditure of Kshs.32,843,640 contrary to circular OP/CAB.9/1A dated 11 March, 2020 on Management of State Corporations which capped Board expenditure at Kshs.30 million or 5% of operations and maintenance budget whichever is lower. No authority was obtained from the Cabinet Secretary for the over expenditure of Kshs.2,843,640.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and Board of Trustees

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

In preparing the financial statements, Management is responsible for assessing the Fund's, ability to continue to sustain its services, disclosing, as applicable, matters related

to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease its operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 December, 2024

14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024.

	Note	2023 - 2024	2022-2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other government entities	6	600,000,000	558,600,000
Levy Income Received	7	4,743,189,273	3,627,201,153
Levy interest & penalties Received	7	127,280,964	196,671,231
Levy arrears earned for the year & not Received	7	38,472,817	213,903,890
Total revenue from non-exchange transactions		5,508,943,054	4,596,376,274
Revenue from exchange transactions			
Rental revenue from Tourism Fund Building	8	71,132,863	78,053,059
Finance income	9	356,797	608,717
Disposal income	10	2,630,235	-
Bidding Fees	10	10,500	4,000
Total revenue from exchange transactions		74,130,395	78,665,776
Total revenue		5,583,073,449	4,675,042,050
Expenses			
Use of goods	11	518,800,547	488,482,990
Employees costs	12	783,668,988	812,042,578
Board of Trustees remuneration	13	32,843,640	15,667,215
Depreciation and Amortization	14	39,887,075	99,552,213
Repairs & maintenance	15	144,555,618	183,993,885
Grants and Subsidies	16	3,641,837,648	2,666,039,567
Total expenses		5,161,593,515	4,265,778,449
Other gains/(losses)			
Gain (Loss) on disposal	17	2,630,235	-
(Deficit) / Surplus for the period before tax		424,110,169	409,263,601

**Tourism Fund
Annual Report and Financial Statements
For the year ended June 30, 2024.**



The notes set out on pages 9 to 43 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 8 were signed on behalf of the Board of Directors by:

**David Mwangi
Accounting Officer**

Date 23.12.2024

**Lilians Wafukho
Director Corporate Services
ICPAK M/No: 6590**

Date 23.12.2024

**Samson K. Some
Chairman of the Board**

Date 23.12.2024

15. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	18	374,653,250	403,239,453
Receivables from exchange transactions	20	103,593,592	131,032,343
Receivables from non-exchange transactions	21	<u>624,374,294</u>	<u>522,846,961</u>
Total Current Assets		<u>1,102,621,136</u>	<u>1,057,118,757</u>
Non-Current Assets			
Property, plant and equipment	22	2,712,363,443	2,715,487,244
Intangible assets	23	<u>202,947,358</u>	<u>207,878,131</u>
Total Non-Current Assets		<u>2,915,310,801</u>	<u>2,923,365,375</u>
Total Assets		<u>4,017,931,937</u>	<u>3,980,484,132</u>
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	24 & 25	<u>893,484,107</u>	<u>1,280,146,473</u>
Total current liabilities		<u>893,484,107</u>	<u>1,280,146,473</u>
Net Assets		<u>3,124,447,831</u>	<u>2,700,337,659</u>
Represented by:			
Reserves		307,070,681	307,070,681
Capital Fund		1,984,062,150	1,984,062,150
Accumulated Surplus		<u>833,314,999</u>	<u>409,204,829</u>
Total Net Assets		<u>3,124,447,831</u>	<u>2,700,337,660</u>

**Tourism Fund
Annual Report and Financial Statements
For the year ended June 30, 2024.**



The financial statements set out on pages 1 to 9 were signed on behalf of the Board of Directors by:

**David Mwangi
Accounting Officer**

Date 23.12.2024

**Lilians Wafukho
Director Corporate
Services**

**ICPAK M/No: 6590
Date 23.12.2024**

**Samson K. Some
Chairman of the Board**

Date 23.12.2024

16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2024

	Note	Revaluation Reserve Kshs	Capital Fund Kshs	Accumulated surplus(Deficit) Kshs	Total Kshs
As at 01.7.2022		307,070,681	1,984,062,150	(58,771)	2,291,074,060
Prior Year Adjustment	-	-	-	-	-
Accrued expenses					-
Adjustments			-	-	-
Revaluation reserve					-
Surplus/ (deficit) for the year		-	-	409,263,601	409,263,601
As at 30 June 2023		307,070,681	1,984,062,150	409,204,830	2,700,337,661

As at 01.7.2023		307,070,681	1,984,062,150	409,204,830	2,700,337,661
Prior Year Adjustment	-	-	-	-	-
Accrued expenses					-
Adjustments			-	-	-
Revaluation reserve					-
Surplus/ (deficit) for the year		-	-	424,110,169	424,110,169
As at 30 June 2024		307,070,681	1,984,062,150	833,314,999	3,124,447,830

17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Note	2023-2024	2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfer from other government entities	6	600,000,000	558,600,000
Levy income, (interests and penalties)	7	4,753,767,412	3,823,872,384
Rental revenue from Tourism Fund building- Be only actual received	8	44,102,571	22,537,476
Interest income	9	356,797	608,717
Miscellaneous Income	10	2,640,735	4,000
Total receipts		<u>5,400,867,515</u>	<u>4,405,622,577</u>
Payments			
Use of goods	11	(488,788,493)	(482,901,026)
Employees costs	12	(732,597,910)	(736,571,828)
Board of Trustees remuneration	13	(32,843,640)	(15,667,215)
Repairs & maintenance	15	(142,677,900)	(183,047,664)
Grants and Subsidies	16	<u>(4,006,564,228)</u>	<u>(2,630,563,833)</u>
Total payments		<u>(5,403,472,171)</u>	<u>(4,048,751,567)</u>
Net cash flows from (used in) operating activities		(2,604,656)	356,871,011
Cashflows from investing activities			
Purchase of property, plant, equipment and intangible assets	22	(28,611,783)	(102,057,619)
Proceeds from sale of property, plant, equipment	17	<u>2,630,235</u>	-
Net cash flows used in investing activities		<u>(25,981,548)</u>	<u>(102,057,619)</u>
Cashflows from financing activities			
Net increase in cash and cash equivalent		<u>(28,586,203)</u>	<u>254,813,392</u>
Cash and Cash Equivalent 1st July 2022		<u>403,239,453</u>	<u>148,426,061</u>
Cash and Cash Equivalent 30th June 2023	18	<u>374,653,250</u>	<u>403,239,453</u>

**Tourism Fund
Annual Report and Financial Statements
For the year ended June 30, 2024.**



**David Mwangi
Accounting Officer**

Date 23.12.2024



**Lilians Wafukho
Director Corporate
Services**

ICPAK M/No: 6590

Date 23.12.2024



**Samson K. Some
Chairman of the Board**

Date 23.12.2024

18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024

	Original budget	Adjustments	Final budget	Actual comparable basis	Performance difference	% of utilization
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
Revenue						
Transfers from other government entities	-	600,000,000	600,000,000	600,000,000	-	0%
Levy income, interest & penalties	4,000,000,000	-	4,000,000,000	4,753,767,412	753,767,412	119%
Rental revenue from Tourism Fund Building	76,000,000	-	76,000,000	44,102,571	(31,897,429)	58%
Finance income	2,500,000	-	2,500,000	356,797	(2,143,203)	14%
Other Income - Disposal	2,500,000	-	2,500,000	2,630,235	130,235	105%
Other Income - Bidding Fees	-	-	-	10,500	10,500	0%
Total income	4,081,000,000	600,000,000	4,681,000,000	5,400,867,515	719,867,515	
Expenses / Payments.						
Use of goods	322,139,013	6,000,000	328,139,013	488,788,493	160,649,480	149%
Employees costs	824,347,555	-	824,347,555	732,597,910	(91,749,645)	89%
Board of Trustees remuneration	30,000,000	-	30,000,000	32,843,640	2,843,640	109%
Repairs & maintenance	152,300,000	-	152,300,000	142,677,900	(9,622,100)	94%
Grants and Subsidies	3,530,200,000	-	3,530,200,000	2,944,678,446	(585,521,554)	83%
Total expenditure	4,858,986,568	6,000,000	4,864,986,568	4,341,586,389	(523,400,179)	
Surplus for the period	(777,986,568)	594,000,000	(183,986,568)	1,059,281,126	1,243,267,694	
Capital Expenditure	1,965,993,072	-	1,965,993,072	2,925,196,746	2,925,196,746	

Budget notes

- 1. Revenue:** Multiagency approach involving county governments, police, and intelligence lead data and information mapping lead to more registration and payment of the Tourism Levy
- 2. Use of goods:** To enhance stakeholders' engagements and support the multiagency approached adopted above.

19. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Tourism Fund is established by and derives its authority and accountability from Tourism Act, 2011. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to fund tourism activities.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Fund. *The* financial statements have been prepared in accordance with the PFM Act, the State Corporations Act (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.

There were no new and amended standards issued in the financial year.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024

Standard	Effective date and impact:
IPSAS 43	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of

Standard	Effective date and impact:
	<p>financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. The Fund will disclose the operational leases in the financial statements.</p>
<p>IPSAS 46 Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flow arising from revenue transactions. There is a possibility of reclassifying revenues as are currently under IPSAs 9 and 23.</p>
<p>IPSAS 48- Transfer Expenses</p>	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>

Standard	Effective date and impact:
	Disbursements and intergovernmental transfers may be reclassified in line with this standard.
IPSAS 49- Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans that provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

iii. Early adoption of standards

The Entity did not early adopt any new or amended standards in the financial year, as guidelines for adoption were not yet published as of the reporting date.

4. Summary of Significant Accounting Policies

A. REVENUE RECOGNITION

i) Revenue from non-exchange transactions

Tourism Levy, Fees, taxes and fines

Tourism Fund recognizes revenues from levies, interests and penalties when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Transfers from other government entities

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

ii) Revenue from exchange transactions

Rendering of services

The Entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Rental income

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

B. Budget information

The original budget for the Current FY was approved by the National Assembly on 21st July 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations of Kshs.972,000,000 on the 2023/2024 budget following the governing body's approval.

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

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

Reporting Currency	2023/2024	2022/2023
	Kshs	Kshs
Total revenue as per Statement of Comparison of Budgeted Vs Actual Amounts	5,400,867,515	4,405,622,577
Add: Levy arrears	155,175,642	213,903,890
Add: Accrued Rental revenue	27,030,292	55,515,583
Total revenue as per SFP	5,583,073,449	4,675,042,050
Total expenses as per the statement of Comparison of budgeted vs actual amounts	4,341,586,389	4,048,751,566
Add: Accrued expenses	6,309,942	81,998,935
Depreciation and amortization	39,887,075	99,552,213
Provisions	76,650,907	-
Accrued RNUC expenses	697,159,202	35,475,734
Less: Gain on disposal	(2,630,235)	-
Total expenses as per SFP	5,158,963,280	4,265,778,448
Surplus / (Deficit) as per SFP	424,110,169	409,263,602

C. Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Tourism Fund operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Notes to the Financial Statements (Continued)

D. Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 40-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

E. Property, plant and equipment

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

F. Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Fund. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Fund also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured

as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Fund will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Fund. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

G. Intangible assets

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

H. Financial assets

i) Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless

it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

ii) Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

iii) Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

iv) Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

v) Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

vi) Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Notes to the Financial Statements (Continued)

vii) Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note*

I. Financial liabilities

i) Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

ii) Provisions

Provisions are recognized when the Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Fund expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

iii) Contingent liabilities

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

iv) Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

v) Nature and purpose of reserves

The Fund creates and maintains reserves in terms of specific requirements.

vi) Changes in accounting policies and estimates

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

J. Employee benefits

Retirement benefit plans

The Fund provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

K. Related parties

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

L. 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. For the purposes of these

financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

Notes to the Financial Statements (Continued)

M. Comparative figures

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

N. Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

i) Estimates and assumptions.

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

ii) Useful lives and residual value

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

- a) The condition of the asset based on the assessment of experts employed by the Entity.

- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Notes to the Financial Statements (Continued)

The estimated rates are as follows:

Computers and Accessories	33.3%
Furniture, Fixtures & Fittings	12.5%
Plant & Equipment	12.5%
Motor Vehicles	25%
Building	2.5%
Levy Software System	30.0%

iii) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

6. Transfers from other government institutions

Name of the Entity sending the grant	Total transfers 2023/2024	Total transfers 2022/2023
	Kshs'	Kshs'
Development Grants		
Ministry of Tourism - RNUC Government Grants	-	58,600,000
Tourism Promotion Fund - RNUC Government Grants	600,000,000	500,000,000
Total	600,000,000	558,600,000

7. Levies, Fines and Penalties

Description	2023/2024 Kshs'	2022/2023 Kshs'
Tourism levy - Received	4,743,189,273	3,627,201,153
Interests (3% Interests)-Received	82,410,823	135,606,231
Penalties-Received	44,870,141	61,065,000
Unreceived levies earned in the year-Levy Arrears	38,472,817	213,903,890
Total	4,908,943,054	4,037,776,274

Notes to the Financial Statements (Continued)

8. Rental Revenue from Facilities and Equipment

Description	2023/2024 Kshs'	2022/2023 Kshs'
Rental Income	71,132,863	78,053,059
Total rentals	71,132,863	78,053,059

9. Finance Income

Description	2023/2024 Kshs'	2022/2023 Kshs'
Interest income on loans & investments – KCB & Co-op Mortgage interests	356,797	608,717
Total finance income	356,797	608,717

10. Other Income

Miscellaneous income	2024/2023 Kshs	2023/2022 Kshs
Disposal income	2,630,235	-
Bidding fees	10,500	4,000
	2,640,735	4,000

11. Use of Goods and Services

Description	2023/2024 Kshs'	2022/2023 Kshs'
Electricity & Water	17,001,175	12,973,800
Professional services (Note 10 ii)	30,217,095	32,071,840
Subscriptions	974,372	1,575,266
Telecommunication & postage	12,626,507	11,611,831
Office Rent- HQ & Branches	31,237,422	26,323,717
Fuel Expenses	19,612,477	19,853,915
Printing and stationery	15,468,867	6,815,466
Travel, accommodation, subsistence and other allowances	96,903,850	123,620,243
Advertisement & Publicity	9,689,938	25,448,019
Audit fees	9,456,046	7,880,000
Legal expenses	8,160,237	704,660

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



Office security	20,991,340	16,062,593
Staff Development Training	73,171,813	85,994,514
General Insurance	12,269,972	9,634,394
Provision for doubtful & bad debts	25,579,829	-
Other general office expenses (Note 10 i)	135,439,607	107,912,732
Total	518,800,547	488,482,990

General Insurance

Note: Further disclosures

(i) Other general office expenses

General expense	1,404,020	2,596,857
Corporate Social Responsibility	7,830,100	3,181,900
Land Rent, Rates & Services	516,211	675,000
Newspapers & Periodicals	76,936	118,020
Entertainment & Public Relations	3,644,114	2,220,248
Levy Recruitment Drive	88,240,254	64,308,228
Email & Internet	8,323,363	10,004,585
Bank Charges	2,492,245	3,381,240
Office Cleaning	11,413,103	8,630,528
Rebranding	3,681,160	6,129,115
World tourism expenses	7,818,100	6,667,010
Total	135,439,607	107,912,732

(ii) Professional services

	2023/2024	2022/2023
	Kshs'	Kshs'
PC Surveys	22,671,115	24,738,070
HIV	970,400	50,000
ISO 9001-2008 Expenses	6,575,580	7,283,770
Total	30,217,095	32,071,840

Notes to the Financial Statements (Continued)

12. Employee Costs

Description	2023/2024 Kshs'	2022/2023 Kshs'
Salaries and wages (Basic Pay)	443,836,576	483,002,651
Medical Insurance	56,447,651	58,378,425
Pension & Gratuity	92,322,853	83,250,794
Housing benefits and Allowances (Note 11 i)	162,086,927	166,672,294
Other employee related costs (Note 11 ii)	28,974,981	20,738,414
Employee costs	783,668,988	812,042,578

Note: Further disclosures

(i) Housing benefits and Allowances

House Allowances	109,179,000	109,629,613
Acting Allowance	3,787,400	2,975,320
Leave Allowance	8,575,727	8,719,800
Transfer Allowance	494,400	3,667,200
Transport Allowance	35,542,000	36,981,161
Remunerative Allowance	3,060,000	3,360,000
Disability Allowance	240,000	240,000
Hardship Allowance	1,208,400	1,099,200
Total	162,086,927	166,672,294

(ii) Other employee related Costs

	2023/2024 Kshs'	2022/2023 Kshs'
Staff Uniforms	1,708,000	2,348,003
Staff Tea & Consumables	4,433,064	4,399,569
Covid-19 Related Expenses	-	2,250,000
Staff Contingencies	99,000	1,087,290
Staff welfare / Gifts	14,173,690	10,653,552
Employer contribution to affording housing	8,561,228	-
Total	28,974,981	20,738,414

Notes to the Financial Statements (Continued)

13. Board Expenses

Description	2023/2024 Kshs'	2022/2023 Kshs'
Chairman Honoraria	960,000	960,000
Trustees sitting allowances	13,104,396	3,976,400
Trustees traveling & accommodation	18,779,243	10,730,815
Total	32,843,640	15,667,215

14. Depreciation and Amortization Expense

Description	2023/2024 Kshs'	2022/2023 Kshs'
Motor vehicles	1,987,500	32,064,960
Furniture and fittings	9,343,107	8,933,257
Partitions	5,991,583	4,924,688
Computers & Accessories	10,561,877	35,395,468
Office Equipment	3,042,635	2,962,698
Total PPE	30,926,702	84,281,070
Intangible Assets	8,960,373	15,271,143
Total depreciation and amortization	39,887,075	99,552,213

15. Repairs and Maintenance

Description	2023/2024 Kshs'	2022/2023 Kshs'
Repairs - Motor vehicle	15,329,149	15,934,000
Repairs - Building (Investment property earning rentals)	26,217,908	42,291,649
Repairs - Furniture	73,100	1,414,209
Repairs - Equipment and Machinery	29,712,608	37,193,355
ICT Repair expenses (Computer & Accessories)	73,222,853	87,160,672
Total repairs and maintenance	144,555,618	183,993,885

Notes to the Financial Statements (Continued)

16. Grants and Subsidies

Description	2023/2024 Kshs'	2022/2023 Kshs'
Grants - Kenya Utalii College	552,000,000	360,000,000
Grants - Kenya Tourist Board	360,000,000	300,000,000
Grants - Ronald Ngala Utalii College	1,510,075,349	1,346,257,138
Withholding taxes RNUC	150,000,000	-
Grants – Other Training Activities	5,329,873	16,255,039
Grants to other Tourism Agencies	60,614,886	38,376,180
Product Development	139,921,193	92,600,000
Grants Refresher Courses	53,993,314	10,132,193
RNUC Government Disbursements	809,903,033	502,419,017
Total grants and subsidies	3,641,837,648	2,666,039,567

17. Gain on Sale of Assets

Office Equipment	2023/2024	2022/2023	Cost (Kshs) Total
	Cost (Kshs) Motor Vehicle	Cost (Kshs) Office Equipment	
Cost of purchase	12,100,000	550,000	12,650,000
Accumulated depreciation	(12,100,000)	(272,235)	(12,372,235)
Net book value	-	277,765	277,765
Sales Proceeds	2,807,000	101,000	2,908,000
Gain /Loss on Disposal	2,807,000	(176,765)	2,630,235

18. Cash and Cash Equivalents

Description	2023/2024 Kshs'	2022/2023 Kshs'
Current account	357,384,617	391,484,253
Savings account	334,648	326,223
Others-Specified	79,596	89,176
Staff car loan/ mortgage	16,854,388	11,339,801
Total cash and cash equivalents	374,653,250	403,239,453

Notes to the Financial Statements (Continued)

19. Detailed Analysis of the Cash and Cash Equivalents

Detailed Analysis of the Cash and Cash Equivalents	Account Number	2023/2024	2022/2023
		Kshs'	Kshs'
Current Accounts			
KCB-Revenue a/c		11,562,335	3,223,322
KCB - Collection a/c		73,825,243	12,113,544
NBK- Operational A/C		51,978,572	80,565,265
NBK - RNUC a/c		20,368,514	210,419,424
NBK Ksm-Operational A/C		50,788	1,013
NBK Msa-Operational A/C		33,488	33,488
NBK Nyeri-Operational A/C		333,650	191,200
NBK Nkr-Operational A/C		21,099	66,796
NBK North Rift-Operational A/C		114,877	58,616
NBK Nrb North -Operational A/C		418,195	276,230
NBK Nrb South - Operational A/C		402,940	338,460
M-pesa collection a/c		-	291,301
Equity Collection Account		240,367	12,494,033
Equity Operation Account		3,040	3,040
Coop-Collection A/C		171,251,882	62,873,847
Co-op Bank Donor A/C		26,779,628	8,534,674
Co-op Tourism Training Revolving Fund		334,648	-
Total		357,384,617	391,484,253

Savings Account	2023/2024	2022/2023
Co-Op Bank Savings A/C-Hekima	334,648	326,223
Total	334,648	326,223
Loan Accounts (Balances held by Bank- Unutilized/ Undisbursed)	2023/2024	2022/2023
KCB Mortgage Account	208,846	169,582
Co-op Housing Mortgage Account	16,645,542	11,170,219
Total	16,854,388	11,339,801

Notes to the Financial Statements (Continued)

Others-Specified	2023/2024	2022/2023
Cash at hand -Head Office	2,176	3,610
Cash at hand-Central Kenya	20,000	20,000
Cash at hand-Nairobi North	20,000	20,000
Cash at hand-Nairobi South	14,000	20,000
Cash at hand-North Rift	8,350	340
Cash at hand-South Rift	200	10,000
Cash at hand-West Kenya	13,700	226
Cash at hand-Coast	1,170	15,000
Total	79,596	89,176
Grand total	374,653,250	403,239,453

20. Receivables from Exchange Transaction

Current receivables from exchange transactions	2023/2024 Kshs'	2022/2023 Kshs'
Rental Income Deposits -Villa Care	2,598,987	17,035,644
Rental Income Arrears	27,030,292	85,013,257
Prepayments -Medical Insurance	28,445,000	26,764,240
Prepayment - KTB	40,000,000	-
Prepayments -General Insurance	5,519,314	2,219,202
Total current receivables	103,593,592	131,032,343

a) Ageing analysis from Receivables from Exchange Transactions.

Description	2023/2024	% of the Total	2022/2023	% of the Total
	Current FY		Current FY	
	Kshs		Kshs	
Less than 1 year	73,964,314	71%	28,983,442	22%
Between 1- 2 years	10,812,117	10%	25,503,977	19%
Between 2-3 years	16,218,175	16%	59,509,280	45%
Over 3 years	2,598,987	3%	17,035,644	13%
Total (a+b)	103,593,592	100%	131,032,343	100%

Notes to the Financial Statements (Continued)

b) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance/ provision	2023/2024	2022/2023
	Kshs	Kshs
At the beginning of the year	131,032,343	61,315,130
Additional provisions during the year	116,514,576	170,307,748
Recovered during the year	(17,815,129)	(22,537,476)
Payments/Written off during the year	(126,138,198)	(78,053,059)
At the end of the year	103,593,592	131,032,343

21. Receivables from Non-Exchange Transaction

Description – Levy Debtors	2023/2024 Kshs'	2022/2023 Kshs'
Levies, Fines, Penalties (Levy debtors)	511,596,589	369,313,935
Levies, Fines, Penalties for RD cheques	16,617,045	16,617,045
	528,213,634	385,930,980
Less: Provision for RD Cheques	(16,617,045)	(16,617,045)
Less: Provision for doubtful & bad debts	(25,579,829)	
Total deposits & levies, fines & penalties (Levy Debtors)	486,016,760	369,313,935

Other debtors	2023/2024	2022/2023
Other Debtors (Non-Exchange Transactions)	138,357,535	153,533,026
Other debtors for RD cheques	3,823,716	3,823,716
Sub total	142,181,251	157,356,742
Less: provision for RD Cheques	(3,823,716)	(3,823,716)
Total other debtors	138,357,535	153,533,026
Total current receivables	624,374,294	522,846,961

Notes to the Financial Statements (Continued)

a) Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Levy Debtors	2023/2024	2022/2023
Provision for RD cheques	Kshs'	Kshs'
Levy debtors-Nairobi	510,512	510,512
Levy debtors-Mombasa	1,946,359	1,946,359
Levy debtors-Western	176,815	176,815
Levy debtors-Rift valley	78,597	78,597
Levy debtors-Additional Cases	681,089	681,089
Levy debtors-Additional Cases	3,723,250	3,723,250
Levy debtors-Africa Safari Club	9,500,423	9,500,423
Total	16,617,045	16,617,045

b) Other debtors

Other debtors	2023/2024	2022/2023
Staff Imprest	-	1,813,720
Salary advances	-	150,000
Engine Overhaul	-	13,886
Medical Advances	-	1,332,078
Staff Housing Loans & Mortgages (Balances held by staff)	138,357,535	150,223,342
Total	138,357,535	153,533,026
Provision for RD cheques	2023/2024	2022/2023
Insurance	649,958	649,958
External loans	1,678	1,678
Staff debtors	880,000	880,000
Furniture and Fridge loans	95,613	95,613
Staff housing loans	691,015	691,015
Medical Advances	1,505,452	1,505,452
	3,823,716	3,823,716

Notes to the Financial Statements (Continued)

c) Receivables from Non-Exchange Analysis

Description	2023/2024 Kshs	2022/2023 Kshs
Levies, Fines, Penalties (Levy debtors)	486,016,760	369,313,935
Rental Income Deposits -Villa Care	2,598,987	17,035,644
Rental Income Arrears	27,030,292	85,013,257
Prepayments -Medical Insurance	28,445,000	26,764,240
Prepayments -General Insurance	5,519,314	2,219,202
Prepayments KTB Staff Imprest	40,000,000	-
	-	1,813,720
Salary advances	-	150,000
Engine Overhaul	-	13,886
Medical Advances	-	1,332,078
Staff Housing Loans & Mortgages (Balances held by staff)	138,357,535	150,223,342
Total receivables from non- exchange transactions	727,967,887	653,879,304

d) Ageing Analysis – Receivables from Non–Exchange Transactions

Ageing Analysis- Receivables from non- exchange transactions	2023/2024 Kshs	% of the Total	2022/2023 Kshs	% of the Total
Less than 1 year	73,964,314	10%	30,797,162	5%
Between 1-2 years	165,387,827	23%	235,236,599	36%
Over 3 years	488,615,746	67%	386,349,579	59%
Total	727,967,887	100%	652,383,340	100%

e) Levy Debtors -Movements

Description	2023/2024	2022/2023
	Kshs	Kshs
At the beginning of the year	369,313,935	271,579,743
Additional provisions during the year	265,873,929	244,688,153
Recovered during the year	(149,171,104)	(146,953,961)
Written off during the year	-	-
At the end of the year	486,016,760	369,313,935

Notes to the Financial Statements (Continued)

f) Debtors – Ageing Analysis

Ageing Analysis- Levy debtors –Exchange Transactions	2023/2024 Kshs	% of the Total	2022/2023 Kshs	% of the Total
Less than 1 year	73,862,787	15%	54,386,972	15%
Between 1-2 years	110,794,180	23%	84,148,434	23%
Over 3 years	301,359,792	62%	230,778,529	62%
Total	486,016,760	100%	369,313,935	100%

g) Other Debtors- Movements

Description	2023/2024	2022/2023
	Kshs	Kshs
At the beginning of the year	153,533,026	123,591,274
Additional provisions during the year	32,201,209	22,940,751
Recovered during the year	(47,376,700)	7,001,000
Written off during the year	-	-
At the end of the year	138,357,535	153,533,025

Notes to the Financial Statements (Continued)

22. Property, Plant and Equipment

	Land	Motor vehicles	Furniture and fittings	Partitions	Computers & Accessories	Office Equipment	WIP Building	WIP Partitioning	Total
Cost	Shs	Shs	Shs		Shs	Shs	Shs	Shs	Shs
	0%	25%	13%	13%	33%	13%	0%	0%	
As at 1st July 2022	522,800,000	128,259,840	70,901,597	39,397,500	74,424,182	21,042,865	1,792,031,308	276,339,454	2,925,196,746
Additions	-	-	564,462	-	31,868,514	2,658,716	40,910,202	4,787,797	80,789,691
Disposals	-	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-	-
As at 30th June 2023	522,800,000	128,259,840	71,466,059	39,397,500	106,292,696	23,701,581	1,832,941,510	281,127,251	3,005,986,437
As at 1st July 2023	522,800,000	128,259,840	71,466,059	39,397,500	106,292,696	23,701,581	1,832,941,510	281,127,251	3,005,986,437
Additions	-	7,950,000	3,278,800	8,535,164	7,658,320	1,189,499	-	-	28,611,783
Disposals	-	-	-	-	-	(550,000)	-	-	(550,000)
Transfers/adjustments	-	-	-	-	-	-	-	-	-
As at 30th June 2024	522,800,000	136,209,840	74,744,859	47,932,664	113,951,016	24,341,080	1,832,941,510	281,127,251	3,034,048,220
									-

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



Depreciation and impairment									-
As at 1st July 2022	-	(96,194,880)	(25,940,326)	(14,774,063)	(62,862,597)	(6,446,257)	-	-	(206,218,123)
Depreciation	-	(32,064,960)	(8,933,257)	(4,924,688)	(35,395,468)	(2,962,698)	-	-	(84,281,070)
Disposal	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-	-	-	-	-
As at 30 June 2023	-	(128,259,840)	(34,873,583)	(19,698,750)	(98,258,065)	(9,408,955)	-	-	(290,499,193)
Depreciation and impairment									
As at 1st July 2023		(128,259,840)	(34,873,583)	(19,698,750)	(98,258,065)	(9,408,955)			(290,499,193)
Depreciation	-	(1,987,500)	(9,343,107)	(5,991,583)	(10,561,877)	(3,042,635)	-	-	(30,926,702)
Disposal	-	-	-	-	-	(258,882)			(258,882)
Impairment	-	-	-	-	-	-			-
Transfers/ Adjustments	-	-	-	-	-	-			-
As at 30 June 2024	-	(130,247,340)	(44,216,691)	(25,690,333)	(108,819,941)	(12,710,472)	-	-	(321,684,777)
Net book values									-
As at 30 June 2024	522,800,000	5,962,500	30,528,169	22,242,331	5,131,075	11,630,608	1,832,941,510	281,127,251	2,712,363,443
As at 30 June 2023	522,800,000	-	36,592,476	19,698,750	8,034,631	14,292,626	1,832,941,510	281,127,251	2,715,487,244

Notes to the Financial Statements (Continued)

a) Valuation

Valuation of PPE is earmarked to be done in the course of the next financial year. There was no valuations for the year under review.

b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	Net book value
Land	522,800,000	-	522,800,000
Motor vehicles	7,950,000	(1,987,500)	5,962,500
Furniture and fittings	74,744,859	(44,216,691)	30,528,169
Partitions	47,932,664	(25,690,333)	22,242,331
Computers & Accessories	113,951,016	(108,819,941)	5,131,075
Office Equipment	23,701,581	(12,710,472)	11,630,608
WIP Building	1,832,941,510	-	1,832,941,510
WIP Partitioning	281,127,251	-	281,127,251
Total	2,905,148,881	(193,424,937)	2,712,363,443

Property plant and Equipment includes the following assets that are fully depreciated:

Description	Cost or valuation	Normal annual depreciation charge
Motor Vehicles including Motorcycles	128,259,840	(32,064,960)
Computers and Related Equipment	106,292,696	(35,395,468)
Total	234,552,536	(67,460,428)

Notes to the Financial Statements (Continued)

23. Intangible Assets

Intangible assets	2023/2024 Cost (Kshs)	2022/2023 Cost (Kshs)
Description		
At the beginning of the year	249,821,568	228,553,640
Additions	4,029,600	21,267,928
At the end of the year	253,851,168	249,821,568
	-	-
At the end of the year	253,851,168	249,821,568
Amortization & impairment		
At the beginning of the year	(41,943,437)	(26,672,294)
Amortization & impairment	(8,960,373)	(15,271,143)
At the end of the year	202,947,358	207,878,131

24. Trade and Other Payables - Exchange Transactions

Description	2023/2024 Kshs'	2022/2023 Kshs'
RNUC & TF Office Payables(Pending bills)	664,796,041	1,145,184,643
Provision-Audit fee	4,000,000	4,000,000
Provision - Governance Audit :Kenya School of Law	-	450,000
Accrued office Security	2,333,320	2,229,993
Accrued office cleaning-Liga Holdings	778,453	719,211
Accrued Rent - Nyalı Aircon	1,320,451	2,632,759
Sybyl Kenya Ltd	-	6,270,184
MFI Solutions	-	170,421
Tenants Deposits	2,920,110	
Accrued R & M Equipment	1,877,718	-
Provisions - Pension & Gratuity increase (DCS & MSC)	8,268,325	3,033,916
Provisions - Performance incentives	36,218,417	72,436,834
Provision for staff debts - reinstatement (Norah, Eden & Mercy)	6,584,336	-
TOTAL	729,097,171	1,237,127,961

Notes to the Financial Statements (Continued)

25. Trade and Other Payables - Non Exchange Transactions

Description	2023/2024 Kshs'	2022/2023 Kshs'
Withholding tax payable	150,000,000	25,378,826
WVAT payable	740,415	15,784,140
WRIT payable	58,893	100,214
VAT Payable	12,829,318	1,735,229
P.A.Y.E	758,310	20,103
TOTAL	164,386,936	43,018,512
Gross trade and other payables	893,484,107	1,280,146,473

a) Analysis of Trade and other payables

Description	2023/2024 Kshs	2022/2023 Kshs
RNUC & TF Office Payables (Pending bills)	664,796,041	1,145,184,643
Provisions	55,071,078	79,470,750
Accruals	6,309,942	5,581,964
Tenant deposits	2,920,110	-
Taxes	164,386,936	43,018,512
Other debtors	-	6,890,605
Total trade and other payables	893,484,107	1,280,146,473

b) Trade and Other Payables - Ageing Analysis

Ageing analysis: (Trade and other payables)	2023/2024	% of the Total	2022/2023	% of the Total
	Kshs		Kshs	
Under one year	164,386,936	18%	43,018,512	3%
1-2 years	2,920,110	0%	6,890,605	1%
2-3 years	61,381,020	7%	85,052,714	7%
Over 3 years	664,796,041	74%	1,145,184,643	89%
Total	893,484,107	100%	1,280,146,473	100%

Notes to the Financial Statements (Continued)

26. Refundable Deposits and Prepayments from Customers

Description	2023/2024	%	2022/2023	%
	Kshs		Kshs	
Tenants deposits	2,920,110		223,830	
Total deposits	2,920,110		223,830	
Ageing analysis: (Refundable deposits)	2023/2024	% of the Total		% of the Total
Under one year	1,752,066	60%	134,298	60%
1-2 years	584,022	20%	44,766	20%
2-3 years	146,006	5%	11,192	5%
Over 3 years	438,017	15%	33,575	15%
Total	2,920,110	100%	223,830	100%

27. Current Provisions

	Provisions - Pension & Gratuity increase	Provisions - Performance incentives	Provision for staff debts - reinstatement	Other provisions	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance b/f	3,033,916	72,436,834	-	4,450,000	79,920,750
Additional provision	5,234,409	-	6,584,336	-	11,818,745
Provision utilized	-	(36,218,417)	-	(450,000)	(36,668,417)
Changes due to discount or time value of money	-	-	-	-	-
Transfer from non-current provisions	-	-	-	-	-
Total provision for the year	8,268,325	36,218,417	6,584,336	4,000,000	55,071,078

Notes to the Financial Statements (Continued)

28. Surplus Remission (for category 3 entities)

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. Tourism Fund is in the Financial Services Sector since reclassification in 2018. It is not a regulatory entity and hence does not fall within the entities that remit surpluses into the consolidated Fund.

29. Cash Generated from Operations

	2023/2024 Kshs'	2022/2023 Kshs'
Adjusted Surplus for the year before tax	424,110,169	409,263,601
Adjustments for:		-
Depreciation and Amortization	39,887,075	99,552,213
Accrued rent incomes	27,030,292	102,048,901
Levy arrears raised in the year	38,472,817	213,903,890
Gain on Disposal of Assets	2,630,235	-
Working Capital adjustments		
Consolidated (increases) in receivables	(101,527,333)	-
Consolidated increases (decrease) in payables	(430,603,255)	(467,897,594)
Net cashflows from operating activities	(2,604,656)	356,871,011

30. Financial Risk Management

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

Notes to the Financial Statements (Continued)

i) Credit risk

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

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

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
As at 30 June 2024				
Receivables from exchange transactions	103,593,592	78,914,314	24,679,279	-
Receivables from non exchange transactions	486,016,760	97,203,352	388,813,408	-
Bank balances	374,653,250	374,653,250	-	-
Total	964,263,602	550,770,915	413,492,687	-
As at 30 June 2023				
Receivables from exchange transactions	131,032,343	113,996,699	17,035,644	-
Receivables from non exchange transactions	369,313,935	73,862,787	295,451,148	-
Bank balances	403,239,453	403,239,453	-	-
Total	903,585,731	591,098,939	312,486,792	-

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



The Entity has significant concentration of credit risk on amounts due from xxx. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

Notes to the Financial Statements (Continued)

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Entity's directors, who have built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2024				
Trade payables	177,616,988	13,230,052	664,796,041	855,643,081
Provisions	-	4,000,000	8,268,325	12,268,325
Total	177,616,988	17,230,052	673,064,366	867,911,406
As at 30 June 2023				
Trade payables	48,600,475	6,890,605	1,145,184,643	1,200,675,723
Provisions	-	-	79,470,750	79,470,750
Total	48,600,475	6,890,605	1,224,405,351	1,279,896,431

Financial Risk Management

iii) Market risk

The Entity has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

a) Interest rate risk

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

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to apply payroll check off systems to minimize the default rate.

iv) Capital Risk Management

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

Description	2023/2024	2022/2023
	Kshs	Kshs
Revaluation Reserve	307,070,681	307,070,681
Retained Earnings	833,314,999	409,204,830
Capital Reserve	1,984,062,150	1,984,062,150
Total Funds	3,124,447,830	2,700,337,661
Total Borrowings	-	-
Less: Cash and Bank Balances	(374,653,250)	(403,239,453)
Net Debt/(Excess Cash And Cash Equivalents)	2,749,794,580	2,297,098,208
Gearing	0	

Notes to the Financial Statements (Continued)

31. Related Party Disclosures

Nature of related party relationships

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

Notes to the Financial Statements (Continued)

Government of Kenya

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

Other related parties include:

- i) The Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of directors.

Related Party Disclosures		
Transactions with related parties	2022/2023 Kshs'	2021/2022 Kshs'
Grants /Transfers from the Government		
Grants from National Govt	600,000,000	830,000,000
Total	600,000,000	830,000,000
Key Management compensation		
Board of Trustees (Chairperson honoraria)	960,000	960,000
Compensation to key management (CEO & Directors)	28,660,706	27,333,119
Total	29,620,706	28,293,119
Purchases from related parties		
Rent paid to government agencies	7,497,322	7,235,000
Training & Conference fees paid to government agencies	1,111,800	2,500,000
Purchase of electricity and water	17,001,175	12,973,800
Total	25,610,297	22,708,800

Notes to the Financial Statements (Continued)

32. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2023/2024	2022/2023
	Kshs	Kshs
Contingent Assets		
Board of Trustees of Tourism Fund Vs George Kithi T/A Kithi & co Advocates (CMCC No. 780 of 2019)	13,000,000	13,000,000
Total	<u>13,000,000</u>	<u>13,000,000</u>

*Tourism Fund seeks to recover the funds paid to the advocate; however, the amount of the cash inflow and the timing remains uncertain.

Contingent Liabilities

Description	2023/2024	2022/2023
	Kshs	Kshs
Court Cases		
Mercy Murrey Vs Tourism Fund & Board of Trustees	2,500,000	2,000,000
Professional Marketing Services Limited Vs Tourism Fund (MCCOMMSU/E631/2023)	3,828,000	3,828,000
Patrick, Teddy & Partners Advocates VS Tourism Fund	12,255,637	12,255,637
Total	<u>18,583,637</u>	<u>18,083,637</u>

*The parties against Tourism Fund seek to recover the funds under contest; however, the amount of the cash outflow and the timing remains uncertain.

Other cases under dispute

Supplier	2023/2024	2022/2023
	Kshs	Kshs
Kone Kenya	21,538,700	21,538,700
**Aqua Plumbers	4,215,602	4,215,602
Triple Nine	7,048,605	7,048,605
Patience Services	6,161,081	6,161,081
Marimo Construction	3,312,409	3,312,409
Climate Engineering Works	199,744	199,744
Total	<u>42,476,141</u>	<u>42,476,141</u>

**The total reconciled amount was kshs 9,313,524, of which a part was settled leaving the balance shown, which relates to drainage works of the HQ Building and her environs and which is still being contested by Tourism Fund

Notes to the Financial Statements (Continued)

33. Reconciliation of Surplus /(Deficit) Between Statement of Comparison of Budgeted Vs Actual Amounts and Statement of Financial performance (SFP) for the Financial Year Ended 30th June 2022

Reporting Currency	2023/2024	2022/2023
	Kshs	Kshs
Total revenue as per Statement of Comparison of Budgeted Vs Actual Amounts	5,400,867,515	4,405,622,577
Add: Levy arrears	155,175,642	213,903,890
Add: Accrued Rental revenue	27,030,292	55,515,583
Total revenue as per SFP	5,583,073,449	4,675,042,050
Total expenses as per statement of Comparison of budgeted vs actual amounts	4,341,586,389	4,048,751,566
Add: Accrued expense	6,309,942	81,998,935
Depreciation and amortization	39,887,075	99,552,213
Provisions	76,650,907	-
Accrued RNUC expenses	697,159,202	35,475,734
Less: Gain on disposal	(2,630,235)	-
Total expenses as per SFP	5,158,963,280	4,265,778,448
Surplus / (Deficit) as per SFP	424,110,169	409,263,602

34. Events after the Reporting Period

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

35. Ultimate And Holding Entity

The Entity is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of Tourism. Its ultimate parent is the Government of Kenya.

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



36. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

37. APPENDICES

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

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

Reference No. on the External Audit Report	Prior Year Issues Raised	Management Comments	Focal Point person to resolve the issue (Name & Designation)	Status (Resolved/Not Resolved)	Time Frame (Date for resolving issue)
	<p>Construction Works for Proposed Ronald Ngala Utalii College The construction works of the proposed Ronald Ngala Utalii College was awarded to a local contractor on 14 May, 2013 at a contract sum of Kshs.8,961,370,998. The contract commencement date was on 20 June, 2013 and date of practical completion on 19 June, 2018. The following issues were noted in the execution of the contract.</p> <p>(i) The first addendum to the contract was made on 14 May, 2013 which introduced sectional completion of the project into five (5) phases. The first (1) Phase was on site clearance, boundary wall/fencing, excavations and earth works for the entire site, sub-structure works up to and including ground floor beds/slabs for all buildings, erection and completion of administration block, tuition block (1 No.) and kitchen/dining hall all estimated to take 12 months from the start date of 20 June, 2013 and at a cost of Kshs.1,900,000,000.</p> <p>(ii) The second addendum to the contract dated 25 August, 2014 scaled down the contract sum from Kshs.8,961,370,998 to Kshs.4,923,005,000 and revised the contract completion date to 28 February, 2017.</p>	<p>Tourism Fund presented the responses to the Special Fund’s Investment Committee of the National Assembly on 7th November 2023, and is yet to receive formal communication concerning the responses provided.</p>		<p>Not resolved</p>	

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



REPUBLIC OF KENYA



	<p>(iii) A third addendum to the agreement was agreed on 20 April, 2021 valid for a period of twelve (12) months from the date of execution which provided that:</p> <ul style="list-style-type: none"> The main contractor and the sub-contractors would grant to the Fund a rebate in the sum of Kshs.85,509,569 or 20% of Kshs.435,133,292 being the total outstanding interests, penalties and contractual claims certified by the project consultants as at 1 August, 2020. 				
Reference No. on the External Audit Report	Prior Year Issues Raised	Management Comments	Focal Point person to resolve the issue (Name & Designation)	Status (Resolved/Not Resolved)	Time Frame (Date for resolving issue)
	<ul style="list-style-type: none"> The outstanding amount of Kshs.349,623,722 was due and payable to the main contractor and subcontractor as at the date of the execution of the addendum and shall be settled not later than 30 days. The main contractor and subcontractors shall complete the specific works within twelve (12) months as per the annexed schedule of uncompleted works and bills of quantities. According to Interim certificate No.39 dated 31 May, 2021 which reflects total amount of work certified as Kshs.4,025,996,193 out of which Kshs.3,900,353,661 relates to the main contractor. Included in the amount payable to the main contractor is Kshs.432,596,500 claim on interests on 				

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



	<p>delayed payments attributed to underfunding on grants by The National Treasury to the Project.</p> <ul style="list-style-type: none"> The project approved completion date was 28 February, 2017. However, as at the time of audit in February 2023, the completion period had lapsed by about five (5) years while the project completion rate was at 71% as per the progress report dated 28 February, 2023. <p>Under the circumstances, the value for money on project expenditure incurred on account of the projects has not be realized.</p>				
Reference No. on the External Audit Report	Prior Year Issues Raised	Management Comments	Focal Point person to resolve the issue (Name & Designation)	Status (Resolved/Not Resolved)	Time Frame (Date for resolving issue)
	<p>Contract for Consultancy, Supervision and Management of the Proposed Ronald Ngala Utalii College</p> <p>The Fund Management entered into a contract for consultancy, supervision and management of the Ronald Ngala Utalii College on 25 May, 2012. The details were:</p> <ul style="list-style-type: none"> (i) The consultancy fees were based on the initial contract sums of Kshs. 8,961,370,998 of the construction works of the project signed on 14 May, 2013. The contract was revised on 25 August, 2014 vide second addendum which scaled down the contract sum from Kshs.8,961 ,370,988 to Kshs. 4,923,005,669. (ii) Addendum between Tourism Fund and a consortium of consultants was executed on 8 April, 2021 where the consortium 	<p>Tourism Fund presented the responses to the Special Fund's Investment Committee of the National Assembly on 7th November 2023, and is yet to receive formal</p>		Not Resolved	

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



	<p>granted a rebate in the sum of Kshs. 214,490,430 being 20% of the total outstanding professional fees, penalties and interest of Kshs. 1,091,479,332.</p> <p>(iii) A review of the consultants' fee notes and payments revealed continued imposition of interest on delayed payments on interim certificates amounting to Kshs.2,278,603,612 as at 30 June, 2021 as shown below:</p>				communication concerning the responses provided.			
Reference No. on the External Audit Report	Prior Year Issues Raised				Management Comments	Focal Point person to resolve the issue (Name and Designation)	Status (Resolved/Not Resolved)	Time Frame (Date for resolving issue)
	Consultant	Interim Fee Note No.	Reference	Interest Penalty Kshs	Tourism Fund presented the responses to the Special Fund's Investment Committee of the National Assembly on 7 th November 2023, and is yet to receive formal communication concerning the responses provided		Not resolved	
	Lead Architect	Interim Fee Note	TF/021 INV /20/BSL	1,012,920,347				
	Quantity Surveyors	9	UC/P/105/FN/09	374,305,369				
	Civil and Structural Engineers	42	220/1 OOFN/12	459,687,377				
	Mechanical and Electrical Engineers	14	WC/GEN/RNUC/F/2020	431,690,519				

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



Total			2,278,603,612				
<p>Although the Fund management has explained that the reason for levying of interest penalties is due to insufficient disbursements of budgeted amounts to the Project by The National Treasury over the years. The continued delay in disbursements of funds to the project may lead to continued escalation of project costs from interests and penalties which were not budgeted for.</p> <p>In view of the above, there is no value for money on project expenditure incurred on account of interest charged on delayed payments to projects consultants.</p>							

David Mwangi

Ag. Chief Executive Officer

Date: 23.12.2024





Appendix II: Projects implemented by Tourism Fund

Projects implemented by the State Corporation/ SAGA Funded by development partners and/ or the Government.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements. (Yes/No)
Ongoing Construction of the Ronald Ngala Utalii College	TF/CONF/II/158	Tourism Fund, Tourism Promotion Fund and Exchequer Funding	Jun 20-2013 Oct 07 -2024	FY 2024/2025 Tourism Fund 1,909,000,000 Tourism Promotion Fund 500,000,000.00	Utilization Report to TPF (Yes)	(Yes)

Appendix III. Status of Projects completion

Below is a summary of the status of project completion at the end of the reporting year

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Ongoing Construction	Contract Sum KES 4,923,005,669.00	12,822,595,723.56	83.023%	Contract Sum KES 4,923,005,669	12,822,595,723.56	Tourism Fund.

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



of the Ronald Ngala Utalii College	Revised Estimates Sum KES 7,611,819,238.70 Managing Consortium KES 1,746,947,691.00	Inclusive of Interest and late payment penalty		Revised Estimates Sum KES 7,611,819,239 Managing Consortium KES 1,746,947,691	Inclusive of Interest and late payment penalty	Tourism Promotion Fund and Exchequer
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Appendix IV: Transfers from Other Government Entities

Name of the MDA/ Donor Transferring the funds	Date received as per bank statement		Nature: Development/ Others	Total Amount - KES	State ment of Finan cial Perfor manc e	Where Recorded/recognized				Total Transfers during the Year
						Capit al Fund	Deferre d Income	Recei vable s	Othe rs - must be speci fic	
Tourism Promotion Fund	AMOUNT	DATE DISBURSED	Development	600,000,000.						
	150,000,000.	23/10/2023								
	150,000,000.	4/4/2024								
	200,000,000	18/04/2024								
	100,000,000	31/06/2024								
600,000,000	GRAND TOTAL									600,000,000

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024.**



Appendix V: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/ Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - Grants	
Ministry of Tourism		Development	600,000,000	600,000,000	-	-	-	600,000,000	600,000,000
Total			600,000,00	600,000,00				600,000,000	600,000,000

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024**

Appendix VI- Inter-Entity Confirmation Letter

**Name of transferring entity; Tourism Fund
Name of Beneficiary entity: Kenya Tourism Board**

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

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

Head of Accounts Department - Disbursing Entity:

Name Lilian Njoroge Sign [Signature] Date **23.12.2024**

Head of Accounts Department - Beneficiary Entity: As per attached.

Name Sign Date.....



REPUBLIC OF KENYA



Kenya Utalii College

Gateway to international careers in hospitality and tourism

P. O. Box 31052-00600 Nairobi, Kenya.

Tel. +254 722 205891/2, +254 733 410005

Email: info@utalii.ac.ke | Website: www.utalii.ac.ke

UNWTO and IATA Accredited

128(15)

Our Ref: KUC/8/4(751)

25th September, 2024

Mr. David K. Mwangi, MBS
Ag. Chief Executive Officer
Tourism Fund
P. O. Box 46987 - 00100
NAIROBI



Dear Mr. Mwangi,

RE: INTER-ENTITY TRANSFERS CONFIRMATION FOR FY 2023/2024

We make reference to your letter Ref: TF/CONF/1/125/VOL.II (125) dated 16th September, 2024 on the above subject matter.

This is to confirm Kenya Utalii College received Kshs. 552 Million for the Financial Year 2023/2024 against approved budget of Kshs. 600 Million as per the table below.

DATE	RECEIPT NO.	AMOUNT	REMARKS
24/07/2023	C19346	50,000,000.00	FY 2023/2024
23/08/2023	C19780	50,000,000.00	FY 2023/2024
19/09/2023	C19989	50,000,000.00	FY 2023/2024
31/10/2023	C20284	50,000,000.00	FY 2023/2024
22/11/2023	C20921	50,000,000.00	FY 2023/2024
26/01/2024	C22014	50,000,000.00	FY 2023/2024
26/01/2024	C22015	50,000,000.00	FY 2023/2024
20/02/2024	C22267	50,000,000.00	FY 2023/2024
09/04/2024	C23068	50,000,000.00	FY 2023/2024
09/04/2024	C23069	20,000,000.00	FY 2023/2024
29/04/2024	C23364	50,000,000.00	FY 2023/2024
31/05/2024	C23818	32,000,000.00	FY 2023/2024
	TOTAL	552,000,000.00	

Yours Sincerely,

ELWIN M. MWANGI

For: PRINCIPAL/CHIEF EXECUTIVE OFFICER

"Utumishi na Ukarimu"



ISO 9001:2015 Certified



tedQual

Name of Transferring entity: TOURISM FUND

Name of Beneficiary entity: KENYA TOURISM BOARD

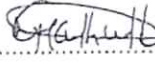
Confirmation of amounts received by Kenya Tourism Board as at 30 th June 2024					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	(C)=(A+B)	Remarks
9678	21.07.23	40,000,000	-	40,000,000	Recognized in FY 2023/24
9689	17.08.23	40,000,000	-	40,000,000	Recognized in FY 2023/24
9722	15.09.23	40,000,000	-	40,000,000	Recognized in FY 2023/24
9804	18.10.23	40,000,000	-	40,000,000	Recognized in FY 2023/24
9932	21.11.23	40,000,000	-	40,000,000	Recognized in FY 2023/24
24	22.12.23	40,000,000	-	40,000,000	Recognized in FY 2023/24
106	24.01.24	40,000,000	-	40,000,000	Recognized in FY 2023/24
146	20.02.24	40,000,000	-	40,000,000	Recognized in FY 2023/24
238	26.03.24	40,000,000	-	40,000,000	Recognized in FY 2023/24
285	26.04.24	40,000,000	-	40,000,000	Recognized in FY 2023/24
TOTAL		400,000,000			

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

Head of Accounts Department - Disbursing Entity: Tourism Fund

Name Sign Date

Head of Accounts Department - Beneficiary Entity: Kenya Tourism Board

Name : Mary Maina.....Sign  Date: 19.07.2024

KENYA TOURISM BOARD
P.O. Box 20830 - 00100 NAIROBI
TEL 254-20-2711292
FAX 254-20-2716929

102



REPUBLIC OF KENYA

TOURISM FUND

OUR REF: TF / CONF/125 VOL.II190 (116)

24th July 2024

Mrs. June Chepkemei,
Chief Executive Officer,
Kenya Tourism Board,
P.O. BOX 30630-00100
Nairobi, Kenya

Dear Madam,

RE: INTER-ENTITY TRANSFERS CONFIRMATION FOR FY 2023/2024

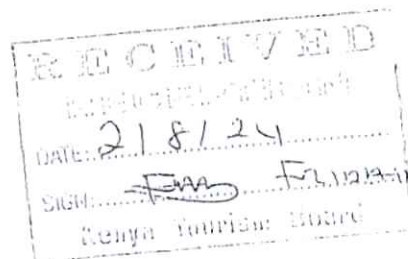
Reference is made to your letter, KTB/4/9/Vol. I (18), dated 19th July 2024 regarding the above matter.

We acknowledge that the tabulated disbursements by yourselves as per your letter are a true reflection of our records at Tourism Fund.

We further confirm to yourselves that the approved annual budget for KTB was Kshs 360 Million. Supplementary I budget had enhanced your annual budget to Kshs 460 Million. However, the Supplementary I was not approved by The National Treasury, thus restricting your approved annual budget at Kshs 360 Million and which by your own affirmation as per your above referenced letter, Tourism Fund had disbursed the full amounts.

Sincerely,

David K. Mwangi, MBS
Aq. Chief Executive Officer.



**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024**

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Appendix VII- Inter-Entity Confirmation Letter

**Name of transferring entity: TOURISM FUND
Name of Beneficiary entity: KENYA UTALII COLLAGE**

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

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

Head of Accounts Department - Disbursing Entity:

Name Lilian Njoroge Sign:  Date **23.12.2024**

Head of Accounts Department - Beneficiary Entity: As per attached.

Name Sign: Date.....

**Tourism Fund
Annual Reports and Financial Statements
For the year ended June 30, 2024**

Appendix VIII: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
National tree planting	Tree planting	Environmental conservation	Tree planting	1,100,000	1,104,200	4,335,800	571,500	Tourism Fund	Ministry of Tourism