

REPUBLIC OF KENYA



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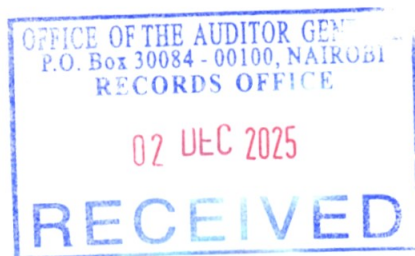
THE AUDITOR-GENERAL

ON

STATE DEPARTMENT FOR IMMIGRATION AND CITIZEN SERVICES

FOR THE YEAR ENDED
30 JUNE, 2025

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| THE NATIONAL ASSEMBLY PAPERS LAID | |
| DATE: 11 MAR 2026 | DAY: WEDNESDAY |
| TABLED BY: | LEADER OF MAJORITY PARTY HON. OWEN BAYA, MP |
| CLERK-AT THE-TABLE: | J. LEMERELLE |



Transition to Accrual



**MINISTRY OF INTERIOR AND NATIONAL ADMINISTRATION
STATE DEPARTMENT FOR IMMIGRATION AND CITIZEN SERVICES
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025**

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

State Department for Immigration and Citizen Services
Annual Report and Financial Statement for the year ended June 30, 2025.

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1. Acronyms and Definition of Key Terms

a.) Acronyms and Abbreviations.

| | |
|---------------|--|
| MDA | Ministries, Departments and Agencies |
| IPPD | Integrated Personnel and Payroll Database |
| A-I-A | Appropriation in Aid |
| AIE | Authority to Incur Expenditure |
| SCFO | Senior Chief Finance Officer |
| SDAG | Senior Deputy Accountant General. |
| IPSAS | International Public Sector Accounting Standards |
| OCOB | Office of the Controller of Budget |
| OAG | Office of the Auditor General |
| PFM | Public Finance Management |
| BIC | Budget Implementation Committee |
| MHRMAC | Ministerial Human Resource Management Advisory Committee |
| MPMC | Ministerial Performance Management Committee |
| ADA | Alcohol and Drug Abuse |
| WHO | World Health Organization |
| PWD | People with Disability |
| MTP | Medium Term Report |
| KPI | Key Performance Indicators |
| IHRM | Institute of Human Resource Management |
| ICPAK | Institute of Certified Public Accountants – Kenya |
| LSK | Law Society of Kenya |
| CPS | Certified Public Secretary |
| KIM | Kenya Institute of Management |
| SAGA | Semi-Autonomous Government Agency |
| SDICS | State Department of Immigration and Citizen Services |

2. Key State Department of Immigration and Citizen Services Information and Management

(a) Background information.

The State Department for Immigration and Citizen Services was created through the Executive Order No. 1 of 2023. The State Department is domiciled in Kenya with its Headquarters' at Nyayo House.

It has the following directorates/Departments:

- a) Directorate of Immigration Services.
- b) Registration of Births and Deaths
- c) National Registration Bureau (NRB)
- d) Integrated Population Registration Services (IPRS)
- e) National Integration Identity Management System (NIIMS)
- f) Directorate of eCitizen.
- g) Department of Refugee Services.

The Directorates have field offices in all counties and sub-counties all over the country.

(b) Mandate

The mandate of the State Department of Immigration and Citizen Services as outlined in the Executive Order No. 1 of 2023. As part of the security sector entity, it's mandated with issuances of Registration documents and also contributes to security and socio-economic development of Kenya by facilitating international travel, issuing secure travel documents, controlling entry and exit and management of migrants as a pre-requisite to sustainable economic development. As per the Executive order the entity's mandate include: -

- a) Registration of Births and Deaths
- b) Registration of Persons
- c) Policy on the National Integration Identity Management System (NIIMS)
- d) Co-ordination of National Integrated Identity Management System (NIIMS)
- e) Development and Implementation of Citizenship and Immigration Policy
- f) Oversight and Coordination of the Management of the National Primary Data Registers for Citizens and Foreign Nationals
- g) Development and Implementation of Refugees' and Asylum Seekers' Policies
- h) Collaboration with other Ministries, Departments and Agencies regarding the Collection of Relevant Primary Data
- i) Oversight of the Integrated Population Registration Systems (IPRS)
- j) Coordination of e-citizen Services

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The State Department's above listed mandates are derived from the following legal Frameworks and Legislations;

1. Executive Order No.1 of 2023
2. Kenya Citizenship and Immigration Act, 2011
3. Kenya Citizenship and Immigration Regulations, 2012
4. Kenya Citizens and Foreign Nationals Management Service Act, 2011
5. Refugee Act, 2021
6. Counter Trafficking in Persons Act, 2010
7. Births and Deaths Registration Act Cap 149 Laws of Kenya
8. Registration of Persons Act, Cap 107 of the Laws of Kenya
9. The Aliens Restrictions Act Cap. 173 of the Laws of Kenya
10. Legitimacy Act CAP 145 of the Laws of Kenya
11. 1951 The UN Convention and its 1967 Protocol Relating to the Status of Refugees.
12. 1969 OAU Convention Governing the Specific Aspects of Refugee Problems in Africa.

Principle activities

The principal activities of the State Department of Immigration and Citizen Services are outlined in the Presidential Executive Order No.1 of January, 2023 and the legal instruments thereof.

The core functions of the State Department are:

- a) Registration of Births and Deaths;
- b) Registrations of Persons;
- c) Policy on the National Integration Identity Management System (NIIMS)
- d) Development of the National Integrated Identity Management System
- e) Oversight over and Coordination of the Management of the National Primary Data Registers for Citizens and Foreign Nationals
- f) Collaboration with other Ministries, Departments and Agencies Regarding the collection of relevant primary data
- g) Co-ordination of eCitizen Services
- h) Oversight of the Integrated Population Registration Systems (IPRS)
- i) Implementation of Citizenship and Immigration Policy; and
- j) Implementation of Refugees' and Asylum Seekers' Policies

Vision

“To be a global leader in migration management, population registration and migration management and provision of e-Citizen services”

Mission

“To enhance National Security and Socio-economic development by maintaining a comprehensive population database, efficient migration management, effective provision of e-Citizen services and timely registration and issuance of secure identification and travel documents”

Core Values

The corporate culture of the State Department is based on core values that underpin the operations of the State Department. The core values are:

- a) Efficiency and Effectiveness
- b) Patriotism
- c) Teamwork
- d) Integrity (honest, accountable, transparency, impartiality, fairness)

(a) Key Management

At cabinet level, the State Department for Immigration and Citizen Services is represented by the Cabinet Secretary for Interior and National Administration who is responsible for the general policy and strategic direction of the State Department. The Ministry of Interior and National Administration consists of three State Departments each administered by a Principal Secretary. The State Departments under Ministry of Interior and National Administration are outlined below.

- a) The State Department for Immigration and Citizen Services administered by Principal Secretary, Dr. Belio Kipsang, CBS.
- b) The State Department for Internal Security and National Administration administered by Principal Secretary, Dr. Raymond V. O. Omollo, PhD.
- c) The State Department for Correctional Services by Principal Secretary, Dr. Salome Muhia, CBS.

The State Department for Immigration and Citizen Services day-to-day management is under the Principal Secretary, State Department for Immigration and Citizen Services. The Principal Secretary is responsible for the day-to-day administration of the State Department's operations and is also the accounting officer. In addition, the Principal Secretary is charged with the responsibility of providing advice to the Cabinet Secretary in order to enhance efficiency and collective responsibility on matters of population registration and migration management.

The State Department for Immigration and Citizen Services is organized into seven Technical Directorates/Departments headed by Director Generals, Directors and Secretaries and Support Services and the support services headed by a Secretary Administration.

The Directorates and Departments are as follows:

1. National Registration Bureau (NRB)
2. Civil Registration Services (CRS)
3. Directorate of Immigration
4. Department of Refugee Affairs
5. National Integrated Identity Management System (NIIMS)
6. Directorate of eCitizen Services
7. Integrated Population Registration Services (IPRS)
8. General Administration and Planning

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(d) Fiduciary Management

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

| No | Designation | Name |
|-----|--|---|
| 2. | Accounting Officer | Dr. Belio Kipsang, CBS |
| 3. | Secretary National Registration Bureau | Dr. Christopher Kinyua Wanjau MBS |
| 4. | Secretary Civil Registration Services | Paul Dume Mwangemi |
| 5. | Director General, Directorate of Immigration | Everlyn Cheluget OGW 'ndc' (k) |
| 6. | Commissioner, Department of Refugee Services | John Burugu |
| 7. | National Integrated Identity Management System (NIIMS) | Philip Kang'ethe Kahoro Lemarasia, OGW, |
| 8. | Director General, eCitizen Services | Amb. Isaac Ochieng MBS/ndc (k) |
| 9. | Integrated Population Registration Services (IPRS) | Leornard Nang'ole |
| 10. | Secretary Administration | James Kianda |
| 11. | Director HRM&D | Nahashon K.N.Thiong'o |
| 12. | Director – Head of Planning | Joseph Mwangi |
| 11. | Senior Principal Finance Officer, Head of Finance Unit | Joseph K Muraga |
| 13. | Director, Supply Chain, Head of Supply Chain Management Unit | Julius Ngari. |
| 14. | Senior Deputy Accountant General, Head of Accounting Unit | Loise N. Kibicho |
| 15. | Principal State Counsel | Joyce Chepng'etich |

(b) Fiduciary Oversight Arrangements

The State Department for Immigration and Citizen Services has put in place fiduciary oversight arrangements to manage fiduciary risk. The key oversight arrangements include:

1) Internal Audit Unit

The State Department for Immigration and Citizen Services has an Internal Audit Unit charged with identifying risks in the department's management and day-to-day operations through risk-based audits. The Unit reports administratively to the Accounting Officer and functionally to the audit committee on audit findings.

2) Audit Committee

In line with the Public Finance Management Act, 2012, the Ministry of Interior and National Administration has an established Ministerial Audit Committee at the Ministry Headquarters, Harambee House. The audit Committee provides overall oversight and quality assurance including follow-up on implementation of audit recommendations.

3) Budget Implementation Committee (BIC)

The Budget Implementation Committee is charged with the following mandate:

- a) To review and consider the cash flow plans – this involve a regular review of Ministerial cash plan and approval of any changes to the initial cash flow plan to be communicated to National Treasury
- b) To review the utilization of cash limits and consider any changes as may be required;
- c) To review the utilization of donor funds voted for the MDA
- d) To advise the Accounting Officer on any challenges related to the budget implementation
- e) To review and recommend reallocation of expenditure
- f) To review and approve the submission of the expenditure returns, IPPD, Pending Bills and A-I-A returns for the MDA and recommend actions to be taken
- g) To participate in Sector Working Groups and
- h) To prepare the budget for the line Ministry/ State Department in consultation with Heads of Departments

The Committee is composed of members drawn from various units within the State Department who have a broad knowledge of the operations of the State Department. The Members of the committee are:

1. Mr. Joseph K. Muraga – Head of Finance - Chair
2. Ms. Loise N. Kibicho – Head of Accounts - Secretary
3. Mr. Joseph Mwangi – Head of Planning – Vice Chair
4. Mr. James Kianda - Head of Administration – Member
5. Mr. Julius Ngari - Head of Supply Chain – Member.
6. Mr. Nahashon K.N.Thiong'o - Director HRM/D - Member
7. M/s. Evelyne Cheluget - Director General Immigration Services – Member
8. Mr. John Burugu - Ag. Commissioner for Refugee Affairs – Member
9. Amb. Isaac Ochieng' - Director General e-Citizen – Member
10. Dr. Christopher Kinyua Wanjau - Secretary National Registration Bureau – Member
11. Mr. Paul Dume Mwangemi - Secretary Civil Registration Services – Member
12. Mr. Philip Kang'ethe Kahoro Lemarasia - National Coordinator, National Integrated Identity Management System (NIIMS) – Member
13. Mr. Leonard Nang'ole - Secretary (IPRS) - Member

4) Public Finance Management Committees (PFMC)

The Public Finance Management Standing Committee was established to push towards achieving Zero Fault Audits within the State Department. The membership is comprised of the following: -

1. Dr. Belio Kipsang, CBS - Principal Secretary – Chairperson
2. James Kianda - Secretary Administration - Member
3. Evelyn Cheluget - D.G Immigration Services - Member
4. Amb. Isaac Ochieng’ - D.G. Ecitizen-Services - Member
5. Dr. Christopher Wanjau - Secretary NRB - Member
6. Leonard Nang’ole - Ag. Secretary IPRS - Member
7. Paul Mwangemi - Ag. Secretary CRS - Member
8. John Burugu - Ag. Commissioner DRS - Member
9. Nahashon K.N.Thiong’o - Director HRM/D - Member
10. Joseph Muraga – SCFO - Member
11. Joseph Mwangi - Director Planning - Member
12. Julius Ngari - Director HSCM - Member
13. Loise Kibicho – SDAG – Member

5) Ministerial Human Resource Management Advisory Committee (MHRMAC)

The functions of Ministerial Human Resource Management Advisory Committee are to make recommendations to the accounting officer regarding:

- a) Recruitment, selection and appointment
- b) Performance management
- c) Promotions
- d) Confirmation in appointment
- e) Training and Development
- f) Training Impact Assessment
- g) Recommendations for secondments and unpaid leave
- h) Recommendation for retirement on medical grounds
- i) Recommendation for re-designation
- j) Discipline
- k) Promotion of values and Principles of Public Service.

The Ministerial Human Resource Management Advisory Committee (MHRMAC) consists of members drawn from various Departments in the State Department for Immigration and Citizen Services. The Members include:

1. Secretary Administration - James Kianda
2. The Secretary National Registration Bureau - Dr.Christopher Kinyua Wanjau
3. The Secretary Civil Registration Services - Paul Dume Mwangemi
4. The Director General Immigration Services - Evelyn Cheluget
5. The Commissioner Department of Refugee Services - John Burugu
6. The Secretary IPRS - David Ondogo
7. Senior Deputy Accountant General - Loise Kibicho
8. Chief Economist – Joseph Mwangi

6) Ministerial Performance Management Committee.

The Ministerial Performance Management committee performs the following functions: Undertake quarterly review of implementation of Strategic Plans and Performance Contracts, Ensure linkage between institutional performance contract and performance appraisal system, Ensure that the overall assessment of employee performance is within the context of institutional performance as evaluated through staff performance appraisal system, Consider performance reports from various departments within the state department and make recommendations for improvement, hold quarterly performance review meetings, Ensure that the performance of all officers is evaluated and feedback on performance is relayed in writing at the end of the year, Review cases of appeals on appraisal ratings between supervisors and appraises, Make recommendations to the authorized officer on the application of rewards or sanctions, Develop and implement the internal monitoring and evaluation and reporting system and Ensure that the integrity and credibility of the overall process of rewards and sanction system is safeguarded and maintained at all times.

The Ministerial Performance Management Committee (MPMC) meets at least once in each quarter and the decision of the Committee is by consensus or majority vote of the members present. The Ministerial Performance Management Committee (MPMC) consists of the following members:

1. Mr. Serser Chelulei - Chair
2. Julius Sang - Member
3. Catherine Irungu - Member
4. Everlyne Cheluget - Member
5. Murimiri Maathai - Member
6. Mr. Kamiri - Member
7. Nahashon K.N.Thiong'o - Member
8. Zipporah Nyamweya - Member

7) Values and Principles Committee.

The Ministerial Values and Principles Committee is expected to undertake and promote values and principles as provided for in Chapter 10 and Article 232 of the Constitution to ensure that the State Department's staff adhere to the laid down principles and values.

The Committee consists of the following members:

1. James Kianda - Chair
2. Nahashon K. N. Thiong'o
3. Kaburia Maathai
4. Paul Abuto
5. Catherine Mwithiga
6. Benjamin Gitonga
7. Joseph Kimutai
8. Ramadhan Yahya
9. Christine Kiboi

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10. Esther Gathogo
11. David Oluoch
12. Samwel Nyamai
13. Mary Goretti
14. Miriam Mwongeli
15. Luqman Ali
16. David Maregwa
17. Fredrick Wandogo
18. Christine Manene
19. Amir Balala
20. Josephine Maina
21. Esther Onsase
22. Geoffrey Mbugua
23. Ann Ileri
24. Johnson Wahome
25. Mercy Muthuri

(c) State Department of Immigration and Citizen Services Headquarters

P.O. Box 30395-00100
Nyayo House
Kenyatta Avenue/ Uhuru Highway
Nairobi, KENYA

(d) State Department of Immigration Citizen Services Contacts

Telephone: (254) 020 - 2222022
E-mail: dis@immigration.go.ke
Website: www.immigration.go.ke

(e) Bankers

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

(f) Independent Auditors

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

(g) Principal Legal Adviser

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

3. Profile of Cabinet Secretary



Hon. Onesimus Kipchumba Murkomen,
Cabinet Secretary - Interior
and National Administration

Hon. Kipchumba Murkomen was re-assigned as Cabinet Secretary to the Ministry of Interior and National Administration on 19th December 2024 from Ministry of Youth Affairs, Creative Economy and Sports by H.E. President William Samoei Ruto . In this role, Hon Murkomen oversees the three State Departments of Internal Security and National Administration, Immigration and Citizen Services, and Correctional Services.

Previously, Hon. Murkomen served as the Cabinet Secretary for Youth Affairs, Creative Economy, and Sports, and as the Cabinet Secretary for Roads and Transport.

Before being tapped into the Cabinet, Hon. Murkomen was elected three times as Senator for Elgeyo Marakwet County, rising to the position of Senate Majority Leader. His legislative contributions include sponsoring the Urban Areas and Cities Amendment Bill (2017) and the Food Security Bill (2017), among other bills.

As the inaugural Chair of the Senate Standing Committee on Devolution & Intergovernmental Relations, Hon. Murkomen played a key role in the implementation of devolution under the 2010 Constitution. His Senate service extended to several committees, including Agriculture, Energy, and the Senate House Business Committee.

Ahead of his Senate tenure, Hon. Murkomen contributed to national development in various ways, including serving on the Kenya Anti-Counterfeit Agency Board and the Task Force on Devolved Government, which drafted essential legislation for devolution, which is one of the most transformative shifts in governance since independence.

An Advocate of the High Court of Kenya, Hon. Murkomen holds a Law Degree from the University of Nairobi, a Postgraduate Diploma from the Kenya School of Law, and two Master of Laws degrees from the American University Washington College of Law, Washington, D.C., and the University of Pretoria.

He has lectured at the University of Nairobi, Moi University, and Catholic University, and participated in leadership programs across the world, including at the University of Dar es Salaam and the University of California, Los Angeles (UCLA).

4. Profile of Accounting Officer and Key Management.



Dr. Belio Kipsang (PhD), CBS,
 Principal Secretary,
 State Department for
 Immigration & Citizen
 Services

Dr. Belio Kipsang is the Principal Secretary, State Department for Immigration and Citizen Services. Prior to his appointment to the current position, Dr. Belio was the Principal Basic Education in the Ministry of Education

He has previously served as Principal Secretary, State Department for Basic Education and Early Learning & State Department for Regional and Northern Corridor Development.

He also served as Managing Trustee/Chief Executive Officer (CEO) Coffee Development Fund and Deputy CEO and Head of Operations Higher Education Loans Board (HELB) where he had previously held various Strategic Management positions.

Dr. Belio holds other distinguished positions. He serves as a Council Member at Mt. Kenya University and Cooperative University College where he also Chairs Finance, Planning and Development.

He is a Board member Finance Alliance for Sustainable Trade, (FAST) an International Think Tank on Financial Resource Mobilization; Council Member, Advisory Council for Coffee Initiative; Government Delegate, International Coffee Organization (ICO) and; Chair, Operations Committee, Association of African Higher Education Financing Agencies (AAHEFA).

Dr. Belio is a holder of PhD degree in Education (Educational Administration and Planning from The Catholic University of Eastern Africa. He also holds a Master of Arts Degree in Economics and a Bachelors (Honours) degree in Education (Business and Economics), both from the University of Nairobi.

He has had extensive professional training opportunities which has exposed him to local and international conferences and workshops in areas of higher education financing and administration, leadership, management, micro-enterprise development, fraud, corruption and combating economic crime, agricultural value chain financing, computing and other areas of business and management among others particularly in prestigious institutions such as the London School of Economics (LSE) in the UK, Harvard University in the USA, State University of New York in the USA, among other institutions in Kenya, Germany, Belgium, Sweden, Denmark, Thailand among others.

As an education scholar, Dr. Belio has authored highly competent academic and research papers in the areas of Higher Education Financing and Planning.

As the Principal Secretary for Basic Education, Dr. Belio has been the lead advisor to the Presidential Working Party on Education Reform (PWPER) appointed by the president on 30th September, 2022.

He is an Associate Member of the Association of Certified Fraud Examiners and also; a member, Institute of Directors of Kenya.




Dr. Belio has received various awards that include: First Class Chief of the Order of the Burning Spear (C.B.S.).

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|  <p>Dr. Christopher Kinyua Wanjau Secretary, National Registration Bureau.</p> | <p>Dr. Wanjau holds two Masters Degree. Masters in Public Administration (Moi University) and Masters in Business Administration - Strategic Management (Catholic University). He holds a BA Degree in Political Science and Public Administration from UON.</p> <p>Dr. Wanjau is a holder of PhD Degree in Strategic Management at Karatina University. He has done several professional, management and leadership courses and Training including public Administration and also information Management System, IMIS (UK). He is a member of Institute of Management Information Systems (UK)</p> |
|  <p>Paul Dume Mwangemi Secretary, Directorate of Civil Registration Services</p> | <p>Mr. Mwangemi holds a Master of Business Administration (Strategic Management) and a Bachelor of Arts Degree in Technology and Management Studies (Moi University, Eldoret). He holds a Post Graduate Diploma in Demography and Applied Statistics from the International Statistical Education Center (ISEC), Kolkata, India, and a Certificate in International Classification of Diseases and Multiple Causes of Deaths from the International Center for Disease Control (ICDC) North Carolina, USA.</p> <p>Prior to his appointment in February 2023, Mr. Mwangemi was the Regional Coordinator, Civil Registration Services, Nairobi Area.</p> |
|  <p>Evelyn Cheluget OGW, ndc (k), Department of Immigration Services.</p> | <p>Evelyn holds a Master’s Degree in Business Administration-Strategic Management (UoN) and a Bachelor of Arts- Sociology and Linguistics (Egerton university)</p> <p>She joined the Public Service in April 1994 as an Immigration Officer II. She has risen through the ranks to the current position of a Director General.</p> <p>During her service, Evelyn has headed all the units of the Immigration Department including the Border Management, JKIA and Wilson Airports, Passport Control Unit and Permits and Passes Unit</p> |

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|  <p>Mr. John Burugu Commissioner, Department of Refugee Services</p> | <p>Mr Burugu holds a Master of Arts Degree in International Studies and Diplomacy (UoN), B.A Degree (Political Science) (UoN) and a Higher Diploma in Human Resources Management (IHRM(K)).</p> <p>He is an expertise in Governance, Public Policy and Strategic Management for over 26 years.</p> |
|  <p>Phillip K.K. Lemarasia, OGW National Coordinator- National Integrated Identity Management System</p> | <p>Mr. Lemarasia holds a Master’s Degree in Public Administration (UoN) and a Bachelor’s degree in Economics and Geography (UoN). He is a trained Paramilitary security from the Administration Police Training College (APTC) and Kenya School of Adventure and Leadership (KESAL).</p> <p>He served as a Deputy County Commissioner until he was appointed as the National Project Coordinator of NIIMS where he spearheaded the National rollout of the digital E-ID and development of the National Integrated Identity Management System (NIIMS) master population database.</p> |
|  <p>Amb. Isaac Ochieng Director General e- Citizen Services</p> | <p>Amb. Isaac Ochieng, MBS, ‘ndc’, (K) holds a Master’s Degree in Security and International Studies (UoN) and is an Alumni of the National Defence College, Kenya.</p> <p>He is the immediate former Kenya’s Ambassador to Brazil and also accredited to various countries in South America. Isaac joined the Public Service 25 years ago and has rose through the ranks and served in Senior National Security Strategic Positions.</p> |

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|  | <p>Mr. Leonard Nang'ole holds a Master of Arts Degree in Public Policy and Administration and a Bachelor of Arts Degree in History and Sociology.</p> <p>He is the acting Secretary at the Department of Integrated Population Registration Services. Prior to his current appointment, he was a Director at National Registration Services at the National Registration Bureau.</p> |
| <p>Mr. Leonard Nang'ole Secretary, Integrated Population Registration</p> | <p>Mr. Kianda holds a Bachelor of Arts Degree [UoN], Advanced Public Administration [KIA]. Senior Management KIA, Security Management and Combat Skills, APTC, Leadership skills KESAL and Conflict Resolution management course KIA.</p> <p>He was formerly Regional Commissioner Nyanza, Nairobi and North Eastern.</p> |
|  | <p>Master's in Business Administration (MBA), Kenyatta University, Bachelor of Arts (Egerton University), Higher Diploma (HRM-KNEC)</p> <p>Full member (IHRM)</p> |
| <p>James K Kianda Secretary Administration</p> |  |
| <p>Nahashon K.N.Thiong'o Director, HRM&D</p> | |

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|  <p>Mr. Joseph Mwangi Director</p> | <p>Mr. Joseph Mwangi is the Director of planning. He holds a Master’s Degree in Economics from the University of Nairobi. He’s a member of Economic Society of Kenya.</p> |
|  <p>Joseph K Muraga Head of Finance</p> | <p>Joseph K Muraga holds a Masters in Economics (UoN). He has worked as a Finance Officer in various ministries since 2004. He joined the Public Service in the year 1991.</p> |
|  <p>Loise N. Kibicho Head of Accounting Unit</p> | <p>Loise Kibicho holds a Master’s Degree in Business Administration from ESAMI, a Bachelor’s Degree in Business Administration (Maseno University), and a Senior Management Course. She is a Certified Public Accountant and a Member of ICPAK No. 14061. She is charged with the responsibility of financial reporting as well as preparation and fair presentation of financial statements.</p> |
|  <p>Joyce Chepng’etich Principal State Counsel</p> | <p>Joyce K. Chepng’etich is a Principal State Counsel at the Office of the Attorney General and Department of Justice, Kenya. An Advocate of the High Court of Kenya and a Certified Secretary, she currently provides legal support and advisory services at the State Department of Immigration and Citizen Services. Previously, as Registrar of Companies, she spearheaded the comprehensive digital transformation of the Business Registry, leaving a lasting legacy of enhanced efficiency and service delivery. Joyce is concurrently pursuing dual master’s degrees—an MBA at Daystar University and an MA in Environmental Law at the University of Nairobi. She has undertaken Senior Management Course and the Strategic Leadership Development Programme at the Kenya School of Government.</p> |

5. Statement by the Cabinet Secretary

Pursuant to Executive Order No. 1 of 2023 on the Organization of the Government of the Republic of Kenya, His Excellency President William Ruto established the State Department for Immigration and Citizen Services (SDI&CS).

The Department is mandated to facilitate the registration and issuance of critical identity and travel documents, including birth and death certificates, national identity cards, passports, and visas for foreign nationals visiting Kenya.

The State Department's Mandate and their Key Achievements

1. Civil Registration Services (CRS) Registration of births and deaths, and issuance of related certificates.

- Advanced the rollout of the Unique Personal Identifier (UPI), which will serve as the primary identification number for all citizens.
 - The UPI will replace the Birth Entry Number and serve as the birth certificate number.
 - Upon death, it will seamlessly transition into the death certificate number.
- Expanded access to services by establishing 13 new CRS offices across the country, in consultation with elected leaders.

2. National Registration Bureau (NRB)- Management of the national population register and issuance of National IDs.

- Issued 2,176,309 Third Generation National IDs (Maisha Cards) during the reporting period.
 - This was significantly supported by the Presidential Directive of 18th March 2024, which scrapped fees for first-time applicants and removed vetting requirements in border counties.
- Reduced the waiting period for issuance of new IDs to a maximum of 21 days.
- Conducted mobile registration outreach programs under the Jukwaa la Usalama initiative in partnership with other government agencies.
- Rolled out e-registration, leveraging technology to improve efficiency and accuracy.
- Commenced modernization of the National Population Register to strengthen data management.

3. Directorate of Immigration: Regulation of entry and exit of persons and issuance of passports and other travel documents.

- Passport Services:
 - Deployed new systems that reduced passport processing time to 3–7 days.
 - Opened new immigration offices in Kericho, Bungoma, and Garissa to bring services closer to citizens.
- Border Management:
 - Introduced the Electronic Travel Authorization (eTA) system, replacing visa requirements for many foreign nationals.
 - Processed 1,500,251 visitors through eTA during the reporting period.

4. Directorate of eCitizen: Digitization and online access to government services.

- Identified 25,606 government services, out of which 21,685 have already been onboarded onto the platform.
- Consolidated all government service payments into a single Paybill Number: 222222.
- Initiated development of a corporate accounts feature to enable seamless Government-to-Government (G2G) transactions.
- Enhanced revenue mobilization through digital service delivery.

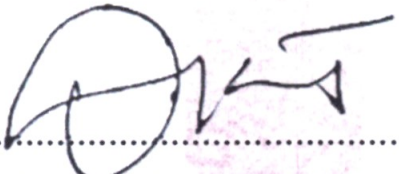
5. Department of Refugee Affairs: Registration, management, and integration of refugees.

- Made notable progress in the implementation of the Shirika Plan, launched by His Excellency the President in March 2025.
 - The plan represents a strategic shift from a humanitarian-driven approach to a development-oriented model of refugee management.
 - It is aligned with Kenya's Vision 2030, the Bottom-Up Economic Transformation Agenda (BETA), and international commitments such as the Global Compact on Refugees.
 - The initiative seeks to foster integration and socio-economic empowerment of refugees and host communities.

Conclusion

The State Department for Immigration and Citizen Services has recorded substantial progress in modernizing registration and identification systems, enhancing passport and border management services, expanding digital platforms, and advancing a sustainable refugee integration agenda.

These reforms underscore the Government's commitment to efficient service delivery, citizen empowerment, and national transformation, in line with the President's vision for a digitally enabled and inclusive Kenya.

Sign: 

Hon. Onesimus Kipchumba Murkomen
Cabinet Secretary

6. Statement by the Accounting Officer



Dr. Belio Kipsang CBS

Principal Secretary

The State Department of Immigration and Citizen Services

The State Department of Immigration and Citizen Services was established by Executive Order No. 1 of 2023 as a State Department under the Ministry of Interior and National Administration. The presented Financial Statements relate to the 2024/2025 financial year with 2023/2024 financial year as comparative figures.

Budget Allocation

In the Financial Year 2024/2025, the State Department was allocated a budget of Kshs. **20,220,972,213.00** which was made up of **Kshs13,106,154,100.10** for the recurrent vote and **Kshs. 7,114,818,112.90** for development vote.

DEVELOPMENT VS RECURRENT BUDGET



State Department for Immigration and Citizen Services
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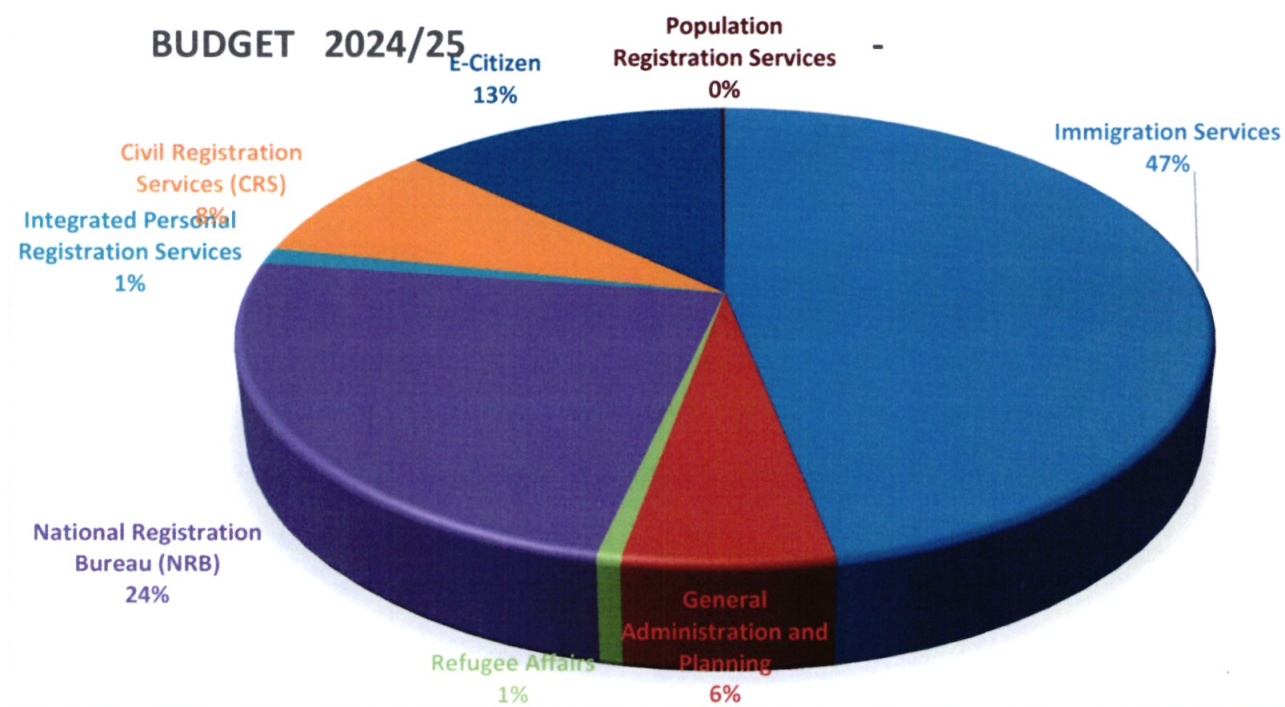
Budget Performance

The State Department was to spend the gross budget of **Kshs20,220,972,213** under the following various Programmes.

| Programme | Original Budget 2024/25 | Adjustment | Final Budget 2024/25 | Actual on a comparable basis | Budget utilization difference |
|---|----------------------------|-------------------------|--------------------------|---------------------------------|-------------------------------------|
| Default Non-Programmatic | 0 | - | - | | - |
| Immigration Services | 6,103,509,875 | 3,388,919,331.00 | 9,492,577,206.00 | 9,740,484,012.00 | 247,906,806.00 |
| General Administration and Planning | 1,154,492,331 | 47,250,153.00 | 1,197,568,484.00 | 1,124,468,926.30 | 73,099,557.70 |
| Refugee Affairs | 151,949,090 | 13,811,947.00 | 138,137,143.00 | 127,186,231.00 | 10,950,912.00 |
| National Registration Bureau (NRB) | 4,685,294,834 | 101,128,427.00 | 4,786,423,261.00 | 4,782,267,876.90 | 4,155,384.10 |
| Integrated Personal Registration Services | 442,625,725 | 210,390,342.00 | 232,235,383.00 | 234,266,910.35 | 2,031,527.35 |
| Civil Registration Services (CRS) | 1,708,386,793 | 30,333,776.00 | 1,742,746,569.00 | 1,735,316,227.30 | 7,430,341.70 |
| E-Citizen | 689,921,779 | 1,917,728,943.00 | 2,607,650,722.00 | 2,417,692,565.80 | 189,958,156.20 |
| Population Registration Services | 23,633,445 | - | 23,633,445.00 | 23,633,443.80 | 1.20 |
| GROSS BUDGET | 14,959,813,872 | 5,261,158,341.00 | 20,220,972,213.00 | 20,185,316,193.45 | 35,656,019.55 |
| A-I-A | 3,945,000,000 | 5,425,611,780.00 | 9,370,611,780.00 | 9,370,611,780.00 | - |
| NET BUDGET | 11,014,813,872 | 164,453,439.00 | 10,850,360,433.00 | 10,814,704,413.45 | 35,656,019.55 |

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Budget Allocation Per Programme



The State Department's utilization of the allocated funds in terms of economic classification and programmes is as analysed below:

| Receipts/Expenditure Items | Approved Budget (Kshs) | Actual Receipts/Expenditure (Kshs) | Variance | % Variance |
|------------------------------|------------------------|------------------------------------|----------------------|---------------|
| Total Receipts | 20,220,972,213 | 20,205,117,129 | 15,855,084 | 0.08% |
| Expenditure | | | | |
| Compensation of Employees | 7,570,504,939 | 7,543,693,315 | 26,811,624 | 0.35% |
| Use of Goods and Services | 11,766,243,455 | 13,028,203,085 | (1,052,046,309) | -8.94% |
| Other Grants and Transfers | 139,802,319 | 139,317,540 | 484,779.00 | 0.35% |
| Other Payments | | | | |
| Total Budget/Payments | 20,220,972,213 | 20,711,213,940 | (280,328,406) | -1.39% |
| Surplus for the Year | | (506,096,811) | | |

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Key Performance Highlights

Below is an overview of the financial performance for the year ended 30th June 2025 as reported in the detailed financial statements, together with the commentary and comparative analysis against the budget and prior year for the key items in the financial statements.

Financial Performance Summary

Actual Performance against Budget for Year to 30th June 2025

The State Department spent Kshs **20,711,213,940.00** against an approved budget of Kshs. **20,220,972,213.00** representing absorption of **100%**. Utilization of the budget was carried out through various activities (economic classifications) as shown in the chart below:

| Receipt/Expenditure Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilization Difference | % of utilization difference to Final Budget |
|---------------------------------------|-----------------|---------------|----------------|----------------------------|-------------------------------|---|
| | (a) | (b) | (c=a+b) | (d) | (e=c-d) | f=d/c% |
| Total Receipts | 14,270,450,744 | 5,950,521,469 | 20,220,972,213 | | | |
| Total Payments | | | | 20,711,213,940 | | |
| Surplus/(Deficit) for the Year | | | | | -506,096,811 | 100% |

Current Year Performance against Prior Year

The State Department for Immigration and Citizen Services was created through the Executive Order No. 1 of 2023 dated January, 2023. Financial Statements for the Financial Year 2024/25 have comparative figures which represent the 12months of 2023/24.

| Payment | FY 2024/2025 | FY 2023/2024 | Change | % |
|----------------------------|-----------------------|-----------------------|----------------------|-------------|
| Total Receipts | 20,220,972,213 | 13,146,688,884 | | |
| Expenditure | | | | |
| Compensation of Employees | 7,543,693,315 | 6,247,287,537 | 1,280,873,820 | 121% |
| Use of Goods and Services | 13,028,203,085 | 6,394,441,248 | 6,633,761,837 | 204% |
| Other Grants and Transfers | 139,317,540 | 141,880,090 | (2,562,550) | 98% |
| Total Payments | 20,711,213,940 | 12,783,608,875 | 7,927,605,065 | 162% |

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Receipts

The State Department’s receipts comprise Exchequer releases from the National Treasury and A-I-A from the State Department's collections

Payments

The State Department’s payments mainly comprise: - Compensation of Employees, Use of goods and services, other grants and transfers, social security benefits, and acquisition of assets.

The total payments for the Financial Year 2024/25 were Kshs. **20,711,213,940**

Financial Assets Summary

| Financial Assets | As at 30th June 2025 | As at 30th June 2024 | Change | % |
|--|----------------------|----------------------|-------------------|------------|
| Cash and Cash Equivalents | | | | |
| Bank Balances | 33,070,166 | 2,318,519 | 30,751,647 | 93% |
| Cash Balances | | | | |
| Total Cash and Cash Equivalents | 33,070,166 | 2,318,519 | 30,751,647 | 93% |
| Accounts Receivable - Outstanding Imprest & Salary Advance | | | | |
| Total Financial Assets | 33,070,166 | 2,318,519 | 30,751,647 | 93% |

Cash Flows and Cash Position

The cash and bank balances held by the State Department for Immigration and Citizen Services as at 30th June 2025 were Kshs. **33,070,166.10** compared to Kshs. **2,318,519.00** balance held as at 30th June 2024. The breakdown of the cash and bank balances is as summarized in the table below:

| Cash and Cash Equivalents | As at 30th June 2025 | As at 30th June 2024 | Change | % |
|--|----------------------|----------------------|-------------------|------------|
| Bank Balances | 33,070,166 | 2,318,519 | 30,751,647 | 93% |
| Cash Balances | - | - | - | - |
| Total Cash and Cash Equivalents | 33,070,166 | 2,318,519 | 30,751,647 | 93% |

Constraints and Challenges

The State Department for Immigration and Citizen Services is faced with various challenges and constraints hampering its operations; both internal and external, resulting to inefficiency in service delivery. The constraints/emerging issues include:

a) Cyber Crime/Security

There has been recorded increase in vast, sophisticated and diversified forms of cyber-crime which include hacking, cyber bullying and unregulated cyber space. Hacking is a potential threat to our systems thus, there is need to review the existing legal frameworks and policies to support programmes on modern international security approaches, techniques and equipment.

b) Document fraud and Identity Theft

Document security and issuance processes have significantly improved hence criminal focus has shifted from document fraud to identity fraud. This has led to transitional criminals possessing genuine documents but fraudulently acquired. These documents are subsequently used to enter Government installations, Government jobs, and the proliferation of criminal cells without detection.

c) Porous Borders

Kenya is experiencing security lapses due to long, unmanned borders. This forms an avenue for infiltration of illegal immigrants and an unregulated influx of refugees into the country, which is a security threat.

d) Human Trafficking

Human trafficking has taken on new trends that are more sophisticated. For example, the foreign nationals have devised new ways of entering into the Country by evading the existing border points. Kenya is a major transit route for human trafficking from neighbouring countries to other destinations, mainly South Africa and Europe.

e) Host communities and refugees' conflicts

The conflicts arise due to the scarcity of resources such as pasture and water. This impacts negatively on service delivery and the implementation of projects in the affected counties since our staff are unable to perform their normal duties.

f) Inadequate resources

There is increasing demand for the services being offered by the State Department without corresponding human and financial resources. This has led to constraints in staffing levels, especially in the technical and support staff, a lack of enough vehicles and equipment, consequently resulting to poor service delivery.

g) Budget cuts

The state department has accumulated huge pending bills as a result of budget cuts in vital areas of its operations.

Recommendations and Way Forward

In order to further improve performance and service delivery within this Sub-Sector, the following specific measures are proposed;

a) Resource Enhancement

The State Department for Immigration and Citizen Services recommends resource enhancement in order to achieve the following;

- i) Work Environment Improvement: There is urgent need for acquisition of additional office space, operational equipment, and provision of relevant ICT infrastructure up to the grassroots in order to improve service delivery
- ii) Human Resources and Skills Development: There is need for recruitment of additional staff, enhance resources for capacity building as well as review terms and conditions of serving officers for efficient service delivery.
- iii) Operationalization of one stop border posts as well as enhancement of patrols to improve management of borders so as to contain human trafficking, proliferation of SALW, contraband goods among others.
- iv) Adoption of ICT
- v) Internet connectivity is an integral part of the Government modernization programme which seeks to automate Government transactions and service delivery. Enhancing budgetary allocation will aid in digitization of records, connectivity and data management.

b) Policy, Legislative and Institutional Reforms

- i) The Sub-Sector should endeavour to facilitate the reform of key policies, legislations and inter-agency working regulations to enhance optimal functioning of the Sub-Sector.
- ii) The relevant State organs should provide the necessary political support to ensure that the on-going public sector reforms are steadfastly implemented as envisaged in the Constitution.
- iii) Intensify multi-Agency approach in border management

c) Partnerships and Stakeholder Engagements

There is need to develop a legal framework to enhance public participation in the policy agenda of the Sub-Sector as enshrined in Article 10 of the Constitution for better public ownership of the process and accountability. This calls for systematic and integrated approach in implementation of programmes within the Sub-Sector, partners and the wider public.

Sign: 

Dr. Belio Kipsang, CBS
Principal Secretary
State Department for Immigration & Citizen Services

7. Statement of Performance Against Predetermined Objectives for FY2024/25

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer presents a statement of performance against predetermined objectives of the State Department.

The key strategic objectives as per the State Department of Immigration and Citizen Services strategic plan for FY 2024/2025 are to:

- i. To Enhance Access to Government Services On boarded on e-Citizen Platform
- ii. To Enhance Management of Immigration Services
- iii. To Improve Births and Deaths Registration Completeness & Access to Certificates
- iv. To Enhance Population Data Management
- v. To Improve Management of Asylum Seekers and Refugees
- vi. To Enhance Registration of Persons
- vii. To enhance General Administration and Support Services

Expenditure in the financial year 2024/2025 was geared toward realization of the strategic objectives as captured in the Strategic plan for financial 2024/2025. Linked to these objectives are specific programmes outcomes and outputs and performance indicators. The implemented programmes are tabulated against actual achievements in the format presented in the table below, on programme performance, to demonstrate the progress towards achievement of the predetermined objectives.

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Table xx1: Programme performance

| Program | Strategic Objective | Outcome | Output | Output Indicator | 2024/25 FY Quarter 4 Achievement | | | 2024/25 FY Cumulative Achievement | | | Remarks |
|--|---|--|---|---|----------------------------------|----------------------------------|----------|-----------------------------------|--|------------|--|
| | | | | | Quarter Q4 Target FY2024/25 | Quarter Q4 Achievement FY2024/25 | Variance | Annual Target FY2024/25 | Cumulative Achievement (Q1-Q4) 2024/25 | Variance | |
| Modernization of passport services | To Enhance Management of Immigration Services | Efficiency and effectiveness in the delivery of immigration services | Passports | No. of passports issued | 125,000 | 92,531 | -32,469 | 500,000 | 514,152 | 14,152 | Target achieved |
| Production and issuance of 3rd Generation ID/ Digital National ID (Maisha card and digital card) | To Enhance Registration of Persons | Eligible Kenyan Citizens registered and Issued with ID Cards | 3rd Generation ID produced and issued | No. of eligible Kenyans issued with 3rd Generation ID/ Digital National ID (Maisha card and digital card) | 500,000 | 516,690 | 16,690 | 2,000,000 | 2,176,309 | 176,309 | Target over achieved due to fast tracking in processing of the backlog during the 1st Quarter. |
| Unique Personal Identifier (Maisha Number) | To Enhance Registration of Persons | Eligible Kenyan Citizens registered and Issued with ID Cards | UPI system in place | % level of operationalization | 20 | 10 | -10 | 100 | 10 | -90 | UPI operationalized and rolled out in Nairobi, Kajado, Machakos and Kiambu county |
| | To Enhance Registration of Persons | Eligible Kenyan Citizens registered and Issued with ID Cards | Unique Persons Identifier Numbers (UPI) generated | No. of UPI | 390,870 | 50,038 | -340,832 | 1,563,478 | 90,038 | -1,473,440 | Target not achieved due to inadequate resources |
| Modernization of National Population Register/ Population Master Database | To Enhance Population Data Management | Master population database | Master Population Database | % modernization of Population Master Database | 25 | 25 | 0 | 100 | 65 | -35 | Target not achieved as works stipulated on the contract are still ongoing |
| | To Enhance Population Data Management | Master population database | | No. of agencies connected to the population Master Database | 7 | 14 | 7 | 26 | 48 | 22 | Target overachieved due to sensitization of agencies. |

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| Program | Strategic Objective | Outcome | Output | Output Indicator | 2024/25 FY Quarter 4 Achievement | | | 2024/25 FY Cumulative Achievement | | | Remarks |
|--|--|--|--|---|----------------------------------|----------------------------------|----------|-----------------------------------|--|----------|--|
| | | | | | Quarter Q4 Target FY2024/25 | Quarter Q4 Achievement FY2024/25 | Variance | Annual Target FY2024/25 | Cumulative Achievement (Q1-Q4) 2024/25 | Variance | |
| Integrated Border Management System (IBMS) | To Enhance Management of Immigration Services | Efficiency and effectiveness in the delivery of immigration services | Electronic Travel Authorization (ETA) added and integrated in existing systems | No. of ETA certificate approval Issued | 250,000 | 442,972 | 192,972 | 1,000,000 | 1,500,251 | 500,251 | Target over achieved due to growing demand |
| | To Enhance Management of Immigration Services | Efficiency and effectiveness in the delivery of immigration services | Advanced Passenger Information (API) system added and integrated in existing systems | % level of operationalization | 25 | 0 | -25 | 100 | 30 | -70 | Target not achieved due to inadequate budget. The component is at piloting stage |
| | To Enhance Management of Immigration Services | Efficiency and effectiveness in the delivery of immigration services | Electronic gates added and integrated in existing systems | % level of operationalization | 25 | 0 | -25 | 100 | 30 | -70 | Target not achieved due to inadequate budget. The component is at piloting stage |
| Refugee management | To Improve Management of Asylum Seekers and Refugees | Management of Refugees and Asylum seekers improved | Shirika Plan operationalized | % level of Shirika Plan operationalization | 25 | 0 | -25 | 100 | 0 | -100 | Target not achieved. Shirika Plan developed and published awaiting operationalization. |
| | To Improve Management of Asylum Seekers and Refugees | Management of Refugees and Asylum seekers improved | Asylum seekers and refugees registered | % of Asylum seekers and refugees registered | 25 | 25 | 0 | 100 | 100 | 0 | 92,371 new arrivals, both asylum seekers and prima facie were registered |
| | To Improve Management of Asylum | Management of Refugees and | Refugees recognized | No. of refugees recognized | 4,500 | 9,697 | 5,197 | 18,000 | 23,219 | 5,219 | Target was achieved |

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| Program | Strategic Objective | Outcome | Output | Output Indicator | 2024/25 FY Quarter 4 Achievement | | | 2024/25 FY Cumulative Achievement | | | Remarks |
|---|---|--|---|--|----------------------------------|----------------------------------|----------|-----------------------------------|--|----------|---|
| | | | | | Quarter Q4 Target FY2024/25 | Quarter Q4 Achievement FY2024/25 | Variance | Annual Target FY2024/25 | Cumulative Achievement (Q1-Q4) 2024/25 | Variance | |
| | Seekers and Refugees | Asylum seekers improved | | | | | | | | | |
| Onboarding of all Government services | To Enhance Access to Government Services On-boarded on e-Citizen Platform | Government services on-boarded on e-Citizen platform | All Government services on-boarded to the e-citizen portal | No. of Government services onboarded on the e-Citizen platform | 2,750 | 988 | -1,762 | 5,000 | 3,458 | -1,542 | 3,458 government services onboarded on e-citizen platform adding to a total of 21,609 government services onboarded on e-Citizen platform cumulatively since the project began. |
| Digitization of Immigration and Citizen Services Records | To Enhance Management of Immigration Services | Efficiency and effectiveness in the delivery of immigration services | Immigration and citizen services record digitized (National Registration Bureau, Civil Registration Services and Immigration) | % Level of digitization | 25 | 20 | -5 | 100 | 30 | -70 | The Digitization process is ongoing currently the select committee is at tendering stage for immigration. Digitized 1,797,155 birth and death records. and 4,048,125 for National Registration Bureau records |
| Passport Control Centers | To Enhance Management of Immigration Services | Efficiency and effectiveness in the delivery of immigration services | Passport control centers established | No. of passport control centers established | 1 | 0 | -1 | 3 | 1 | -2 | Target not achieved due to budget constraints. Garissa Immigration office was established. |

8. Governance Statement

There is established, in addition to the high-level management committees, other 2024/25 performance contract management committees as described below;

a) Appointment to Asset Management Committee

In accordance with the Public Service Commission (Performance Management) Regulations, 2021, and Performance Contracting guidelines for 2024/25 FY, all MDAs are required to submit quarterly reports to the National Treasury.

You are therefore notified that the under-listed officers are hereby appointed as members of the above committee, whose aim will be to undertake the following functions as a Committee;

- (a) Maintain and update the Assets register regularly using the prescribed reporting template from the National Treasury
- (b) Submit quarterly and annual reports of asset management to the Treasury.

| | | |
|------------------------|--------------------|---------|
| 1) Serser Chelulei | SDS | Chair |
| 2) Anthony Kinyua | NIIMS | Member |
| 3) Tony Onyango | D Production | Member |
| 4) Philip K. Langat | S. Ass Secretary | Member |
| 5) Hawo Dhiram Bonaya | Ass. Secretary | Member |
| 6) Joseph Ndatho | D/ Fiel Service | Member. |
| 7) Peter Mwema | PRO/Transport | Member |
| 8) Gerald Sakwa | SDS | Member |
| 9) Zulekha Ali Dube | Ass. Secretary | Member. |
| 10) John Kisyula | RC/Coast | Member |
| 11) Patrick Ndirangu | RC/Upper Eastern | Member |
| 12) Peninah Saruni | SICTO | Member |
| 13) Simon Karinge | RC /Lower Eastern. | Member |
| 14) Gladys Kariuki | SCMAII | Member |
| 15) Joseph Kahu | PCMO | Member |
| 16) Zeinabu Abdi | SCMOII | Member |
| 17) Catherine Mwithiga | PHRMO | Member. |
| 18) Navy Bosibori | PCRO | Member |
| 19) Mohamed Kara | ICT | Member. |
| 20) Dennis Waweru | RMO | Member |
| 21) Kepha Odhiambo | CO | Member |
| 22) Robert Koskei | SCMO | Member |
| 23) Simon Kirimi | SCMO | Member |
| 24) Moses Rading | PICTO | Member |
| 25) Margret Muriithi | SCMA | Member |
| 26) Moreen Moraa | SCMO | Member |
| 27) Everlyne Aoko | AAO | Member |
| 28) James Gatimu | PICTO | Member |
| 29) John Gatimu | CRO | Member |
| 30) Wilmot Adera | ACC | Member |
| 31) Joseph Korir | AD/IS | Member |
| 32) Calvin Ratemo | SCMO | Member |
| 33) Miriam Ndunda | SCMO | Member |

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| | | |
|-----------------------|-------|---------|
| 34) Abel O. Nyambane. | CCO | Member |
| 35) David Okello. | SCMO | Member |
| 36) James Ondieki | PSCMO | Member. |

b) Appointment to Digitization Committee

Digitization of Government Services is one of the key pillars under the Bottom-Up Economic Transformation Agenda. As part of Digitization of Government Services, the State Department for Public Service has been mandated to coordinate Business Process Re-engineering in the Public Service as one of the indicators for Digitization of Government Services in the 20th Cycle performance Contracting. Thus, the following Officers have been appointed as members of the Digitization Committee.

| | |
|-----------------------|------------------------------|
| 1) Edwin Sutter | - e-Citizen - Chair |
| 2) James Gatimu | - NIIMS - Member |
| 3) Keneth Angir | - IPRS - Member |
| 4) Alex Chege | - CRS - Member |
| 5) Hassan Ogendi | - CPPMD-Member |
| 6) Paul Chege | -Immigration - Secretary |
| 7) Anderson Chebii | - NRB - Member |
| 8) Sephine Kabere | - Refugee services – Member; |
| 9) Mary Goretti | - Records – Member |
| 10) Brian Ombok | - HRM - Member |
| 11) Yahya I. Mursal | - Finance – Member |
| 12) Johnson Wahome | - Administration- Member |
| 13) Dominic Sang | - Procurement - Member |
| 14) Fredrick Mugwanga | - Accounts - Member. |
| 15) Jasper Gesora | - Records- Member. |

The functions of the Digitization Committee will be to;

- (i) Identify at least 3 business processes to be re-engineered each quarter
- (ii) Identify the business processes to be digitized
- (iii) Identify measures for cybersecurity and data protection
- (iv) Prepare and submit quarterly reports on digitization to ICTA and Business Process re-engineering reports to the State Department for Public Service.

c) Appointment to Productivity Management Committee

In accordance with the Public Service Commission (Performance Management) Regulations, 2021 and Performance Contracting guidelines for 2024/25 FY, the following officers are hereby appointed as members of the above committee with a mandate over the following functions;

- (i) Develop productivity metrics and a workplace productivity improvement strategy
- (ii) Collect productivity measurement data
- (iii) Compute productivity index
- (iv) Prepare and submit quarterly performance reports to the State Department for Labour (National Productivity and Competitiveness Centre).

| | |
|------------------|----------------------|
| 1) Dan Muga | - E-citizen - Chair |
| 2) Peter Kimaile | - e-Citizen - Member |

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| | |
|-----------------------|---------------------------|
| 3) Ann Nzinga | - NRB - Member |
| 4) Diana Ondari | - DRS - Member |
| 5) Joseph Wambua | - CRS - Member |
| 6) David Ocharo | - IPRS - Member |
| 7) Joseph Mburu | - Immigration - Member |
| 8) Catherine Mwithiga | - HRM – Secretary |
| 9) Carlyne Nyaga | - Administration – Member |
| 10) Wiliam Mweu | - Administration – Member |
| 11) Eric Gwaro | - Accounts Member |
| 12) James Ondieki | -Procurement Member |
| 13) Anthony Kinyua | -NIIMS Member |
| 14) Patricia Karugia | - CPPMD Member |
| 15) Brenda Molonko | -Finance Member |

d) Human Resource Development Committee (HRDC)

The State Department for Public Service guided on the re-establishment of the Ministerial/Departmental Human Resource Development Committee that will advise the existing human resource development governance structure in the MDAs.

The HRD Committee will entail making recommendations to the Authorized Officer on matters regarding:

- Human Resource Development activities and programmes
- Training and Development
- Formulation and review of human resource development interventions
- Skills gap analysis for capacity development to support government development priorities
- Training needs analysis
- Training Impact Assessment
- Training Projections
- Management of Skills Inventory
- Co-ordination of Induction Training
- Mobilization of Resources for Training and capacity building by liaising with other MDAs.
- Collaboration with training institution on training of public officers
- Monitoring, Evaluation and audit of the impact of HRD on skills acquisition and performance
- Implementation of the Competency Framework
- Recommending review of HRD regulations, procedures and systems in the public service; and
- Maintaining and updating skills Inventory in the MDA.

Membership consists of:

- 1) James Kianda
- 2) Pamela Otenyo
- 3) Tony Onyango
- 4) Brenda Molonko
- 5) Jashon Awuor
- 6) Mary Goretti

- 7) Benter Were
- 8) David Ocharo
- 9) Nahashon K.N. Thiongo
- 10) Charles Ongiri
- 11) Joseph Mwangi
- 12) Serser Chelulei

e) Work Permit Determination Committee

The work permit determination committee is expected to perform the following functions: Deliberation of work permit, carrying out background security investigation, interviewing of applicant company management where necessary, and recommending to the director for approval or rejection of work permit. The Committee's mandate is entrenched in the Act, and its membership consists of members drawn from various ministries and security agencies. The members are:

- 1) Mr. James Kianda - Chairperson
- 2) Mr. Prof Joel Chepkwony -Alternate Chair
- 3) Ms. Mary M. Mully - Member
- 4) Ms. Fredrick M. Baya -Member
- 5) Ms. Hellen Chemuren -Member
- 6) Mr. John Mbugua - Member
- 7) Mr. Nixon Keter - Member
- 8) Mr. David Murrey - Member
- 9) Mr David Mugwika - Member
- 10) Ms. Catherine Njoroge - Secretariat
- 11) Mr. Martin Mugambi - Secretariat
- 12) Ms. Merab Wathome - Secretariat
- 13) Ms. Mary Karan – Secretariat
- 14) Mr. Alfred Otwane. – Member.

f) Permanent Residence Advisory Committee

The Permanent Residence Advisory Committee is charged with the following responsibility of recommending to the director for approval or rejection of a residential permit.

The committee meets when they are called upon and when the need arises. It is composed of the following members drawn from various departments:

- 1) Serser Chelulei - Chairperson
- 2) Benson Wakhule - Secretary
- 3) Joseph Mberia - Member
- 4) Fred Ogeto - Member
- 5) Seseniwa James - Member
- 6) Lydia Nyamache – Member
- 7) Jane Kinyua Member.

g) Citizenship Advisory Committee

The Citizenship Advisory Committee is charged with the following mandate: To deliberate on all applications for Kenyan citizenship and make appropriate recommendations to the Cabinet Secretary,

Interview applicants on their suitability for citizenship, and receive and evaluate Intelligence reports on Citizenship applicants

The Committee comprises members drawn from various ministries and departments. The members are

- 1) Mr. Philip Lemarasia - Chairperson
- 2) Mr. Tom Anyim - Secretary
- 3) Ms. Evelyne Makhanu - Member
- 4) Mr. Alfred Omangi - Member
- 5) Mr. Benson Lemashon - Member
- 6) Ms Filly Anyango - Member
- 7) Ms. Florence Osiro - Member
- 8) Ms. Jennifer Chumba – Member
- 9) J.M. Munene – Member.
- 10) Pauline Mitu – Member.

h) Public Complaints Committee

The Public Service Commission, through (Performance Management) Regulations, 2021, and in Compliance with the National Values and Principles of Governance, requires MDAs to ensure that Public Complaints are handled effectively.

In view of this, the State Department has formed a Public Complaints Committee to coordinate public complaints handling mechanisms and has appointed the following officers:

1. Amer Balal
2. Johnson Wahome
3. John Gatumu
4. Moses Rading
5. Gladys Kiyapyap
6. Cynthia Rotich
7. Fred Wandogo
8. Yahya I. Mursal
9. Florence Gitonga
10. Maureen Nyaguthii
11. Emily Akateit
12. Paul Gichuki
13. Joseph Ndatho
14. James Mithika

The functions of the complaints handling committee:

- (i) To ensure all the directorates within the State Department have complaints register
- (ii) Ensure Public complaints are registered and updated in the complaints register
- (iii) Develop a Public Handling Mechanism
- (iv) Create awareness of the complaints handling mechanism among staff and the public
- (v) Prepare and submit quarterly and annual progress reports, including evidence to support the achievements, to the Commission on Administration of Justice

i) Human Resource Management Advisory Committee (HRMAC).

In line with the provisions of the Decentralization Policy, the Human Resource Management Advisory Committee in the State Department for Immigration and Citizen Services was established.

In line with Section A. 15 of the Human Resource Policies and Procedures Manual, the functions of the Committee will be:

- Recruitment, Selection and Appointment;
- Promotion;
- Confirmation of appointment;
- Establishment and Complement control;
- Payroll management;
- Deployment;
- Promotion of Values and Principles of Public Services;
- Administration of biennial and final declaration of income and assets, and liabilities, and public service code of conduct for officers in CSG 8 and below.
- Conduct and report on investigations;
- Recommendation for Waiver of requirements of the schemes of service;
- Recommendation for review of grading and organization structures;
- Recommendation on review of career progression guidelines;
- Recommendation for secondments, leave of absence, unpaid leaves, and transfer of service;
- Recommendation for retirement under 50 years rules;
- Recommendation for retirement on medical grounds;
- Recommendation for retirement on voluntary grounds;
- Recommendation for re-designation;
- Recommendation for renewal of contract
- Recommendation for Public Service Excellence Awards;
- Disciplinary control
- Pensions management
- Staff welfare, health, and safety

Membership consists of:

- 1) James Kianda
- 2) Pamela Otenyo
- 3) Tony Onyango
- 4) Brenda Molonko
- 5) Jashon Awuor
- 6) Mary Goretti
- 7) Benter Were
- 8) David Ocharo
- 9) Nahashon K.N. Thiongo
- 10) Charles Ongiri
- 11) Joseph Mwangi
- 12) Serser Chelulei

Risk Management, Compliance, and Conflict of Interest

The Public Finance Management Act, 2012, provides for the establishment of a Ministerial Audit Committee that ensures risk management Compliance. The State Department of immigration and Citizen Services Risk Management Compliance lies with the Internal Audit department and the Ministerial Audit Committee.

There are some cases of Conflict of Interest within the functions of the State Department and other Government Agencies. The role of National Integrated Identity Management Systems (NIIMS) functions is often seen as a duplication of other government unit functions, such as the National Registration Bureau (NRB) and the Integrated Population and Registration Services (IPRS). This conflict of functions affects the area of registration of persons and the population database.

The State Department is in the process of realigning the functional units to avoid duplication and ambiguities of roles. There is also a perceived overlap of functions and roles between the Border Management function of the Directorate of Immigration under the State Department of Immigration and the Secretariat of Border Management under the State Department for Internal Security.

Further, the Coordination of E-Citizen function is part of the State Department's mandate as per the Executive Order No.1 of 2023, while the same function of coordinating onboarding of services to e-Citizen services is performed by the State Department for Information, Communication Technology (ICT) and Digital Economy.

Report on recent training and development in governance in key leadership

To develop measures for reforms, professionalization, accountability, and standardization of government business, the following was the status of training for key leadership personnel in the state department as of 30th June 2025:

- a) Reform strategy in place with clear KPIs as guided by MTP, SDGs, and the overall Government Agenda.
- b) Registration of staff in their professional bodies and adoption of ISO standards
- c) Registration and membership to professional bodies: IHRM-51- 51 ICPAK-18, LSK-8, CPS-1, KIMS-11

Public participation activities

The budget-making process has always been participatory, with public participation sessions across the country. Issues that are raised at public participation are usually factored as priorities.

Compliance with Laws and Regulations

The State Department, in execution of its mandate, strictly adheres to the legal frameworks indicated below:

- 1) Executive Order No.1 of 2023.
- 2) Kenya Citizenship and Immigration Act, 2011
- 3) Kenya Citizenship and Immigration Regulations, 2012
- 4) Kenya Citizens and Foreign Nationals Management Service Act, 2011
- 5) Counter Trafficking in Persons Act, 2010

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- 6) Births and Deaths Registration Act, Cap 149 Laws of Kenya
- 7) Registration of Persons Act, Cap 107 Laws of Kenya.
- 8) Aliens Restrictions Act, 1973
- 9) Legitimacy Act CAP 145 of the Laws of Kenya
- 10) 1951 The UN Convention and its 1967 Protocol Relating to the Status of Refugees.
- 11) 1969 OAU Convention Governing the Specific Aspects of Refugee Problems in Africa.

9. Management Discussion and Analysis

Introduction

The State Department's budget was geared towards the attainment of key Bottom-Up Economic Transformation Agenda programs, as well as for achievement of Vision 2030 towards improving the security of the country through better immigration programs and population registration services.

Operational and Financial Performance of the State Department for FY2024/2025

Operational performance

The following remarkable achievements have been recorded;

Procurement and delivery of e-passport booklets have been done, and the turnaround time for the issuance of passports has been significantly reduced.

Three additional immigration offices have been opened in Eldoret, Kericho and Garissa

Rehabilitation of the immigration banking hall at Nyayo house has been done to facilitate for ease of passport issuance and customer convenience.

An additional 230 immigration officers have been recruited, hence improving the capacity of the department in service delivery

Installation of the Integrated Border Management System (IBMS) i.e., ETA, API-PNR, Biometric Corridor and e-Gates, Entry Exit system, in-country event monitoring of foreign nationals, Data Centre, and facial recognition system is ongoing, with the development of the Electronic Travel Authorization component complete, and now Advanced Passenger Information / Passenger Name Record ongoing

The National Registration Bureau rolled out 2,176,309 digital ID cards towards the implementation of the Maisha Ecosystem

- Roll-out of UPI commenced, and 50,000 UPI were issued
- 21,685 Government services on-boarded on the E-citizen platform
- Shirika's plan for the management of Refugee and Host Communities was finalized and launched
- There are 525 agencies connected to the IPRS database
- An additional 71 field offices were operationalized across the country.

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Financial Performance

Projects undertaken in 2024-25 Financial Year

| Project Name | Estimated Value of the Project (Kshs.) | Total Funding 2024/2025 (Kshs.) | Cumulative project expenditure as of 31st March 2025 (Kshs.) | Project Completion rate (%) | Challenges |
|--|---|--|---|------------------------------------|--|
| 1024103300 e-Citizen | 21,000,000,000 | 255,500,000 | 2,610,521,617 | 12.43 | Budget constraint |
| 1024103400 Unique Personal Identifier | 7,000,000,000 | 330,000,000 | 394,983,430 | 5.64 | Budget constraint |
| 1024101000- Supplies for ID cards materials | 31,000,000,000 | 1,375,000,000 | 9,606,837,504 | 30.99 | Transition from 2nd generation ID card to Maisha card is for all eligible Kenyans and roll-out of Maisha Digital card |
| 1024101200 IPRS Upgrade and Roll-out | 900,000,000 | 100,000,000 | 488,200,090 | 54.24 | Budget constraint, Budget cut under supplementary 1 |
| 1024101700 Maintenance and refurbishment of Immigration offices | 3,000,000,000 | 70,000,000 | 219,108,677 | 7.30 | New mandate by executive order thus creation of e-Citizen Directorate, NCM Directorate, API/PNR operation Space in Nyayo house and hence budget constraint |
| 1024101100- Construction of National Registrations County/Sub-County Registries | 1,300,000,000 | - | 162,026,100 | 12.46 | Budget cut under supplementary 1 |
| 1024100300 Maintenance | 1,370,296,889 | - | 399,509,596 | 29.15 | Budget cut under supplementary 1 |

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| | | | | | |
|---|----------------|---------------|---------------|-------|---|
| and roll out of CRVSS | | | | | |
| 1024100500 Completion of construction of Civil Registries | 748,000,000 | - | 77,438,146 | 10.35 | Budget cut under supplementary 1 |
| 1024103600 Improvement of Civil Registration System | 200,000,000 | 16,200,000 | 24,304,830 | 12.15 | Donor funded project |
| 1024102000 Supplies for Passport Production | 7,000,000,000 | 377,500,000 | 1,421,622,989 | 20.31 | Huge demand for passport booklets and Budget constraint |
| 1024102400 Maintenance of Immigration systems (both Hardware, software and licenses) | 7,500,000,000 | 230,000,000 | 1,032,162,412 | 13.76 | Huge demand for passport booklets and development of new system ETA and API/PNR |
| 1024102800 Purchase of e-Passport books | 15,200,000,000 | 1,582,000,000 | 7,079,657,171 | 46.58 | Increasing demand for passport booklets |
| 1024106801 Digitization of Immigration Records | 1,500,000,000 | 100,000,000 | 234,684,333 | 15.65 | Budget constraint and high number of manual records in the Department |
| 1024103500 Provision of Facial Recognition and Behavior Detection Solution | 2,500,000,000 | - | 709,911,440 | 28.40 | Budget cut under supplementary 1 and budget constraint |

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Future Developments

In the Medium Term, the State Department will be implementing the following programmes and Projects;

| Implementing Unit | Activity/Output |
|---|--|
| Immigration | <ul style="list-style-type: none">- Integrated Border Management – through the PPP model- Purchase of motor vehicles- Operationalization of regional immigration offices- Implementation of the Electronic Authorization system- Maintenance/upgrades and integration of Immigration systems.- Consular services in foreign missions- Digitization of immigration records- Issuance of permits- Issuance of residency permits- Issuance of work permits- Issuance of foreign national cards |
| National Registration Bureau | <ul style="list-style-type: none">- Issuance of 3rd Generation ID Cards- Maisha Ecosystem- Digitization of registration records |
| Civil Registration Services | <ul style="list-style-type: none">- Maisha Ecosystem- Production of Kenya Vital Statistics Report- Upgrading of the CRVS System- Development and issuance of UPI number- Increase the number of civil registration field stations from the current 134 to 290 stations- Procure more equipment for the Civil Department (Laptops/computers for use in hospitals; Printers; Desktop computers; and Tablets – for use by assistant chiefs)- Digitization of historical (birth and death) paper records (about 30 million records) into electronic format |
| E-Citizen Services | <ul style="list-style-type: none">- Installation and maintenance of e-citizen services systems and ICT support- Onboarding of government services on the e-Citizen platform |
| Integrated Population and Registration Services | <ul style="list-style-type: none">- Merger of IPRS and NIIMS- Upgrading the IPRS System |

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- Integration of Systems

- Refugee Services
 - Development and implementation of Shirika plan
 - Registration of asylum seekers and refugees
 - Determination of appeal cases for asylum seekers

- General Administration
 - Refurbishment of Nyayo house
 - Business process reengineering
 - Development and review of policies and legal frameworks
 - Installation and maintenance of Data disaster recovery sites
 - Capacity building and institutional strengthening
 - Construction of civil and national registration offices
 - Procurement of 150 vehicles to enhance mobile registration of persons in ASAL and remote areas
 - Recruitment of registration officers and immigration officers
 - Development of service charters
 - Strengthen Monitoring and Evaluation
 - Construction of passport control centres

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Projects for 2025-26 FY

| S/N | Project Name | Project Description | Location | Total estimated cost (Kshs.) | Current status (Status of physical completion in % and description) | Expected Deliverables |
|-----|--|--|--------------|------------------------------|---|--|
| 1 | Supplies for ID card materials | Supply of ID card production materials | Country wide | 12,000,000,000 | 30.99 | Maisha Cards |
| 2 | IPRS Upgrade and Rollout | IPRS system upgrade | Nairobi | 900,000,000 | 54.24 | Upgraded IPRS System |
| 3 | Maintenance and refurbishment of office accommodation at Nyayo House | Office partitioning, ICT cabling, furniture, and equipment | Nairobi | 3,000,000,000 | 25 | Refurbished and well-maintained offices |
| 4 | Supplies for Passport Production | Supply of passport production materials | Country wide | 7,000,000,000 | 20.31 | Materials for production |
| 5 | Maintenance of the passport system (both Hardware, software, and licenses) | Servicing of the passport production system and licenses | Country wide | 7,500,000,000 | 13.76 | Licenses and an upgraded passport system |
| 6 | Purchase of e-Passport books | Purchase of passport booklets | Country wide | 6,400,000,000 | 46.58 | e-passport books |

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| | | | | | | |
|---|-------------------------------------|--------------------------------------|--------------|---------------|-------|---------------------------|
| 7 | Digitization of Immigration Records | Digitization of records registries | Country wide | 1,500,000,000 | 15.65 | Digitized records |
| 8 | e-Citizen Services- | System upgrade and security | Nairobi | 4,000,000,000 | 12.43 | Upgraded e-citizen System |
| | Unique Personal Identifier Project | Allocation of Maisha Number at birth | Country wide | 7,000,000,000 | 5.64 | Maisha Number |

10. Environmental and Sustainability Reporting

Introduction

The Mandate of the State Department for Immigration and Citizen Services include Registration of Births and Deaths, Registration of Persons, Co-ordination of National Integrated Identity Management System (NIIMS), Development and Implementation of Citizenship and Immigration Policy, Development and Implementation of Refugees' and Asylum Seekers' Policies, Collaboration with other Ministries, Departments and Agencies regarding the Collection of Relevant Primary Data, Oversight of the Integrated Population Registration Systems (IPRS) and Coordination of e-citizen services.

The sustainability of the Department's mandate is anchored on the improved welfare of the staff, putting customer first as well as on the automation and digitization of its services and maintaining quality standards of services as required by relevant regulatory bodies/institutions. Below, presents a brief of the sustainability activities that underpinned provision of our services during the past year.

Sustainability strategy and profile

Provision of sustainable services by the State Department was anchored by UN requirements as well as guided by local laws and policies to maintain standards required of the services. The UN Security Council Resolution 2178 (2014) and resolution 2396 (2017) reaffirms the need for member states to put in place effective border controls mechanisms to prevent the movement of terrorists or terrorist groups by and controls on issuance of identity papers and travel documents, and through measures for preventing counterfeiting, forgery or fraudulent use of identity papers and travel documents. Also, International Civil Aviation Authority (ICAO) has put in place standards that require member states to automate their services and produce identity documents of high Standards to prevent fraud. The Department was also in cognizance of attainment of Sustainable Development Goals (SDG's). These international commitments are what drives the Department to assist the Country achieve its obligations.

Locally, National Environmental Management Authority (NEMA) law was our guiding principle during implementation of key projects as a way of mitigating effects of environmental degradation.

Environmental Performance /Climate change/Mitigation of Natural Disasters

The Department respect and recognize the need for environmental conservation. This has been demonstrated through mainstreaming and integrating our strategic plan and activities to environmental issues. Also, as guided by the Environmental Management and Coordination Act that promotes the use of renewable energy, tree planting and environmental protection, the Department ensured that all its projects undertake Environmental Impact Assessment and Audit. During the project construction, tree planting exercises are integrated in the construction stages.

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As a way of recycling and minimizing e wastes, electronic as well as equipment, furniture and other assets and stores that were obsolete were boarded in tandem with government procurement regulations and procedures. Also, to minimize paper wastes, printing of papers in both pages has always been enforced.

Employee Welfare

In a bid to enhance sustainability of its programs and mandates, employee welfare is one of the issues at the heart of the Department's objectives. The Department put in place mechanisms to ensure there is proper succession management by carrying out staff needs analysis and promotion of registration officers and recruitment of 230 immigration officers

As part of motivation to the staff, all employees were required to develop individual work plans based on the Departmental work plan and fill an online appraisal system that was appraised by respective supervisors at the end of the year.

Operational Practices/ Market Place Practices

Our corporate culture is based on our core values that are customer focused. The State Department is guided by the Constitution of Kenya, 2010 on national values and on ethics. Core values are designed to take care of the interests of the organization as well as the customers. The State Department values integrity in its undertakings and thus promotes honesty, accountability, transparency, fairness and impartiality in service provision. The State Department inculcates the spirit of efficiency and effectiveness for our customers to benefit in terms of time and costs.

The State department advertises for all its procurement opportunities through a competitive process of open tenders for all interested parties to participate. Tender opening is done in presence of tenderers and evaluation done as per laid down procedures with unsuccessful bidders being informed accordingly. In addition, The State Department is always committed to honouring its obligations to the suppliers and contractors through prompt payment of dues and honouring contractual agreements.

The State Department has prepared a customer's service charter detailing services with corresponding timelines and charges. These service charters are displayed in open places where The State Department's services are offered

Community Engagements

The State Department has always engaged its staff to participate in worthy causes like blood donation, feeding the hungry and tree planting exercises through marathons, walks and stakeholder engagements.

11. 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 Entity shall prepare financial statements in respect of that entity. 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 of Immigration & Citizen Services (SDICS), is responsible for the preparation and presentation of the SDICS financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the FY ended on June 30, 2025. This responsibility includes:

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

The Accounting Officer in charge of the SDICS accepts responsibility for the SDICS's financial statements, which have been prepared under IPSAS 33 (First-Time Adoption) to the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with IPSAS. SDICS has adopted a three-year phased transitional exemption approach to IPSAS Accrual as disclosed in these financial statements. The Accounting Officer is of the opinion that, in line with transitional exemptions, the SDICS's financial statements present the state of entity's transactions during the Financial Year ended June 30, 2025, and of the SDICS's financial position as at that date. The Accounting Officer in charge of the SDICS further confirms the completeness of the accounting records maintained for the SDICS, which have been relied upon in the preparation of the SDICS's financial statements as well as the adequacy of internal financial controls in place.


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

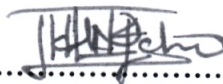
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Approval of the financial statements

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The SDICS financial statements were approved on 29th August 2025 and signed by:


Sign
Dr. Belio Kipsang, CBS
Principal Secretary


Sign
Loise N. Kibicho
Senior Deputy Accountant General
ICPAK No. 14061

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REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR IMMIGRATION AND CITIZEN SERVICES FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

- A. Report on 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 the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, 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 is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying transitional IPSAS financial statements of State Department for Immigration and Citizen Services set out on pages 1 to 40, which

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

In my opinion, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of the State Department for Immigration and Citizen Services as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Opinion

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

Emphasis of Matter

Outstanding Trade and Other Payables

The statement of financial position reflects a balance of Kshs.5,966,074,772 in respect of trade and other payables relating to amounts due to suppliers and service providers. The payables were not settled during the year under review but were instead carried forward to the financial year 2025/2026.

Failure to settle the payables during the year in which they relate adversely affects the budgetary provisions for the subsequent year as they form a first charge.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

1. Unresolved Prior Year Matters

In the prior year audit report, two issues were raised under Report on Lawfulness and Effectiveness in Use of Public Resources and under Report on Effectiveness of Internal Controls, Risk Management and Governance. These include non-compliance with one-third of basic salary rule and lack of a Risk Management Policy. Review of the status during audit of the State Department in 2024/2025 revealed that the two issues had not been resolved.

2. Contingent Liability - Electronic Travel Authorization (eTA) Platform

During the year under review, an amount of Kshs.779,753,459 was invoiced and paid to a service provider for use of Electronic Travel Authorization (eTA) platform for six (6) months from July, 2024 to December, 2024. However, an undetermined amount due for services rendered for six (6) months from January, 2025 to June, 2025, was not disclosed. Management indicated that the service provider had not issued an invoice for the services rendered, making it difficult to provide for the amounts due to the service provider. However, the undisclosed amount might result in a future obligation to the State Department.

Other Information

The Management is responsible for the Other Information set out on page iii to xlix which comprise of Key State Department of Immigration and Citizen Services Information and Management, Profile of Cabinet Secretary, Profile of Accounting Officer and Key Management, Statement by the Cabinet Secretary, Statement by the Accounting Officer, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance With the Public Procurement Capacity Building Levy Order

During the year under review, the State Department made various procurements worth Kshs.8,690,152,710. However, the State Department did not deduct and remit to the Public Procurement Regulatory Authority the 0.03% capacity building levy as required. This was contrary to Paragraph 3(1) of the Public Procurement Capacity Building Levy Order, 2023 (The Levy Order, 2023) which requires all procuring entities to deduct and remit to the Authority a levy of 0.03% of the value of the signed contracts between the supplier and procuring entity exclusive of all applicable taxes.

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

2. Failure to Fully Implement Affirmative Action at Workplaces

Physical inspection conducted at the National Registration Bureau offices in Mvita, Voi and Likoni and the Civil Registration Service offices in Mvita and Embu West noted that the offices are located on elevated floors in buildings that lack access ramps and functional lifts.

Although Management explained that the buildings are not owned by the State Department,, lack of access ramps and functional lifts may lead persons living with disabilities to feel discriminated against. This was contrary to Section 21 of Persons with Disabilities Act, 2022 which entitles them to a barrier-free and disability-friendly environment to enable them to have access to buildings, roads and other social amenities and assistive devices and other equipment to promote their mobility.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management And Governance section of my report. I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management, and overall governance were not effective.

Basis for Conclusion

1. Lack of Legal Framework on Disposal of Uncollected Passports and National Identity Cards

The audit revealed that a total of 56,187 passports 417,633 national identity cards remained uncollected at various offices as at 30 June, 2025. However, the laws on immigration and registration of persons have no provision on how to handle uncollected passports and identity cards. The uncollected security documents pose a challenge of storage and security without a clear legal framework on disposal.

In the circumstances, the effectiveness of controls on uncollected passports and identity cards could not be confirmed.

2. Lack of Updated Asset Register

During the year under review, the State Department did not maintain an asset register.. Further, the assets owned by the State Department were not tagged with unique identification marks. Management did not explain how it tracks and monitors the usage of its assets in the absence of a register.

In the circumstances, the effectiveness of controls on assets could not be confirmed.

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

Responsibilities of Management and 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 (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

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

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

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

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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 December, 2025

13. Statement of Financial Performance for the Year ended 30 June 2025

| | Notes | Period Ended 30 June 2025 |
|---|-------|---------------------------|
| | | Kshs |
| Revenue from non-exchange transactions | | |
| Transfers from Exchequer | 4 | 10,827,522,528 |
| Transfers from Other Government entities | | - |
| Total | | 10,827,522,528 |
| Revenue from exchange transactions | | |
| Licenses, Fees, and Permits | 5 | 9,377,594,601 |
| Total | | 9,377,594,601 |
| Total revenue | | 20,205,117,129 |
| Expenses | | |
| Employee costs | 6 | 7,543,693,315 |
| Use of goods and services | 7 | 13,028,203,085 |
| Depreciation and amortization expense | 8 | 626,260,579 |
| Other Grants and Subsidies | 9 | 139,317,540 |
| Total expenses | | 21,337,474,519 |
| Other gains/(losses) | | |
| Deficit for the year | | (1,132,357,390) |
| Net Deficit | | (1,132,357,390) |

The SDICS Financial Statements were approved and signed by:

Sign

Dr. Belio Kipsang, CBS

Principal Secretary

Sign

Loise N. Kibicho

Senior Deputy Accountant General

ICPAK No. 14061

14. Statement of Financial Position as at 30 June 2025

| | Notes | Period Ended 30 June 2025 | Opening Statement 1st July 2024 |
|--------------------------------------|-------|------------------------------|------------------------------------|
| | | Kshs | Kshs |
| Assets | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | 10 | 33,070,164 | 2,318,518 |
| Total Current Assets | | 33,070,164 | 2,318,518 |
| Non-Current Assets | | | |
| Property, Plant, and Equipment | 11 | 1,985,606,520 | - |
| Total Non-Current Assets | | 1,985,606,520 | - |
| Total Assets (A) | | 2,018,676,686 | 2,318,518 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and Other Payables | 12 | 5,966,074,772 | 2,931,583,595 |
| Refundable Deposits | 13 | 13,269,229 | 1,998,790 |
| Current Provision | 14 | 15,651,849 | - |
| Total Current Liabilities | | 5,994,995,850 | 2,933,582,385 |
| Non-Current Liabilities | | | |
| Non-Current Provision | 14 | 2,428,985 | 2,428,985 |
| Total Non-Current Liabilities | | 2,428,985 | 2,428,985 |
| Total Liabilities (B) | | 5,997,424,835 | 2,936,011,370 |
| Net Assets (A-B) | | (3,978,748,149) | (2,933,692,852) |
| Represented By: | | | |
| Accumulated Surplus | | (3,978,748,149) | (2,933,692,852) |
| Net Assets | | (3,978,748,149) | (2,933,692,852) |

The SDICS financial statements were approved and signed by:

Sign

Dr. Belio Kipsang, CBS
 Principal Secretary

Sign


Loise N. Kibicho
 Senior Deputy Accountant General
 ICPAK No. 14061

15. Statement of Changes in Net Assets for the year ended 30 June 2025

| Description | Accumulated Surplus | Reserves | Capital Fund | Total |
|---|------------------------|----------|--------------|------------------------|
| | Kshs | Kshs | Kshs | Kshs |
| Opening Cash Balance as 01st July, 2024 | 319,728 | | - | 319,728 |
| Pending bills | (3,124,336,522) | | | (3,124,336,522) |
| Prior year adjustment | 192,752,927 | | | 192,752,927 |
| Gratuity provisions | (2,428,985) | | - | (2,428,985) |
| As at July 1, 2024 | (2,933,692,852) | | - | (2,933,692,852) |
| Deficit for the period | (1,132,357,390) | | | (1,132,357,390) |
| Returns to the exchequer | (319,728) | | - | (319,728) |
| Payment of payables related to assets | 87,621,822 | | | 87,621,822 |
| As at 30 June 2025 | (3,978,748,149) | | - | (3,978,748,149) |


Sign
Dr. Belio Kipsang, CBS
Principal Secretary


Sign
Loise N. Kibicho
Senior Deputy Accountant General
ICPAK No. 14061

| | |
|---|---|
|  THE NATIONAL ASSEMBLY PAPERS LAID | |
| DATE: 11 MAR 2026 | |
| DAY: WEDNESDAY | |
| TABLED BY: | HON LEADER OF MAJORITY PARTY HON OWEN BAYA, MP |
| CLERK-AT THE-TABLE: | J. LEMIERELLE |

16. Statement of Cash Flows for the year ended 30 June 2025

| | | FY 2024/25 |
|---|-------|------------------------|
| | Notes | Kshs |
| Cash flows from operating activities | | |
| Surplus for the period | | (1,132,357,390) |
| Adjusted for: Depreciation | 11 | 626,260,579 |
| Less: Non-cash grants received | | |
| Paid prior year pending bills relating to assets | | 87,621,822 |
| Contribution to provisions | 14 | 15,651,849 |
| Working capital adjustments | | (402,823,140) |
| Increase in payables | 12 | 3,034,491,177 |
| Increase in payments received in advance | | 11,270,439 |
| Cash flows from Operating activities | | 2,642,938,473 |
| Cash flows from investing activities | | |
| Purchase of PPE | 11 | (2,611,867,099) |
| Net cash flows from/(used in) investing activities | | (2,611,867,099) |
| | | |
| Cash flows from financing activities | | |
| Return to Exchequer | 16 | (319,728) |
| Net cash flows from financing Activities | | (319,728) |
| Net increase/(decrease) in cash & | | |
| Cash equivalents | | 30,751,646 |
| Cash and cash equivalents at 1 July | | 2,318,518 |
| Cash and cash equivalents at 30 June | | 33,070,164 |


 Sign
 Dr. Belio Kipsang, CBS
 Principal Secretary


 Sign
 Loise N. Kibicho
 Senior Deputy Accountant General
 ICPAK No. 14061

17. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025

Recurrent and Development Combined

| Description | Original budget | Adjustments | Final budget | Actual on a comparable basis | Budget utilization difference | % of utilization |
|-----------------------------------|------------------------|----------------------|-----------------------|-------------------------------------|--------------------------------------|-------------------------|
| | A | B | C=a+b | D | E=c-d | F=d/c % |
| Revenue | | | | | | |
| Transfers from the exchequer | 11,014,813,872 | (164,453,439) | 10,850,360,433 | 10,827,522,528 | 22,837,905 | 99.79% |
| Licenses, fees, and permits | 3,945,000,000 | 5,425,611,780 | 9,370,611,780 | 9,377,594,601 | (6,982,821) | 100.07% |
| Total revenue | 14,959,813,872 | 5,261,158,341 | 20,220,972,213 | 20,205,117,129 | 15,855,084 | 99.92% |
| Expenses | | | | | | |
| Employees Costs | 7,117,359,751 | 434,809,689 | 7,552,169,440 | 7,543,693,315 | 8,476,125 | 99.89% |
| Use of goods and services | 7,022,785,155 | 4,743,458,300 | 11,766,243,455 | 13,028,203,085 | (1,052,046,309) | 108.94% |
| Other grants and transfers | 164,802,319 | (25,000,000) | 139,802,319 | 139,317,540 | 484,779 | 99.65% |
| Total recurrent expenses | 14,304,947,225 | 5,153,267,989 | 19,458,215,214 | 20,711,213,940 | (1,043,085,405) | 105.36% |
| Capital items | | | | | | |
| Acquisition of PPE | 636,531,148 | 107,890,352 | 744,421,500 | 2,611,867,099 | 26,488,418 | 338.27% |
| Total Development expenses | 636,531,148 | 107,890,352 | 744,421,500 | 2,611,867,099 | 26,488,418 | 338.27% |
| Total expenses | 14,959,813,872 | 5,261,158,341 | 20,220,972,213 | 23,323,081,039 | 43,677,997 | 113.84% |
| Surplus/ deficit | | | | (3,117,963,910) | | |

Reconciliation table

| | Operating | Financing | Investing | total |
|--|------------------------|----------------|-----------|------------------------|
| Actual amounts on a comparable basis are presented in the budget and the actual comparative statement | (3,117,963,910) | - | - | (3,117,963,910) |
| Depreciation | 626,260,579 | - | - | 626,260,579 |
| Prior year adjustments | (516,786,901) | - | - | (516,786,901) |
| Opening bank balances for the year | 2,318,518 | - | - | 2,318,518 |
| Cash refund | - | 319,728 | - | 319,728 |
| Changes in payables | 3,034,491,177 | - | - | 3,034,491,177 |
| Change in depreciation on expensed buildings | 4,430,973 | - | - | 4,430,973 |
| Actual in the statement of cash flows | 32,750,436 | 319,728 | - | 33,070,164 |

18. Notes to the Financial Statements

1) Establishment

The State Department of Immigration and Citizen Services is established by and derives its authority and accountability from Executive Order No.1 of 2023. SDICS is wholly owned by the Government of Kenya and is domiciled in Kenya. The SDICS principal activity is to contribute to the security and socio-economic development of Kenya by facilitating international travel, issuing secure travel documents, controlling entry and exit, and management of migrants as a pre-requisite to sustainable economic development.

2) Statement of Compliance and Basis of Reporting

Statement of compliance

These financial statements have been prepared in accordance with the provisions of the Public Finance Management Act, 2012, and the applicable International Public Sector Accounting Standards (IPSAS) prescribed by the Public Sector Accounting Standards Board (PSASB) of Kenya. The financial statement has been prepared under IPSAS 33 (First-time adoption to IPSAS Accrual) using a three-year phase Transitional relief approach as per the Transition table herein, Year 2024/2025 being 1 year transitional.

The pending bills have been recognized as payable, while additional assets have been recognized in the asset register and depreciated accordingly. Other components of full-time adoption will be applied as per IPSAS 33 in phases. There have been no material exemptions.

For these financial statements, the State Department of Immigration and Citizen Services has been categorized as a Schedule 1 national government MDA in line with Section 4 of the Public Finance Management Act, 2012, read together with Regulation 211 (2) of the Public Finance Management (National Government) Regulations, 2015. Schedule 1 national government entities include Ministries, Departments, Agencies, constitutional institutions, and independent offices. MDAs are reporting entities whose primary objective is to provide policy and coordination of government services.

The use of public resources by MDAs is primarily governed by Chapter 12 of the Constitution, the relevant Appropriation Act, the Public Finance Management Act of 2012, and the Public Procurement and Disposal Act of 2015.

These financial statements were authorized for issue by the Accounting Officer on 29th August, 2025.

Annual Reports and Financial Statements for the year ended June 30, 2025.

The SDICS state the transitional provisions it has applied and the steps being towards full compliance with IPSAS Accrual as follows:

| | | | |
|---|---|--|---|
| <i>IPSAS 25/IPSAS 39 EMPLOYEE BENEFITS</i> | Must recognize actuarial valuations of obligation | Provision not yet established, disclosure only | Actuarial valuation to be completed in 3 years. |
| <i>IPSAS 19 - PROVISION, CONTINGENT ASSET</i> | Must recognise provisions that meet the criteria | Disclosure provided, but the provision was not recognised. | Recognition phased in over 3 years |
| <i>IPSAS 33 REVENUE FROM NON-EXCHANGE TRANSACTIONS</i> | Full recognition required | Only cash-basis revenue recorded. | 1 year |
| <i>IPSAS 12 - INVENTORIES</i> | Inventories measured at lower cost or NRV | Stock listing in process | 2 years |
| <i>IPSAS 1 - PRESENTATION OF FINANCE STATEMENT</i> | Statement of financial position performance, changes in net asset/equity and cash flow required | Fully compiled | 1 year. |
| <i>IPSAS 33 DISCLOSURE</i> | Notes should include exemptions and timelines. | Initial disclosure | Ongoing until full compliance |
| <i>IPSAS 45 PROPERTY, PLANT, AND EQUIPMENT</i> | Apply the standard in accounting for PPE, except when another standard requires or permits a different accounting treatment | Initial identification in the 1 st year, Valuation in the 2 nd year, and recognition in the year 3 | Recognition phased in over 3 years |

Notes to the Financial Statements

Reporting period

The reporting period for these financial statements is for the period ended 30th June, 2025.

Basis of preparation

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period on an accrual basis on a first-time adoption. Under an accrual basis, revenues are recognized when rights to assets are earned or levied rather than when cash is received, and expenses are recognized when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

Critical accounting judgement

IPSAS requires accounting judgment to be made in determining accounting policies that impact the presentation of these financial statements. The most critical of these judgments, and their impact, are:

Recognition of revenue

Revenue is an increase in the net financial position, other than increases arising from ownership contributions. Revenue is required to be measured when the event occurs and when recognition criteria (probable inflow of resources and ability to reliably measure their value) are met. Judgment is required to determine if these criteria are met, particularly where limited evidence is available at the time the revenue is earned.

Recognition of non-exchange expenses and liabilities

A liability is a present obligation of the State Department of Immigration and Citizen Services for an outflow of resources that results from a past event. Expenses (and other liabilities) are recognized when there is a present obligation (legal or constructive) as a result of a past event. An outflow of resources embodying economic benefits will probably be required to settle the obligation, and a reliable estimate of the obligation can be made. Judgement is required in assessing each of these conditions and therefore reporting if an expense and a present obligation should be reported.

The State Department of Immigration and Citizen Services pursues a number of policy targets and outcomes. However, the commitment to these targets and outcomes, generally, does not of itself constitute a present obligation unless the SDICS is clear on the cost it intends to

incur, when payment will be made, and to whom, and as a consequence has raised a valid expectation. As a consequence, liabilities are not reported for costs associated with the SDICS policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of the SDICS's future actions, expenses (and other related liabilities) are recognized for that policy.

Purpose and nature of financial instruments

Judgment is required in determining whether financial assets (including investment in securities and advances) and financial liabilities are held for trading or to provide a return through interest and principal transactions. Depending on that judgment, financial instruments will be reported at fair value or on an amortized cost basis.

Climate change obligations

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario of 143 MtCO₂eq. State Department of Immigration and Citizen Services commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

Physical assets

An asset is a resource presently controlled by the State Department of Immigration and Citizen Services as a result of a past event. The primary reason for holding property, plant, and equipment and other assets is for their service potential rather than their ability to generate cash flows. Because of the types of services provided, a significant proportion of assets used by public sector entities, including roads, national parks, heritage buildings, etc, are specialized in nature. There may be a limited market for such assets, and so judgment is required on measurement. Judgment is also required on whether assets are held for commercial purposes or public benefit purposes.

Notes to the Financial Statements (Continued)

1. Adoption of New and Revised Standards

i) New and amended standards and interpretations in issue effective in the year ended 30 June 2025.

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

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.

| Standard | Effective date and impact: |
|---|--|
| IPSAS 43 | <p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance, and cash flows of an MDA.</p> <p>The new standard requires entities to recognize, measure, and present information on right-of-use assets and lease liabilities.</p> |
| IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations | <p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale are to be measured at the lower of carrying amount and fair value less costs to sell, and the depreciation of such assets is to cease.</p> <p>Assets that meet the criteria to be classified as held for sale are to be presented separately in the statement of financial position, and the results of discontinued operations are to be presented separately in the statement of financial performance.</p> |
| IPSAS 45- Property, Plant and Equipment | <p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets, and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45; heritage assets that</p> |

| Standard | Effective date and impact: |
|---------------------------------|--|
| | <p>satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance, and illustrative examples. The standard has clarified existing principles, e.g, valuation of land over or under the infrastructure assets, under-maintenance of assets, and distinguishing significant parts of infrastructure assets.</p> |
| <p>IPSAS 46 Measurement</p> | <p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> |
| <p>IPSAS 47- Revenue</p> | <p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an MDA shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> |

| Standard | Effective date and impact: |
|--|---|
| IPSAS 48- Transfer Expenses | <p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> |
| IPSAS 49- Retirement Benefit Plans | <p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans that provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> |

iii) Early adoption of standards

The State Department of Immigration and Citizen Services did not early – adopt any new or amended standards in the financial year

2. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, Taxes and Fines

The State Department of Immigration and Citizen Services recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the State Department of Immigration and Citizen Services and the fair value of the asset can be measured reliably.

Transfers from other Government Entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to State Department of Immigration and Citizen Services and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development grants are recognized in the statement of financial performance after meeting the revenue recognition criteria. Conditional grants are recognized as revenue upon fulfillment of the set conditions.

ii) Revenue from exchange transactions

Rendering of services

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

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2024/25 was approved by the National Assembly on July 31st, 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the State Department of Immigration and Citizen Services upon receiving the respective approvals in order to conclude the final budget. Accordingly, the State Department of Immigration and Citizen Services recorded additional appropriations of Kshs.5,950,521,469.00 on the 2024/25 budget following the governing body's approval. The Department's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actual as per the statement of cash flows has been presented under section financial performance summary of these financial statements.

c) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

d) Property, plant and equipment

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

e) Right of use asset

The right-of-use assets comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the State Department incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IPSAS 21 or IPSAS 26. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the State Department expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

Notes to the Financial Statements (Continued)

f) Tangible Natural Resources

The State Department recognize a tangible natural resource recognized if, and only if: It is probable that service potential associated with the natural resource will flow to the State Department; the State Department controls the tangible natural resource as a result of past events; and the tangible natural resource can be measured reliably. Where this criterion is not met, the State Department discloses the tangible natural resource in the notes to the financial statements. Where a tangible natural resource is recognized as an asset as the result of an event that is not a transaction in an orderly market, including non-exchange transactions, the asset shall be measured initially at its deemed cost. A State Department shall apply IPSAS 46, Measurement, when measuring the deemed cost of such a recognized tangible natural resource. A recognized tangible natural resource acquired through an exchange transaction shall be measured at its cost. Historical cost model is applied after initial recognition less any depreciation and impairment losses.

g) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the State Department. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The State Department also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the State Department will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Notes to the Financial Statements (Continued)

h) Intangible assets

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

i) Research and development costs

The State Department expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the State Department can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale
- ii) Its intention to complete and its ability to use or sell the asset
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually, with any impairment losses recognized immediately in surplus or deficit.

j) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The State Department does not have any hedge relationships and, therefore, the new hedge accounting rules have no impact on the department's financial statements.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

a) financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Notes to the Financial Statements (Continued)

Fair value through Net Assets/ Equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

The state department assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The state department recognizes a loss allowance for such losses at each reporting date. There were no critical estimates and significant judgments made by management in determining the expected credit loss (ECL) during the year.

b) Financial liabilities

Classification

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

Notes to the Financial Statements (Continued)

k) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

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

l) Provisions

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

Notes to the Financial Statements (Continued)

m) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The state department recognizes a social benefit as an expense for the social benefit scheme at the same time that it recognizes a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the state department will incur in fulfilling the present obligations represented by the liability.

n) Contingent Liabilities

The State Department 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. During the year under review the State Department was not billed the ETa service cost by the service provider for the month of January to March which was at the pilot phase. There billable cost is unknown as it varied depending on the transaction. We therefore disclose a contingent liability which may arise from Traversal Border Security upon arbitration.

o) Contingent Assets

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

p) Nature and purpose of Reserves

The department does not maintain any reserves.

q) Changes in Accounting Policies and Estimates

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

Notes to the Financial Statements

Summary of Significant Accounting Policies (Continued)

r) Employee Benefits

Retirement benefit plans

The State Department does not provide retirement benefits for its employees as a stand-alone and contribute to Civil Servant Pension Scheme and Public Service Superannuation Scheme (PSSS). Defined contribution plans are post-employment benefit plans under which a department pays fixed contributions into a separate fund, and does not have legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

s) Foreign currency transactions

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

t) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed, and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

u) Related parties

The department regards a related party as a person or another department with the ability to exert control individually or jointly, or to exercise significant influence over the department, or vice versa. Members of key management are regarded as related parties and comprise the Accounting Officer and the Departmental heads.

v) Service concession arrangements

The state department analyses all aspects of service concession arrangements that it enters into, in determining the appropriate accounting treatment and disclosure requirements. Where a private party contributes an asset to the arrangement, the department will recognize that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the department also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

w) 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.

x) Comparative figures

In preparing these financial statements, the department has elected to apply paragraph 79 of IPSAS 33, which allows for the election by a state department to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position and an opening statement of financial position as at the time of first-time adoption of the accrual basis of accounting.

y) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

3. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the department's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period.

Estimates and assumptions

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

IPSAS 1.140

Useful lives and residual value

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

- a) The condition of the asset based on the assessment of experts employed by the state department.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Notes to the Financial Statements (Continued)

4. Transfers from Exchequer

| Nature of transfer | Amount recognized to Statement of Financial performance | Amount deferred under deferred income | Total transfers Period ended Sep*/Dec*/March*/ June* 20xx |
|--------------------|---|---------------------------------------|---|
| | Kshs | Kshs | Kshs |
| Recurrent | 9,143,400,069 | | 9,143,400,069 |
| Development | 1,684,122,459 | | 1,684,122,459 |
| Total | 10,827,522,528 | - | 10,827,522,528 |

These are amounts received from the National Treasury Exchequer for budget financing.

5. Licenses, Fees, and Permits

| Description | 2024/25 |
|--------------|----------------------|
| | KShs |
| Service Fees | 4,320,516,259 |
| Other fees | 5,057,078,342 |
| Total | 9,377,594,601 |

These are A-I-A collected during the financial year.

Notes to the Financial Statements (Continued)

6. Employee Costs

| Description | 2024/25 |
|--|----------------------|
| | Kshs |
| Basic salaries of permanent employees | 3,992,995,017 |
| Basic wages of temporary employees | 81,175,739 |
| Personal allowances – part of salary | 3,198,010,143 |
| Pension and other social security contributions | - |
| Employer contributions to compulsory national social security schemes | 141,489,576 |
| Employer contributions to compulsory national health insurance schemes | 112,740,291 |
| Gratuity provision | 17,282,549 |
| Other personnel costs | |
| Employee costs | 7,543,693,315 |

These are costs related to employees' remuneration.

* *Gratuity provision relates to the amount provided for the employees who are on contractual terms.*

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7. Use of Goods and Services

| Description | IFMIS Figure | Pending bills paid during the year | Pending bills incurred and not paid for during the year | Adjusted Use of Goods and Services Figure |
|--|-----------------------|---|--|--|
| | Kshs | Kshs | Kshs | Kshs |
| Utilities, supplies and services | 96,090,531 | (2,462,268) | 25,160,465 | 118,788,728 |
| Communication, supplies and services | 127,307,423 | (15,393,822) | 23,677,586 | 135,591,187 |
| Domestic travel and subsistence | 406,179,780 | (16,681,630) | 26,697,494 | 416,195,644 |
| Foreign travel and subsistence | 100,121,928 | - | 53,045,193 | 153,167,121 |
| Printing, advertising, and information supplies & services | 28,709,455 | (131,246) | - | 28,578,209 |
| Rentals of produced assets | 611,391,028 | (136,333,971) | 49,620,597 | 524,677,654 |
| Training expenses | 147,936,153 | (32,882,000) | 34,993,484 | 150,047,637 |
| Hospitality supplies and services | 167,932,737 | (27,769,719) | 42,990,500 | 183,153,518 |
| Insurance costs | 202,000 | | | 202,000 |
| Specialized materials and services | 4,951,127,276 | (2,202,753,941) | 2,741,292,577 | 5,489,665,912 |
| Office and General Supplies. | 74,355,568 | (22,218,796) | 1,582,734,821 | 1,634,871,593 |
| Refined Fuel and Lubricants | 116,880,506 | - | 6,634,000 | 123,514,506 |
| Other Operating Expenses | 3,470,704,210 | (7,056,297) | - | 3,463,647,913 |
| Routine maintenance – vehicles and other transport equipment | 53,696,324 | (6,269,988) | 235,274 | 47,661,610 |
| Routine maintenance – other assets | 434,148,711 | (49,972,124) | 174,263,266 | 558,439,853 |
| Total Use of Goods and Services | 10,786,783,630 | (2,519,925,802) | 4,761,345,257 | 13,028,203,085 |

Notes to the Financial Statements (Continued)

8. Depreciation and Amortization Expense

| Description | Period ended 30 June 2025 |
|--|---------------------------|
| | Kshs |
| Property, plant and equipment | 626,260,579 |
| Intangible assets | - |
| Investment property carried at cost | - |
| Total Depreciation and Amortization Expense | 626,260,579 |

9. Other Grants and Subsidies

| Description | 2024/25 |
|---|--------------------|
| | Kshs |
| Scholarships and other educational benefits | 127,131,040 |
| Emergency relief and refugee assistance | 12,186,500 |
| Total Grants and Subsidies | 139,317,540 |

These relate to scholarship and educational benefits given to foreign attachés' children during their tour of duty as per their posting terms. Emergency and refugee assistance refers to the relief offered through the Department of Refugee Services.

10. Cash and Cash Equivalents

| Description | 2024/25 | Opening statement 1st July 2024 |
|------------------------|-------------------|---|
| | Kshs | Kshs |
| Recurrent Account | 10,982,184 | 298,317 |
| Development Account | 8,818,753 | 21,411 |
| Deposits Account | 13,269,228 | 1,998,790 |
| Fixed Deposits Account | - | - |
| Total | 33,070,164 | 2,318,518 |

The amount agrees with the closing and opening balances as included in the statement of cash flows. These were the bank balances as at the closure of the financial year.

10.(a) Detailed Analysis of the Cash and Cash Equivalents

| Financial Institution | Account number | 2024/25 | Opening statement 1st July 2024 |
|------------------------------|-----------------------|----------------|---|
| | | Kshs | Kshs |
| Recurrent Account | | | |
| | CBK001 | 1000**** | 10,982,184 |
| | | | 298,317 |
| Development Accounts | | | |
| | CBK002 | 1000**** | 8,840,164 |
| | | | 21,411 |
| Deposits Accounts | | | |
| | | | 13,269,228 |
| | Sub- Total | | 13,269,228 |
| | Grand Total | | 1,998,790 |
| | | | 2,318,518 |

Notes to the Financial Statements (Continued)

11. Property, Plant and Equipment

| <i>Description</i> | <i>Land</i> | <i>Buildings</i> | <i>Motor vehicles</i> | <i>Furniture and fittings</i> | <i>Computers & ICT Equipment</i> | <i>Other Assets (specify)*</i> | <i>Capital Work in progress</i> | <i>Total</i> |
|--|-------------|-------------------|-----------------------|-------------------------------|--------------------------------------|--------------------------------|---------------------------------|----------------------|
| <i>Depreciation Rate</i> | | 2.00% | 12.5% | 12.5% | 30% | 12.50% | | |
| <i>Cost</i> | <i>Kshs</i> | <i>Kshs</i> | <i>Kshs</i> | <i>Kshs</i> | <i>Kshs</i> | <i>Kshs</i> | <i>Kshs</i> | <i>Kshs</i> |
| <i>Opening Bal as 1st July 2024</i> | | | | | | | | 0 |
| <i>Additions</i> | | 81,694,756 | 26,767,179 | 707,681,672 | 1,776,068,592 | - | 19,654,900 | 2,611,867,099 |
| <i>Transfers/Adjustments</i> | | - | - | - | - | - | - | - |
| As At 30th June 2025 | - | 81,694,756 | 26,767,179 | 707,681,672 | 1,776,068,592 | 0 | 19,654,900 | 2,611,867,099 |
| <i>Depreciation And Impairment</i> | | | | | | | | - |
| <i>Opening Bal as 1st July 2024</i> | | - | - | - | - | - | - | - |
| <i>Depreciation</i> | | 1,633,895 | 3,345,897 | 88,460,209 | 532,820,578 | 0 | 0 | 626,260,579 |
| <i>Impairment</i> | | | | | | | | - |
| <i>Transfer/Adjustment</i> | | | | | | | | 0 |
| <i>As At 30th June 2025</i> | - | 1,633,895 | 3,345,897 | 88,460,209 | 532,820,578 | 0 | 0 | 626,260,579 |
| <i>Net Book Values</i> | | | | | | | | - |
| <i>Opening Bal as at 1st July 2024</i> | | | - | - | - | | | - |
| As At 30th June 2025 | - | 80,060,861 | 23,421,282 | 619,221,463 | 1,243,248,014 | 0 | 19,654,900 | 1,985,606,520 |

Valuation

Items of PPE are valued at Historical cost at the point of recognition in the financial statements. Where historical cost is not available, or the item has been acquired at cost, PPE has been valued at its current operational value, which is the amount the Department would pay for the remaining service potential of an asset as of the measurement date.

12. Trade and Other Payables

| Description | Period ended 30 June 2025 | Opening Statement 1st July 2024 |
|---------------------------------------|------------------------------|------------------------------------|
| | Kshs | Kshs |
| Opening payable bal | 2,931,583,595 | |
| Trade payables for the year | 5,945,655,663 | 3,124,336,522 |
| Adjustment | (324,033,974) | (192,752,927) |
| Pending paid during the year | (2,587,130,512) | - |
| Total trade and other payables | 5,966,074,772 | 2,931,583,595 |

Relates to the trade pending payments at the end of the financial year.

13 Refundable Deposits and Prepayments

| Description | F/Y 24/25 | | Opening Statement 1 st July 2024 | |
|---|-------------------|-----------------|---|-----------------|
| | Kshs | | Kshs | |
| Customer deposits | 13,269,229 | | 1,998,790 | |
| Prepayments | - | | - | |
| Other deposits | - | | - | |
| Total deposits | 13,269,229 | | 1,998,790 | |
| Ageing analysis: (Refundable deposits) | Current | % of the | 1st July | % of the |
| | FY 24/25 | Total | | Total |
| Under one year | 13,269,229 | 100% | - | % |
| 1-2 years | - | % | - | % |
| 2-3 years | - | % | - | % |
| Over 3 years | - | % | - | % |
| Total | 13,269,229 | | - | |

These are portions of payment withheld from contractors as security until the contractors fulfil a specific contractual obligation.

14 Provisions

| Description | Bonus provision | Gratuity Provision | Total |
|-----------------------------------|-----------------|--------------------|-------------------|
| | Kshs | Kshs | Kshs |
| Opening bal 1st July 2024 | - | 2,428,985 | 2,428,985 |
| Additional provisions | - | 15,651,849 | 15,651,849 |
| Total provisions end of yr | - | 18,080,834 | 18,080,834 |

These are provisions for the year

15. Return to Exchequer

| | |
|----------------------------|----------------|
| Return to Exchequer | 319,729 |
|----------------------------|----------------|

These are funds recovered and returned to the exchequer after the closure of the financial year.

16. Cash Generated from Operations

| | Period ended 30 June 2025 |
|--|--------------------------------------|
| | Kshs |
| Surplus for the period | (1,132,357,390) |
| Adjusted for: | |
| Depreciation | 626,260,579 |
| Less: Non-cash grants received | |
| Paid prior year pending bills relating to assets | 87,621,822 |
| Contribution to provisions | 15,651,849 |
| Contribution to impairment allowance | |
| Working capital adjustments | (402,823,140) |
| Increase in payables | 3,034,491,177 |
| Increase in refundable deposits | 11,270,439 |
| Net cash flow from operating activities | 2,642,938,473 |

17. Prior Year Adjustment

| | |
|-------------------------------------|--------------------|
| Unsupported opening pending bills | (192,752,927) |
| Under casted opening pending bills | 516,786,901 |
| Total Prior Year Adjustments | 324,033,974 |

18. Financial Risk Management

The department's activities expose it to a variety of financial risks, including credit and liquidity risks and effects of changes in foreign currency. The department's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The department does not hedge any risks.

i) Credit Risk

The department has exposure to credit risk, which is the risk that a counter-party will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Liquidity Risk Management

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

ii) Market Risk

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

Market risk is the risk arising from changes in market prices, such as interest rates, equity prices, and foreign exchange rates, which will affect the department's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. There has been no change to the department's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign Currency Risk

The department has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The department manages foreign exchange risk from future commercial transactions and recognized assets and

liabilities by projecting for expected sales proceeds and matching the same with expected payments.

The department did not have any foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period.

b) Interest Rate Risk

Interest rate risk is the risk that the department financial condition may be adversely affected because of changes in interest rate levels. The department's interest rate risk arises from bank deposits. This exposes the department to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the department's deposits. The department banker is the Central Bank of Kenya and it did not maintain interest earning deposits.

19. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

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

Other related parties include:

- i) The Ministry of Interior and National Administration.**
- ii) The National Treasury**
- iii) Ministry of Foreign Affairs**

Notes to the Financial Statements (Continued)

20. Events after the Reporting Period

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

21. Currency

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

21. Appendix I

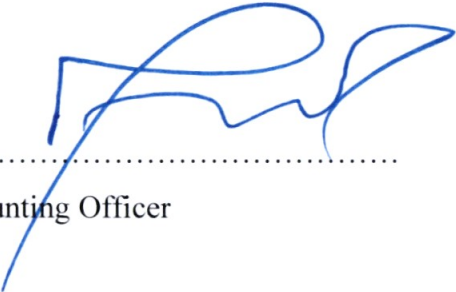
Appendix 1: Implementation Status of Auditor-General’s Recommendations

The following is the summary of issues raised by the external auditor, and management comments that we

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved, Resolved) |
|---|---|--|-------------------------------------|
| 2023/2024 | Non-Compliance With One Third of Basic Salary Rule | The cause of this non-compliance by the officers was occasioned by the introduction of unexpected deductions that came into among them, pension contributions, NSSF, SHA, AND Housing levy, for others the cause is as a result of transfers, However, the officers are encouraged to renegotiate repayment of the loans with the bank and the number of non-compliance has since gone down. | <i>Not Resolv</i> |
| 2023/2024 | Lack of A Risk Management Policy | The state department has a draft risk management policy waiting for validation and approval. | <i>Partially R</i> |

State Department of Immigration and Citizen Services
Annual Reports and Financial Statements for the year ended June 30, 2025.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---|---|--|--|---|
| | | | | |
| 2023/2024 | Lack of an approved strategic plan | The state department has an approved strategic plan now in place | <i>Resolved</i> | |



.....

Accounting Officer

Date





Appendix II: Asset Register

| Asset class | Historical Cost b/f (Kshs) Previous Year | Additions during the year (Kshs) | Disposals during the year (Kshs) | Transfers in/(out) during the year | Historical Cost c/f (Kshs) Current Year |
|---|---|---|---|---|--|
| Land | | | | | |
| Buildings and structures | | 81,694,756 | | | |
| Transport equipment | | 26,767,179 | | | |
| Office equipment, furniture, and fittings | | 707,681,672 | | | |
| ICT Equipment | | 1,776,068,592 | | | |
| Work in Progress | | 19,654,900 | | | |
| Total | | 2,611,867,099 | | | |