

REPUBLIC OF KENYA

PARLIAMENT  
OF KENYA  
LIBRARY

OAG



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

REPORT

DATE: 18 APR 2023

TUESDAY

TABLED

BY:

OF

Hon. Owen Bays MP  
Deputy Leader - Majority

CLERK-AT  
THE-TABLE:

Ann Shibuko

**THE AUDITOR-GENERAL**

**ON**

**STATE DEPARTMENT FOR  
CULTURE AND HERITAGE**

**FOR THE YEAR ENDED  
30 JUNE, 2022**



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**MINISTRY OF SPORTS, CULTURE AND HERITAGE  
STATE DEPARTMENT FOR CULTURE AND HERITAGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2022**



**STATE DEPARTMENT FOR CULTURE AND HERITAGE**  
**Annual Report and Financial Statements for the Year ended 30<sup>th</sup> June 2022**

**STATE DEPARTMENT FOR CULTURE AND HERITAGE**  
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**STATE DEPARTMENT FOR CULTURE AND HERITAGE**  
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**1. KEY STATE DEPARTMENT FOR CULTURE AND HERITAGE INFORMATION AND MANAGEMENT**

**(a) Background information**

The Ministry was created from the restructuring of the Ministry of National Heritage and Culture and Ministry of Youth Affairs and Sports to form the Ministry of Sports Culture and the Arts following the Executive Order No. 2 of May 2013. Further, the Ministry was restructured and renamed Ministry of Sports, Culture and Heritage vide Executive Order No. 1 of June 2018 (revised) titled “Organization of the Government of the Republic of Kenya”.

The Ministry of Sports, Culture and Heritage comprises of two State Departments namely; State Department for Sports and the State Department for Culture and Heritage. The State Department for Sports has three Departments namely; Sports Department, Office of the Sports Registrar and General Administration.

In addition, the State Department has five Semi-Autonomous Government Agencies namely; Sports Kenya, National Sports Fund, Kenya Academy of Sports, Anti-Doping Agency of Kenya and the Sports, Arts and Social Development Fund.

The State Department for Culture and Heritage comprises of seven Departments namely: Culture and Arts, Permanent Presidential Music Commission (PPMC), Kenya National Archives and Documentation Service (KNADS), Ushanga Initiative ,Library Services, Public Records and Information Management, and Administration and four Semi-Autonomous Government Agencies (SAGAs) which include National Museums of Kenya (NMK), Kenya Cultural Centre (KCC) National Heroes Council, and the Kenya National Library Service (KNLS).

The Ministry of Sports, Culture and Heritage is headed by AMB. (Dr.) Amina C. Mohamed who is the Cabinet Secretary whereas the State Department for Culture and Heritage is headed by the Principal Secretary Ms. Josephtha O. Mukobe who is the Accounting Officer.

The accompanying financial statements constitute the financial statements for the State Department for Culture and Heritage.

The vision, mission, mandate, core values and core functions of the State Department for Culture and Heritage are;

**1.1 Vision**

A global leader in the provision and promotion of Cultural and Heritage Services.

**1.2 Mandate**

- Develop, promote and coordinate research, copyrights and conservation of Culture.
- Develop, promote and coordinate the national culture policy and its management.
- Promote the national archives, public records management and promote library Service.

**1.3 Mission**

To develop and promote, culture and creative arts; manage and preserve heritage, public records and archives and enhance access to library services through policy formulation and implementation to build national pride and improve livelihoods of Kenyans for sustainable development.

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**KEY STATE DEPARTMENT FOR CULTURE AND HERITAGE INFORMATION AND MANAGEMENT (CONTINUED)**

**1.4 Core values**

We are committed to upholding the following Core Values as the guiding principles for the operations of the State Department in the medium and long-terms:

- i. **Appreciation of diversity:** We recognize and value the diversity of our cultural and national heritage.
- ii. **Customer focus:** We are committed to upholding the highest standards in our service delivery to all customers.
- iii. **Integrity:** We are committed to acting in an honest, impartial, fair, accountable and transparent manner.
- iv. **Teamwork:** Employees' involvement and contribution at all levels shall be the hallmark of the State Department.
- v. **Creativity and Innovation:** We are a State Department that encourages and facilitates creativity, innovative performance, and embraces change.
- vi. **Professionalism:** We shall be patriotic to the course of the State Department and be guided by professional ethics in all our undertakings.
- vii. **Participatory Approach:** We undertake to seek the views of and involve stakeholders in all our programmes and activities.

**1.5 Core Functions**

The core functions of the State Department for Culture and Heritage include:

- i. Formulation of policies on Culture and Heritage industry,
- ii. National heritage policy and management,
- iii. National archives/public records management,
- iv. Management of National Museums and Monuments,
- v. Library services,
- vi. Research and conservation of music,
- vii. Management of culture policy and
- viii. Policy for development of fine, creative and performing arts.

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**KEY STATE DEPARTMENT FOR CULTURE AND HERITAGE INFORMATION AND MANAGEMENT (CONTINUED)**

**(b) Key Management**

The State Department's day-to-day management is under the following key organs:

- Department of Cultural Services
- Permanent Presidential Music Commission of Kenya (PPMC)
- Kenya National Archives & Documentation Services (KNADS)
- Department for Library Services
- Ushanga Initiative

**(c) Fiduciary Management**

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

<b>S/No.</b>	<b>Designation</b>	<b>Name</b>
1.	Cabinet Secretary	AMB. (Dr.) Amina C. Mohamed, EGH, CAV
2.	Principal Secretary	Ms. Josephtha O. Mukobe, CBS
3.	Secretary Administration	Mr. Henry Obino
4.	Director Administration	Mr. Charles O. Wambia
5.	CEO Ushanga Initiative	Ms. Dorothy Mashipei
6.	Director National Archives	Mr. Francis Mwangi
7.	Director Human Resource Management	Mr. John K. Odhiambo
8.	Director Culture	Dr. Ivan Kiprop Lagat
9.	Director Library Services	Mr. Stephen G. Mau
10.	Director PPMC	Dr. Donald Otoyoy
11.	Chief Finance Officer	Ms. Risper A. Makasi
12.	Director Planning	Mr. Joseph Mwangi
13.	Deputy Accountant General	Mr. Peter N. Kabebe
14.	Deputy Director Supply Management Officer	Ms. Joyce N. Ala
15.	Director Records Management	Dr. Naftal O. Chweya

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**KEY STATE DEPARTMENT FOR CULTURE AND HERITAGE INFORMATION AND MANAGEMENT (CONTINUED)**

**State Department for Culture and Heritage Senior Management Organogram**



*Amb. (Dr.) Amina C. Mohamed EGH, CAV*  
*Cabinet Secretary, Ministry of Sports, Culture and Heritage*



**Ms. Josephtha O. Mukobe**  
**Principal Secretary, State Department for Culture and Heritage**



**Mr. Joe Okulo CBS**  
**Principal Secretary, State Department for Sports Development**



**Mr. Henry Obino**  
**Secretary Administration**



**Mr. Francis Mwangi**  
**Kenya National Archives and Document Service**



**Dr. Donald Otoy**  
**Permanent Presidential Music Commission**



**Dr. Kiprop Lagat**  
**Cultural Services**



**Ms. Dorothy Mashipei**  
**CEO Ushanga Initiative**



**Dr. Naftali Chweya**  
**Director Records**



**Mr. Stephen Mau**  
**Director, Library**

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**KEY STATE DEPARTMENT FOR CULTURE AND HERITAGE INFORMATION AND MANAGEMENT (CONTINUED)**

**Composition of the Committee Members**

The various committee members within the State Department have wide range of skills and experience and each contributes independent judgement and knowledge of the committee discussions. On appointment, each committee member is provided with a comprehensive and tailored induction processes covering the State Department's business and operations and provided with information relating to their legal and regulatory obligations.

**I. Audit and Finance Committee Activities**

This committee is composed of the following members:

1. John Longacha Ejore - Acting Chairman
2. Gabriel Ouko - Member
3. John Matagaro - Member
4. Beatrice Opande - Secretary

The committee was responsible and instrumental in:

- Improving the quality of financial reporting by ensuring the accounts are prepared in a timely and accurate manner to facilitate prompt submission of annual financial statements to the Auditor General with a copy to the National Treasury and the Controller of Budget not later than 30th September of each subsequent year as well as submission of quarterly financial statements accounts to the Cabinet Secretary with a copy to the National Treasury and the Controller of Budget not later than fifteen (15) after the end of each quarter.
- Reviewing and making recommendations on management programs established to monitor compliance with sound public financial management, internal controls, policies, laws, regulations, procedures and the code of ethics.
- Strengthening the effectiveness of the internal audit function including regular review of its capacity, review and approval of the internal audit charter and internal audit annual work plan.
- Reviewing and monitoring the external auditor's independence and objectivity, taking into consideration relevant professional and regulatory requirements. In fulfilling its duties, the committee reviews with the external auditors, the scope of their audit plan, system of internal audit reports, assistance given by management and its staff to the auditors and any findings and actions to be taken.
- Reviewing any related party transactions that may arise within the State Department for Culture and Heritage.
- Reviewing communication between external auditors and management including responses on audit queries on the annual financial statement raised by the Auditor General.

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**SENIOR MANAGEMENT STATE DEPARTMENT FOR CULTURE AND HERITAGE**



**Amb (Dr.) Amina C. Mohamed, EGH, CAV**  
**Cabinet Secretary, Ministry of Sports Culture and Heritage**

Amb. (Dr.) Amina Chawahir Mohamed, EGH, CAV is a renowned diplomat, lawyer and negotiator serving as the Cabinet Secretary for Sports Culture and Heritage. She previously served as the Cabinet Secretary for Education (2018-2019) and Cabinet Secretary for Foreign Affairs and International Trade (2013-2018). Amb. Mohamed's long and distinguished career spans over thirty years with experience in domestic and international apex decision-making positions. Amb. Mohamed served as Kenya's Ambassador and Permanent Representative to the United Nations in Geneva between 2000 and 2006. In 2008, she was appointed Permanent Secretary in the Ministry of Justice and Constitutional Affairs, where she played a key role midwifing the Constitution of Kenya, 2010. In 2011, she joined the United Nations as Assistant Secretary General and Deputy Executive Director of the United Nations Environment Programme (UNEP). She has also held other high-level international leadership positions in various organisations including; WTO, WIPO, ILO, WHO, UNCTAD, UNHCR and UNAIDS. Amb. Mohamed holds Bachelors and Master's Degrees in International Law from the University of Kiev, Ukraine and Post-graduate Diplomas from the Diplomatic Studies Institute, University of Oxford and the Kenya School of Law.



**Ms. Josephtha O. Mukobe, CBS**  
**Principal Secretary, State Department for Culture and Heritage**





Ms. Josephtha O. Mukobe, MBS holds an MSc. From Manchester University (UK) and a BA (Hons) Humanities and Social Science from the University of Nairobi. She holds numerous certificates obtained locally and from abroad in various areas of specialization. She is currently Principal Secretary for the State Department for Culture and Heritage under the Ministry of Sports, Culture and Heritage. Ms. Mukobe who is a person living with disability has founded and is a member of several disability organisations which include UDPK, Women Challenged to Challenge, etc. She has also represented the Country Internationally on Disability issues.



**Mr. Henry Obino**  
**Secretary Administration**




Mr. Henry Obino is the Secretary Administration in the State Department for Culture and Heritage. He joined the State Department in October 2021. He is responsible to the Principal Secretary for the coordination of all administrative and financial functions of the department. He has MBA majoring in Strategic Management from Moi University, Bachelor of Arts from University of Nairobi.

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 <p><b>Mr. John Odhiambo</b>  <b>Director HRM</b></p>	<p>Mr John Odhiambo is a Director in charge of Human Resource Management and Development. His main duties include co-ordinating provision of human resource services, training, attachment and internship for the youth.</p> <p>He is a holder of B. A. Arts Degree, Post Graduate Diploma in Human Resource Management.</p>
 <p><b>Mr. Stephen Mau</b>  <b>Director, Library</b></p>	<p>Mr Stephen G. Mau Kimani joined the State Department for Culture and Heritage in July, 2008 and is the current Director, Library Services responsible for formulation and implementation of library service policies, programmes, guidelines and standards.</p> <p>He holds a Master's Degree in Library and Information Science from Kenyatta University, 2011, Postgraduate Diploma in Librarianship, Makerere University, Kampala, 1998, Bachelor of Arts (Hons), University of Nairobi, 1990.</p>
 <p><b>Mr. Francis Mwangi,</b>  <b>Director, Kenya National Archives &amp; Documentation</b></p>	<p>Mr Francis Githua Mwangi joined Kenya National Archives and Documentation Department in 1994 raising the ranks to become the current Director in 2014. He oversees the formulation and implementation of records and archives policies, strategies and programmes, overall administration and co-ordination of the Department. He holds a Master's degree in Information Science (Archives and Records Management) from Kenyatta University, Bachelor of Arts from Egerton University, postgraduate in Preservation of film material.</p>
 <p><b>Dr Naftal Chweya</b>  <b>Director Records Management</b></p>	<p>Dr Chweya is currently the Acting Director Records Management Department in the State Department of Culture and Heritage. He is highly experienced in Records and Archives Management Profession with experience spanning for more than 20 years. He holds Bachelor of Arts Degree, Kenyatta University; Master of Records and Archives Management, Kenyatta University; PhD Records and Archives Management, Moi University. Dr Chweya has also acquired training at various levels including; Digital Preservation - International Council on Archives (ICA); Strategic Leadership Development Programme - Kenya school of Government; Senior Management course, Kenya Institute of Administration; Performance Appraisal Training, Government Training Institute, Matuga; Electronic Records Management, Kenya Institute of Administration; Digital Libraries and Information Management, Egerton University.</p>

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 <p><b>Ms Dorothy Mashipei, MBS National Coordinator , Ushanga Kenya Initiative</b></p>	<p>Ms. Dorothy Mashipei is the National Coordinator/C.E.O Ushanga Kenya Initiative, a women empowerment program that is meant to empower women in the seven pastoralist counties. Previously she served as an advisor to the Office of the Deputy President on social economic, women and youth empowerment She is a holder of Bachelor of Arts in Communication and Tourism from University of Nairobi and a Diploma in Information and Technology from Kenya Polytechnic currently known as The Technical University of Kenya.</p>
 <p><b>CPA Peter N. Kabebe Deputy Accountant General</b></p>	<p>Mr Peter N. Kabebe joined the State Department in February 2022. He is a Deputy Accountant General and is in charge of the Accounting Unit.</p> <p>He is a holder of MSC (Finance and Investment option) from KCA university, BBA degree from KEMU University and is a member of the Institute of Certified Public Accountants of Kenya (ICPAK).</p>
 <p><b>CPA Risper A. Makasi Chief Finance Officer</b></p>	<p>CPA Risper Auma Makasi is the Chief Finance Officer in the State Department for Culture and Heritage. She has served in the Civil Service for 25 years in various Government Ministries and Departments.</p> <p>She holds MBA in Strategic Management from The University of Nairobi, BCOM Finance from Catholic University of East Africa and is a member of the Institute of Certified Public Accountants of Kenya (ICPAK).</p>
 <p><b>Dr. Donald O. Ondieki Director PPMC</b></p>	<p>Dr. Donald Otoyondieki holds a PHD in Music Performance and Education, a Master of Music in Performance and a Bachelor of Education in Music from Kenyatta University, Nairobi, Kenya. Donald enjoys a wide experience as a performer, educator, researcher and music industry consultant. Currently, Donald is the Director of the Permanent Presidential Music Commission, the Vice-Chair of the Kenya Music Festival and on behalf of the Principal Secretary, sits as a Board Director of the Kenya Copyright Board. Prior to that, he was Senior Lecturer and Chairman of the Department of Music and Performing Arts at the Technical University of Kenya, a Vice-President of the Pan African Society of Musical Arts Education (Pasmae), and, the Coordinator of the Kenyan Creative Arts National Working Group. His research and publications have focused on the music industry, popular music and contemporary, socio-cultural and technological issues in music education.</p>

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**Dr. Kiprop Lagat**  
**Director Culture**

Dr Kiprop Lagat is the Director of Culture in the Ministry of Sports, Culture and Heritage. Dr. Lagat holds a PhD in Anthropology and a Master's Degree in Museology from the University of East Anglia, United Kingdom. His PhD thesis was on the memorialization of the 1998 Nairobi terror attack on the United States of America embassy in Nairobi. He attained his Bachelor's degree in Anthropology from the University of Nairobi in 1994.



**Ms. Joyce N. Ala**  
**Deputy Director SCM**

Ms. Joyce N. Ala joined the State Department in August 2021. She is the Deputy Director Supply Chain Management Officer in charge of the Supplies Management Unit. She is a holder of MBA, Strategic Management from Moi University, Business Administration from Daystar University and Diploma from Chartered Institute of Supplies Management

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**KEY STATE DEPARTMENT FOR CULTURE AND HERITAGE INFORMATION AND MANAGEMENT (CONTINUED)**

**(d) Fiduciary Oversight Arrangements**

**Composition of the Committee Members**

The various committee members within the State Department have wide range of skills and experience and each contributes independent judgement and knowledge of the committee discussions.

On appointment, each committee member is provided with a comprehensive and tailored induction processes covering the State Department's business and operations and provided with information relating to their legal and regulatory obligations.

**i. Audit and Finance Committee Activities**

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1. John Longacha Ejore - Acting Chairman
2. Gabriel Ouko - Member
3. John Matagaro - Member
4. Beatrice Opande - Secretary

The committee was responsible and instrumental in:

- Improving the quality of financial reporting by ensuring the accounts are prepared in a timely and accurate manner to facilitate prompt submission of annual financial statements to the Auditor General with a copy to the National Treasury and the Controller of Budget not later than 30<sup>th</sup> September of each subsequent year as well as submission of quarterly financial statements accounts to the Cabinet Secretary with a copy to the National Treasury and the Controller of Budget not later than fifteen (15) after the end of each quarter.
- Reviewing and making recommendations on management programs established to monitor compliance with sound public financial management, internal controls, policies, laws, regulations, procedures and the code of ethics.
- Strengthening the effectiveness of the internal audit function including regular review of its capacity, review and approval of the internal audit charter and internal audit annual work plan.
- Reviewing and monitoring the external auditor's independence and objectivity, taking into consideration relevant professional and regulatory requirements. In fulfilling its duties, the committee reviews with the external auditors, the scope of their audit plan, system of internal audit reports, assistance given by management and its staff to the auditors and any findings and actions to be taken.
- Reviewing any related party transactions that may arise within the State Department for Culture and Heritage.
- Reviewing communication between external auditors and management including responses on audit queries on the annual financial statement raised by the Auditor General.
- Following up on recommendations of the Parliamentary Accounts Committee (PAC)

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**KEY STATE DEPARTMENT FOR CULTURE AND HERITAGE INFORMATION AND  
MANAGEMENT (CONTINUED)**

**ii. Budget Implementation Committee**

This committee is composed of the following members:

1. Josephtha O. Mukobe (Chairperson)
2. Charles Wambia
3. Dr. Kiprop Lagat
4. Dr. Donald Otoyo
5. Francis Mwangi
6. Risper Makasi
7. Stephen Mau
8. John Odhiambo
9. Joseph Mwangi
10. Naftal Chweya
11. Peter Kabebe
12. Joyce Ala

**Budget Implementation Committee Activities**

This is the committee charged with the responsibility of implementation of the State Department's budget and its prudent management. The duties of the committee include:

- To review and consider the cash flow plans
- To review the utilization of the cash limits and consider any changes as may be required;
- To review the utilization of the donor funds voted for the State Department.
- To advise the accounting officer on the challenges related to the budget implementation
- To review and recommend the reallocation of payments
- To review and approve the submission of the payment returns, payroll IPPDs, pending bills and A-I-A returns for the State Department and recommend actions to be taken
- To participate in sector working groups
- To review budgets, supplementary estimates and performance of budget against actual for the State Department in consultation with the Heads of Department

**iii. Human Resources Management Advisory Committee Activities**

This committee is composed of the following members: -

1. Josephtha Mukobe (Chairperson)
2. Charles Wambia
3. Francis Mwangi
4. Dr. Kiprop Lagat
5. Stephen Mau
6. Dr. Donald Otoyo
7. John Odhiambo

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**KEY STATE DEPARTMENT FOR CULTURE AND HERITAGE INFORMATION AND  
MANAGEMENT (CONTINUED)**

Human Resources Management Advisory Committee Activities  
The duties of the committee include:

- Review of promotions of officers in Job Group A-P
- Review of confirmations in appointment
- Review of disciplinary matters
- Review of re-designation of officers from one cadre to another and
- Confirmation of surcharge of officers found to have misused government resources

**iv. Training Committee**

This committee is composed of the following members:

1. Charles Wambia (Chairman)
2. Francis Mwangi
3. Dr. Kiprop Langat
4. Dr. Donald Otoyoy
5. Stephen Mau
6. John Odhiambo

This is the committee charged with the responsibilities of human resource development needs.  
Their duties include:

- Overall coordination of the training functions in the State Department.
- Review and implementation of the State Department training plan;
- Review of induction of newly appointed officers and activities around long term training.

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**KEY STATE DEPARTMENT FOR CULTURE AND HERITAGE INFORMATION AND  
MANAGEMENT (CONTINUED)**

**(e) State Department for Culture and Heritage Headquarters**

Kenya National Library Service Building  
Community  
P. O. Box 49849-00100  
Nairobi, Kenya

**(f) State Department for Culture and Heritage Contacts**

Telephone: (254) 020 – 2251164/005, 2250576  
E-mail: 254-020-316187  
Website: [www.minspoca.go.ke](http://www.minspoca.go.ke)

**(g) State Department for Culture and Heritage Bankers**

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

**(h) Independent Auditors**

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

**(i) Principal Legal Advisor**

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

## 2. STATEMENT BY THE CABINET SECRETARY

Amb. (Dr.) Amina C. Mohamed EGH, CAV,  
Cabinet Secretary, Ministry of Sports Culture and Heritage

### Introduction




The Ministry is mandated to develop promote, preserve and disseminate Kenya's diverse cultural and arts heritage; and promote sports and film industry to build national pride and improve livelihoods of the Kenyan people through provision of world class sports facilities, nurturing of sports talent and enhancement of clean competitive sports for social-economic development. In pursuit of this mandate the State Department will ensure prudent financial management in accordance with the Public Finance Management Act 2012 and Public Procurement Asset Disposal Act 2015.

Culture and Heritage Sector plays a crucial role in overall development of the Kenyan economy and well-being of its people through;

- Promotion and exploitation of Kenya's diverse culture and arts
- Enhancing Kenya's reading culture
- Conservation and preservation of Kenya's heritage for national pride and harmony.
- Regulation, development and promotion of the film industry
- Development, research and preservation of music in the country
- Access to public records and archives promotion of natural products industry
- Natural and bio-medical research; promotion of cultural tourism
- Promotion of creative talent/economy and the arts industry
- Strengthen capacity of production skills for women doing beadwork in pastoralist communities and,
- Provision for identification and recognition of heroes.

In pursuit of this mandate the State Department will ensure prudent financial management in accordance with the Public Finance Management Act 2012 and Public Procurement Asset Disposal Act 2015.

.....  
  
Amb. (Dr.) Amina Mohammed, EGH, CAV

Cabinet Secretary, Ministry of Sports, Culture and Heritage

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3. STATEMENT BY THE PRINCIPAL SECRETARY

1. Budget Performance against actual amounts based on Economic Classification and Programmes.

The following is the budget performance against actual amounts for the current year based on economic classification and programmes.

<b>090200000</b>		<b>culture</b>	<b>1,984,535,758</b>	<b>1,993,168,125</b>	<b>(8,632,367)</b>
	2110000	Wages and Salary Contributions	138,053,247	137,637,879	415,368
	2210000	Goods and Services	116,412,650	104,934,034	11,478,616
	2220000	Routine Maintenance	5,274,765	3,974,816	1,299,949
	2630000	Grants and Transfer to other Govt Units	1,396,803,196	1,428,673,608	(31,870,412)
	2640000	Other Transfers and Emergency Relief	300,000,000	300,000,000	0
	3110000	Acquisition of Fixed Capital Assets	27,991,900	17,947,788	10,044,112
<b>090300000</b>		<b>The Arts</b>	<b>185,671,553</b>	<b>178,938,659</b>	<b>6,732,894</b>
	2110000	Wages and Salary Contributions	21,764,007	21,763,998	10
	2210000	Goods and Services	38,988,946	35,841,023	3,567,923
	2220000	Routine Maintenance	1,961,600	1,204,713	756,887
	2630000	Grants and Transfer to other Govt Units	122,800,000	120,495,926	2,304,074
	3110000	Acquisition of Fixed Capital Assets	157,000	53,000	104,000
<b>090400000</b>		<b>Library Services</b>	<b>804,934,314</b>	<b>798,424,233</b>	<b>6,510,081</b>
	2110000	Wages and Salary Contributions	9,478,560	9,478,546	14
	2210000	Goods and Services	16,898,554	13,982,047	2,916,507
	2220000	Routine Maintenance	1,547,200	1,503,746	43,454
	2630000	Grants and Transfer to other Govt Units	766,010,000	765,609,893	400,107
	3110000	Acquisition of Fixed Capital Assets	11,000,000	7,850,000	3,150,000
<b>090500000</b>		<b>General Administration, Planning and Support Services</b>	<b>179,447,618</b>	<b>174,458,457</b>	<b>4,989,161</b>
	2110000	Wages and Salary Contributions	81,680,653	81,680,645	8
	2210000	Goods and Services	88,025,647	84,697,162	3,328,485
	2220000	Routine Maintenance	3,093,725	1,984,017	1,109,708
	2630000	Grants and Transfer to other Govt Units	4,243,533	4,243,533	0
	3110000	Acquisition of Fixed Capital Assets	2,404,060	1,853,100	550,960
		<b>Grand Total</b>	<b>3,154,589,243</b>	<b>3,144,989,474</b>	<b>9,599,769</b>

**STATE DEPARTMENT FOR CULTURE AND HERITAGE**  
**Annual Report and Financial Statements for the Year ended 30<sup>th</sup> June 2022**

**STATEMENT BY THE PRINCIPAL SECRETARY (CONTINUED)**

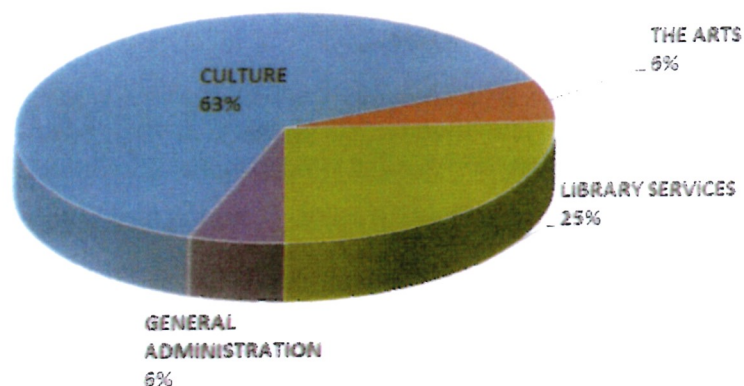
**1.1 Budget Allocation**

In the financial year 2021/2022 the State Department for Culture and Heritage had a gross budget of **Kshs.3,154,589,243** made up of **Kshs.3,088,692,683** and **Kshs.65,896,560** for Recurrent and Development Vote respectively.

The State Department was to expend the gross budget of **Kshs.3,154,589,243** under the following four programmes:

**Budget Allocation as per Programmes**

**BUDGET ALLOCATION BY PROGRAMMES**



STATE DEPARTMENT FOR CULTURE AND HERITAGE  
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STATEMENT BY THE PRINCIPAL SECRETARY (CONTINUED)

**I. Programme 1: Culture**

The objective of this programme is to promote revitalization and development of all aspects of culture. This programme was allocated **Kshs.1,984,535,758** representing 63% of the budget. A total of **Kshs.1,993,168,125** was spent under the following sub programmes: Conservation of Heritage, Public Records and Archives Management, Development and promotion of culture, promotion of Kenyan music and Dance.

**II. Programme 2: The Arts**

The objective of this programme is provision of arts policies in the country. This programme was allocated **Kshs.185,671,553** representing 6% of the budget. A total of **Kshs.178,938,659** was spent under Sub-programme 2.1: The Arts.

**III. Programme 3: Library Services**

The objective of this programme is to enhance access to information through provision of library services. This programme was allocated **Kshs.804,934,314** representing 25% of the budget. A total of **Kshs.798,424,233** was spent under Sub-programme 3.1: Library Services

**IV. Programme 4: General Administration, Planning and Support Services**

The objective of this programme is to ensure provision of support services to other departments. This programme was allocated **Kshs.179,447,618** representing 6% of the budget. A total of **Kshs.174,458,457** was spent under general Administration headquarters programme.

**Key Performance Highlights**

Below is an overview of the financial performance for the year ended 30<sup>th</sup> June 2022 as reported in the detailed financial statements together with the commentary and comparative analysis

Financial Performance	Printed Estimates	Actual	Variance	%
	Kshs	Kshs	Kshs	Utilization Variance
Total Receipts	3,154,589,243	3,173,399,375	(18,810,132)	101%
Total Payments	3,154,589,243	3,144,989,474	9,599,769	100%
Surplus /Deficit for the year		28,409,901	(28,409,901)	

**Financial Performance Summary**

Actual payments were 100% of the budget.

**STATE DEPARTMENT FOR CULTURE AND HERITAGE**  
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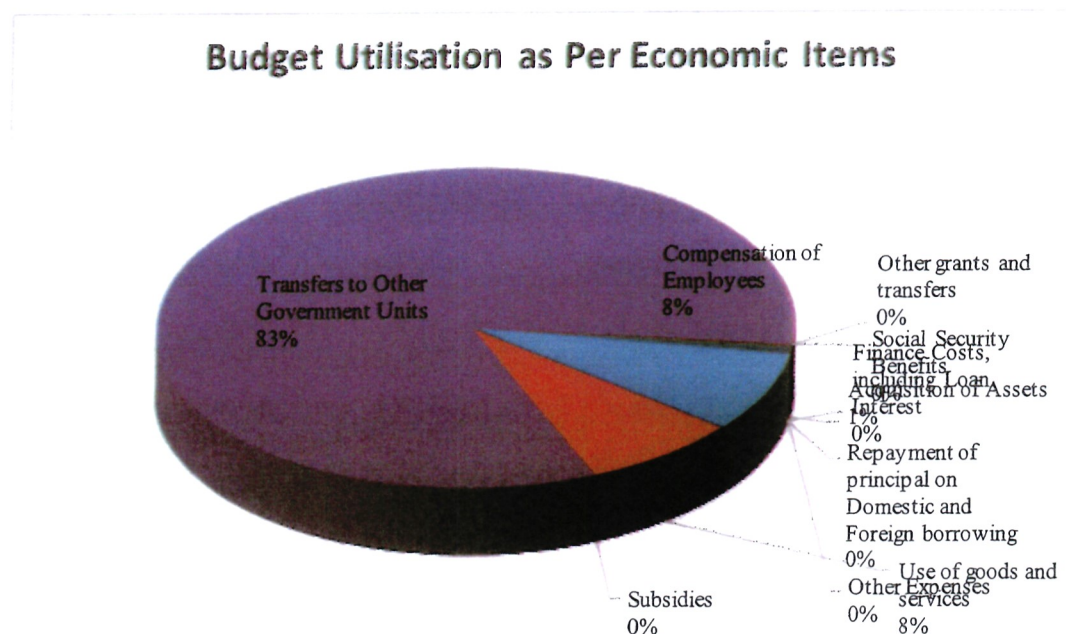
**STATEMENT BY THE PRINCIPAL SECRETARY (CONTINUED)**

**1.2 Budget Utilisation**

The State Department spent **Kshs.3,144,989,474** against an approved budget of **Kshs.3,154,589,243** representing absorption of **100%**. Utilisation of the budget was carried out through various activities (economic classifications) as shown in the chart below: -

Expense Item	Approved Budget Allocation	Actual Payments	Variance	% of Utilization Difference to Final Budget
Compensation of Employees	250,976,467	250,561,068	415,399	99
Use of goods and services	272,203,087	247,701,558	24,501,530	91
Transfers to Other Government Units	2,585,613,196	2,614,779,427	(29,166,231)	101
Social Security Benefits	4,243,533	4,243,533	0	100
Acquisition of Assets	41,552,960	27,703,888	13,849,072	67
<b>Total Payments</b>	<b>3,154,589,243</b>	<b>3,144,989,474</b>	<b>9,599,769</b>	<b>100</b>

**Budget Utilisation as per Economic Items**



It is noted that 83 % of the State Department’s budget was used in Transfers to Other Government entities i.e. Semi-Autonomous Government Agencies (SAGAs) 8% of the budget was utilised on employee compensation while 1% was utilised in Acquisition of assets,8% on use of goods and services.

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STATEMENT BY THE PRINCIPAL SECRETARY (CONTINUED)

Current Year Performance against Prior Year

RECEIPTS	2021/2022 Kshs.	2020/2021 Kshs	Change	Percentage change
Total Revenues	3,173,399,375	2,436,405,769	727,197,616	30
Total Payments	3,144,989,474	2,436,138,504	699,058,981	30
<b>SURPLUS/DEFICIT</b>	<b>28,409,901</b>	<b>271,265</b>	<b>28,138,636</b>	

Total receipts reduced by 30% due to austerity measures effected during the financial year.

**Receipts**

The State Department's receipts comprise of exchequer releases from the National Treasury, various administrative fees and charges.

**Total Receipts Breakdown**

The State Department's receipts mainly comprise of exchequer releases from the National Treasury. Other receipts are gate collections for the gallery and research fees from Kenya National Archives and Documentation Services (KNADS); National Museum of Kenya gate collections; Kenya Cultural Centre parking fees, rent and hire of theatre and Kenya National Library Services access fees and rent.

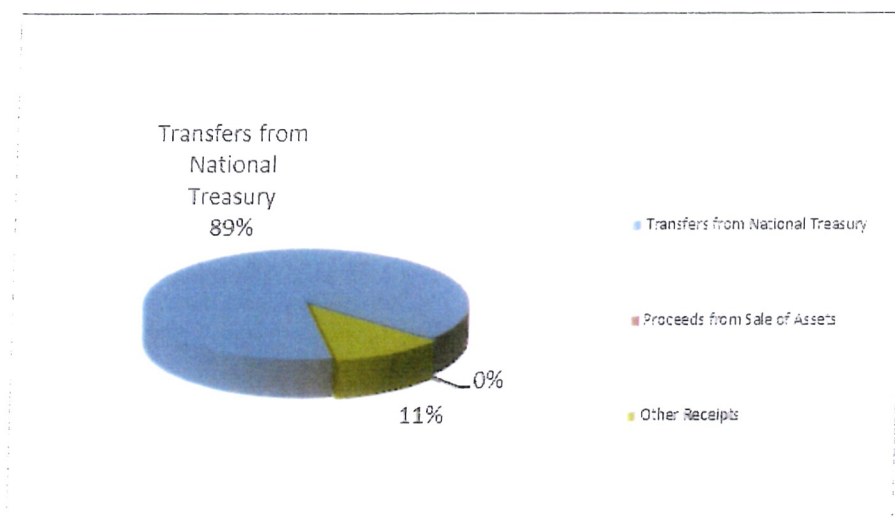
	Year to 30 <sup>th</sup> June 2022	Year to 30 <sup>th</sup> June 2021	Change	%
Receipts	Kshs.	Kshs.	Kshs.	Change
Transfers from National Treasury	2,822,722,244	2,268,942,446	559,779,797	25
Proceeds from Sale of Assets	186,000	4,000	182,000	46
Other Receipts	344,491,131	177,255,312	167,235,819	94
<b>Total Receipts</b>	<b>3,173,399,375</b>	<b>2,446,201,759</b>	<b>727,197,616</b>	<b>30</b>

The total receipts for FY 2021/2022 stood at **Kshs.3,173,399,375** representing a 30% increase from **Kshs.2,446,201,759** for FY 2020/2021.

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**STATEMENT BY THE PRINCIPAL SECRETARY (CONTINUED)**

**Total Receipts**



The diagram above depicts the share of major categories of receipts for the fiscal year ended 30th June 2022. The major source of funding for the State Department for Culture and Heritage is exchequer releases that account for 89% of the total receipts.

**Payments**

The State Department's payments mainly comprise of Transfers to Other Government entities, compensation of employees, use of goods and services and acquisition of assets.

The total payments for **FY 2021/2022** stood at **Kshs.3,144,989,474** representing a 29% increase from **Kshs.2,436,138,504** for **FY 2020/2021**.

**Total Payment Breakdown**

	Year to 30 <sup>th</sup> June 2022	Year to 30 <sup>th</sup> June 2021	Change	%
Payment	Kshs	Kshs	Kshs	Change
Compensation of Employees	250,561,068	236,096,259	14,464,809	61
Use of goods and services	247,701,558	215,294,652	32,406,906	15
Transfers to Other Government Units	2,614,779,427	1,959,269,328	655,510,099	33
Social Security Benefits	4,243,533	3,939,695.15	303,838	77
Acquisition of Assets	27,703,888	21,538,570.10	6,165,318	29
<b>Total Payments</b>	<b>3,144,989,474</b>	<b>2,436,138,504</b>	<b>708,850,970</b>	<b>29</b>

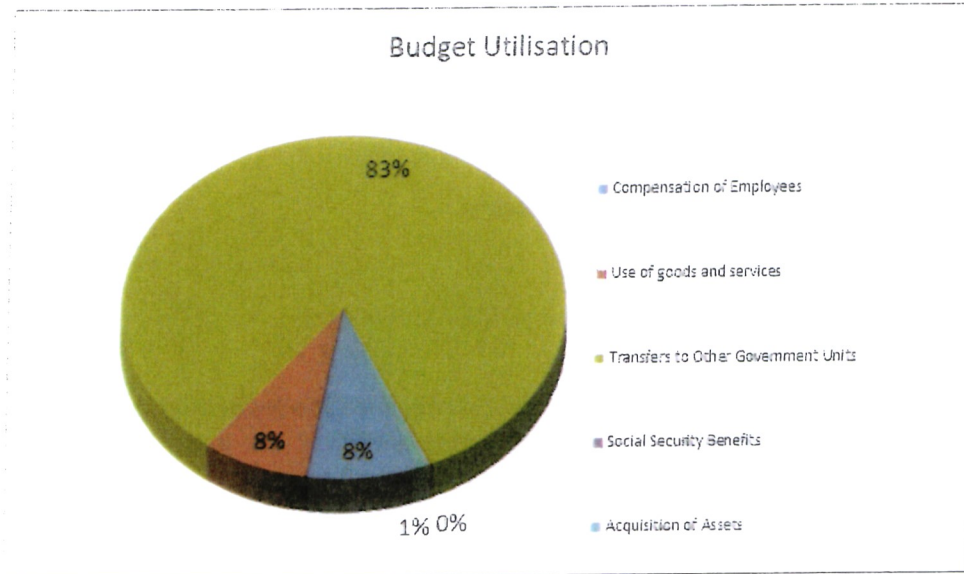
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**STATEMENT BY THE PRINCIPAL SECRETARY (CONTINUED)**

The increase in payments is attributable to increase in budget allocation during the financial year 2021/2022.

The diagram below depicts the share of major categories of payments for the fiscal year ended 30th June 2022.

**Actual Payments**



**Financial Assets Summary**

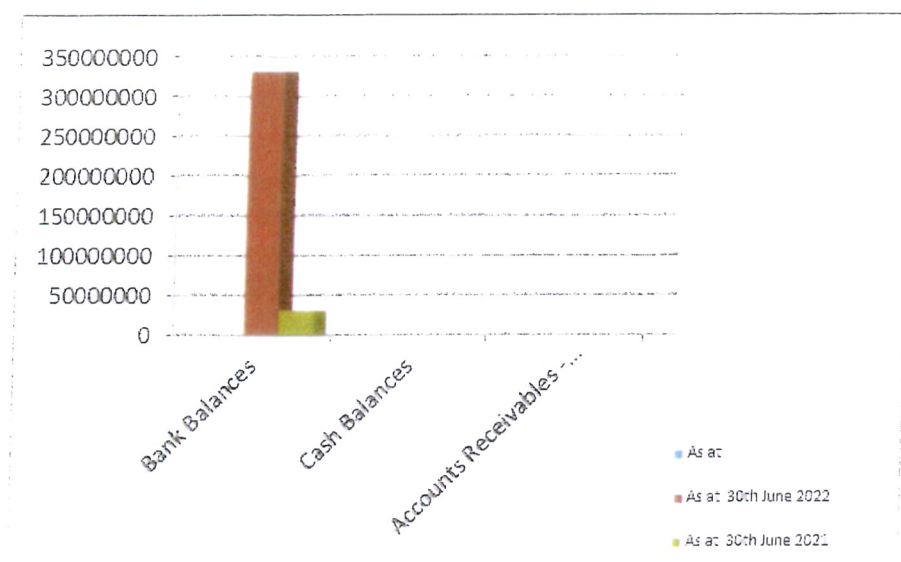
Financial Assets	As at	As at	Change	%
	30 <sup>th</sup> June 2022	30 <sup>th</sup> June 2021		
	Kshs	Kshs	Kshs	Change
Bank Balances	331,578,996	31,314,849	300,264,147	9
Cash Balances		0	0	0
Accounts Receivables - Outstanding Imprest & Salary Advances	0	86,684	86,684	100
<b>Total Financial Assets</b>	<b>331,578,996</b>	<b>31,401,533</b>	<b>300,177,463</b>	<b>9</b>

Bank balances increased by 9% as a result of increase of transfers from Sports Fund Deposit account during the financial year 2021/2022.

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**STATEMENT BY THE PRINCIPAL SECRETARY (CONTINUED)**

**Total Assets**



**Cash Flows and Cash Position**

The cash and bank balances held by the State Department for Culture and Heritage as at 30th June 2022 were **Kshs.331, 578,996**. The breakdown of the cash and bank balances is as summarized in the table below.

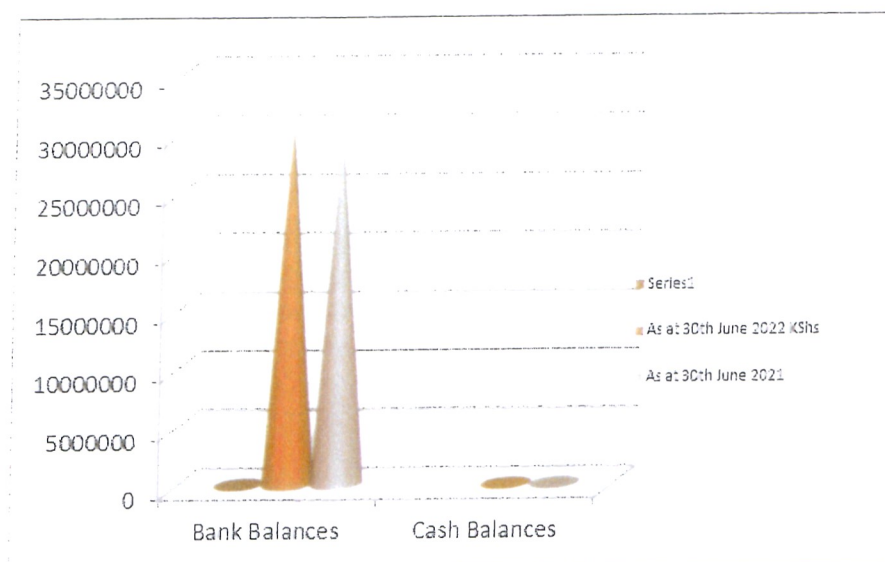
**Cash and Bank Balance**

<b>Cash and Bank balances</b>	<b>As at 30<sup>th</sup> June 2022</b>	<b>As at 30<sup>th</sup> June 2021</b>	<b>Change</b>	<b>%</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Change</b>
Bank Balances	331,578,996	31,314,849	(300,264,147)	9
Cash Balances	0	0	0	0
<b>Total</b>	<b>331,578,996</b>	<b>31,314,849</b>	<b>(300,264,147)</b>	<b>9</b>

**STATE DEPARTMENT FOR CULTURE AND HERITAGE**  
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**STATEMENT BY THE PRINCIPAL SECRETARY (CONTINUED)**

**Total Cash and Cash Equivalents**



**Cash Flow Activities**

The table below summarizes cash flows generated and used from various activities.

**Cash flow activities**

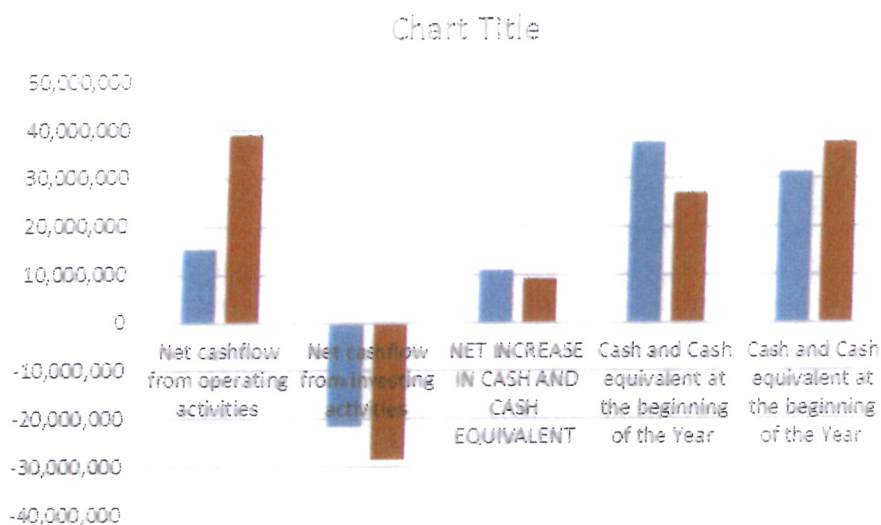
	2021/2022	2020/2021	Change	%
	Kshs	Kshs		Change
Net cash flow from operating activities	328,253,943	15,276,489	312,977,454	20
Net cash flow from investing activities	(27,517,888)	(21,534,570)	(5,983,318)	28
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>300,736,055</b>	<b>10,897,687</b>	<b>289,838,368</b>	<b>27</b>
Cash and Cash equivalent at the beginning of the Year	31,314,849	37,572,930	(6,258,081)	-17
Cash and Cash equivalent at the end of the Year	331,578,996	31,314,849	300,264,147	10

Net cash flows utilised in investing activities increased significantly due to an increase in amounts utilised in the acquisition of assets by the State Department for Culture and Heritage whereas there was increase in net cash flow from operating activities due to increase in expenditure relating to operations in the year under review.

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**STATEMENT BY THE PRINCIPAL SECRETARY (CONTINUED)**

**Cash Flow Activities**



**2. Key Achievements**

The State Department had key achievements in the FY 21/22 as shown below:

**a) Policy and Legal Framework**

- i. National Culture & Heritage and National Music Policies were approved by Cabinet in February 2021.
- ii. The Draft Natural Products Initiative Policy was developed and is due for Cabinet deliberation and approval.
- iii. Protection of Traditional Knowledge and Traditional Cultural Expressions Act 2016 as amended 2018;
- iv. The Culture Bill, 2022; to be submitted to Cabinet for approval

**b) Development, Promotion and Preservation of Culture and Heritage**

- i. Monitored, restored and documented 16 Heritage sites and monuments including; Vasco Da Gama pillar, Dedan Kimathi Monument, Jaramogi Oginga Odinga and Tom Mboya Mausoleums and Olorgesaille heritage sites
- ii. Empowered 1,832 youth through music training, performances, showcases, exhibitions, workshops, studio recording, rehearsals spaces and festivals
- iii. **Tested** 11 Candidate drug and vaccines
- iv. **Recognition of Heroes and heroines**-The State Department recognized 220 heroes and heroines
- v. **Sixty (60)** artists and cultural practitioners were empowered through capacity building workshops, seminars, exhibition and registration
- vi. **Recruited and trained 2,720** contract farmers and provided them with African indigenous vegetables certified seeds as part of the natural products commercialization program

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STATEMENT BY THE PRINCIPAL SECRETARY (CONTINUED)

- vii. Trained 2,100 women in 7 pilot counties (Kajiado, Samburu, Turkana, West-Pokot, Marsabit, Narok and Baringo) to produce bead products to international standards.



- viii. Mapped, profiled and prioritized bead work products in the 7 counties for production and marketing.

- ix. Trained 300 personnel in four counties (Baringo, Makueni, Marsabit and Vihiga) on Indigenous Knowledge documentation, preservation and application.



c) Management and Preservation of Information, Records and Archives

- i. 100% Completion of the construction of the ultra-modern National Library of Kenya building;
- ii. Established and equipped a unit for users with print disability.
- iii. Developed system for networking of Government Libraries and acquired the necessary infrastructure (computers and servers) to facilitate access to government information online.
- iv. Digitized 813,949 records

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**STATEMENT BY THE PRINCIPAL SECRETARY (CONTINUED)**

- v. Acquired 768,821 Archival materials including retrieval of the first Presidents Archival Material

**3. Emerging Issues**

- ✓ COVID 19 Pandemic has seriously affected the implementation of planned activities in the last financial year due to lock down and other Ministry of health protocols
- ✓ Enhanced consciousness with raised demand on the need to add value to our cultural and artistic resources for national development as exemplified by Natural Products Industry Initiative and the vibrant creative artistic practice.
- ✓ Changes in demographic composition i.e. young, middle age and elderly necessitating expansion and customizing social amenities to accommodate these changes. For instance, the need to provide for library services, recreational and entertainment facilities for the different age groups particularly the elderly and the children.
- ✓ High demand to have the Ushanga Kenya Initiative to cover all the 47 counties. Currently, the initiative covers only 7 counties. Leadership from the other counties have been calling to have the same rolled in their counties.

**4. Key Risk Management Strategies**

S/No	Risk	Probability of Risk Occurrence	Mitigation measure
1.	Poor perception of activities and programs of the Ministry	High	Enhance the Ministry's publicity through Information, Education and Communication (IEC) materials
2.	Environmental Pollution	Medium	Enhanced preservation measures of records, archives and heritage sites
3.	Climate change	Medium	Safeguarding and preservation of heritage sites Planting of indigenous Trees Utilizing weather forecast reports in planning for activities
4.	Rapid evolving technology	Medium	Investing in ICT related facilities and equipment Continuously updating to conform to rapid changes
5.	Slow uptake of modern technology in service deliver	Medium	Sensitization/ training Invest in research, innovations and adoption of appropriate technology
6.	Diversion and /or reduction of funds	Medium	-Develop a prioritization criterion -Developing a phased out

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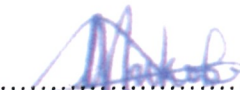
	due to changing national priorities		approach
7.	High turnover of skilled and well-trained technical staff	Medium	Improved terms of service -Rewards and development of staff -Prudent succession management
8.	Weak policy and legal framework	Medium	Review existing policies and legal framework and formulate relevant policies and law
9.	Changes in political leadership	Low	Strengthen existing institutional framework

**5. Implementation challenges and recommendations**

S/No	Challenges	Recommended Way Forward
1.	<b>Inadequate support for research</b> and lack of follow-up and or disconnect between agencies on the implementation of research findings.	The State Department to request for budgetary allocations to fund research proposals for agencies
2.	<b>Inadequate staff and succession Management.</b> Technical departments are critically understaffed and lack clear succession management strategies	Adequate succession management and employing new staff. The State Department advertised vacancies to be filled in the last FY 21/22
3.	<b>Inadequate Budgetary Allocation:</b> culture and heritage plays a critical role in socio-economic development, funding allocated to it is not commensurate to the requirements. This has affected implementation of programmes and projects in the Sector and also limited its ability to carry out effective monitoring, evaluation and reporting.	Increased awareness in education and sensitization programs on culture and heritage by developing a vibrant Arts and creative industry; promoting reading culture and national cohesion. The State Department has put more emphasis on the creative economy
4.	<b>Austerity measures</b> This leads to non-achievement of set targets non funding of ongoing projects and non-funding of stalled Projects	Refrain from austerity measures.
5.	<b>Encroachment and vandalism of monuments</b> and ancient historical sites, cultural and heritage facilities for instance Malindi Museum and Shimoni Site	Protection of ancient sites by fencing, security guards, acquisition of titles, repossession of grabbed properties and land
6.	A threat of erosion of positive cultural values in the face of influence by foreign cultures	Promotion of local content by media outlets and promotion of cultural events Fast track legislation and approval of supporting policies to regulate and strengthen creative industry

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7.	<b>Inadequate, Disaggregated and Timely Data:</b> lack of adequate disaggregated and timely data on the creative and cultural industries thus affecting policy decision-making	Development of a data base for the creative and cultural industry
8.	<b>Poor appreciation of the significant</b> role and contribution that culture and heritage can make in National Development Agenda. This has led to the low and inadequate budget allocation	Promotion of positive image for the cultural and heritage activities including provision of adequate budget Fast track legislation and approval of supporting policies to regulate and strengthen creative industry
9.	<b>Climate change:</b> Global warming and subsequent rise in sea water levels and flooding are a key threat to important cultural and heritage sites and monuments such as Vasco Da Gama Pillar along the coast line sites in Rift Valley, the Kaya and Kakamega forests.	Safeguarding and preservation of heritage sites Planting of indigenous Trees Utilizing weather forecast reports in planning for activities

  
.....  
Ms. Josephtha O. Mukobe (Ms.), CBS  
Principal Secretary  
State Department for Culture and Heritage

**STATE DEPARTMENT FOR CULTURE AND HERITAGE**  
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**4. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES**  
**FOR FY2021/22**

**Introduction**

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each National Government State Department for Culture and Heritage in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government State Department for Culture and Heritage performance against predetermined objectives.

The key strategic objectives as per the strategic plan for FY 2018-2022 Plan are:

- To provide an enabling policy and legal framework
- To enhance the image and visibility of the Ministry
- To harness, develop and promote the cultural and creative arts industry
- To promote, preserve and maintain positive and diverse cultures for national State Department for Culture and Heritage
- To improve and modernize records management in the public sector
- Enhance preservation and conservation of the national documentary heritage
- To promote access to information, records and archives

**Progress on the attainment of Strategic Objectives through Performance Contracting**

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking and performance measurement: Below we provide the progress on attaining the stated objectives:

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**Progress on the attainment of Strategic Objectives through Performance Contracting**  
**Progress attained in the stated objectives**

Program	Strategic Objective	Outcome	Indicator	Performance		Comments
				Target FY 21/22	Achievement FY 21/22	
<b>P.1 Culture Development</b>  S.P 1.2 Conservation of Heritage	To promote, preserve, conserve, and maintain positive and diverse cultures for National ID State Department for Culture and Heritage	Enhanced heritage and culture knowledge, appreciation and conservation	No. of new heritage sites and monuments submitted for Gazettement	3	14	The 11 sites and monuments more were due to the focus on heritage sites in two counties (Isiolo and Marsabit) which had approached NMK for identification of heritage sites and their Gazettement.
			No. of heritage sites, mausoleum and monuments restored	3	2	Dedan Kimathi and Olorgesaille heritage sites were restored
			No. of underutilized heritage sites and monuments mapped out and documented for economic benefit	2	2	The mapping and documentation of Jumba la Mtwana and Mnarani Heritage Sites are complete.
			No. of scientific research papers published	120	101	Financial challenges led to the shortfall though Virtually working has provided staff with opportunity to finalize pending scientific publications.
			No. of interactive public programmes held and temporary exhibitions put up for cultural exchange	100		
			No. of Heritage collections standardized and digitized for user needs	40,000	43,782	
			No. of neglected and underutilized foods and medicinal	1	10	There was increased collaboration with counties and successful grant to carry out additional research hence achieving more

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			resources promoted for commercialization			
			No. of SMEs supported into value addition skills for business	20	7	Financial constraints affected the performance
			No. of research proposals for funding on priority human diseases submitted	20	40	Achieved more due to additional grants received
			No. of candidate drugs and vaccines tested on priority human diseases	5	11	exceeded due high interest in drug testing in infectious diseases arising from fear of covid-19
			No. of staff trained in Infectious Diseases on testing	50	66	exceeded due high interest in drug testing in infectious diseases arising from fear of covid-19
			No. of Infectious Diseases samples tested using serology and molecular testing	20,000	3,369	We did not achieve target due to decreased number of Covid-19 cases
			No. of rescue missions undertaken	25	27	There was increase in rescue missions due to increased dry seasons. new snake areas visited (Narok & Taita Taveta)
			No. of victims successfully rescued from snakebites	100	91	low cases of snakebite reports due to persistent dry weather
			No. of technical officers trained in indigenous knowledge documentation , preservation and utilization in selected counties	144	149	There was increased mass training
			No. of agreements between Indigenous Knowledge (IK) holders including county	2	2	

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			governments and users signed to access IK			
			No. of Kenyan youths from diverse backgrounds empowered through training to champion IK as a tool for national development	90	128	The training was undertaken by cluster counties as oppose to single counties thus leading to increased number of youths trained
			No. of potential natural health products for boosting immunity against COVID-19 researched on for commercialization	2	0	To this effect, two key milestones have been achieved as part of these efforts: i). 57 natural health products have been acquired from local communities in four (8) counties. ii). COVID-19 velvet Monkey model has been developed and refined and now available for testing the natural health products.
			No. of groups and community based Natural Products (AIV and Aloe) producers (women & youth) empowered and provided with certified seeds from various counties	2,200	0	
			No. of new ventures fully commercialized	1	0	Work towards realizing the new venture for full commercialization of African indigenous vegetables is ongoing and will fully be ready in the new FY.
			% completion Phase I of Resource centre	75		
			No. of archival Materials acquired for permanent preservation	11,000	30,044	The Judiciary and Ministry of Lands sponsored some programmes
			No. of Government publications acquired	1,000	1,403	More materials acquired from the Office of the attorney General
			No. of	8,000	12,777	

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			Archival materials accessed by researchers			
			No of records management sensitization seminars	6	14	Parastatals sponsored some sensitization programmes
			No. of records restored	5,200	39,884	The Ministry of Lands sponsored restoration of old Land records
			% completion of the National Archives Center			
			No. of records digitized in the Records Management Unit (RMU)	400,000	400,000	
			No. of networked public records and information management units	20	15	lack of external IP address and VPN to enable interaction with MDAs
			No. of RMUs where records appraisal has been carried out	8	8	
			No. of cultural practitioners imparted with skills	2,600	2,774	
			No. of traditional herbal medicine practitioners promoted	180	80	
			No. of people sensitized on the Use of traditional foods.	400	-	
			No. of cultural practitioners sensitized on the provisions of the Traditional Knowledge and Traditional Cultural Expressions	400	486	

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		Act 2016			
		No. of oral traditions documented	1	1	
		No. of intangible cultural heritage elements present in Kenyan communities identified, documented and safeguarded	3	3	
		No. of participants attending the Annual National Kenya Music and Cultural festival	1,600	8,832	
		No. of cultural festivals coordinated	35	10	
		No. of inter-community cultural exchange programmes coordinated	2	1	
		No. of International Cultural exchange programmes coordinated	10	11	
		No. of Cultural exchange protocols negotiated	3	4	
		No. of people trained to champion Kiswahili as a national and official language	200	87	
		No. of stakeholders sensitized on use of Kiswahili as national and official language	150	50	
		No. of heroes	220	220	

**STATE DEPARTMENT FOR CULTURE AND HERITAGE**  
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			and heroines identified and honored			
			No. of women trained and empowered in bead work across the 7 pastoral target counties	3,000	650	
			No of Seasonal catalogues produced	2	2	
			No of Women supported to showcase their products at trade fairs and exhibitions locally and internationally	20	20	
			No. of Information, Education, Communication (IEC) content developed	75	75	
			No. of ICT systems and platforms developed for e-market linkages and payments to target groups	4	3	
<b>P.2 The Arts</b>	To harness, develop and promote the creative arts industry	A vibrant Arts Industry	No. of theatre, drama concerts and poetry performed	250	165	
			No. of artworks exhibited	60	98	
			No. of artistic talent in theatre, drama, concerts, and poetry nurtured	135	367	
			No. of artists reached at counties	500	322	The Centre did not have sufficient funds to conduct county programs and instead partnered with organizations to conduct the same
			No. of nationwide creative economy outreach programs held	2	2	
			No. of visual	120	30	

**STATE DEPARTMENT FOR CULTURE AND HERITAGE**  
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		artists exhibitors supported			
		No. of performing and visual artists trained	200	110	
		No. of artists sensitized on the UNESCO 2003/2005 Convention	200	0	
		No. of people participating in fashion and design exhibitions	120	0	
		No. of people participating in National handcraft exhibitions	120	0	
		No. of youths trained and living off their musical talents	200	230	
		No. of musicians supported with Associated Board of the Royal School of Music certification	16	10	
		No. of music bands assisted with rehearsal space and music equipment to enhance their careers	18	18	
		No. of musicians accessing studio for recording	50	68	
		No. of groups presented for performance during state functions and public holidays	220	250	

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			No. of artistes visiting the music exhibition	350	55	
			No. of Musicians participating in music workshops	270	136	
			No of local musicians facilitated to perform on international stage	30	0	
			No. of audio visual recordings prepared and disseminated	200	165	
			No. of analogue tapes digitized for easy access	200	200	
<b>P.3 Library services</b>	To preserve and conserve the National documentary heritage	Knowledgeable Society	No. of publications, Kenya National Bibliography and Kenya Periodicals Directory produced	2	0	
			No. of publishers & authors sensitized on International Standard Book Number (ISBN) & International Standard Music Number	13	13	
			No. of people participating in the reading promotion events	46	89	
			No. of library books & other information materials acquired			
			Percentage completion of Virtual Library	25	25	
			No. of	2	2	

**STATE DEPARTMENT FOR CULTURE AND HERITAGE**  
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			Libraries automated with KOHA (Library Management System)			
			No. of ICT hardware and software acquired	3	4	
			No. of book titles acquired for users	400	50	
			No. of information resources acquired and/or subscribed to; and processed	400	0	
			No. of Research Reports/Papers in the field of library services produced	1	1	
			No. of users with print disabilities accessing library services	13	4	
			No. of Government libraries networked(LI MS)	15	7	Only 8 were trained and available computers provided. Acquired a book scanner to be used for digitizing materials for uploading in the digital library
<b>P.4 Culture and The Arts General Administration and Support Services</b>	To build adequate capacity to enhance provision of quality efficient services and enhance the image of the Ministry	Efficient and Effective Service Delivery	No. of Policies reviewed/developed	7	0	
			No. of Bills finalized	6	1	
			MPPR, sector reports and PBB report	3	3	
			Approved annual work plan	1	1	
			No. of M&E reports	In FY 21/22 we were able to do 4 M&E reports		

**STATE DEPARTMENT FOR CULTURE AND HERITAGE**  
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**5. ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

State Department of Culture and Heritage exists to transform lives. This is our purpose; the driving force behind everything we do by putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of the sustainability activities conducted in the year:

**a) Sustainability strategy and profile**

The State Department of Culture and Heritage continues to deliberately build effective relationships with stakeholders both internally and externally to unlock opportunities in our continued pursuit of excellent operational results. We are broadening our horizons by developing partnerships with best practice companies in theatre operations and maintenance to scale-up our knowledge in readiness for emerging challenges like the Russia-Ukraine war, Covid 19 pandemic, technological changes and economical changes.

The Department has continued to safeguard, promote and celebrate the development of culture and creativity in the country. We strive to ensure that our cultural programmes achieve self-sustainability which has been assured by guaranteeing that all players in the creative economy see the economic benefits of their cultural programmes

**b) Environmental performance/climate change/ mitigation of natural disasters**

Environmental conservation remains a key focus in the State Department's corporate social investment and receives enormous attention. During the year, the Department worked with communities in its operational areas to raise awareness of environmental conservation and promote planting of trees to minimize the impact of climate change as well as expand livelihood opportunities through the growing of fast-maturing, commercial trees.

During the year under review, the Department provided thousands of seedlings to different Counties for example Kajiado and Narok.

The Department has continued to reduce papers usage by ensuring that all printing activities are done from a central printer and printing is on both sides of the paper. Also, the Department ensures that its environment is kept clean by overseeing regular garbage and sanitary collection.

**c) Employee welfare**

The State Department of Culture and Heritage selection and recruitment process was guided by the approved human resources instruments which includes; Human Resource Policies and Procedures, Organization Structure, Grading and Staff Establishment, Career Guidelines manuals, the Employment Act, 2007, DPSM Circulars, and Labour Laws released from time to time. These guidelines ensure that;

We develop and implement employment equity plans review their recruitment policies to ensure that the mode of advertisement of job vacancies, the pre-selection and conducting of interviews do not in any way disadvantage any particular group; and take deliberate measures including targeted advertisements to bring on board marginalized groups and take into account the gender ratio Recruitment will be undertaken on the basis of fair competition and merit; representation of Kenya's diverse communities; adequate and equal opportunities to all gender, youth, members of all ethnic groups, persons with disabilities and minorities.

**STATE DEPARTMENT FOR CULTURE AND HERITAGE**  
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**ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONTINUED)**

Persons with disability shall be accorded equal opportunities for employment provided they have the necessary qualifications and are suitable for such employment. The government shall implement the principle that at least five 5% of all appointments shall be for persons with disabilities.

**d) Operational practices**

**i. Responsible Supply chain and supplier relation**

There is coexistence of good supplier relation as there is a voluntary commitment by companies to take account social and environmental considerations when managing their relationships with suppliers

**e) Community Engagements**

The State Department for Culture and Heritage promotes youth to earn their living by nurturing the upcoming artists and tapping of talents created. The Ushanga Kenya initiative also empower women in pastoralist communities by training them in beadworks and market their products by supporting them to showcase their products in in international and regional shows and exhibitions.  
Performance after lunch

**STATE DEPARTMENT FOR CULTURE AND HERITAGE**  
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**6. STATEMENT OF MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer for a National Government State Department for Culture and Heritage shall prepare financial statements in respect of that State Department for Culture and Heritage. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

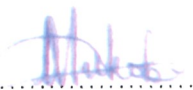
The Accounting Officer in charge of the State Department for Culture and Heritage is responsible for the preparation and presentation of the State Department for Culture and Heritage financial statements, which give a true and fair view of the state of affairs of the State Department for Culture and Heritage for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the State Department for Culture and Heritage, (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 State Department for Culture and Heritage; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.


The Accounting Officer in charge of the State Department for Culture and Heritage accepts responsibility for the State Department for Culture and Heritage financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the State Department for Culture and Heritage financial statements give a true and fair view of the state of State Department for Culture and Heritage transactions during the financial year ended June 30, 2022, and of the State Department for Culture and Heritage financial position as at that date. The Accounting Officer in charge of the State Department for Culture and Heritage further confirms the completeness of the accounting records maintained for the State Department for Culture and Heritage, which have been relied upon in the preparation of the State Department for Culture and Heritage financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the State Culture Department for and Heritage confirms that the State Department for Culture and Heritage has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the State Department for Culture and Heritage funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the State Department for Culture and Heritage financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

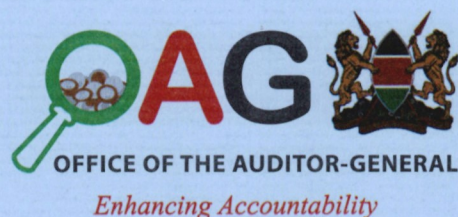
The State Department for Culture and Heritage financial statements were approved and signed by the Accounting Officer on 29/9/ 2022.

  
.....  
**Joseph O. Mukobe (Ms.), CBS**  
**Principal Secretary**

  
.....  
**Peter N. Kabebe**  
**Head of Accounting Unit**  
**ICPAK Member No.3845**

# REPUBLIC OF KENYA

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## **REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR CULTURE AND HERITAGE FOR THE YEAR ENDED 30 JUNE, 2022**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of State Department for Culture and Heritage set out on pages 1 to 30, which comprise the statement of assets and

liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of State Department for Culture and Heritage as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccuracy in the Statement of Cash Flow**

The statement of cash flow reflects balance of Kshs.331,578,996 and Kshs.31,314,849 in respect to cash and cash equivalents for the year ended 30 June, 2022 and comparative balance respectively. However, recasting the accuracy of the statement revealed balance of Kshs.332,050,904 and Kshs.48,470,617 resulting to an unexplained and unreconciled variance of Kshs.471,908 and Kshs.17,155,768. Further, review of the statement revealed that the statement reflects comparative balance of Kshs.10,897,687 in respect to net increase in cash and cash equivalent which differs with the comparative negative balance of Kshs.6,258,081 reflected in the audited financial statements for 2020/2021 resulting to unreconciled and unexplained variance of Kshs.4,639,606.

In the circumstances, the accuracy and completeness of the cash and cash equivalent balance of Kshs.331,578,996 in the statement of cash flow could not be confirmed.

#### **2. Long Outstanding Third-Party Deposits and Retention**

As disclosed in Note 11 to the financial statements, the statement of assets and liabilities reflects third-party deposits and retention balance of Kshs.303,169,095 which includes Kshs.4,544,668 and Kshs.14,208,351 in respect to retention and deposits respectively having remained outstanding since November, 2015. No explanation was provided for the delay in settling the obligation.

In the circumstances, the accuracy and completeness of the third-party deposits and retention balance of Kshs.303,169,095 could not be confirmed.

#### **3. Pending Accounts Payable**

Note 17.1 to the financial statements reflects pending accounts payable balance of Kshs.48,170,956 which includes Kshs.36,377,706 for supply of services. However, review of the Annex 1 to the financial statements on the analysis of pending accounts

payable revealed that amounts totaling to Kshs.14,596,148 for the supply of various services have been outstanding since 2019/2020 financial year. No explanation was provided for the delay in settling the amount.

In the circumstances, the completeness and accuracy of the balance of Kshs.36,377,706 in respect to pending accounts payable could not be confirmed.

#### **4. Incomplete Fixed Assets Register**

Annex 2 to the financial statements reflects total assets balance of Kshs.300,852,285 as at 30 June, 2022. However, Management provided assets register which did not include information on date of acquisition, current values and dates of disposal of the assets. Further, the assets were not tagged, instead, manufacturers' serial numbers were used for identification purposes. No explanation was provided for the anomaly.

In the circumstances, the accuracy and completeness of the fixed assets balance of Kshs.300,852,285 for year ended 30 June, 2022 could not be confirmed.

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

#### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. I have determined that there are no other key audit matters to communicate in my report.

#### **Emphasis of Matter**

##### **Unutilized Sports Arts and Social Development Funds**

The statement of assets and liabilities reflects a balance of Kshs.303,169,095 as third-party deposits and retention as detailed in Note 11 to the financial statements which includes balance of Kshs.284,416,076 in respect to deposits from Sports Arts and Social Development Fund to cater for various operations and activities. However, the balance remained un-utilized as at the close of the financial year. No explanation was given for the failure to utilize the available funds.

In the circumstances, under-utilization of the funds affected the planned activities and may have impacted negatively on service delivery to the public.

#### **Other Matters**

##### **Unresolved Prior Year Matters**

In the audit of the previous year, several issues were raised. Management has not resolved the issues or provided reasons for the delay in resolving the prior year audit

issues as required by the Public Sector Accounting Standards Board template and The National Treasury's Circular Ref: AG/4/16/3/Vol.3(66) dated 6 July, 2022.

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### **Conclusion**

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

### **Basis for Conclusion**

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

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

### **Conclusion**

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

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

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

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

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

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

Those charged with governance are responsible for overseeing the State Department'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**

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit

the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

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

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



**CPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

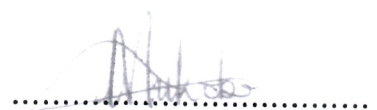
**20 January, 2023**

STATE DEPARTMENT FOR CULTURE AND HERITAGE  
Annual Report and Financial Statements for the Year ended 30<sup>th</sup> June 2022

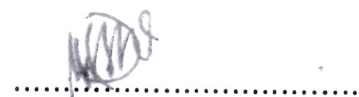
8. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH  
JUNE 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>Receipts</b>			
Exchequer Releases	1	2,828,722,244	2,268,942,446
Proceeds From Sale of Assets	2	186,000	4,000
Other Receipts	3	344,491,131	177,255,312
<b>Total Receipts</b>		<b>3,173,399,375</b>	<b>2,446,201,758</b>
<b>Payments</b>			
Compensation Of Employees	4	250,561,068	236,096,259
Use Of Goods and Services	5	247,701,558	215,294,652
Transfers To Other Government Entities	6	2,614,779,427	1,969,061,317
Social Security Benefits	7	4,243,533	3,939,695
Acquisition Of Assets	8	27,703,888	21,358,570
<b>Total Payments</b>		<b>3,144,989,474</b>	<b>2,445,930,493</b>
<b>Surplus/Deficit</b>		<b>28,409,901</b>	<b>271,265</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The State Department for Culture and Heritage financial statements were approved on 29/9/2022 and signed by:



Josephtha O. Mukobe (Ms.)CBS  
Principal Secretary




Peter N Kabebe  
Head of Accounting Unit  
ICPAK Member No.3845


STATE DEPARTMENT FOR CULTURE AND HERITAGE  
Annual Report and Financial Statements for the Year ended 30<sup>th</sup> June 2022

9. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>Financial assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	9A	331,578,996	31,314,849
Cash balances	9B	-	0
<b>Total cash and cash equivalent</b>		<b>331,578,996</b>	<b>31,314,849</b>
Imprests and advances	10	-	86,684
<b>Total financial assets</b>		<b>331,578,996</b>	<b>31,401,533</b>
<b>Financial liabilities</b>			
Third party deposits and retention	11	303,169,095	31,130,268
<b>Net financial assets</b>		<b>28,409,901</b>	<b>271,265</b>
<b>Represented by</b>			
Fund balance b/fwd.	12	271,265	1,155,347
Prior year adjustment	13	(271,265)	(1,155,347)
<b>Surplus/Deficit for the year</b>		<b>28,409,901</b>	<b>271,265</b>
<b>Net financial position</b>		<b>28,409,901</b>	<b>271,265</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The State Department for Culture and Heritage financial statements were approved on 29/9/ 2022 and signed by:

  
.....  
Josephtha O. Mukobe, (Ms.), CBS  
Principal Secretary

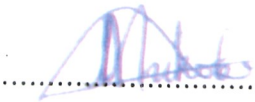
  
.....  
Peter N. Kabebe  
Head of Accounting Unit  
ICPAK Member No.3845


STATE DEPARTMENT FOR CULTURE AND HERITAGE  
Annual Report and Financial Statements for the Year ended 30<sup>th</sup> June 2022

10. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2022

Description	Notes	2021-2022	2020 -2021
		Kshs	Kshs
<b>Receipts for Operating Income</b>			
Exchequer releases	1	2,828,722,244	2,268,942,446
Other receipts	3	344,491,131	177,255,312
<b>Payments For Operating Expenses</b>			
Compensation of employees	4	250,561,068	236,096,259
Use of goods and services	5	247,701,558	215,294,652
Transfers to other government units	6	2,614,779,427	1,969,061,317
Social security benefits	7	4,243,533	3,939,695
<b>Adjusted For:</b>			
Adjustments during the year		0	0
Decrease/(Increase) in accounts receivable	14	86,684	(43,439)
Increase/(Decrease) in deposits and retention	15	272,038,827	(5,330,561)
Prior year adjustments	13	(271,265)	(1,155,347)
<b>Net Cash Flow from Operating Activities</b>			<b>15,276,489</b>
<b>Cash flow From Investing Activities</b>			
Proceeds from sale of assets	2	186,000	4,000
Acquisition of assets	8	(27,703,888)	(21,538,570)
<b>Net Cash Flows from Investing Activities</b>		<b>(27,517,888)</b>	<b>(21,534,570)</b>
<b>Cash flow From Borrowing Activities</b>			
Net cash flow from financing activities			
Net increase in cash and cash equivalent		300,736,055	10,897,687
<b>Cash &amp; Cash Equivalent at Start of The Year</b>		<b>31,314,849</b>	<b>37,572,930</b>
<b>Cash &amp; Cash Equivalent at End of The Year</b>		<b>331,578,996</b>	<b>31,314,849</b>

of the financial statements. The State Department for Culture and Heritage financial statements were approved on 29/9/ 2022 and signed by:

  
.....  
Josephtha O. Mukobe, (Ms.), CBS  
Principal Secretary

  
.....  
Peter N. Kabebe  
Head of Accounting Unit  
ICPAK Member No.3845


STATE DEPARTMENT FOR CULTURE AND HERITAGE  
Annual Report and Financial Statements for the Year ended 30<sup>th</sup> June 2022


11. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR  
FY2021/22

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Exchequer releases	2,578,585,107	259,304,136	2,837,889,243	2,828,722,244	9,166,999	100%
Proceeds from sale of assets	500,000	0	500,000	186,000	314,000	37%
Other receipts	408,000,000	(91,800,000)	316,200,000	344,491,131	(28,291,131)	109%
<b>Total Receipts</b>	<b>2,987,085,107</b>	<b>167,504,136</b>	<b>3,154,589,243</b>	<b>3,173,399,375</b>	<b>(18,810,132)</b>	<b>101%</b>
<b>Payments</b>						
Compensation of employees	225,200,000	25,776,467	250,976,467	250,561,068	415,399	100%
Use of goods and services	240,965,860	31,237,227	272,203,087	247,701,558	24,501,530	91%
Transfers to other government entities	2,472,920,000	112,693,196	2,585,613,196	2,614,779,427	(29,166,231)	101%
Social security benefits	1,800,000	2,443,533	4,243,533	4,243,533	0	100%
Acquisition of assets	46,199,247	(4,646,287)	41,552,960	27,703,888	13,849,072	67%
<b>Total Payments</b>	<b>2,987,085,107</b>	<b>167,504,136</b>	<b>3,154,589,243</b>	<b>3,144,989,474</b>	<b>9,599,769</b>	<b>100%</b>
<b>Surplus/ Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28,409,901</b>	<b>(28,409,901)</b>	

- Underutilization of 37% in proceeds from sale of assets was due to non-selling of assets.
- Overutilization of 101% in Other Receipts was due to collection of AIA more than the budgeted amount.
- Overutilization of 101% in Transfers to Other Government Units was due to collection of AIA more than the budgeted amount.
- Underutilization of 67% in Acquisition of Assets was due to delay in procurement of goods.
- The changes between the original and final budget are as a result of austerity measures.

The State Department for Culture and Heritage financial statements were approved on 29/9/2022 and signed by:

  
.....  
**Josephtha O. Mukobe, (Ms.), CBS**  
Principal Secretary

  
.....  
**Peter N. Kabebe**  
Head of Accounting Unit  
ICPAK Member No.3845

STATE DEPARTMENT FOR CULTURE AND HERITAGE  
Annual Report and Financial Statements for the Year ended 30<sup>th</sup> June 2022


11 (a) SUMMARY STATEMENT OF APPROPRIATION: RECURRENT FOR  
FY2021/22


Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>Receipts</b>						
Exchequer releases	2,522,688,547	249,304,136	2,771,992,683	2,762,825,684	9,166,999	100%
Proceeds from sale of assets	500,000	0	500,000	186,000	314,000	94%
Other receipts	408,000,000	(91,800,000)	316,200,000	344,491,131	(28,291,131)	101%
<b>Total Receipts</b>	<b>2,931,188,547</b>	<b>157,504,136</b>	<b>3,088,692,683</b>	<b>3,107,502,815</b>	<b>(18,810,132)</b>	<b>101%</b>
<b>Payments</b>						
Compensation of employees	225,200,000	25,776,467	250,976,467	250,561,068	415,399	96%
Use of goods and services	240,965,860	31,237,227	272,203,087	247,701,558	24,501,530	94%
Transfers to other Government entities	2,453,820,000	102,693,196	2,556,513,196	2,585,679,427	(29,166,231)	101%
Social security benefits	1,800,000	2,443,533	4,243,533	4,243,533	0	99%
Acquisition of assets	9,402,687	(4,646,287)	4,756,400	3,906,000	850,400	82%
<b>Total Payments</b>	<b>2,931,188,547</b>	<b>157,504,136</b>	<b>3,088,692,683</b>	<b>3,092,091,586</b>	<b>(3,398,903)</b>	<b>100%</b>
<b>Surplus/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,411,229</b>	<b>(15,411,229)</b>	

Notes

- Overutilization of 101% in Other Receipts was due to collection of AIA more than the budgeted amount.
- Overutilization of 101% in Transfers to Other Government Units was due to collection of AIA more than the budgeted amount.
- Underutilization of 82% in Acquisition of Assets was due to delay in procurement of goods.
- The changes between the original and final budget are as a result of austerity measures.

The State Department for Culture and Heritage financial statements were approved on 29/9/2022 and signed by:

  
.....  
Josephtha Mukobe (Ms.), CBS  
Principal Secretary

  
.....  
Peter N. Kabebe  
Head of Accounting Unit  
ICPAK Member No.3845

STATE DEPARTMENT FOR CULTURE AND HERITAGE  
Annual Report and Financial Statements for the Year ended 30<sup>th</sup> June 2022

11 (b) SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT FOR  
FY2021/22

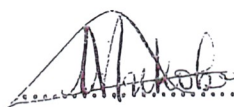
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>Receipts</b>						
Exchequer releases	55,896,560	10,000,000	65,896,560	65,896,560	0	100%
<b>Total Receipts</b>	<b>55,896,560</b>	<b>10,000,000</b>	<b>65,896,560</b>	<b>65,896,560</b>	<b>0</b>	<b>100%</b>
<b>Payments</b>						
Transfers to other Government State Department for Culture and Heritage	19,100,000	10,000,000	29,100,000	29,100,000	0	100%
Acquisition of assets	36,796,560	0	36,796,560	23,797,888	12,998,672	65%
<b>Total Payments</b>	<b>55,896,560</b>	<b>10,000,000</b>	<b>65,896,560</b>	<b>52,897,888</b>	<b>12,998,672</b>	<b>80%</b>
<b>Surplus/Deficit</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>12,998,672</b>	<b>(12,998,672)</b>	

Notes

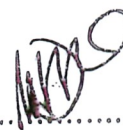
- Underutilization of 65% in Acquisition of Assets was due to delay in procurement of goods.
- The changes between the original and final budget are as a result of austerity measures.

The State Department for Culture and Heritage financial statements were approved on

29/9/2022 2022 and signed by:



Josephtha Mukobe (Ms.), CBS  
Principal Secretary



Peter N. Kabebe  
Head of Accounting Unit  
ICPAK Member No.3845

STATE DEPARTMENT FOR CULTURE AND HERITAGE  
Annual Report and Financial Statements for the Year ended 30<sup>th</sup> June 2022

11 (c) BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR  
FY2021/22

Programme/Sub-programme	Final Budget	Indicators	Outcomes	Actual on comparable basis	Budget utilization difference
	2022			2022	
	Kshs			Kshs	Kshs
<b>CULTURE</b>	<b>1,984,535,758</b>	No. of new heritage sites, monuments submitted for gazettment.	Enhanced heritage and culture knowledge appreciation and conservation.	<b>1,993,168,125</b>	<b>(8,632,367)</b>
Conservation of Heritage	1,718,980,412	No. of heritage sites and monuments monitored and restored.	National idState Department for Culture and Heritage promoted.	1,718,980,412	0
Public Records and Archives Management	149,506,474	No. of archival records acquired for permanent preservation.	Archival materials preserved and conserved.	137,357,183	12,149,291
Development and Promotion of Culture	147,919,284	No. of cultural practitioners imparted with skills.	National idState Department for Culture and Heritage promoted.	136,830,529	11,088,755
<b>THE ARTS</b>	<b>185,671,553</b>	No. of theatre drama concerts and poetry performed	A vibrant Arts industry.	<b>178,938,659.30</b>	<b>6,732,894</b>
Arts	136,054,898	No. of performing and visual artists trained	Performing and visual arts promoted	132,281,577	3,773,321
Culture	49,616,655	No. of cultural festivals coordinated.	National ID State Department for Culture and Heritage promoted.	46,657,082	2,959,573
<b>LIBRARY SERVICES</b>	<b>804,934,314</b>	No. of people participating in reading.	Knowledgeable society.	<b>798,424,233</b>	<b>6,510,081</b>
Library services	804,934,314	No. of Government libraries networked.	Reading improved culture.	798,324,233	6,610,081
<b>GENERAL ADMINISTRATION, PLANNING AND SUPPORT SERVICES</b>	<b>179,447,618</b>	No. of policies reviewed and developed.	Effective and efficient delivery.	<b>174,458,457</b>	<b>4,989,161</b>
General administration and support services	179,447,618	No. of M&E reports	Quality and efficient reports	174,458,457	4,989,161
<b>Total</b>	<b>3,154,589,243</b>			<b>3,144,989,474</b>	<b>9,599,769</b>

**STATE DEPARTMENT FOR CULTURE AND HERITAGE**  
**Annual Report and Financial Statements for the Year ended 30<sup>th</sup> June 2022**

**12. SIGNIFICANT ACCOUNTING POLICIES**

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

**Statement of Compliance and Basis of Preparation**

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

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

**1. Reporting State Department for Culture and Heritage**

The financial statements are for the **State Department for Culture and Heritage**. The financial statements encompass the reporting State Department for Culture and Heritage as specified under Section 81 of the PFM Act 2012 and also comprise of the following development projects implemented by the State Department for Culture and Heritage:

**2. Reporting Currency**

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

**3. Significant Accounting Policies**

The accounting policies set out in this section have been consistently applied by the State Department for Culture and Heritage for all the years presented.

**4. Recognition of Receipts**

The State Department for Culture and Heritage recognises all receipts from the various sources when the event occurs, and the related cash has been received by the State Department for Culture and Heritage

**5. Transfers from the Exchequer**

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

**(i) External Assistance**

External assistance is received through grants and loans from multilateral and bilateral development partners. Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient State Department for Culture and Heritage or by the beneficiary. In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

**STATE DEPARTMENT FOR CULTURE AND HERITAGE**  
**Annual Report and Financial Statements for the Year ended 30<sup>th</sup> June 2022**

**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

During the year ended 30<sup>th</sup> June 2022, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

**(ii) Other receipts**

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

**a) Recognition of payments**

The State Department for Culture and Heritage recognises all payments when the event occurs, and the related cash has been paid out by the State Department for Culture and Heritage.

**i) Compensation of Employees**

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

**ii) Use of Goods and Services**

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

**iii) Interest on Borrowing**

Borrowing costs that include interest are recognized as payment in the period in which they are paid for.

**iv) Principal on borrowing**

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.

**v) Acquisition of Fixed Assets**

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

A fixed asset register is maintained and a summary provided for purposes of consolidation.

**vi) In-kind contributions**

In-kind contributions are donations that are made to the State Department for Culture and Heritage in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the State Department for Culture and Heritage includes such value in the statement

of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

**STATE DEPARTMENT FOR CULTURE AND HERITAGE**  
**Annual Report and Financial Statements for the Year ended 30<sup>th</sup> June 2022**

**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**vii) Third Party Payments**

Included in the receipts and payments, are payments made on its behalf to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties in the statement of receipts and payments as proceeds from foreign borrowings.

**b) 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.

A bank account register is maintained and a summary provided for purposes of consolidation.

**Restriction on Cash**

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

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2022, this amounted to **Kshs.18,753,019** compared to **Kshs . 284,416,077** in prior period as indicated on note 11. There were no other restrictions on cash during the year.

**c) Imprests and advances**

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

**d) Third party deposits and retention**

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

Other liabilities including pending bills are disclosed in the financial statements.

**STATE DEPARTMENT FOR CULTURE AND HERITAGE**  
**Annual Report and Financial Statements for the Year ended 30<sup>th</sup> June 2022**

**e) Pending Bills**

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

**f) Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits and retentions, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament in June 2021 for the period 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2022 as required by Law and there were xx number of supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements. Government Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-State Department for Culture and Heritage transfers.

**g) Comparative Figures**

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

**h) Subsequent Events**

There have been no events after the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2022.

**i) Prior Period Adjustment**

During the year, errors that have been corrected are disclosed *under note 26* explaining the nature and amounts.

**j) Related Party Transactions**

Related party means parties are related if one party has the ability to:

Control the other party or

Exercise significant influence over the other party in making financial and operational decisions, or if the related party State Department for Culture and Heritage and another State Department for Culture and Heritage are subject to common control.

Related party transaction is a transfer of resources or obligations between related parties regardless of whether a price is charged.

**STATE DEPARTMENT FOR CULTURE AND HERITAGE**  
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**k) Contingent Liabilities**

A contingent liability is:

A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the State Department for Culture and Heritage; or

A present obligation that arises from past events but is not recognised because:

It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or

The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships, The State Department for Culture and Heritage 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. State Department for Culture and Heritage didn't have any contingent liabilities in the year.

STATE DEPARTMENT FOR CULTURE AND HERITAGE  
Annual Report and Financial Statements for the Year ended 30<sup>th</sup> June 2022

13. NOTES TO THE FINANCIAL STATEMENTS

1. Exchequer releases

Description	2021-2022	2020-2021
	Kshs	Kshs
Total Exchequer releases for quarter 1	634,444,807	944,151,539
Total Exchequer releases for quarter 2	727,373,453	150,012,670
Total Exchequer releases for quarter 3	412,992,642	518,099,847
Total Exchequer releases for quarter 4	1,053,911,342	656,678,391
<b>Total</b>	<b>2,828,722,244</b>	<b>2,268,942,446</b>

Budgeted exchequer was **Kshs. 2,837,889,243** against received exchequer of **Kshs. 2,828,722,244** leading to a shortfall of **Kshs. 9,166,999**.

2. Proceeds from Sale of Assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Receipts from the Sale of other inventories, stocks and commodities	186,000	4,000
<b>Total</b>	<b>186,000</b>	<b>4,000</b>

Sales increased in the financial year 2021/2022.

3. Other Receipts

Description	2021-2022	2020-2021
	Kshs	Kshs
Administrative Fees and Charges	343,366,231	177,041,317
Administrative Fees and Charges collected as AIA	1,124,900	213,995
<b>Total</b>	<b>344,491,131</b>	<b>177,255,312</b>

There was an increase in collection of AIA due to return of normalcy after the Covid-19 pandemic.

STATE DEPARTMENT FOR CULTURE AND HERITAGE  
Annual Report and Financial Statements for the Year ended 30<sup>th</sup> June 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Compensation to Employees

Description	2021-2022	2020-2021
	Kshs	Kshs
Basic salaries of permanent employees	157,944,796	144,061,984
Basic wages of temporary employees	9,979,872	7,412,367
Personal allowances paid as part of salary	82,636,401	84,621,908
<b>Total</b>	<b>250,561,068</b>	<b>236,096,259</b>

The increase in compensation to employees was due to promotion of most of the staffs.

5. Use of Goods and Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Utilities, supplies and services	4,597,320	3,748,968
Communication, supplies and services	3,765,338	5,638,831
Domestic travel and subsistence	40,586,853	62,633,741
Foreign travel and subsistence	6,520,818	2,913,222
Printing, advertising and information supplies & services	9,629,700	4,932,636
Rentals of produced assets	86,598,217	38,716,781
Training expenses	5,357,430	4,016,290
Hospitality supplies and services	39,644,191	42,514,836
Specialized materials and services	18,474,661	19,439,837
Office and general supplies and services	5,570,144	5,549,387
Fuel Oil and Lubricants	6,054,889	5,578,966
Other operating expenses	12,234,704	12,855,024
Routine maintenance – vehicles and other transport equipment	3,385,995	4,278,742
Routine maintenance – other assets	5,281,296	2,477,391
<b>Total</b>	<b>247,701,558</b>	<b>215,294,652</b>

There was increase in expenditure on use of goods due to payment of rent for the headquarter offices which had not been budgeted for in the previous year.

STATE DEPARTMENT FOR CULTURE AND HERITAGE  
Annual Report and Financial Statements for the Year ended 30<sup>th</sup> June 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Grants and Transfers to other Government Entities

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>Transfers to National Government entities</b>		
Current grants to government agencies and other level of govt	2,285,679,427	1,943,969,328
Capital grants to government agencies and other level of govt	29,100,000	15,300,000
Other Current transfers grants and subsidies	300,000,000	0
<b>Total</b>	<b>2,614,779,427</b>	<b>1,959,269,328</b>

Please note that the amount **Kshs. 2,614,779,427** includes **Kshs 343,366,231** collected as AIA by Kenya National Library Services, Kenya Cultural Centre and National Museum of Kenya as tabulated below.

6 a: Transfers to self – reporting entities in the year

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

Description	Recurrent	Development	Total	Total
			2021-2022	2020-2021
	Kshs	Kshs	Kshs	Kshs
<b>Transfers to SAGAs and SCs</b>				
Kenya National Library Services	646,810,000	0	646,810,000	661,010,000
Kenya Cultural Centre	77,800,000	10,000,000	87,800,000	35,500,000
Institute of Primate Research	63,800,000	19,100,000	82,900,000	33,800,000
National Museum of Kenya	1,344,010,000	0	1,344,010,000	1,006,510,000
Natural Product	100,200,000	0	100,200,000	55,200,000
Heroes Council	9,693,196	0	9,693,196	0
<b>TOTAL</b>	<b>2,232,620,000</b>	<b>29,100,000</b>	<b>2,271,413,196</b>	<b>1,792,020,000</b>

We have confirmed these amounts with the recipient entities and attached these confirmations as an Appendix to this financial statement significant changes.

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

**6 (b). Appropriation in Aid Breakdown**

The Appropriation in Aid collected by the SAGAs was as tabulated below;

<b>Description</b>	<b>Amount</b>
	<b>Kshs.</b>
Kenya National Library Services	118,799,893
Kenya Cultural Centre	32,695,926
National Museum of Kenya	191,870,412
<b>Total</b>	<b>343,366,231</b>

Please note that National Museum of Kenya collected A.I.A of **Kshs.191,870,412** as per the confirmation letter but the budgeted amount was **Kshs.160, 000,000**.

**7. Social Security Benefits**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Government pension and retirement benefits	4,243,533	3,939,695
<b>Total</b>	<b>4,243,533</b>	<b>3,939,695</b>

The above benefits relate to payment of gratuity to officers whose contract expired. There was increase since more officers' contracts expired.

**8. Acquisition of Assets**

<b>Non -Financial Assets</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Refurbishment of Buildings	14,812,388	0
Purchase of Office Furniture and General Equipment	3,906,000	4,488,152
Purchase of Specialized Plant, Equipment and Machinery	8,985,500	17,050,418
<b>Total</b>	<b>27,703,888</b>	<b>21,538,570</b>

There was increase in Acquisition of Assets due to money spent in refurbishment of Buildings.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Cash and Bank Accounts

9A: Bank Accounts

Name of Bank, Account No. & currency	Currency	Nature of Account	2021-2022	2020-2021
			Kshs	Kshs
Central Bank of Kenya,1000386207	Kshs	Recurrent	15,411,229	184,499
Central Bank of Kenya,1000386215	Kshs	Development	12,998,672	82
Central Bank of Kenya,1000386223	Kshs	Deposit	18,753,019	15,891,219
Central Bank of Kenya,1000442239	Kshs	Deposit	284,416,077	15,239,049
<b>Total</b>			<b>331,578,996</b>	<b>31,314,849</b>

9B: Cash on hand

Description	2021-2022	2020-2021
	Kshs	Kshs
Cash in hand – Held in domestic currency	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

10: Imprests and Advances

Description	2021-2022	2020-2021
	Kshs	Kshs
Government Imprests	0	50,000
District suspense	0	36,684
<b>Total</b>	<b>0</b>	<b>86,684</b>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Third party deposits and retention

Description	2021-2022	2020-2021
	Kshs	Kshs
Retention	4,544,668	4,544,668
Deposits	14,208,351	11,346,551
Deposits	284,416,076	15,239,049
<b>Total</b>	<b>303,169,095</b>	<b>31,130,268</b>

The above amount relates to retentions of the contractors and general deposits from other entities as per the attached appendices.

12. Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Accounts	31,314,849	37,518,120
Cash in hand	-	54,810
Accounts Receivables	86,684	43,245
Accounts Payables	(31,130,268)	(36,460,828)
<b>Total</b>	<b>271,265</b>	<b>1,155,347</b>

13. Prior Year Adjustments

	Balance b/f FY 2020/2021 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted Balance b/f FY 2020/2021
Description of the error	Kshs	Kshs	Kshs
Bank Account Balances	31,314,849	0	31,314,849
Cash In Hand	-	0	-
Accounts Payables	(31,130,268)	0	(31,130,268)
Receivables	86,684	0	86,684
	<b>271,265</b>		<b>271,265</b>

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The amount Kshs.271,265 relate to unspent balances for the financial year 2020/2021 i.eKshs.184,499 for recurrent, Kshs 82 for development ,Kshs 54,810 cash in hand ,Kshs 50,000 outstanding and Kshs.36,684 Unspent money from the district. The amount has since been recovered by the National Treasury as unspent balances.

14. (Increase)/ Decrease in Advances and Imprests

Description	2021-2022	2020-2021
	Kshs	Kshs
Receivables As At 1 <sup>st</sup> July (A)	86,684	43,245
Receivables As At 30 <sup>th</sup> June (B)	0	86,684
(Increase)/ Decrease in Receivables (C)=(B-	86,684	(43,439)

15. Increase/ (Decrease) in Retention and Third-Party Deposits

Description	2021-2022	2020-2021
	Kshs	Kshs
Payables As At 1 <sup>st</sup> July	31,130,268	36,460,829
Payables As At 30 <sup>th</sup> June	303,169,095	31,130,268
Increase/ (Decrease) In Payables	(272,038,827)	(5,330,561)

16. Related Party Disclosures

The following comprise of related parties to the State Department for Culture and Heritage;

	2021-2022	2020-2021
	Kshs	Kshs
Key Management Compensation	19,355,696	19,355,696
<b><u>Transfers to related parties</u></b>		
Transfers to SCs and SAGAs	2,271,413,196	1,792,020,000
<b>Total Transfers to related parties</b>	<b>2,271,413,196</b>	<b>1,792,020,000</b>
<b><u>Purchase of Goods and Services</u></b>		
Purchase of electricity from KPLC	3,536,980	2,696,229
Purchase of water from Govt service providers	1,060,340	1,052,738
Rent charges paid to govt. agencies	86,598,217	38,716,781
<b><u>Transfers from related parties</u></b>		
Transfers from the Exchequer	2,828,722,244	2,268,942,446

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

**17.1: Pending Accounts Payable (See Annex 1)**

	<b>Balance b/f FY 2020/2021</b>	<b>Additions for the period</b>	<b>Paid during the year</b>	<b>Balance c/f FY 2021/2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Supply of Goods	14,521,562	11,793,250	14,521,562	11,793,250
Supply of Services	59,915,834	10,034,367.40	33,572,495.46	36,377,7 05.94
<b>Total</b>	<b>74,437,396.04</b>	<b>20,903,767.40</b>	<b>47,170,207.5</b>	<b>48,170,955.94</b>

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

**18. Progress on follow up of Prior Years Auditor-General's recommendations**

The following is the summary of issues raised by the Auditor-General during the prior year and management comments that were provided.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
1.	<p><b>Use of Goods and Services</b></p> <p>The statement of receipts and payments reflects use of goods and services amount of Kshs.215,294,652. However, the respective Note 5 to the financial statements cast to Kshs.216,227,801 resulting in an un-explained difference of Kshs.933,149. Under the circumstances, the accuracy of use of goods and services amount of Kshs.215,294,652 could not be confirmed.</p>	<p>We wish to state that the amount stated of Kshs. 215,294,652 as the total under use of goods is the correct amount. However when the breakdown of the specific items were being recorded there was a casting error which resulted to the difference of Kshs.933,149. The amount has since been corrected in the financial statements.</p>	Not Resolved	30 <sup>th</sup> June, 2022

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
2.	<p>Unsupported Accounts payable-Retention</p> <p>The statement of assets and liabilities and note 11 to the financial statements, reflects accounts payables balance of Kshs.31,130,268 as at 30 June, 2021. The balance includes an amounts of Kshs.4,544,668 in respect of retention money out of which deposit bank balance of Kshs.4,098,684 was transferred to the state department for culture and arts after split of Ministry of Sports Culture and Arts into two state departments. The State Department vide letter Ref SDCH/Ac/1 vol.1(153) dated 13<sup>th</sup> November, 2019 wrote to the State Department for Sports requesting them to provide details of the retentions to determine what the projects related to for purposes of payment. However, as at the time of the audit, details of the retentions had not been provided and therefore their ownership could not be confirmed.</p> <p>In addition, the retention balance of Kshs. 4,544,668 includes a balance of Kshs.445,984 in respect of refurbishment services provided by a contractor for which project completion documents had not been availed to the Department to facilitate. Consequently, the accuracy and validity of the accounts payable-retention balance of Kshs.4,544,668 as at 30 June, 2021 could not be confirmed.</p>	<p>We wish to state that, with regard to <b>Kshs.4,098,684</b> the Department has not yet received any response from the State Department for Sports concerning the same despite various requests, while the balance of <b>Kshs.445,984</b> which relates to refurbishment services provided by Patience Services Limited is still awaiting project completion documents to enable payment.</p>	Not Resolved	30 <sup>th</sup> June, 2022

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
3.	<p><b>Unsupported prior year adjustment on cash in hand</b></p> <p>Note 13 to financial statements reflects a prior year adjustment of <b>Kshs. 1,155,347</b> which includes adjustment on cash in hand of <b>Kshs.54,810</b>. The total amount under adjustments of <b>Kshs. 1,155,347</b> relates to unspent balances for the financial year 2019/2020 recovered by the National Treasury and the State Department.</p> <p>Analysis of management response and support documents however revealed that total recoveries supported was <b>Kshs.1,100,535</b> leaving a balance of <b>Kshs.54,810</b> relating to cash in hand whose support documents authenticity could not be confirmed. Consequently, it was not possible to ascertain the validity of the prior year adjustment of <b>Kshs.54,810</b> on cash in hand as at 30 June,2021.</p>	<p>We wish to state that Kshs.54,810 relate to unspent cash in hand at the end of the financial year 2020/2021.The amount was surrendered at the beginning of the financial year 2021/20211 to treasury as evidenced by the attached extracts of bank and cash books copy.</p>	Not Resolved	30 <sup>th</sup> June,2022

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
1.	<p><b>Other Matter</b></p> <p><b>Pending bills</b></p> <p>Annex 1 to the financial statements reflects pending bills totaling to <b>Kshs. 74,437,396</b> as at 30 June, 2021. Out of this amount <b>Kshs. 59,915,834</b> relate to financial year 2019/2020 resulting to an increase of <b>Kshs. 14,579,685</b>(20%). It was not clear why the prior year pending bills of <b>Kshs.59,857,711</b> were not paid when they became due or why they did not form first charge in the year 2020/2021.</p> <p>In addition, out of the total pending bills balance of <b>Kshs. 74,437,396</b>, an amount of <b>Kshs.31,507,892</b> equivalent to 42% represents rent arrears owed to Kenya National Library Service Board (KNLSB) that remained outstanding as at 30 June,2021.</p> <p>Failure to settle bills in the year to which they relate adversely affect the implementation of the subsequently years budgeted programs as the pending bills form a first charge.</p>	<p>We wish to state that out of totaling to <b>Kshs.,74,437,396</b> as at 30 June 2021 arose as follows; <b>Kshs.16,000,000</b> relate to historical bills which are not payable due to lack of supporting documents. Total amount the pending bills had not been cleared due to inadequate budget allocation.</p>	Not Resolved	30 <sup>th</sup> June,2022

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
2.	<p>Failure to conduct training needs assessment, prepare staff training and development policy and training master plan.</p> <p>Note 5 to the financial statements on use of goods and services reflects training expense of <b>Kshs.4, 016,290</b>. However, there was no evidence that the State Department prepared and operationalized a staff training and development policy, training master plan and training needs assessment. Therefore, the trainings were not based on identified needs and could not be confirmed to be beneficial to the employees of state department. This violates Regulation 43(1)(b) of Public Finance management (National Government) Regulation, 2015 which provides that an accounting officer should ensure that funds entrusted to their care are properly safeguarded and applied for the purposes for which they were intended and appropriated by the National assembly.</p>	<p>We wish to state that during the financial year 2020/2021 the State Department was unable to conduct training needs assessment due to COVID 19 pandemic which affected most of the department activities including training processes.</p>	<p>Not Resolved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
1.0	<p><b>Asset Management</b></p> <p><b>Untagged and Un-allocated Assets</b></p> <p>An inspection of the State Department's assets revealed that the assets were not tagged for ease of identification and as a measure to safeguard against loss. In addition, review of the assets register revealed that serial numbers for some office equipment were not recorded for ease of identification. In addition, iPad issued to the records management office valued at <b>Kshs. 593,750</b> were not allocated to any particular officer for safety and accountability. Failure to tag and allocate assets is an indication of weak internal control over assets.</p>	<p><b>We wish to state that the State Department</b> has embarked on the exercise of identifying the assets and tagging them for ease of identification and ownership.</p> <p><b>With regard to IPADS</b>, these were procured for Integrated Public Records Information Management System (IPRIMIS). The same were issued to the Head of Records Management Ms Angeline Owino, who was also in charge of the project as evidenced by the attached copy of Counter Requisition and Issue Voucher (S11). (See Appendix 7)</p> <p>The IPADS were to be used as follows;</p> <p>i)1 No. for IPRIMS System Demos for senior management. This was installed with the system for the purpose of showing the use of other devices.</p> <p>ii)1No. for baseline survey reports including photos and videos of public registries status.</p> <p>iii)2 No. were installed with training modules and digitization programmes. These was for the purposes of business processes recorded.</p> <p>iv) 1. No. was used to capture changes made to system and new mandate codes created as per the departments.</p>	<p>Not Resolved</p>	<p>30<sup>th</sup> June,2022</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:															
1.2	<p><b>Disposal of Motor Vehicles</b></p> <p>Review of Documents and inspection of motor vehicles revealed that five motor vehicles listed below have been grounded at various garages for long periods.</p> <table border="1" data-bbox="655 1256 1043 1834"> <thead> <tr> <th>Reg.No</th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>GK A106 U</td> <td>VW Passat</td> <td>Grounded at CMC Ltd. Earmarked for Disposal but not disposed due to high reserve price</td> </tr> <tr> <td>GK A 170U</td> <td>VW Passat</td> <td>Grounded at CMC Ltd Earmarked for Disposal but not disposed due to high reserve price</td> </tr> <tr> <td>GK A 208A</td> <td>Peugeot 504 Saloon</td> <td>Grounded at NSSF but not disposed due to high reserve price</td> </tr> <tr> <td>GK A 422L</td> <td>Peugeot 406</td> <td>Grounded at Urysia but not disposed due to high reserve price</td> </tr> </tbody> </table> <p>In the circumstances, the vehicles are exposed to the risk of further deterioration and loss of value.</p>	Reg.No			GK A106 U	VW Passat	Grounded at CMC Ltd. Earmarked for Disposal but not disposed due to high reserve price	GK A 170U	VW Passat	Grounded at CMC Ltd Earmarked for Disposal but not disposed due to high reserve price	GK A 208A	Peugeot 504 Saloon	Grounded at NSSF but not disposed due to high reserve price	GK A 422L	Peugeot 406	Grounded at Urysia but not disposed due to high reserve price	<p>We wish to state that GK A106 U, GK A 170 U, GK A208A, and GK A 422 L vehicles had been earmarked for disposal. Unfortunately, they were not disposed due to high reserve price. The department has since written vide letter REF SDAC/PRO/PW/50 dated 30th July, 2021 to the State Department for Public works requesting them to value the motor vehicles at their location and declare appropriate reserve prices to enable us to start the process of disposal of the vehicles.</p>	Not Resolved	30 <sup>th</sup> June, 2022
Reg.No																			
GK A106 U	VW Passat	Grounded at CMC Ltd. Earmarked for Disposal but not disposed due to high reserve price																	
GK A 170U	VW Passat	Grounded at CMC Ltd Earmarked for Disposal but not disposed due to high reserve price																	
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:																																																
1.3	<p><b>Ownership of Motor Vehicle and Register</b></p> <p>Twenty-three (23) motor vehicles of various models were registered under more than one Government agency as detailed below:-</p> <table border="1" data-bbox="678 1220 1324 1836"> <thead> <tr> <th>No.</th> <th>Reg No</th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>GKB 436S</td> <td>Peugeot 508</td> <td>O.V.P&amp; Ministry of State for National Heritage</td> </tr> <tr> <td>2</td> <td>GKB 587 S</td> <td>Toyota Prado</td> <td>O.V.P&amp; Ministry of State for National Heritage</td> </tr> <tr> <td>3</td> <td>GKB 133 V</td> <td>Toyota Prado</td> <td>O.V.P&amp; Ministry of State for National Heritage</td> </tr> <tr> <td>4</td> <td>GKB 846 S</td> <td>Mitsubishi Pajero</td> <td>O.V.P&amp; Ministry of State for National Heritage</td> </tr> <tr> <td>5</td> <td>GKA 724N</td> <td>Mitsubishi Pajero</td> <td>O.V.P&amp; Ministry of State for National Heritage</td> </tr> <tr> <td>6</td> <td>GKB 145B</td> <td>Isuzu D/MAX</td> <td>O.V.P&amp; Ministry of State for National Heritage</td> </tr> <tr> <td>7</td> <td>GKA 450N</td> <td>Nissan E24</td> <td>O.V.P&amp; Ministry of State for National Heritage</td> </tr> <tr> <td>8</td> <td>GKA 106U</td> <td>Passat</td> <td>Ministry of Finance and Planning</td> </tr> <tr> <td>9</td> <td>GKA170U</td> <td>Passat</td> <td>Ministry of Finance and planning</td> </tr> <tr> <td>10</td> <td>GKA531G</td> <td>Nissan E24</td> <td>O.V.P. Ministry of Home Affairs</td> </tr> <tr> <td>11</td> <td>GKA835X</td> <td>Toyota Corolla</td> <td>O.V.P&amp; Ministry of State for National Heritage</td> </tr> </tbody> </table>	No.	Reg No			1	GKB 436S	Peugeot 508	O.V.P& Ministry of State for National Heritage	2	GKB 587 S	Toyota Prado	O.V.P& Ministry of State for National Heritage	3	GKB 133 V	Toyota Prado	O.V.P& Ministry of State for National Heritage	4	GKB 846 S	Mitsubishi Pajero	O.V.P& Ministry of State for National Heritage	5	GKA 724N	Mitsubishi Pajero	O.V.P& Ministry of State for National Heritage	6	GKB 145B	Isuzu D/MAX	O.V.P& Ministry of State for National Heritage	7	GKA 450N	Nissan E24	O.V.P& Ministry of State for National Heritage	8	GKA 106U	Passat	Ministry of Finance and Planning	9	GKA170U	Passat	Ministry of Finance and planning	10	GKA531G	Nissan E24	O.V.P. Ministry of Home Affairs	11	GKA835X	Toyota Corolla	O.V.P& Ministry of State for National Heritage	<p>We wish to state that with regard to the twenty-three (23) vehicles of various models which are registered under more than one government agency, the State Department has requested already transferred the names to the State Department.</p>	Not Resolved	30 <sup>th</sup> June,2022
No.	Reg No																																																			
1	GKB 436S	Peugeot 508	O.V.P& Ministry of State for National Heritage																																																	
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12	GKA208A	Peugeot 406	O.V.P& Ministry of State for National Heritage
13	GKA832X	Toyota corolla	O.V.P& Ministry of State for National Heritage
14	GKA422L	Peugeot 406	O.V.P Ministry of Home Affairs
15	GKA327S	Toyota D/cabin	O.V.P& Ministry of State for National Heritage
16	GKA 350 S	Toyota Avanza	O.V.P Ministry of Home Affairs
17	GKA317P	Mitsubishi pickup	O.V.P& Ministry of State for National Heritage
18	GKA071Y	Mitsubishi pickup	O.V.P Ministry of Home Affairs
19	GKA072Y	Nissan pickup	O.V.P& Ministry of State for National Heritage
20	GKA131L	Nissan pickup	O.V.P Ministry of Home Affairs
21	GKB573C	Nissan xTrail	O.V.P& Ministry of State for National Heritage
22	GKB529S	Ford Ranger/D cab	O.V.P Ministry of Home Affairs
23	GKA315Y	Land Rover	O.V.P& Ministry of State for National Heritage

Although management explained that the logbooks for the twenty-three (23) vehicles were submitted to the National Transport Safety Authority for transfer on 27<sup>th</sup> September, 2021, the transfer had not been effected as at the time of the audit.

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
2.0	<p><b>Understaffing</b></p> <p>A review of Human Resource records indicated that the State Department had an authorized establishment of 1,531 as at 30 June, 2021 against actual in post of 195 resulting in a staff deficit of 1336 personnel. Understaffed by 1336 personnel. The staff shortage noted, if not addressed could impact negatively on the operations of the State Department.</p>	<p>We wish to state that the State Department is still liaising with Public Service commission to have the vacant position filled.</p>	Not Resolved	30 <sup>th</sup> June, 2022

  
 .....  
**Josephtha Mukobe (Ms.), CBS**  
**Principal Secretary**

  
 .....  
**Peter N. Kabebe**  
**Head of Accounting Unit**  
**ICPAK Member No.3845**

**STATE DEPARTMENT FOR CULTURE AND HERITAGE**  
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**14.ANNEXES**

**Annex 1 - Analysis of Pending Accounts Payable**

<b>Supplier of Goods or Services</b>	<b>Original Amount</b>	<b>Date Contracted</b>	<b>Amount Paid To-Date</b>	<b>Outstanding Balance 2021/22</b>	<b>Outstanding Balance 2020/21</b>	<b>Comments</b>
	<b>A</b>	<b>B</b>	<b>c</b>	<b>d=a-c</b>		
<b>Supply of goods</b>						
1. Bidvest merchants	147,050	2021/2022	0	147,050	0	
2. Pixel General Merchants	1,893,000	2021/2022	0	1,893,000	0	
3. Powerware Systems Ltd	8,976,400	2021/2022	0	8,976,400	0	
4. Cayvette Company	525,000	2020/2021	0	525,000	525,000	
5. Computerways ltd	251,800	2019/2020	0	251,800	251,800	
<b>Sub-Total</b>	<b>11,793,250</b>		<b>0</b>	<b>11,793,250</b>	<b>776,800</b>	
<b>Supply of services</b>						
6. Pago airways travel services limited	978,785	2021/2022	0	978,785	0	
7. Ellabel agencies	65,760	2021/2022	0	65,760	0	
8. Ellabel agencies	37,600	2021/2022	0	37,600	0	
9. Ellabel agencies	54,750	2021/2022	0	54,750	0	
10. Ellabel agencies	37,930	2021/2022	0	37,930	0	
11. Ellabel agencies	39,050	2021/2022	0	39,050	0	
12. Ellabel agencies	82,840	2021/2022	0	82,840	0	
13. Image track technologies limited	294,000	2021/2022	0	294,000	0	
14. Flashcom security limited	32,000	2021/2022	0	32,000	0	

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
15. Dechrip east africa limited	124,879	2021/2022	0	124,879	0	
16. First fit autocare	508,080	2021/2022	0	508,080	0	
17. Sawela lodges	1,027,200	2021/2022	0	1,027,200	0	
18. Dar-ul-shifa medical	360,000	2021/2022	0	360,000	0	
19. Dechrip east africa limited	267,936	2021/2022	0	267,936	0	
20. Flashcom security limited	448,000	2021/2022	0	448,000	0	
21. Nairobi city council	817,336	2021/2022	0	817,336	0	
22. Bakili Enterprises Limited	115,500	2021/2022	0	115,500	0	
23. Cooperative house	1,156,334.40	2021/2022	0	1,156,334.40	0	
24. Pepomi general merchants	669,946	2021/2022	0	669,946	0	
25. Zipjoe agencies	373,180	2021/2022	0	373,180	0	
26. Lake Naivasha Resort	162,000	2021/2022	0	162,000	0	
27. Naivasha County Hotel Limited	152,000	2021/2022	0	152,000	0	
28. Zipjoe Agencies	26,750	2021/2022	0	26,750	0	
29. The Luke Hotel	350,000	2021/2022	0	350,000	0	
30. Pepomi General Merchants	669,946	2021/2022	0	669,946	0	
31. Sawela	124,000	2021/2022	0	124,000	0	
32. Hylise Hotel	277,200	2021/2022	0	277,200	0	
33. Bigman Travel and Holidays Limited	33,000	2021/2022	0	33,000	0	

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
34. Jubilly Tours and Tavel	50,215	2021/2022	0	50,215	0	
35. Nestek Agencies	466,200	2021/2022	0	466,200	0	
36. Bigman Travel and Holidays Limited	52,400	2021/2022	0	52,400	0	
37. Bigman Travel and Holidays Limited	32,500	2021/2022	0	32,500	0	
38. Cayvette Company	525,000	2020/2021	0	525,000	525,000	
39. Martinis Auto and General Supplies	150,000	2020/2021	0	150,000	150,000	
40. Jubilly Tours and Travel	22,890	2020/2021	0	22,890	22,890	
41. Jubilly Tours and Travel	75,100	2020/2021	0	75,100	75,100	
42. Jubilly Tours and Travel	25,890	2020/2021	0	25,890	25,890	
43. Jubilly Tours and Travel	26,665	2020/2021	0	26,665	26,665	
44. Intellihub Technology Systems	121,980	2020/2021	0	121,980	121,980	
45. National Youth service	196,650	2020/2021	0	196,650	196,650	
46. Kenya Broadcasting Corporation	886,206.9	2020/2021	0	886,206.9	886,206.9	
47. Kenma Homecare Services	116,027.49	2020/2021	0	116,027.49	116,027.49	
48. Jubilly Tours and Travel	58,600	2020/2021	0	58,600	58,600	
49. Bigman Travel and Holidays Limited	32,500	2020/2021	0	32,500	32,500	
50. Bigman Travel and Holidays Limited	33,000	2020/2021	0	33,000	33,000	
51. Jubilly Tours and Travel	99,360	2020/2021	0	99,360	99,360	
52. Kenma Homecare Services	116,027	2020/2021	0	116,027	116,027	

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
53. Zipjoe agencies	89,690	2020/2021	0	89,690	89,690	
54. Snowflake Travel Limited	1,111,800	2020/2021	0	1,111,800	1,111,800	
55. Telkom	953,644.65	2020/2021	0	953,644.65	953,644.65	
56. Presbyterian Guest House and Conference	270,000	2019/2020	0	270,000	270,000	
57. African Marsh Safaris& Travel Limited	581,000	2019/2020	0	581,000	581,000	
58. National Council Of The Kenya Young Men's Christian Association[YMCA]	420,000	2019/2020	0	420,000	420,000	
59. Kisumu Hotel Maseno University]	437,000	2019/2020	0	437,000	437,000	
60. Kenya School Of Government Embu	237,500	2019/2020	0	237,500	237,500	
61. Kenya Institute Of Curriculum Development[KICD]	150,000	2019/2020	0	150,000	150,000	
62. Panaroma Park Hotel Limited	87,000	2019/2020	0	87,000	87,000	
63. IBIS Nyeri Limited	200,000	2019/2020	0	200,000	200,000	
64. Courier International Limited	91,052	2019/2020	0	91,052	91,052	
65. National Museums Of Kenya	250,000	2019/2020	0	250,000	250,000	
66. African Touch Safaris	22,470	2019/2020	0	22,470	22,470	
67. Intercontinental Nairobi	58,500	2019/2020	0	58,500	58,500	
68. Ice Clean Care Group Company Limited	150,839	2019/2020	0	150,839	150,839	
69. Eagle Palace Hotel	188,000	2019/2020	0	188,000	188,000	
70. Government Guest House Garissa	99,500	2019/2020	0	99,500	99,500	

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
71. Eagles Haven Hotel	360,000	2019/2020	0	360,000	360,000	
72. Art & Finance	88,000	2019/2020	0	88,000	88,000	
73. Bukaki Investments Limited	360,000	2019/2020	0	360,000	360,000	
74. Coast Development Authority	194,000	2019/2020	0	194,000	194,000	
75. Jubilly Tours and Travel	97,350	2019/2020	0	97,350	97,350	
76. Toyota Kenya Limited	76,840	2019/2020	0	76,840	76,840	
77. The Standard Group Limited	14,596,147.50	-	0	14,596,147.50	14,596,147.50	
78. Lake Naivasha Panaroma Park Hotel	432,000	2019/2020	0	432,000	432,000	
79. Government Printer	41,040	2019/2020	0	41,040	41,040	
80. Macrintel Systems	459,400	2019/2020	0	459,400	459,400	
81. Microfilm Equipments	660,000	2019/2020	0	660,000	660,000	
82. Groupworth Autoworld K Ltd	280,000	2019/2020	0	280,000	280,000	
83. Marki Investments	51,889	2019/2020	0	51,889	51,889	
<b>Sub-Total</b>	<b>26,377,705.94</b>			<b>26,377,705.94</b>	<b>26,490,388.54</b>	
<b>Grand Total</b>	<b>48,170,955.94</b>			<b>48,170,955.94</b>	<b>27,267,188.54</b>	

## Annex 2 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) 2021/22
Land	0	0	0	0	0
Buildings and structures	94,462,540	14,812,388	0	0	109,274,928
Transport equipment	62,735,994	0	1,226,700	0	61,509,294
Office equipment, furniture and fittings	40,162,683	3,906,000	0	0	44,068,683
Machinery and Equipment	59,963,462	0	0	0	59,963,462
Purchase of Specialised Plant, Equipment and Machinery	17,050,418	8,985,500	0	0	26,035,918
<b>Total</b>	<b>274,375,097</b>	<b>27,703,888</b>	<b>1,226,700</b>	<b>0</b>	<b>300,852,285</b>

The State Department disposed vehicles during the financial year 2021/2022 amounting to **Kshs.1,226,700**. The amount was transferred to The National Treasury.

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**Annex 6 – List of SCs, Sagas and Public Funds under State Department for Culture and Heritage**

<b>Ref</b>	<b>SC, SAGA or Public Fund's name</b>	<b>Principal activity of State Department for Culture and Heritage</b>	<b>Accounting Officer</b>	<b>Amount transferred during the year 2021/2022</b>	<b>Inter- State Department for Culture and Heritage reconciliations done?(yes/no)</b>
1	Kenya National Library Services	Promote, establish, equip, manage, maintain and develop libraries in Kenya.	Ms Josephta Mukobe	646,810,000	Yes
2	Kenya Cultural Centre	To provide for the performances of music, drama and dancing.	Ms Josephta Mukobe	87,800,000	Yes
3	Institute of Primate Research	To undertake biomedical research for improved human health and conservation.	Ms Josephta Mukobe	82,900,000	Yes
4	National Museum of Kenya	To collect, preserve, study, document and present Kenya's past and present cultural and natural heritage.	Ms Josephta Mukobe	1,344,010,000	Yes
5	Natural product Industry Initiative.	Value addition of locally developed natural products and business expertise.	Ms Josephta Mukobe	100,200,000	Yes
6.	Heroes Council	To honour Heroes	Ms Josephta Mukobe	9,693,196	Yes
		<b>Total</b>		<b>2,271,413,196</b>	

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**Annex 9:**

The following financial reports generated from IFMIS should be attached as appendices to these financial statements.

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