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REPORT


OF

THE AUDITOR-GENERAL

ON

FISH LEVY TRUST FUND

**FOR THE YEAR ENDED
30 JUNE, 2025**

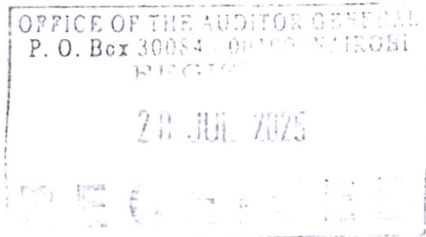
 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	24 FEB 2026
	DAY: Tuesday
TABLED BY:	Deputy leader Majority Party Hon. Owen Baya, MP
PREPARED BY:	Mr. Benson Inzofu



FISH LEVY TRUST FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025**



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

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**Fish Levy Trust Fund
Annual Report and Financial Statements
for the year ended 30 June, 2025.**

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1. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Definition of Key Terms

ARBEC	Aquatic Resources and Blue Economy Conference
BMU	Beach Management Unit
CEO	Chief Executive Officer
DTI	Dairy Training Institute
EEZ	Exclusive Economic Zone
FILMIS	Fish Levy Management Information System
FLTF	Fish Levy Trust Fund
FY	Financial Year
GPO	General Post Office
ICPAK	Institute of Certified Public Accountants of Kenya
ICT	Information and Communication Technology
IPSAS	International Public Sector Accounting Standards
KEMFSED	Kenya Marine Fisheries Social Economic Development
MOAL&F	Ministry of Agriculture, Livestock and Fisheries
MSc	Master of Science
NGO	Non-Governmental Organization
NHIF	National Hospital Insurance Fund
PFM	Public Finance Management
PPE	Property Plant and Equipment
SDG	Sustainable Development Goal

B: Definition of Key Terms

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

Comparative Year- Means the prior period.

President William Ruto chaired the first Cabinet meeting of 2025 at State Lodge, Kakamega, urging his Cabinet to seize the unique opportunity presented by the broad-based government to drive transformative change in Kenya.

Emphasising the rare occurrence of a government that brings together diverse political sides, the President said the inclusive composition of the Cabinet offers an unprecedented opportunity to focus on national development. He called on leaders to capitalise on this historic moment to deliver meaningful progress for all Kenyans.

In recent months, President Ruto has expanded his Cabinet by appointing Cabinet Secretaries from outside his Kenya Kwanza Alliance, including representatives from the Azimio coalition— notably from the ODM and Jubilee parties.

At the Tuesday Cabinet meeting, the President said this move underscores his commitment to fostering national unity and inclusivity in governance.

The President noted that significant progress has been made in laying the foundation for the Bottom-Up Economic Transformation Agenda. Key achievements cited include increased contributions to the National Social Security Fund (NSSF), advancements in universal health coverage, affordable housing initiatives, the establishment of special economic zones, and the development of County Aggregation and Industrial Parks.

In the agricultural sector, President Ruto highlighted notable improvements in maize and sugar production—where a record



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JANUARY 21, 2025

STATE LODGE, KAKAMEGA

<p>4. Lack of Board of Trustees and Fund Management</p> <p>During the year under review, the Fund did not have a Board of Trustees in place. As a result, the financial statements were not signed by the chairman of the Board or any Board member. In addition, the financial statements included an unsigned report of the Directors on page xviii and unsigned statement of Board of Trustees responsibilities on page xx. Although the acting Managing Trustee had on several occasions written to Cabinet Secretary responsible for fisheries regarding lack of the Board as required in Section 28(4) of the Fisheries Management and Development Act, 2016, the members of the Board of Trustees were yet to be appointed. Lack of the Board impacted negatively on the Fund's operations.</p> <p>Further, the Fund did not have an Operational Management Team during the year under review. The Fund was managed by an Acting CEO during the period under review and three technical staff seconded from the state department of Fisheries. However, the team was not sufficient to manage the affairs of the Fund. Further, the employees of the fund were on secondment from the State Department of Blue Economy and Fisheries who were seconded without a request or approval of the Board as required in clause 109 of the Fisheries Management (Fish Levy Trust Fund) Order, 2024.</p> <p>In the circumstances, the legality of the Funds Management and operations during the year under review could not be confirmed.</p>	<p>Management Response:</p> <p>(a) Management acknowledges the observation. The absence of a Board resulted from ongoing institutional reforms under Executive Office of the President Circular No. CAB/GEN.3/1/1.VOL.XXXIII (42) dated 21st January 2025, which recommended harmonization of governance for public funds. The Fund formally requested appointment/reappointment of the Board via letter Ref. MMIBEMA/SDBE&F/FLTF/EC/VOL.1 (10) to the Cabinet Secretary for Blue Economy and Fisheries. In the interim, Fund operations continued under Ministry oversight to ensure compliance and continuity.</p> <p>It is reaffirmed that the Fish Levy Trust Fund (FLTF) is a statutory body established under the Fisheries Management and Development Act (FMDA), 2016, and as such, its existence and mandate derive directly from an Act of Parliament. While a Cabinet directive may guide policy or administrative matters, it cannot legally dissolve, transfer, or absorb the Fund's functions without Parliamentary approval. The Fund's legal authority therefore remains valid and operational until the FMDA is amended or repealed by Parliament.</p> <p>(b) The State Department temporarily deployed four technical officers to support Fund operations pending appointment of a substantive Board and staff establishment. This ensured continuity of essential functions.</p> <p>Supporting Attachments:</p> <ol style="list-style-type: none"> 1. Letter Ref. MMIBEMA/SDBE&F/FLTF/EC/VOL.1 (10) – Request for Appointment/Reappointment of Board of Trustees. 2. Staff Deployment Letters – Dr. Beatrice Akunga, Mr. Samuel Njoroge Karanja, Mr. Peter G. Njenga, Ms. Susan Aumah.
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<p>3.</p>	<p>Failure to collect Fish Levy</p> <p>During the year under review, there were no levies collected and deposited into the Fish Levy Trust Fund despite the gazettelement of the Fisheries Management and Development Order, 2024 in July, 2024. In addition, Management had not established policies, systems and procedures on collection of fishing levy. In addition, registration of Fisher folks and Beach management Units as envisaged in the Funds Mandate under Section 28 of the Fisheries Management and Development Act, 2016 was yet to be done.</p> <p>In the circumstances, Management was in breach of the law, which denied revenue to Government</p>	<p>Management Response:</p> <p>Management notes the observation. Levy collection is a structured process requiring legal alignment, stakeholder readiness, and digital systems integration. During FY 2024/2025, the Fund accomplished the following preparatory steps:</p> <ul style="list-style-type: none">a) Developed a Levy Collection Implementation Roadmap.b) Engaged the e-Citizen team for system integration and onboarding (process ongoing).c) Conducted stakeholder sensitization forums for BMUs, fisherfolk, and industrial vessels (process ongoing).d) Registered 1,071 BMU members and 5 industrial/semi-industrial vessels for levy collection (process ongoing). <p>Due to low funding, actual collection could not commence. It is earmarked for FY 2025/2026 once adequate resources are secured.</p> <p>Supporting Attachments:</p> <ul style="list-style-type: none">1. Levy Collection Implementation Roadmap.2. Stakeholder Registration Records (see Query 2(iii)).3. Engagement Minutes and Process Flow for e-Citizen onboarding (Pesa Flow meeting – 25 Sept 2025).4. Sensitization Reports for BMUs, fisherfolk, and industrial vessels.
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<p>ii. The Fund had not mobilized funds nor instituted measures and policies for mobilizing funds to avail resources for grants, fisheries awards, capacity building and dissemination.</p> <p>iii. The Fund did not have registered members who include Fishers, gear makers, traders and processors involved in fishing activities to identify them. Further, Management had not developed procedures and policies for loaning members.</p> <p>iv. There were no resources set aside and earmarked for urgent mitigation of adverse impact caused by climate change and other natural disasters that may affect the livelihoods of fishers.</p> <p>v. There was no plan or manual developed to promote public awareness on fisheries conservation and management.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>(ii) The Fund has developed a Resource Mobilization Strategy to guide future fundraising but implementation could not commence due to low budget allocation.</p> <p>(iii) Stakeholder registration is ongoing. So far, 1,071 BMU members and 5 industrial/semi-industrial vessels have been registered. The Funds Disbursement Guidelines are in place to support future loaning and grant activities.</p> <p>(iv) The Fund developed Urgent Mitigation Guidelines, but limited funding prevented allocation for interventions in FY 2024/2025.</p> <p>(v) While the conservation awareness manual is pending, the Fund has developed stakeholder engagement and funding guidelines to enable support to agencies such as KeFS and BMUs for conservation awareness activities.</p> <p>Supporting Attachments: Strategic Plan 2023–2027; Fish Levy Order 2024; Disbursement, Mitigation, and Capacity Building Guidelines; Resource Mobilization Strategy; Organizational Structure and Staffing Framework (all in soft copies shared via email: info@flt.f.go.ke).</p>
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		<p>accommodate the new governance arrangements and operational modalities.</p> <p>During the year under review (FY 2024/2025), the Fund therefore continued to operate under the existing legal framework of the FMDA (2016), pending completion of the ongoing reforms and issuance of governance guidelines for all affected funds.</p> <p>(b) In compliance with IPSAS 1, the Fund has revised and amended the financial statements to include appropriate disclosures explaining how Circular No. CAB/GEN.3/1/1.VOL.XXXIII (42) may affect the Fund’s governance and management structure. These disclosures are contained under “<i>Future Development and Other Key Relevant Information</i>,” Part (d), pages xv–xvi of the revised financial report for FY 2024/2025.</p> <p>Supporting Attachments:</p> <ol style="list-style-type: none"> 1. Circular No. CAB/GEN.3/1/1.VOL.XXXIII (42) – Executive Office of the President (21 January 2025). 2. Revised Financial Report for FY 2024/2025 – <i>Future Development and Other Key Relevant Information</i>, Part (d), pages xv–xvi.
<p>2.</p>	<p>Unexecuted Functions on the Fund</p> <p>Review of the Fund's operations and activities during the year under review revealed that Management did not perform the Fund's mandate as outlined in the Fisheries Management and Development Act, 2016 and Fisheries Management (Fish Levy Trust Fund) Order, 2024. The unexecuted functions include the following;</p> <p>i. Management had not instituted policies and procedures to promote management of fisheries in the Country.</p>	<p>Management Response:</p> <p>(i) The Fund has developed a Five-Year Strategic Plan (2023–2027) serving as an operational roadmap. It has also prepared and adopted key policy instruments and guidelines including:</p> <ol style="list-style-type: none"> 1. Strategic Plan 2023–2027 2. Fisheries Management and Development (Fish Levy Order), 2024 3. Funds Disbursement Guidelines 4. Urgent Mitigation Guidelines 5. Stakeholders’ Capacity Building Guidelines 6. Resource Mobilization Strategy 7. Organizational Structure and Staffing Framework <p><i>Note:</i> Development of policies is progressive, based on need and resource availability.</p>

THE FISH LEVY TRUST FUND RESPONSES TO AUDIT QUERRIES FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2025

S/No.	Basis for Qualified Opinion	Management Response/comments
1.	<p>Material Uncertainty Relating to Sustainability of Services</p> <p>Observation: Annex V of Issue No.1 of 2025 from the Executive Office of the President categorized the Fish Levy Trust Fund (FLTF) as one of the public funds to be declassified and reverted to the Ministry under a strengthened and more focused governance structure. The circular further listed several State Corporations for dissolution, merger, or privatization.</p> <p>In addition, the Fund's Acting Chief Executive Officer's contract expired on 30th June 2025, and in line with the circular, the renewal of contracts for officers serving in institutions earmarked for reforms was suspended.</p> <p>These conditions indicate the existence of material uncertainty relating to the sustainability of services. However, management continued to prepare the financial statements on a going-concern basis contrary to paragraph 43 of the <i>International Public Sector Accounting Standards (IPSAS) 1 – Presentation of Financial Statements</i>, which requires an entity to assess and disclose its ability to continue as a going concern. The Auditor-General therefore concluded that the continued existence of the Fund and sustainability of its services was doubtful.</p>	<p>Management Response:</p> <p>(a) Management acknowledges receipt of Circular No. CAB/GEN.3/1/1.VOL.XXXIII (42) from the Executive Office of the President dated 21st January 2025 on <i>State Corporations Reforms</i>. The circular categorized the Fish Levy Trust Fund (FLTF) among four (4) public funds to be declassified and reverted to their parent Ministries under a harmonized and strengthened governance framework applicable to all public funds.</p> <p>However, it is important to note that the Fish Levy Trust Fund (FLTF) is a statutory body established under the Fisheries Management and Development Act (FMDA), 2016, and therefore derives its authority directly from an Act of Parliament. While a Cabinet directive or Executive Order may provide policy guidance or administrative oversight through the Ministry, it cannot legally transfer, dissolve, or absorb the Fund's functions without Parliamentary approval. Any structural or governance changes affecting the FLTF must therefore be enacted through an amendment to the FMDA, 2016, ensuring that the Fund's legal mandate remains valid until Parliament decides otherwise.</p> <p>Based on this position, the sustainability of the Fund's services remains assured, as the Cabinet decision did not abolish the Fund or its mandate but merely required realignment of its governance structure to operate directly under the Ministry. The process entails amending Section 28 of the FMDA, 2016 to</p>

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2. Key Fish Levy Trust Fund Information and Management

(a) Background information

(b) The Fish Levy Trust Fund was incorporated/ established under section 28 of the Fisheries Management and Development Act, 2016. The Act provides for a five-member Board of Trustees to administer the Fund. The Fund is domiciled in Kenya with an office in Maji House. The Fisheries Management and Development (Fish Levy Trust Fund), Order, 2024 a key instrument towards the full operationalization of the Fund, was gazetted in the year under review.

(c) Principal Activities

Vision Statement

A leading agency in promoting management and development of the fisheries resource through supplementary funding.

Mission Statement

To provide supplementary funding for sustainable management and development of the fisheries resource for socio-economic development.

Core Values

Fish Levy Trust Fund will be guided by the following principles: -

- i) Integrity
- ii) Professionalism
- iii) Equity and equality
- iv) Accountability and Transparency
- v) Team work
- vi) Good governance

Core Functions

The core functions of Fish Levy Trust Fund are to:

- i) Mobilize, manage and avail resources for grants, fisheries awards and capacity building.
- ii) Promote fisheries management and conservation.
- iii) Provide financial resources for urgent mitigation for climate change and natural disasters affecting the livelihoods of the fisher folk.
- iv) Promote public awareness on fisheries conservation and management.

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c) Key Management

The Fish Levy Trust Fund's day-to-day management is under the following key organs:

No.	Designation	Name
1	Board of Trustees	Pending appointment/reappointment
2.	Ag. Chief Executive Officer	Dr. Beatrice Ghettuba Akunga
3.	Director, Fund Management	Pending appointment
4.	Director, Resource mobilization & partnership	Pending appointment

(d) Fiduciary Management

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

No.	Designation	Name
1.	Ag. Chief Executive Officer	Dr. Beatrice Akunga
2.	Head of Corporate Services	N/ A
3.	Head of Finance	Mr. Martin Wamwea
4.	Head of Procurement	Mr. Sammy Okonji
5	Deputy Head Accounting Unit	Mr. Mathew Ouko

Key Fish Levy Trust Fund Information and Management (continued)

(e) Fiduciary Oversight Arrangements

The organisational structure of the Fund provides for the Audit and Risk Committee, Finance Committee, Technical Committee and Human Resource Committee. However, during the financial year under review the Board of Trustees was not in place. In the absence of the Board of Trustees, the Fund used officers (Audit and Finance) from the State department of Blue Economy to provide oversight.

Parliamentary Committee activities

National Assembly -Departmental Committee on Blue Economy, Water and Irrigation

The Fund participated in workshops and meetings with Departmental Committees of both Parliament and Senate during the year under review.

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(f) Fish Levy Trust Fund Headquarters

P.O. Box 58187-00200

Maji House

Ngong Road

Nairobi, KENYA

(g) Fish Levy Trust Fund Contacts

Telephone: (254) 2718870

E-mail: Info@fltf.go.ke

Website: <https://fltf.go.ke>

(h) Fish Levy Trust Fund Bankers

Kenya Commercial Bank

Capital Hill Branch

Ragati Road

P.O Box 48400-00100

NHIF Building

NAIROBI, KENYA

(i) Independent Auditor

Auditor-General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084, GPO 00100

Nairobi, Kenya

(j) Principal Legal Adviser

The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112


City Square 00200

Nairobi, Kenya


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3. The Board of Directors/ Council

The Fund is still awaiting the appointment/ reappointment of the Board of Trustees

Ref	Directors	Details
1.	Board of Trustees Members	Pending appointment/reappointment.
3		<p>The Ag. Chief Executive Officer Dr. Beatrice Ghattuba Akunga was born on 15th February, 1972 and holds a Doctor of Philosophy (PhD) and an Masters (MSc) in Environmental Studies both from Kenyatta University. She has over 28 years' experience in Fisheries Management. Since her appointment as Ag. CEO of the Fund, she has spearheaded the operationalization of the Fish Levy Trust Fund.</p> <p>She has expertise in policy making, Environmental Impact Assessment and has done Strategic Leadership Development Programme.</p> <p>Dr. Akunga has previously chaired the Technical Working Group that developed the Joint Agriculture Sector Consultation and Corporation Mechanism and worked in the Joint Agriculture Secretariat. She was Chairperson of the Transformation Secretariat in the MOAL&F, where she Coordinated the Development of the Sector wide M&E Framework.</p>

4. Key Management Team

	Management	Details
1.		<p>The Ag. Chief Executive Officer Dr. Beatrice Ghattuba Akunga was born on 15th February, 1972 and holds a Doctor of Philosophy (PhD) and an (MSc) in Environmental Studies both from Kenyatta University. She has over 27 years' experience in Fisheries Management. Since her appointment as Ag. CEO of the Fund, she has spearheaded the operationalization of the Fish Levy Trust Fund.</p> <p>She has expertise in policy making, Environmental Impact Assessment and has done Strategic Leadership Development Programme.</p> <p>Dr. Akunga has previously chaired the Technical Working Group that developed the Joint Agriculture Sector Consultation and Corporation Mechanism and worked in the Joint Agriculture Secretariat. She was Chairperson of the Transformation Secretariat in the MOAL&F, where she Coordinated the Development of the Sector wide M&E Framework.</p>

5. Chairman's Statement

During the financial year under review the Fund did not have a Board of Trustees.

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6. Report of the Chief Executive Officer

The Blue Economy and Fisheries sub-sector is a key contributor to food and nutrition security. The sub-sector faces various challenges including; overfishing, declining stocks, post-harvest loss, pollution, climate change and variability and Illegal, Unreported and Unregulated Fishing and limited budgetary allocation to the sector among others.

The Kenya Vision 2030 is anchored on three pillars namely; economic, social and political. In the economic pillar, the vision identifies the agricultural sector, which comprises the fisheries sub-sector among others, as one of the key sectors to deliver the envisaged national economic growth rate of 7% annually. The sub-sector contributed 0.5% to the national Gross Domestic Product (GDP) in 2018; 0.6% in 2019 and 2020; 0.7% in 2021; and 0.6 % in 2022 (Economic Survey, 2023).

Although the Fisheries sector has huge potential, it has continued to receive limited budgetary allocation devoted to fisheries management, development, capacity building, fisheries research and enforcement. The FLTF is envisioned as a collaborative effort to foster sustainable fisheries management and provide sustainable financing to the sector.

The Fund anticipates to provide industry supportive mechanisms of levies remitted to a revolving fund in order to promote the development of persons engaged in fishing and fishing related activities in the sector. It aims to expand access to financing to this persons including women, youth and persons with disability; including attracting and facilitating investments in micro, small and medium enterprises. This is in line with The Bottom-Up Economic Transformation Agenda (BETA) which focuses on grassroots economic development and empowerment. FLTF once fully operationalized is committed to the implementation of the BETA by supporting Micro, Small and Medium Enterprises (MSMEs) aimed at increasing job creation, and income and revenue generation; improving food and nutrition security and improving livelihoods of the Kenyan citizenry.

During the year under review, the Fund received an Exchequer Grant of Ksh. 12,000,000 compared to Ksh. 30, 000,000 in the previous year 2023/2024. The reduced funding affected full operationalization of the Fund.

Implementation Challenges

The Fund faced various challenges during the implementation period including;

Low budgetary allocations, pending appointment of the Board of Trustees, inadequate staff, inadequate resources to fast-track full operationalization of the Fund and delayed exchequer release among others.

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Steps to address the Challenges

To mitigate the challenges faced by the Fund in the short term, the Fund uses staff from State Department of Blue Economy and Fisheries and Kenya Fisheries Service to assist in the operationalization of the fund as it awaits recruitment. The Human resource instruments have been developed and once approved will enable for recruitment of staff to the Fund. The gazettelement of the Fish Levy Order, will now enable the Fund to collect levies and this will contribute towards sustainable financing for the Fisheries sector.

Out look

The Fish Levy Trust Fund once fully operationalized will be a dedicated financing mechanism aimed at bolstering Kenya's fisheries through funding critical conservation, development, capacity building, and crisis response efforts. FLTF is a key instrument for achieving sustainable financing in the sector and supporting the livelihoods of fisher communities across Kenya.

The following recommendations are key to make the Fund fully administer its mandate:

- i) Appointment/Reappointment of the Board of Trustees
- ii) Timely disbursement of the Exchequer
- iii) Adequate funding for planned activities



Dr. Beatrice Akunga, PhD

Ag. CHIEF EXECUTIVE OFFICER

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7.Statement of Performance against Predetermined Objectives for FY 2024/2025

Fish Levy Trust Fund has four (4) strategic issues and objectives within the Strategic Plan. These strategic issues are as follows:

- (i) Issue 1: Develop policy, legal, regulatory, and institutional framework.
- (ii) Issue 2: Development and strengthening of capacity and visibility
- (iii) Issue 3: Resource mobilization, management and partnerships

Fish Levy Trust Fund developed its Annual Work Plan based on the above issues. Assessment of the Board's performance against its Annual Work Plan is done on a quarterly basis. The Fish Levy Trust Fund achieved its performance targets set for the FY 2024/2025 period based on the three (3) strategic issues, as indicated in the table below:

Strategic Pillar/Theme/ Issue	Objective	Key Performance Indicators	Activities	Achievements of annual target
Issue 1: Lack of FLTF regulations and guidelines	To develop policy, legal, regulatory framework for FLTF	Number of developed and implemented Standard Operating Procedures documents	(i) Develop stakeholder's capacity building guidelines to enhance sustainability of fisheries resource	95% complete (Pending approval by the Board of Trustees)
Issue 2: Inadequate capacity and visibility	To create awareness on FLTF to key stakeholders	i) Number of cooperative BMU's sensitized on the Fish Levy Trust Fund ii) No. of digital platforms presence enhanced	(i) Meetings and Workshop Enhance FLTF digital platforms presence e.g. Website and other social platforms X, Facebook	(i) Sensitized 50 Fish Marketing Cooperatives on the mandate of the Fish Levy Trust Fund and Fish Levy Order (ii) Integrated the agency's digital platforms (i.e., Website, Twitter - now X) and Facebook.

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		ii) Number of Sensitization Meetings and Workshops on Fish Levy Trust Fund	Meetings and Workshops	(iii) Sensitized Top County management on FLTF Mandate and Fish Levy Order
Issue 3: Inadequate resources for FLTF operations	To increase Sustainable Funding for FLTF activities	Develop Resource Mobilisation Strategy	(i) Resource mobilisation strategy developed (ii) Register 50 BMU cooperatives with FLTF for levy Collection (iii) On-board 5 fishing vessels for levy collection on e-Citizen	95% complete (Pending approval by the Board of Trustees) 100% complete Limited budget allocation

In conclusion, the Fund implemented the performance Contract for the FY 2024-2025 successfully and most of the targets set were achieved.

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8. Corporate Governance Statement

Fish Levy Trust Fund is committed to providing supplementary funding for sustainable management and development of the fisheries resource for socio-economic development. Section 28 of the Fisheries Management and Development Act provides for a five-member Board of Trustees.

The functions of the Board of Trustees are to:

- (a) oversee the administration of the Fund;
- (b) receive reports on the performance of the Fund;
- (c) advise the Cabinet Secretary on the operations of the Fund;
- (d) review the estimates of annual revenue and expenditure of the Fund and recommend them to the Cabinet Secretary for approval and submission to the Cabinet Secretary responsible for the National Treasury;
- (e) review the Fund priorities and criteria for allocation and disbursement of funds to beneficiaries in furtherance of the purposes of the Fund;
- (f) mobilize resources for the Fund;
- (g) open and operate a bank account with the approval of the National Treasury;
- (h) manage assets, equipment and all properties under the Fund; and
- (i) promote and facilitate realization of the objects and purposes of the Fund.

During the year under review the board of trustees did not hold any meetings as they were yet to be appointed

9. Management Discussion and Analysis

1. Operational and Financial Performance

The FLTF is committed to providing supplementary funding for the management and development of the fisheries sector. Over the last three years, the Fund has achieved key milestones in achieving its objectives while ensuring sound financial stewardship.

1.1 Operational Performance

Fish Levy Trust Fund continued to focus on operationalizing the Fund to enable it fully perform its mandate of providing supplementary funding for the management, development, capacity building and urgent mitigation and awards for sustainability of the fisheries resource.

During the period under review, the following activities were undertaken.

1. Blue Invest Conference-Diani, Kwale County – 3rd- 4th July 2024
2. Drafting of Prawn Fishery Management Plan meeting-Kilifi – 18th – 20th July 2024
3. Launch of the Blue Economy Projects-Mombasa – 26th July 2024
4. Preparation & and Negotiation of 24/25 PC-Machakos – 22nd May 2025
5. Piloting exercise on BMU registration and levy collection-Naivasha – 17th – 19th September 2024
6. Preparation of the FY 25/26 & Medium term Budget-Nakuru – 28th October – 8th November 2024
7. Tree planting at Tana Delta Subcounty, Tana River County – 11th December 2024
8. Review of FLTF Resource mobilization strategy -Machakos University – 17th – 19th February 2025
9. Consultative meeting to harmonize operations of KFIC, KFMA, and FLTF-Pwani University – 23rd -24th October 2024
10. Preparation of FY 2025/2026 medium-term budget –Naivasha – 28th October – 8th November 2024
11. Sensitization of BMUs on levy collection -Homabay county – 30th October – 8th November 2024
12. Retreat of standing committee on Agriculture, livestock and Fisheries – 22nd November 2024
13. Tree planting exercise at Mombasa county – Dongu Kundu – 14th – 15th April 2025
14. The fund participated in the ground-breaking ceremony of kidongo fish landing site and meeting common interest groups in Mombasa and Tana river county – 11th – 13th November 2024
15. World Fisheries Day celebrations-Siaya County – 21st November 2024
16. Registration and sensitization of BMUs on levy collection-Kisumu County – 25th – 29th November 2024
17. Tree planting exercise at Tana river county-Kipini – 14th May 2025
18. Development of FLTF stakeholder’s capacity building guidelines and sensitization on citizen delivery charter – 11th – 13th February 2025
19. Capacity building on performance contract and mid-year review of the Performance Contract – 17th – 19th February 2025

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20. The Fund participated in the Nyanza International Investment Conference – 6th – 8th February 2025
21. The Fund participated in vessel owner’s sensitization meeting and vessel registration – 8th – 10th May 2025
22. The Fund participated in a Tree planting exercise in Tana River County- Kipini – 14th May 2025
23. The Fund participated in the Sensitization of Top County management Officials on the Fish Levy Trust Fund and the Fisheries Management and Development (Fish Levy Order, 2024) – 13th – 14th May 2025

1.1.2 Collaborations and Partnership’s

Fish Levy Trust Fund collaborated with other State agencies and NGO’s in advancing the agenda of the Fund. The collaborations and partnerships enabled the fund to save on costs during the development of the various instruments. The Fund will continue engaging partners into the future.

1.2 Financial Performance

During the period under review, the Fund received a total of Kshs. **12,000,000** from the National Treasury. The Funds were utilised for general operating & administrative costs.

Compliance with statutory requirements

During the period under review, the Fund complied with all statutory obligations including compliance with regulatory requirements including PFM Act 2012, The Public Procurement and Asset Disposal Act, 2015. The funds released by the government were used towards the approved workplan of the Fund.

Risk Management, compliance and Conflict of Interest:

The Board of Trustees are responsible for the Fund’s risk management. The Fund has developed Risk management policy framework to identify, assess, and mitigate potential risks. Compliance with relevant laws and regulations is paramount in procurement and other areas. The Fund has continuously ensured that conflict of interest policy was in place to guide the institution.

Future development and other key relevant information

a. Revenue Generation

Fish Levy Trust Fund anticipates to collect fish levies from persons engaged in fishing or fishing related activities in line with the Fish Levy Order. This will be used to support the small-scale fishers expand access to finances and attract and facilitate investment in micro, small and medium enterprises.

b. Climate Change Resilience

Climate change has impacted negatively on the health, structure and functioning of marine and coastal ecosystems and hence affecting fishing communities. During the financial year, staff from the Fund participated in planting trees in line with the presidential directive. Once fully operational, the Fund

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will support fishers to mitigate climate change impacts by providing supplementary funds for urgent mitigations for climate change and natural disasters affecting the livelihoods of the fisherfolk.

c. Technology Integration

The FLTF will endeavour to put in place measures to ensure efficient, effective and economic utilization of the available resources including Integration of ICT to increase efficiency e.g. Fish Levy Management Information System (FILMIS), use of e-mails, WhatsApp and virtual meetings).

d. Circular from the Executive Office of the President

Circular No.CAB/GEN.3/1i1.VOLXXXIII(42) from the Executive Office of the President dated 21 January, 2025 listed 42 State corporations to be affected by reforms which included restructuring, dissolution, merger and privatization. According to the circular, Fish Levy Trust Fund was among the four (4) public funds categorized as state corporations and that they need to be declassified and reverted back to the Ministry with a strengthened/ more focused governance structure that will apply to all public funds.

Based on this position, the sustainability of the Fund's services remains assured, as the Cabinet decision did not abolish the Fund or its mandate but merely required realignment of its governance structure to operate directly under the Ministry. The process entails amending **Section 28 of the FMDA, 2016** to accommodate the new governance arrangements and operational modalities.

10.Environmental and Sustainability Reporting

Sustainable Development Goal 1 calls for the end of poverty in all forms. The pledge to '*Leave No One Behind*' aims to eradicate every form of extreme poverty including the lack of food, clean drinking water, and sanitation. Achieving this goal includes finding solutions to new threats caused by climate change and conflicts. This SDG focuses not just on people living in poverty, but also on the services people rely on and social policy that either promotes or prevents poverty.

The Fish Levy Trust Fund's overall goal is to contribute to food and nutrition security, revenue generation and improve livelihoods of fisher community along the value chain.

i) Sustainability strategy and profile

To achieve ecologically sustainable development, decision-makers must ensure that fishing activities do not pose a risk of unsustainable or unacceptable impacts on the marine ecosystem.

The primary issues affecting the sustainability of marine fisheries include overfishing, illegal fishing, habitat damage, bycatch, and management.

The Fisheries sector in Kenya faces various challenges including; Overfishing, Pollution, inadequate information on investment and finance, limited capacity to exploit fisheries resources in the EEZ and impacts of climate Change among others.

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Sustainable management of the fisheries resources is key to the Fisheries sector. The Fish Levy Trust Fund anticipates to give achievement awards to recognize individual fishers/ BMU's/ agencies that have made outstanding contributions to environmental protection and sustainable fishing.

ii) Environmental Performance

Climate change impacts on fisheries could potentially affect the four dimensions of food security; Availability of aquatic foods will vary due to changes in habitats, stocks and species distribution; stability of supply will be impacted by changes in seasonality and increased variance in ecosystem productivity.

In the recent past, key infrastructure like landing sites have been affected by flooding and this has seriously affected fishers from landing their produce hence affecting their source of revenue and livelihoods. One of the key mandates of the Fund is to provide urgent mitigation to fishers affected by climate change and variability. The Fund when fully operational will set aside funds to cushion fishers against climate change.

iii) Employee welfare

The Public Service Commission of Kenya is mandated to recruit staff, both technical and non-technical. The recruitment is thus guided by the guidelines issued by the Commission. The Board of Management, in consultation with the Commission, is in charge of promotions of junior and middle-level staff that is carried out in accordance to the guidelines issued by the Commission on delegated authority.

The Fund shall be administered by a five- member Board of Trustees nominated through an open and competitive process and they shall meet the requirements of Chapter six of the Constitution.

During recruitment and promotions, it is important for the Fund to consider gender parity as envisaged in the Constitution of Kenya, 2010 and the Diversity Policy for the Public Service, 2016.

The performance of the public service is the engine of effective governance delivery in the world economy. The Fund measures the performance of its staff annually as per the guidelines on Staff Performance Appraisal System in the Public Service, 2016 and the appropriate sanctions and rewards applied where necessary.

The Fund has been training officers on a needs basis to ensure service delivery. Group training has been used to save on costs.

iv) Community Engagements

The constitution of Kenya provides for public consultations or engagements. Fish level Trust Fund involved all the 47 Counties in seeking their views during the development of the Fish Levy Trust Fund Order and the and Regulatory Impact Assessment. This was done physically as well as using on line platforms.

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11. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Fund's affairs.

i. Principal activities

The Mandate of the Fund as per the Fisheries management and Development Act, 2016 is to Provide Supplementary Funding for activities geared towards the Management, Development, Capacity building, Urgent mitigation and Awards for the sustainability of the fisheries resource. The Fund Through its Strategic Plan will work towards achieving this mandate

ii. Results

The results of the Fish Levy Trust Fund for the year ended June 30, 2025, are set out on page 1

iii. 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. The Fund did not have any surplus Funds to remit to the consolidated Fund.

iv. Auditors

The Auditor-General is responsible for the statutory audit of the Fish Levy Trust Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or Certified Public Accountants were nominated by the Auditor General to carry out the audit of the Fish Levy Trust Fund 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

Corporation Secretary/Secretary to the Board

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for the year ended 30 June, 2025.

12. Statement of Board of Trustee Responsibilities

Section 81 of the Public Finance Management Act, 2012 and the Fisheries Management and Development Act, 2016 require the Board of Trustees to prepare financial statements in respect of the FLTF, which give a true and fair view of the state of affairs of the FLTF at the end of the financial year/period and the operating results of the FLTF for that year/period. The Board of Trustees are also required to ensure that the FLTF keeps proper accounting records which disclose with reasonable accuracy the financial position of the Fund. The Board of Trustees are also responsible for safeguarding the assets of the Fund.

The Board of Trustees are responsible for the preparation and presentation of the FLTF'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 period ended on 30th June, 2025. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the Fund;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Board of Trustees accept responsibility for the FLTF's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Fisheries Management and Development Act no. 35 of 2016. The Directors are of the opinion that the Fund's financial statements give a true and fair view of the state of FLTF transactions during the year ended 30th June, 2025, and of the Fund's financial position as at that date. The Board of Trustees further confirm the completeness of the accounting records maintained for the FLTF, 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.

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In preparing the financial statements, the board of Trustees have assessed the Fish Levy Trust Fund ability to continue as a going concern and nothing has come to the attention of the Directors 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

The financial statements were signed on behalf of the Board of Trustees by:

.....

Name

Chairperson of the Board/Council



.....

Name Dr. Beatrice Akunga, PhD

Accounting Officer

REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON FISH LEVY TRUST FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, 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

Qualified Opinion

I have audited the accompanying financial statements of Fish Levy Trust Fund set out on pages 1 to 12 which comprise of the statement of financial position as at

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Fish Levy Trust Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Fisheries Management and Development Act, 2016 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Material Uncertainty Relating to Going Concern

The Executive Office of the President, annex V of Issue No. 1 of 2025 categorized the Fund as one of the public entities to be declassified and have its functions reverted to the parent Ministry with a strengthened and focused governance structure. Further, the contract of the Fund's acting Chief Executive Officer (CEO) expired on 30 June, 2025 and as was indicated in the above circular, renewal of contracts for officers serving in state corporations earmarked for reforms was suspended. The above conditions indicate the existence of material uncertainty relating to going concern. However, Management continued to prepare the financial statements on a going concern basis contrary to Paragraph 43 of the International Public Sector Accounting Standards (IPSAS) 1 on presentation of financial statements, which provides that when preparing financial statements, an assessment of an entity's ability to continue as a going concern should be made. In addition, Management did not disclose that fact, as well as the basis on which the financial statements are prepared.

In the circumstances, the financial statements are not fairly presented and disclosed due to the failure by Management to disclose the material uncertainty related to going concern.

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 prior years' audit reports, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources. Review of the status during audit of the Fund in 2024/2025 revealed that the following matters remained unresolved as detailed below:

No	Audit Issue
1.	Lack of Board Trustees
2.	Inadequate Staff
3.	Delayed Exchequer Releases

Other Information

Management is responsible for the Other Information set out on page iv to xx which comprise of Key Entity Information and Management, The Board of Directors, 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, 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. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

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 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. Unexecuted Functions of the Fund

Review of the Fund's operations and activities during the year revealed that Management did not undertake the following functions in accordance with the Fund's mandate as outlined in the Fisheries Management and Development Act, 2016 and Fisheries Management (Fish Levy Trust Fund) Order, 2024;

- i. Institution of policies and procedures to promote management of fisheries in the Country;
- ii. Mobilization or institution of measures and policies for mobilizing funds and availing resources for grants, fisheries awards, capacity building and dissemination;
- iii. Maintaining a register of members who include Fishers, gear makers, traders and processors involved in fishing activities to identify them. Further, Management had no developed procedures and policies for loaning members;
- iv. Setting aside resources earmarked for urgent mitigation of adverse impacts caused by climate change and other natural disasters that may affect the livelihoods of fishers; and
- v. Development of a plan or manual to promote public awareness on fisheries conservation and management.

In the circumstances, the Fund is operating below the expected capacity and may be in breach of law.

2. Failure to Collect Fish Levy

During the year under review, no levies were collected and deposited into the Fish Levy Trust Fund, despite the gazettelement of the Fisheries Management and Development Order, 2024 in July, 2024. Management had not commenced the registration of Fisher Folks and Beach Management Units as required under Section 28 of the Fisheries Management and Development Act, 2016. Further, Management had not established policies, systems and procedures on the collection of the fishing levy.

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

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, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of Board of Trustees and Fund Management

During the year under review, the Fund did not have in place a Board of Trustees. As a result, the financial statements were not signed by the Chairman of the Board or any Board Member. In addition, the financial statements included an unsigned report of the Directors on page xviii and an unsigned statement of the Board of Trustees' responsibilities on page xx. Although the Acting Managing Trustee had on several occasions written to the Cabinet Secretary responsible for fisheries regarding the lack of the Board as required in Section 28(4) of the Fisheries Management and Development Act, 2016, the members of the Board of Trustees had yet to be appointed.

In addition, the Fund did not have an operational management team during the year under review. The Fund was managed by an Acting CEO and three (3) technical staff seconded from the State Department for Blue Economy and Fisheries, who could not sufficiently manage the affairs of the Fund. The secondment was made without a request or approval of the Board as required in Clause 10 9 of the Fisheries Management (Fish Levy Trust Fund) Order, 2024.

In the circumstances, the Fund may not achieve its mandate in an effective and efficient manner in the absence of a properly constituted Board of Trustees and Management team.

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

Responsibilities of Management and the Board of 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 as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the

effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


02 December, 2025

Fish Levy Trust Fund
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14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

	Notes	Period ended 30th June 2025	Period ended 30th June 2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	5	12,000,000.00	30,000,000.00
Public contributions and donations			-
Revenue from exchange transactions			
Total revenue		12,000,000.00	30,000,000.00
Expenses			
Use of goods and services	6	11,512,574.00	22,942,193.00
Depreciation and amortization expense	7	2,302,957.00	2,027,707.00
Repairs and maintenance	9	191,350.00	346,052.00
Total expenses		14,006,881.00	25,315,952.00
Surplus before tax			
Taxation			
Surplus/(deficit) for the period/year		(2,006,881.00)	4,684,048.00
Remission to National Treasury			
Net Surplus for the year		(2,006,881.00)	4,684,048.00

The notes set out on pages 6-12 form an integral part of these Financial Statements. The Financial Statement set out on pages 1-5 were signed on behalf of the Board of Trustees by:





Dr. Beatrice Akunga, PhD
Accounting Officer

Mr. Mathews Ouko
Deputy Head Accounting Unit
ICPAK M/ No:6747

Name:
Chairman of the Board

Date 23/7/2025

Date 23/7/2025

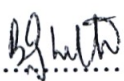
Date

Fish Levy Trust Fund
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15. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025


	Notes	Period ended 30th June 2025	Period ended 30th June 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	10	76.00	0.00
Total Current Assets		76.00	0.00
Non-Current Assets			
Property, plant and equipment	8	5,191,393.00	7,198,350.00
Total Non- Current Assets			
Total Assets		5,191,469.00	7,198,350.00
Liabilities			
Current Liabilities			
Total Current Liabilities			
Non-Current Liabilities			
Total Non- Current Liabilities			
Total Liabilities			
Net assets		5,191,469.00	7,198,350.00
Reserves		7,198,350.00	2,514,302.00
Accumulated surplus		(2,006,881.00)	4,684,048.00
Total Net Assets and Liabilities		5,191,469.00	7,198,350.00

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


.....

Dr. Beatrice Akunga, PhD
Accounting Officer

Date 23/7/2025


.....

Mr. Mathews Ouko
Deputy Head Accounting Unit
ICPAK M/ No:6747

Date 23/7/2025
2

Name:
Chairman of the Board

Date

Fish Levy Trust Fund
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16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025

	notes	Retained earnings	Total
		Kshs	Kshs
As at July 1, 2023		2,514,302.00	2,514,302.00
Surplus/ Deficit for the previous year		0.00	0.00
Total Surplus/ Deficit at the end of the year		2,514,302.00	2,514,302.00
Changes during the year		0.00	0.00
Surplus/ Deficit for the year		4,684,048.00	4,684,048.00
As at June 30, 2024		7,198,350.00	7,198,350.00
Surplus/ Deficit for the year		(2,006,881.00)	(2,006,881.00)
As at June 30, 2025		5,191,469.00	5,191,469.00

Fish Levy Trust Fund
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17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

		Period ended 30th June 2025	Period ended 30th June 2024
	Notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	5	12,000,000.00	30,000,000.00
Public contributions and donations			
Total Receipts		12,000,000.00	30,000,000.00
Payments			
Use of goods and services	6	11,512,574.00	22,942,193.00
Repairs and maintenance		191,350.00	346,052.00
Total Payments		11,703,924.00	23,288,245.00
Net cash flows from/(used in) operating activities		296,076.00	6,711,755.00
Cash flows from investing activities			
purchase of PPE and intangible assets	8	(296,000.00)	(6,793,152.00)
Net cash flows from/(used in) investing activities			
Cash flows from financing activities			
Net increase/(decrease) in cash and cash equivalents			(81,397.00)
Cash and cash equivalents at 1 st July, 2025	10	76.00	81,397.00
Cash and cash equivalents at 30th June 2025	10	76.00	-

Fish Levy Trust Fund
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18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE
YEAR ENDED 30 JUNE 2025

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	Kshs	Kshs	Kshs	Kshs	Kshs	
	A	b	C=(a+b)	d	e=(c-d)	F=d/c
Revenue						
Transfers from other governments entities	75,000,000.00	(63,000,000.00)	12,000,000.00	12,000,000.00	-	100%
Other income	-	-			-	
Total income	75,000,000.00	(63,000,000.00)	12,000,000.00	12,000,000.00	-	100%
Expenses						
Use of goods and services		-	11,512,574.00	11,512,574.00	-	100%
Repairs and maintenance		-	191,350.00	191,350.00	-	100%
Acquisition of Assets		-	296,000.00	296,000.00	-	100%
Grants and subsidies			-	-	-	
Total expenditure	75,000,000.00	(63,000,000.00)	11,999,924.00	11,999,924.00	-	
Surplus for the period		-	76.00	76.00		

**Fish Levy Trust Fund
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Budget Notes

Board of Directors expenses

The Board of Trustees were not appointed during the financial year under review.

19. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

The Fish Levy Trust Fund was established under section 28 (1) of the Fisheries Management and Development Act 2016, Section 28(3) The is wholly owned by the Government of Kenya and is domiciled in Kenya.

The mandate of the FLTF is to mobilize resources for financing development and management of a sustainable fisheries sector in Kenya.

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 proper judgement in the process of applying FLTF accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 6 of these financial statements.

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

3. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realized in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

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 Fish Levy Trust Fund and can be measured reliably.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

Budget information

The original budget for FY 2024-2025 was approved by the National Assembly on June 2024. Subsequent revisions or additional appropriations, if need be, will be made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations will be added to the original budget by the Fish Levy Trust Fund upon receiving the respective approvals in order to conclude the final budget.

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

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 1 of these financial statements.

Fish Levy Trust Fund
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

a) Related parties

The Fish Levy Trust 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 Fish Levy Trust Fund or vice versa. Members of key management are regarded as related parties and comprise the members of the Board of Directors/Ag. CEO.

b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at the 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 an 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.

c) Property, plant and equipment

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

The annual rates in use are:

Computers & related equipment	33.3%
Office equipment, furniture & fittings	12.5%
Freehold Land	Nil
Buildings and civil works	25 years or the unexpired lease period
Plant and machinery	12.5 years
Motor vehicles, including motor cycles	4 years
Computers and related equipment	3 years
Office equipment, furniture and fittings	12.5 years

**Fish Levy Trust Fund
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4. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Fish Levy Trust 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.

5. Transfers from Other Government Entities

Description	2024/2025	2023/2024
	KShs	KShs
Unconditional grants		
Operational grant	12,000,000.00	30,000,000.00
Total Unconditional Grants	12,000,000.00	30,000,000.00
Conditional grants	-	-
Total government grants and subsidies	12,000,000.00	30,000,000.00

6. Use of Goods and Services

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
Water	-	-
Professional services	611,393.00	600,000.00
Advertising	-	594,110.00
Admin fees		
Conferences and delegations	550,819.00	2,907,906.00
Fuel and oil	355,430.00	913,397.00
consumables	217,400.00	350,000.00
Printing and stationery	587,986.00	
Hire charges		
Telecommunication	228,000.00	204,000.00
Training		
Travel, accommodation, subsistence and other allowances*	8,933,354.00	17,362,810.00
Bank charges	28,192.00	9,970.00
Total	11,512,574.00	22,942,193.00

(72500)

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7. Depreciation and Amortization Expens

Description	2024/2025	2023/2024
Office equipment	152,805	99,374
Computers	2150,,152	1,928,333
Total depreciation and amortization	2,302,957	2,027,707

8. Property, Plant and Equipment Schedule

Note:

PPE	Office equipment, furniture & fittings	Computers & related equipment	Total
	Kshs	kshs	kshs
As At 30th June 2021	0	0	0
Additions	141,508	693,800	835,308
As At 30th June 2022	141,508	693,800	835,308
Additions	187,500	1,658,820	1,846,320
As At 30th June 2023	329,008	2,352,620	2,681,628
Additions	1,133,440	5,659,712	6,793,152
As At 30th June 2024	1,462,448	8,012,332	9,474,780
Additions	0	296,000	296,000
As At 30th June 2025	1,462,448	8,308,332	9,770,780
Depreciation and impairment			
As At 30th June 2021	0	0	0
Depreciation	0	0	0
As At 30th June 2022	0	0	0
Depreciation	17,688	231,035	248,723
As At 30th June 2023	17,688	231,035	248,723
Depreciation	99,374.00	1,928,333.00	2,027,707.00
As At 30th June 2024	117,062	2,159,368.00	2,276,430.00
Depreciation	152,805	2,150,152.00	2,302,957.00
As At 30th June 2025	269,867	4,309,520.00	4,579,387.00
Net Book Value As At 30th June 2022	141,508	693,800	835,308
Net Book Value As At 30th June 2023	311,320	2,121,585	2,432,905
Net Book Value As At 30th June 2024	1,345,386	5,852,964	7,198,350.00
Net Book Value As At 30th June 2025	1,192,581	3,998,812.00	5,191,393.00

Assets procured in the current financial year 2024/2025 will be depreciated in the next financial year.

Fish Levy Trust Fund
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9. Repairs and Maintenance

Description	2024/2025	2023/2024
Repairs and Maintenance	191,350.00	346,052.00
Total Repairs and maintenance	191,350.00	346,052.00

10. Cash and Cash Equivalents as per cash book

Description	2024/2025	2023/2024
Kenya Commercial Bank	76.00	00.00
Total cash and cash equivalents	76.00	00.00

10 (a) Detailed Analysis of the Cash and Cash Equivalents as per cash book

Description	Account number	2024/2025	2023/2024
a) Current account			
Kenya Commercial Bank	1287562914	76.00	00.00
Sub-total		76.00	00.00
Grand total		76.00	00.00

11. Balance brought forward at the Beginning of FY

Description	2023/2024
	Kshs
Balance c/f at the beginning as at 01.07.2025 under the current a/c account	76.00
Total Balance brought forward at start of the 1st July 2025	76.00

12. Events after the Reporting Period

No events occurred

13. Ultimate and Holding Entity

The Fish Levy Trust Fund is a Fund in the Ministry of Mining, Blue Economy and Maritime Affairs. Its ultimate parent is the Government of Kenya.

14. Currency

The financial statements are presented in Kenya Shillings (Kshs)

**Fish Levy Trust Fund
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FIXED ASSETS

Description	Date of Acquisition	Cost
Orthopedic chairs 4	7/2/2024	180,000.00
Four way work station 2	7/2/2024	557,240.00
Fire proof cabinet	10/7/2024	396,200.00
Desktops 3	10/7/2024	867,660.00
Laptop	22/12/2023	684,500.00
Laptops 2	10/7/2024	696,360.00
All in one scanner and printer	10/7/2024	321,400.00
IPBX	14/2/2024	3,010,852.00
Shredder	10/7/2024	78,940.00
Computer desktop	18/01/2023	287,200.00
Office cabinet	18/01/2023	89,000.00
Coloured photocopier	19/01/2023	180,000.00
Laserjet prunter	19/01/2023	171,000.00
UPS 2	19/01/2023	49,000.00
Projector	29/06/2023	110,000.00
Laptop	6/3/2024	296,000.00
	TOTAL	7,975,352.00

APPENDIX 1: INTER-ENTITY TRANSFERS

Entity name:		FISH LEVY TRUST FUND	
Break down of Transfers from the State Department for the Blue Economy and Fisheries			
FY 2024/25			
Recurrent Grants	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
G.O.K Funding	12/9/2024	1,000,000	2024/2025
	13/09/2024	1,000,000	2024/2025
	16/10/2024	1,000,000	2024/2025
	8/11/2024	1,000,000	2024/2025
	9/12/2024	1,000,000	2024/2025
	3/1/2025	1,000,000	2024/2025
	11/2/2025	1,000,000	2024/2025
	14/03/2025	1,000,000	2024/2025
	9/4/2025	1,000,000	2024/2025
	6/5/2025	3,000,000	2024/2025
	Total	12,000,000	

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

B. Akunga
.....
Dr. Beatrice Akunga, PhD
Accounting Officer

M. Ouko
.....
Mr. Mathews Ouko
Deputy Head Accounting Unit
ICPAK Member Number:6747

Name:
Chairman of the Board

Date *23/7/2025*

Date *23/7/2025*

Date