

REPUBLIC OF KENYA



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REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
OF	DATE: 09 APR 2025
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TABLED BY:	Hon. Sylvanus Osoro, MP
	Majority Party Whip
CLERK-AT THE TABLE:	A. Shibusko

THE AUDITOR-GENERAL

ON

STATE DEPARTMENT FOR TOURISM

FOR THE YEAR ENDED

30 JUNE, 2024



**MINISTRY OF TOURISM AND WILDLIFE
STATE DEPARTMENT FOR TOURISM
VOTE 1202**

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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1. Acronyms and Glossary of Terms

AIE	Authority to Incur Expenditure
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
SAATM	Single Africa Air Transport Market
FITs	Free Independent Travelers
SAGAs.	Semi-Autonomous Government Agencies

2. Key Entity Information and Management

a) Background information

The State Department for Tourism was formed vide Executive Order No.1 of 2023. The Cabinet Secretary who is responsible for the general policy and strategic direction of the State Department, represents the State Department at Cabinet Level.

The Vision of the State Department for Tourism is to make Kenya “A vibrant, innovative and resilient tourism industry supported by sustainable resource” while the Mission is “To facilitate good governance for sustainable development, management and marketing of tourism”. The mandate of the State Department of Tourism is Tourism Policy and Standards, Development, Promotion and marketing of Tourism, Tourism Research and Monitoring, Protection of Tourism and Regulation, Tourism Financing and Tourism Training.

(b) Key Management

The State Department for Tourism day-to-day management is under the following key organs:

- Senior Management Committee
- Ministerial Human Resource Advisory Committee

(c) Fiduciary Management

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

No.	Designation	Name
1	Cabinet Secretary	Hon. Alfred Mutua
2	Accounting Officer	John Ololtuaa
3	Tourism secretary	Dr.Patrick Bucha
4	Senior Deputy Secretary	Mutinda wa Ngei
5	Chief Finance Officer	Mathew Musyoka
6	Senior Deputy Accountant General	Julius Mugambi
7	Director Planning	Karanja Waigi
8	Director Human Resource, Management and Development	Rosebell Wainaina
9	Assistant Director Supply Chain management	Jane Wanyika

Fiduciary Oversight Arrangements

- A. Audit committee activities
- B. Public Finance Management Committee
- C. Senior Management Committee

(d) Entity Headquarters

Tourism Fund Building
9th Floor, Eastern Wing
P.O. Box 30027

GPO 00100

Entity Contacts

Telephone: (254) 20 315001-6

E-mail: PS@tourism.go.ke

Website: www.tourism.go.ke

(e) State Department For Tourism 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

State Department for Tourism

Annual Report and Financial Statements for the year ended 30th June 2024

(g) Principal Legal Adviser

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

3. Statement of Governance

Structure of the State Department for Tourism.

i) Cabinet Secretary

The Cabinet Secretary is the head of the Ministry of Tourism, Wildlife and Heritage responsible for the coordination and supervision of the Ministry

ii) Principal Secretary

Being the Accounting Officer and Authorized Officer of the State Department for Tourism

The management as established several committees which includes :

Budget implementation committee composed of a chairman , secretary and four members. This committee is mandated to review the budget implementation progress.

Its terms of reference include:

1. To review the cash flow plan by regularly reviewing the ministerial cash plan and approve any changes
2. To review the utilization of cash limit and consider any changes required
3. To advise the Accounting officer on challenges related to budget implementation
4. To review and recommend reallocation of expenditures
5. To participate in sector working groups
6. To prepare budget in consultation with heads of departments
7. Provide a brief statement on the governance structure of the entity.

Ministerial human resource committee: This committee deals with members of staff matters concerning ,Employment,promotion,discipline among others

Ministerial human resource development committee :This committee deals with members of staff training and Development

Mandate and establishment of Audit Committee

The department has an Audit committee composed of a Chairperson, two members, and one member as National Treasury representative.

The purpose of the Audit Committee is stipulated in the PFM Regulation 175 as follows;

Support the Accounting Officer with regard to their responsibility on issues of risk control and governance and associated assurance but the responsibility over the management of risk control and governance processes remains with the management of Ministry.

Follow up on the implementation of the recommendations of internal and external auditors.

The Responsibility of the Audit Committee

The duties and responsibilities Audit Committee include the following;

Review the financial statements to ascertain that they are prepared in accordance with laid down professional guidelines & regulations and are in compliance with International Public Sector Accounting Standards.

Review the completeness, accuracy and disclosure of the financial statements whether they are in conformity with regulations, guidelines and International Public Sector Accounting Standards.

Review the external auditor's opinion in the preparations, disclosure, accuracy and completeness in relation to the laid down professional guidelines

Review the interim financial statements from the external and internal auditors before they are adopted

4. Statement by the Cabinet Secretary

In FY2023/24, Kenya's tourism sector exhibited a resilient performance, marking significant strides towards recovery after facing challenges in previous years. The State department's budget has seen a steady increase, rising from KShs. 8,215 million in FY 2021/22 to KShs. 10,115 million in FY 2022/23, and further to KShs. 12,397 million in FY 2023/24. These increases represent growth rates of 23.13% and 22.56% respectively, highlighting the government's strong commitment to the tourism sector.


Key statistics for FY2023/24 underscore the positive impact of this increased funding.

Tourist arrivals in Kenya rose from 1.4 million in 2022 to 2.08 million in 2023, depicting a substantial increase of 48.5%. This significant growth reflects the success of targeted marketing efforts and the enhanced appeal of Kenya as a premier tourist destination. Additionally, inbound tourism earnings surged to KShs. 352.54 billion in 2023, up from KShs. 268.09 billion in 2022, marking a growth of 31.5%. These earnings highlight the sector's vital role in the country's economic recovery and development.

Furthermore, hotel bed-nights occupancy increased by 23.2%, from 7,009.0 thousand in 2022 to 8,632.8 thousand in 2023, indicating strong demand in the hospitality sector. These financial and statistical outcomes demonstrate the resilience of the tourism industry and the success of strategic initiatives aimed at its growth. The State department also strengthened partnerships with both local and international stakeholders, enhancing tourism offerings and expanding market reach.

Looking ahead, the focus will remain on sustainable tourism growth, with investments channeled into tourism promotion, marketing and diversification of tourism products as well as positioning the sector as a key driver of economic recovery and growth.

This report underscores the state department's dedication to transparency, accountability, and the continued growth of the tourism industry.



.....
Hon. Rebecca Miano, EGH
Cabinet Secretary
Ministry of Tourism and Wildlife

5. Statement by the Principal Secretary / Accounting Officer

During the Financial year 2023/24, the State department had three Programmes for implementation namely:

- 1) Tourism Promotion and Marketing,
- 2) Tourism product development and Diversification, and
- 3) General Administration, Planning and Support services

The programmes objectives were; to increase tourist arrivals and earnings by marketing Kenya as a tourist destination, to improve destination competitiveness and to provide efficient support service delivery.

The gross approved estimates for the State Department in the **FY 2023/2024** was **KShs. 12,397,227,351** comprising of **KShs. 12,255,077,351** in recurrent and **KShs. 142,150,000** in development. The Approved Estimates were revised to **Kshs.12, 899.92** billion under Supplementary Estimates No.2. Comprising of **KShs. 12,757.77**billion and **Kshs.142.15** million for recurrent and Capital expenditure respectively.

The total cumulative expenditure is KShs, **12,429,254,649.00** of which KShs **12,347,298,983.00** is recurrent and KShs **81,955,666** development translating to absorption rate of 97% and 58% respectively.

The notable achievements in the FY 2023/24 include the following;

- (i). **International Arrivals:** Kenya experienced a significant surge in international arrivals, reaching **2.08 million** visitors. This growth of **48.5%** compared to the previous fiscal year's arrivals of **1.4 million** demonstrates the increasing appeal of Kenya as a tourist destination.
- (ii). **Tourism Receipts:** The remarkable increase in international arrivals had a positive impact on Kenya's tourism receipts. In the financial year 2023/24, tourism receipts amounted to **KShs. 352.3 billion**, indicating a significant growth of **31.5%** compared to the previous year's earnings of **Ksh.268.09** billion. This growth can be attributed to several factors, including increased visitor spending on accommodation, transportation, wildlife safaris, cultural experiences, and other tourism-related activities.
- (iii). **Domestic Bed Nights:** Domestic tourism also showcased positive growth, with bed nights recording a **23.2%** increase in the financial year 2023/24. The number of bed nights reached **8,632.8** million, compared to **7009.0** million in the previous fiscal year. This growth can be attributed to various factors, including improved accessibility to tourist destinations within the country, and effective marketing campaigns promoting domestic tourism.

(iv). The Overall conference capacity utilization improved from **9.9%** in FY2022/23 to **11.2%** in FY2023/24.

This positive trend was driven by a favourable environment for tourism and the hosting of high-profile international events, such as the EU-Kenya Business Forum, Africa Climate Summit 2023, and the East Africa Regional Tourism Expo, which bolstered the Meetings, Incentives, Conventions, and Exhibitions (MICE) sector

(v). The number of students graduating from Kenya Utalii College increased by **44.2%**, rising from **1,901** in FY2022/23 to **2,741** in FY2023/24. Most of these graduates pursued refresher courses in areas such as food and beverage service, front office operations, food production, travel agency techniques, and front desk techniques.

(vi). In FY2023/24, 193 hotels were classified, offering a total of 14,794 rooms and 24,829 beds. The Great Nairobi region led with 28.0% of classified hotels, followed by the Coast and South Rift regions, each accounting for 21.2%.

Emerging issues during the FY2023/24 include the following;

- (i). **Demonstrations and Protests:** Although recent demonstrations and protests were primarily localized in urban areas and did not directly impact the primary tourist attractions, they created a perception of instability that led to some cancellations of tourist bookings. Despite the heightened security measures ensuring the normal operation of tourist destinations, the unrest still had a ripple effect on the sector, underscoring the importance of maintaining a stable environment for tourism.
- (ii). **Climate Change Impact:** Climate change poses a growing challenge to Kenya's tourism sector, with the Maasai Mara region experiencing significant disruptions due to floods. These floods not only affected the natural landscape but also led to hotel booking cancellations, highlighting the vulnerability of key tourist destinations to extreme weather events. The need for sustainable environmental practices and adaptive infrastructure in response to climate change is becoming increasingly critical for the future resilience of the tourism industry.

Challenges in the FY 2023/24 include the following;

- i. Non-alignment of Policies to the Constitution and emerging issues in the sector;
- ii. Low tourism products diversification and visitor experience ;
- iii. Low Destination Competitiveness;

- iv. Limited research, technology, innovation and capacity development;
- v. Inadequate financing and investment for development;
- vi. Slow mitigation and adaptation to climate change;
- vii. Weak Governance and inadequate institutional capacity; competition for the scarce resources

To address the challenges facing the tourism sector, the State Department for Tourism recommend the following initiatives:

- 1. Enhance Joint Collaborations and Partnerships:** Establish a unified approach to support sector growth.
- 2. Strengthen Intergovernmental Relationships:** Collaborate with County Governments to effectively deliver the tourism mandate.
- 3. Capacity Building:** Continuously enhance the capacity of tourism staff, improve working tools and equipment, and secure financial resources.
- 4. Improve Data Collection, Research, and Innovation:** Update the Tourist Satellite Account and support sector advancements.
- 5. Adopt Technology:** Promote smart tourism through the adoption of modern technology.
- 6. Restructure Funding Mechanisms:** Develop new approaches to financing the sector.
- 7. Foster Public-Private Partnerships (PPP):** Encourage collaborations and promote sustainable community-based tourism initiatives.

Lastly, the state department seeks to enhance its policy and regulatory framework, including the Tourism Policy, Tourism Act, and developing National Tourism Strategy.

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John Ololtuaa, CBS
Principal Secretary

6. Statement of Performance Against Predetermined Objectives for the FY2023/24

Introduction

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

The key strategic objectives as per the strategic plan for FY 2023- FY 2027 plan is :

- i. To strengthen the tourism policy and legal framework.
- ii. To improve visitor experience and broaden the tourism product range.
- iii. To improve tourism infrastructure.
- iv. To increase tourist arrivals and earnings.
- v. To increase the number of events and delegates hosted.
- vi. To promote training research, technology and innovation on sustainable tourism.
- vii. To promote public communication and awareness.
- viii. To enhance resource mobilization for tourism development.
- ix. To promote collaboration and enhance partnerships in the tourism sector.
- x. To increase tourism investments.
- xi. To enhance access, equitable benefit sharing and sustainable use of resources.
- xii. To promote strategies and actions for mitigating and adapting to climate change.
- xiii. To improve efficiency and effectiveness in service delivery.

Progress on the attainment of Strategic Objectives through Performance Contracting

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

Program	Strategic Objective	Outcome	Indicator	Performance
TOURISM PRODUCT DEVELOPMENT AND DIVERSIFICATION	To Revamp existing tourism products	Improved conference tourism activity	International Delegates	34,814
			Local delegates	407,558
	To Diversify Tourism products		No. of international conferences	977
			No. of local conferences and events	247
		Enhanced niche tourism products	Sports Tourism promoted	World Rally championship held in Naivasha
TOURISM PROMOTION AND MARKETING	To improve competitiveness and sustainability of the destination	Competitive and sustainable tourism destination	No. of regulated tourism enterprises audited	6,127
			No. of Hotel classified	193
			No. of Accredited Enterprises	632
			No. of minimum standards enforced	2
	To increase knowledge and information access to support evidence-based decision-making.	Evidenced based policy decisions	No. of research's done	2 research topics undertaken by TRI
			No. of Annual Reports	Annual Tourism report for the end of year 2022 published.
			No. KUC Graduates	2,741
			RNUC Completion rate	82%
			Improved quality of Hospitality Training	KUC Practical Training Block completion rate

	To improve competitive position of Kenya as tourist destination	Increased Tourism arrivals and Earnings	No. of International Tourist arrivals(million)	2.08 million
			Annual Tourism Earnings (KShs Bn)	KShs. 352.3Bn
	To improve performance of the Domestic tourism	Increased bed-nights by domestic tourists	No of Bed Nights by domestic tourist	8,632.8 million
GENERAL ADMINISTRATION, PLANNING AND SUPPORT SERVICES	To strengthen partnerships and collaborations with stakeholders	Enhanced Partnerships and stakeholder's collaboration	Numbers/reports	<ul style="list-style-type: none"> • Joint Co-op marketing with county governments • Joint marketing trade campaigns with travel trade, travel trade road shows in key source markets
	To enhance capacity of the Ministry and its Agencies for quality service delivery	Build human resource capacity to execute the Ministry's mandate	Numbers/Reports	<ul style="list-style-type: none"> • Compliance with the PFM, procurement and disposal Acts/Regulations
		New Ministry headquarters Conducive work environment	Open Space Office Modelling and Security System Completion rate (%)	<ul style="list-style-type: none"> • 98%

7. Management Discussion and Analysis

The recurrent and development budgets for the State Department over the past three financial years reveal notable trends in financial performance.

Recurrent Budget Overview

In FY 2021/22, the approved recurrent budget was Ksh. 7.7 billion, with an expenditure of Ksh. 7.6 billion, resulting in a high absorption rate of 98.7%. In FY 2022/23, the budget increased to Ksh. 10 billion, but expenditure decreased to Ksh. 9.6 billion, leading to an absorption rate of 96%. For FY 2023/24, the approved budget rose to Ksh. 12.7 billion, with expenditure at Ksh. 12.5 billion, resulting in an absorption rate of approximately 98.43%.

Development Budget Overview

The development budget showed different dynamics. In FY 2021/22, the approved budget was Ksh. 475 million, and the expenditure was Ksh. 474 million, yielding an impressive absorption rate of 99.8%. However, in FY 2022/23, the approved budget dropped to Ksh. 59 million, with expenditure plummeting to Ksh. 13 million, leading to a stark absorption rate of 22%. In FY 2023/24, the approved development budget was Ksh. 142 million, with expenditure increasing to Ksh. 81 million, resulting in a 57% absorption rate.

Overall, these trends highlight the importance of effective budget management and the need to address factors that may affect expenditure absorption in future fiscal years.

The State Department has been actively engaged in several key projects aimed at enhancing infrastructure and training capabilities within the tourism sector. Notable projects include.

- **Ronald Ngala Utalii College (RNUC):** Located in Kilifi County, this project is currently 82.93% complete, progressing well towards its anticipated completion.
- **Kenyatta International Convention Centre (KICC):** The ongoing modernization and refurbishment project has achieved a cumulative implementation rate of 64.82% as of FY 2023/24, reflecting steady progress.
- **Open Space Office Modelling and Security System Fitting Project at the Tourism Fund Building:** This project has been successfully completed during FY 2023/24,

- **Sustaining New Markets & Siting Booths in Tourism Target Markets (KTB Project):** As of the end of FY 2023/24, this project stands at 46% completion, indicating ongoing efforts to expand market presence.

The table below illustrate the total project cost per project, the implementing Agency and the % of completion

#	PROJECT	Implementing Agency	TOTAL Estimated PROJECT COST	Cum. Exp. As at 30th June 2024(million)	% OF COMPLETION
1.	Ronald Ngala Utalii Training College-	TF	4,923,005,669		83
2.	Sustaining New Markets & Siting Booths in Tourism Target Markets – KTB	KTB	6,669,000,000	2127.9	46
3.	KICC Modernization and refurbishment	KICC	2,929,125,254		64.14
4	Open Space Office Modelling and Security System Fitting Project	SDT	185,000,000	175.7	100%

The State Department has outlined several key projects for FY 2024/25, aimed at enhancing tourism infrastructure and promoting niche products across the country.

1. **National Mapping and Development of Tourism Niche Products:** This project, with a proposed budget of Ksh. 275 million, for FY 2024/25 focuses on mapping various niche tourism offerings, including budget accommodations, ecotourism sites, and unique attractions. It also aims to improve access to these sites by erecting signage and developing nature trails.
2. **Establishment of National Tourism Amenities:** A budget of Ksh. 100 million, for FY 2024/25 is proposed for constructing essential facilities, such as ablution blocks and social amenities along eight tourism circuits. The project will also enhance access roads and establish safe drinking water points for visitors.

3. **Tourism Policy, Legislative Reforms, and Capacity Building:** With an estimated budget of Ksh. 40 million, for FY 2024/25, this initiative will review and update the National Tourism Policy and related legislation. It includes capacity development for counties and stakeholders to strengthen tourism governance.
4. **Coastal Beach Management:** The project aims to enhance beach tourism in Mombasa, Lamu, Kilifi, and Kwale. Activities include mapping beach operators, constructing walkways, and establishing modern tourist markets to create a clean and attractive environment. Proposed budget in FY2024/25 is Ksh. 30 million
5. **Design, Development, and Implementation of the National Tourism Service Digital Platform (NTDSP):** Proposed budget for FY2024/25 is Ksh. 25 million, this project will develop a comprehensive digital platform to serve as a central repository for tourism data, structured in three phases to improve service delivery in the sector.

8. Environmental and Sustainability Reporting

The state department for Tourism Exists to transform lives . This is our purpose;The driving force behind everything we do by putting the customers/ citizen first, delivering relevant goods and services, and improving operational excellence. Below is the sustainability activities conducted in the year.

a) Sustainability strategy and profile

The top management especially the accounting officer should refer to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

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

The state department has engaged in environmental changes by planting trees to mitigate against drought and has also adopted the use of ICT in order to minimise on the paper work.

c) Employee welfare

The human resource policy and procedural manual for the public Service, May2016 is the policy governing the hiring process and it gives guidelines on the diversity. This includes Gender, ethnicity, disability, youth,minority, merit and competition and stakeholders engagement in recruitment.

d) Operational practices/ Market place practices

The operation should outline its efforts to :

i) Responsible supply chain and supplier relations

The state department complies with the provision of the public procurement and Asset Disposal Act 2015.The state department treats its suppliers responsibly by honouring contracts and respecting payment practices

j) Community Engagements-

During the year 2023/2024, the state department did not have any approved strategies on community engagement

9. 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.

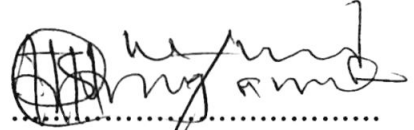
The Accounting Officer in charge of the State Department for Tourism is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the State Department for Tourism as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the the State Department for Tourism accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the State Department for Tourism financial statements give a true and fair view of the state department for tourism transactions during the financial year ended June 30, 2024, and of the entity's financial position as at that date. The Accounting Officer in charge of the State Department for Tourism further confirms the completeness of the accounting records maintained for the , State Department for Tourism which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the State Department for Tourism confirms that the State Department for Tourism has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity'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 entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

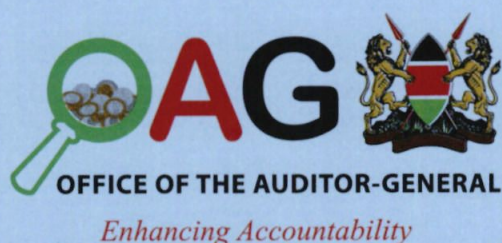
The State Department for tourism financial statements were approved and signed by the Accounting Officer on _____ 2024

A handwritten signature in black ink, appearing to read 'Julius Mugambi', written over a horizontal dotted line.

**Name: Julius Mugambi
Head of Accounting Unit
ICPAK M/N0 5569**

.....
**Name: John Ololtuaa, CBS
Principal Secretary**

REPUBLIC OF KENYA



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HEADQUARTERS
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NAIROBI

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

PREAMBLE

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

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

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 aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of State Department for Tourism set out on pages 1 to 29 which comprise the statement of financial assets and financial liabilities as at 30 June, 2024, the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Opinion

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year two (2) issues were raised under Emphasis of Matter. However, as at 30 June, 2024 Management had not resolved and disclosed the status of all the issues as prescribed in the reporting requirements set by the Public Sector Accounting Standards Board.

Other Information

The Management is responsible for the other information set out on page iii to xxi which comprise of Key Entity Information and Management, Statement of Governance, Statement by the Cabinet Secretary, Statement by the Principal Secretary, Statement of Performance against predetermined Objectives, 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 Tourism's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Violation of One-Third Rule of Basic Salary

The statement of receipts and payments reflects compensation of employees amount of Kshs.190,864,605. Analysis of the payroll for the twelve months revealed that twenty-one (21) employees received net pay which was below 1/3 of their basic pay. This was

contrary to Section 19(3) of the Employment Act, 2007 and Section C.1(3) of the Public Service Human Resource Policies and Procedures Manual 2016.

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

2. Other Pending Payables-Deposits

Note 19, to the financial statements reflects other pending payables amounting to Kshs. 143,231,038. However, it was noted that the State Department had long outstanding bills relating to deposits (retentions) from various contractors with one contractor claiming retention amounting to Kshs. 17,794,643. The retention amount remained unpaid despite lapse of the defects liability period on 11 August, 2021, which may lead to penalties and interest which could be avoided. This was contrary to Section 151(2)(h) of the Public Procurement and Asset Disposal Act, 2015 which provides that the contract implementation team shall ensure that prior to closing the contract file including all hand over procedures, the final retention payment is made.

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

3. Delay in Payment of Pending Bills

Annex 1 on pending accounts payables reflects a balance of Kshs.73,896,954 as at 30 June, 2024 from the previous year balance of Kshs.54,645,486. Bills amounting to Kshs.36,231,732 were paid in the year under review leaving a balance of Kshs.18,413,754. It was not clear why they did not form first charge of the budgeted amount for the year 2023/2024 contrary to Regulation 42(1)(a) of Public Finance Management (National Government) Regulations, 2015 that states that debt service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the government does not default on debt obligations.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Staff Over-Establishment

The statement of receipts and payments reflects compensation of employees amount of Kshs.190,864,605. Review of the approved staff establishment for the State Department dated 24 December, 2019 revealed instances of ninety-one (91) staff across various cadres against establishment of twenty (20) resulting to an over establishment of seventy-one (71) members of staff.

In the circumstances, effectiveness of staff establishment as a Human Resource Management control could not be ascertained.

2. Purchase of Motor Vehicles

During the year under review, the State Department purchased six (6) vehicles at a cost of Kshs.79,963,537. However, the six vehicles were registered under the State Department for Tourism and Wildlife which are two distinct votes according to the Executive order No. 2 of November, 2023 . Further, the Cabinet Secretary (Ministry of Tourism and Wildlife) was using a vehicle (Registration No. KDK 873P) owned by Tourism Promotion Fund despite having been allocated a vehicle by the State Department for Tourism.

In the circumstances, the bonafide owner of the vehicles between the two State Departments in the Ministry of Tourism and Wildlife could not be confirmed.

3. Failure to Maintain an Approved Risk Management Policy

In the year under review, the State Department for Tourism had no approved risk management policy contrary to Regulation 165(1) of Public Finance Management (National Government) Regulations, 2015 which requires an accounting officer of a national government entity to develop risk management strategies which include fraud prevention mechanisms and a system of risk management and internal control that build robust business operations.

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

In preparing the financial statements, Management is responsible for assessing the 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.

The Management is 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 for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error

and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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

19 December, 2024

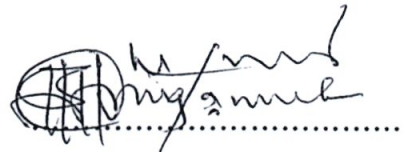
11. Statement of Receipts and Payments for the Year ended 30th June 2024

	Note	2023-2024	2022-2023
		Kshs	Kshs
RECEIPTS			
Tax Revenues	1	8,450,385,850.00	6,389,616,682.20
Transfers from National Treasury	2	1,058,598,988.50	1,182,052,838.45
Other Revenues	3	2,962,871,013.00	1,648,202,208.00
TOTAL REVENUES		12,471,855,851.50	9,219,871,728.65
PAYMENTS			
Compensation of Employees	4	190,864,604.55	190,674,658.90
Use of goods and services	5	236,778,713.95	144,948,862.75
Transfers to Other Government Units	6	11,863,910,353.50	8,822,486,723.30
Other grants and transfers	7	-	25,000,000.00
Social Security Benefits	8	-	23,587,995.65
Acquisition of Assets	9	137,700,977.35	13,049,291.20
TOTAL PAYMENTS		12,429,254,649.35	9,219,747,531.80
SURPLUS/DEFICIT		42,601,202.15	124,196.85

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The State Department for Tourism financial statements were approved on _____ 2024 and signed by:



Name: John Ololtuaa, CBS
Principal Secretary



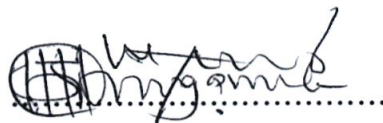
Name: Julius Mugambi
Head Of Accounting Unit
ICPAK NO 5569

12. Statement Of Financial Assets And Financial liabilities As At 30th June 2024

	Note	2023-2024	2022-2023
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10A	185,601,519.90	140,756,554
Cash Balances	10B	-	
Total Cash And Cash Equivalents		185,601,519.90	140,756,554
Accounts Receivables - Outstanding Imprest and Clearance Accounts	11	245,420.00	28,185.00
TOTAL FINANCIAL ASSETS		185,846,939.90	140,784,739
LESS: FINANCIAL LIABILITIES			
Accounts Payables - Deposits	12	143,245,737.65	140,660,543
NET FINANCIAL ASSETS		42,601,202.25	124,196
REPRESENTED BY			
Fund balance b/fwd	13	124,196.40	18,044,784
Prior year adjustments	14	-	18,044,784
Surplus/Deficit for the year		42,601,202.15	124,197
NET FINANCIAL POSSITION		42,601,202.15	124,197

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The State Department for Tourism financial statements were approved on 30/9 2024 and signed by:

.....
Name: John Ololtuaa, CBS
Principal Secretary


.....
Name: Julius Mugambi
Head Of Accounting Unit
ICPAK NO 5569

13. Statement of Cash Flows for The Year Ended 30th June 2024

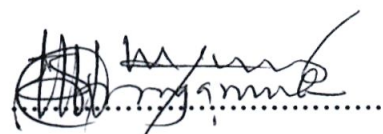
	Note	2023-2024	2022-2023
		Kshs	Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Tax Revenues	1	8,450,385,850.00	6,389,616,682
Transfers from National Treasury	2	1,058,598,988.50	1,182,052,838
Other Revenues	3	2,962,871,013.00	1,648,202,208
		12,471,855,851.50	9,219,871,728
Payments for operating expenses			
Compensation of Employees	4	190,864,604.55	190,674,659
Use of goods and services	5	236,778,713.95	144,948,863
Transfers to Other Government Units	6	11,863,910,353.50	8,822,486,723
Other grants and transfers	7	-	25,000,000
Social Security Benefits	8	-	23,587,996
		12,291,553,672.00	9,206,698,241
		180,302,179.50	13,173,487
Adjusted for:			
Prior Year Adjustments	14	- 124,196.40	(18,044,784)
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	- 217,235.00	(28,185)
Increase/(Decrease) in Accounts Payable: (deposits and retention)	16	2,585,194.70	1,705,547
		2,243,763.30	- 3,193,935
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	9	- 137,700,977.35	(13,049,291)
Net cash flows from Investing Activities		- 137,700,977.35	(13,049,291)

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NET INCREASE IN CASH AND CASH EQUIVALENT		44,844,965.45	-	16,243,226
Cash and cash equivalent at BEGINNING of the year	10A+B	140,756,554.40		156,999,780
Cash and cash equivalent at END of the year	10A+B	185,601,519.85		140,756,555

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The State Department For Tourism financial statements were approved on 30/9 2024 and signed by:

.....
Name: John Ololtuaa, CBS
Principal Secretary


.....
Name: Julius Mugambi
Head Of Accounting Unit
ICPAK NO 5569

14. Statement of Comparison of Budget and Actual Amounts: FY 2023/24

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Tax Receipts	6,113,900,000	3,331,510,000	9,445,410,000	8,450,385,850.00	995,024,150.00	89%
Exchequer releases	1,235,050,000	(110,761,649)	1,124,288,351	1,058,598,988.50	65,689,362.50	94%
Other Receipts	1,870,990,000	459,231,836	2,330,221,836	2,962,871,013.00	632,649,177.00	127%
Total Receipts	9,219,940,000	3,679,980,187	12,899,920,187	12,471,855,851.50	428,064,335.50	97%
Payments						
Compensation of Employees	233,080,000	(18,000,000)	215,080,000	190,864,604.55	24,215,395.45	89%
Use of goods and services	236,696,914	91,796,602	328,493,516	236,778,713.95	91,714,802.05	72%
Transfers to Other Government Units	8,682,520,000	3,480,616,836	12,163,136,836	11,863,910,353.50	299,226,482.50	98%
Other grants and transfers	-	-	-	-	-	0%
Social Security Benefits	5,623,413	(5,623,413)	-	-	-	0%
Acquisition of Assets	62,019,673	131,190,162	193,209,835	137,700,977.35	55,508,857.65	71%
Grand Total	9,219,940,000	3,679,980,187	12,899,920,187	12,429,254,649.35	470,665,537.65	96%
Surplus/Deficit	-			42,601,202.15	- 42,601,202.15	

Variance analysis: i) tourism promotion fund undercollected revenue thus underutilization in tax receipts

ii KTB, TRA & KICC overcollected revenue hence increase in other receipts

iii Due to budget cuts, we received less exchequer

iv There was lack of exchequer funding for tourism portal and KTB

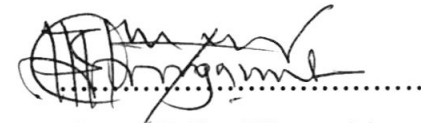
v Tourism promotion budget of Ksh. 50m was not financed

Reallocations within the year: The changes between the original and final budget was as a result of supplementary budget provisions

The State Department for Tourism financial statements were approved on 30/9 2024 and signed by:

.....

Name: John Ololtuaa, CBS
Principal Secretary



Name: Julius Mugambi
Head Of Accounting Unit
ICPAK NO 5569

14 (a) Statement Of Comparison of Budget and Actual Amounts: Recurrent for FY2023/24

Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
a	b	c=a+b	d	e=d-c	f=d/c %
6,113,900,000	3,306,510,000.00	9,420,410,000	8,433,285,850	- 987,124,150.00	90%
1,087,900,000	(80,761,649)	1,007,138,351	991,325,959	(15,812,392)	98%
1,870,990,000	459,231,836	2,330,221,836	2,962,871,013	632,649,177	127%
9,072,790,000	3,684,980,187.00	12,757,770,187	12,387,482,822	(370,287,365)	97%
233,080,000	(18,000,000)	215,080,000	190,864,604.55	(24,215,395)	89%
236,696,914	69,796,602	306,493,516	221,549,457.55	(84,944,058)	72%
8,582,520,000	3,480,616,836.00	12,063,136,836	11,813,910,353.50	(249,226,483)	98%
-	-	-	-	-	0%
5,623,413	(5,623,413)	-	-	-	0%
14,869,673	158,190,162	173,059,835	120,974,567.40	(52,085,268)	70%
9,072,790,000	3,684,980,187	12,757,770,187	12,347,298,983.00	(410,471,204)	97%
-	-	-	40,183,839.25	40,183,839	

The State department for Tourism financial statements were approved on _____ 2024 and signed by:



.....

Name: John Ololtuaa, CBS
Principal Secretary

Name: Julius Mugambi
Head Of Accounting Unit
ICPAK NO 5569

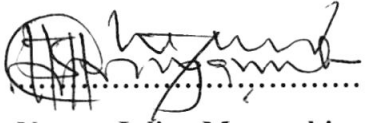
14 (b) Statement of Comparison of Budget and Actual Amounts: Development

State Department for Tourism
Annual Report and Financial Statements for the year ended 30th June 2024

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Tax Receipts	-	25,000,000	25,000,000	17,100,000	7,900,000	68%
Exchequer releases	147,150,000	(30,000,000)	117,150,000	67,273,029	49,876,971	57%
Total Receipts	147,150,000	(5,000,000)	142,150,000	84,373,029	57,776,971	59%
Payments					-	
Use of goods and services		22,000,000	22,000,000	15,229,256	6,770,744	0%
Transfers to Other Government Units	100,000,000	-	100,000,000	50,000,000	50,000,000	50%
Acquisition of Assets	47,150,000	(27,000,000)	20,150,000	16,726,410	3,423,590	83%
Grand Total	147,150,000	(5,000,000)	142,150,000	81,955,666	60,194,334	58%
Surplus/Deficit	-	-	-	2,417,363.25	- 2,417,363.25	

The State Department for Tourism financial statements were approved on 30/9 2024 and signed by:

.....
Name: John Oloftuaa, CBS
Principal Secretary



.....
Name: Julius Mugambi
Head Of Accounting Unit
ICPAK NO 5569

14 (c) Budget Execution by Programmes and Sub-Programmes for FY2024

Program	Sub Program	Description	Approved Budget	Actual Payments	Variance
306000000		Tourism Development and Promotion	0	0	0
	306010000	Tourism Promotion and Marketing	0	0	0
	306020000	Niche tourism product development and diversification	0	0	0
	306030000	Tourism Infrastructure Development	0	0	0
	306040000	Tourism Training & Capacity Building	0	0	0
	306050000		0	0	0
307000000		Trade Development and Promotion	0	0	0
	307090000		0	0	0
313000000			1,029,603,435.00	1,044,405,441.90	-14,802,006.90
	313010000		537,300,000.00	597,182,220.60	-59,882,220.60
	313020000		492,303,435.00	447,223,221.30	45,080,213.70
314000000			11,562,150,021.00	11,105,746,651.10	456,403,369.90
	314010000		6,251,781,021.00	5,575,980,248.50	675,800,772.50
	314020000		4,750,000,000.00	5,001,714,996.00	-251,714,996.00
	314030000		560,369,000.00	528,051,406.60	32,317,593.40
315000000			308,166,731.00	279,095,556.35	29,071,174.65
	315010000		308,166,731.00	279,095,556.35	29,071,174.65
		Grand Total	12,899,920,187.00	12,429,247,649.35	470,672,537.65

15. Notes to the Financial Statements

1. Statement of Compliance and Basis of Preparation

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

2. Reporting State Department for tourism

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

- i. *Building Fire Consultant-Fire suppression works done*
- ii. *Anthopi mechanical Engineering Services-plumbing and fire protection Equipment*
- iii. *Wilcom System Limited-Design ,implementation and development of national tourism portal*

3. Reporting Currency

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

Significant Accounting Policies

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

a) Recognition of Receipts

The state department for tourism recognises all receipts from the various sources when the event occurs, and the related cash has been received.

(i) Transfers from the Exchequer

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

(ii) External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners. Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment. During the year ended 30th June 2024, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

(iii) miscellaneous receipts

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

Significant Accounting Policies (Continued)

b) Recognition of payments

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

i) Compensation of Employees

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

ii) Use of Goods and Services

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

iii) Interest on Borrowing

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

iv) Principal on borrowing

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

v) Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment. A fixed asset register is maintained and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

vi) In-kind contributions

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the State Department for Tourism includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

vii) Third Party Payments

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

c) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. A bank account register is maintained, and a summary provided for purposes of consolidation. This summary is disclosed as an annexure xx to the financial statements.

Restriction on Cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits and retentions. As of 30th June 2024, this amounted to Kshs **143,231,037.70** compared to Kshs **140,215,982.65** in prior period as indicated on note 12. There were no other restrictions on cash during the year.

d) Imprests and advances

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

e) Third party deposits and retention

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

is an enhancement to the cash accounting policy adopted for National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

f) Pending Bills

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

g) Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits and retentions, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament in June 2023 for the period 1st July 2023 to 30th June 2024 as required by Law and there were two number of supplementary adjustments to the original budget during the year.

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

h) Comparative Figures

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

i) Subsequent Events

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

j) Prior Period Adjustment

During the year, errors that have been corrected are disclosed *under note 14* explaining the nature and amounts.

k) Related Party Transactions

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

- a) Control the other party or
- b) Exercise significant influence over the other party in making financial and operational decisions, or if the related party entity and another entity are subject to common control.

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

l) Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships, The State Department for tourism 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.

Notes to the Financial Statements

1 TAX REVENUES

	2023-2024	2022-2023
	Kshs	Kshs
Taxes on Goods and Services	8,450,385,850.00	6,389,616,682.20
TOTAL	8,450,385,850.00	6,389,616,682.20

2 EXCHEQUER RELEASES

Description	2023-2024	2022-2023
	Kshs	Kshs
Total Exchequer Releases for quarter 1	196,400,801.55	255,767,706.55
Total Exchequer Releases for quarter 2	233,350,502.60	285,728,946.25
Total Exchequer Releases for quarter 3	242,311,693.70	261,605,153.55
Total Exchequer Releases for quarter 4	386,535,990.65	378,951,032.10
TOTAL	1,058,598,988.50	1,182,052,838

3 OTHER REVENUES

	2023-2024	2022-2023
	Kshs	Kshs
Interest Received		
Profits and Dividends		
Rents	414,641,500.00	296,009,872.00
Receipts from Administrative Fees and Charges	4,876,507.00	2,578,000.00
Receipts from Administrative Fees and Charges - Collected as AIA	2,543,353,006.00	1,349,614,336.00
TOTAL	2,962,871,013.00	1,648,202,208

4 COMPENSATION OF EMPLOYEES

	2023-2024	2022-2023
	Kshs	Kshs
Basic salaries of permanent employees	132,569,018.55	121,518,386.75
Personal allowances paid as part of salary	58,295,586.00	69,156,272.15
TOTAL	190,864,604.55	190,674,658.90

5 USE OF GOODS AND SERVICES

	2023-2024	2022-2023
	Kshs	Kshs
Utilities, supplies and services	3,914,215.80	4,124,599.30
Communication, supplies and services	1,088,992.00	2,632,685.75
Domestic travel and subsistence	26,804,239.50	24,841,015.00
Foreign travel and subsistence	15,831,473.55	7,798,710.00
Printing, advertising and information supplies & services	2,293,477.80	2,263,530.00
Rentals of produced assets	48,551,311.10	21,029,461.60
Training expenses	22,978,889.00	315,963.00
Hospitality supplies and services	44,053,841.20	43,151,505.10
Insurance costs		-
Specialised materials and services	24,892,076.00	15,663,455.00
Office and general supplies and services	3,214,314.00	4,248,773.00
Fuel Oil and Lubricants	6,360,955.60	3,459,344.25
Other operating expenses	31,875,162.10	11,356,636.60
Routine maintenance – vehicles and other transport equipment	3,057,474.10	2,994,808.15
Routine maintenance – other assets	1,862,292.20	1,068,376.00
TOTAL	236,778,713.95	144,948,862.75

6 TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2023-2024	2022-2023
	Kshs	Kshs
Transfers to National Government entities		
Current Grants to Government Agencies and other Levels of Government	11,813,910,353.50	8,822,486,723.30

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Capital Grants to Government Agencies and other Levels of Government	50,000,000.00	
See attached list		
TOTAL	11,863,910,353.50	8,822,486,723.30

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Transfers to SAGAs and SCs		
Bomas of Kenya		179,430,000.30
Kenya Utalii College	101,269,999.00	76,270,001.00
Kenya Tourism Board	326,650,000.00	306,990,000.00
TOURISM REGULATORY AUTHORITY	167,799,999.00	167,600,000.00
Tourism Research Institute	56,910,000.00	56,955,831.30
AIA	11,211,280,356.00	8,060,240,890.00
TOTAL	11,863,910,354.00	8,847,486,722.60

OTHER GRANTS AND OTHER

7 PAYMENTS

	2023-2024	2022-2023
	Kshs	Kshs
Membership dues and subscriptions to international organizations		
Scholarships and other educational benefits		25,000,000.00
Total	-	25,000,000.00

8 SOCIAL SECURITY BENEFITS

	2023-2024	2022-2023
	Kshs	Kshs
Government pension and retirement benefits		23,587,995.65
TOTAL	-	23,587,995.65

9 ACQUISITION OF ASSETS

	2023-2024	2022-2023
	Kshs	Kshs
Non Financial Assets		
Construction of Buildings		
Construction and Civil Works	-	-
Overhaul and Refurbishment of Construction and Civil Works	16,726,409.95	12,609,866.20
Purchase of Vehicles and Other Transport Equipment	79,963,537.00	
Overhaul of Vehicles and Other Transport Equipment		
Purchase of Household Furniture and Institutional Equipment	5,656,860.00	
Research, Studies, Project Preparation, Design & Supervision	35,354,170.40	439,425.00
TOTAL	137,700,977.95	13,049,291.20

Note: Increase in Acquisition Of asset is as a result of additional budget in supplementary 2 for acquisition of motor vehicles and feasibility studies exercise .

Notes to the Financial Statements (continued)

10A Bank Accounts

Name of Bank, Account No. & currency	Exc rate (if in foreign currency)	2023-2024	2022-2023
		Kshs	Kshs
REC-State Department for Tourism CBK A/C 1000395548	1.00	39,953,119	540,572
DEV-State Department for Tourism CBK A/C 1000395637	1.00	2,417,363	-
DEP-State Department for Tourism CBK A/C 1000395699	1.00	143,231,038	140,215,983
Total		185,601,520	140,756,554

10

B Cash in hand

	2023-2024	2022-2023
	Kshs	Kshs
Cash in Hand – Held in domestic currency	-	-
TOTAL	-	-

Cash in hand should also be analysed as follows:

	2023-2024	2022-2023
	Kshs	Kshs
Headquarters, Tourism Fund Building, Cashoffice	-	-
Location 1		
TOTAL	-	-

11 Outstanding Imprests

Description	2023-2024	2022-2023
	Kshs	Kshs
Salary advances	245,420.00	28,185.00
Clearance accounts		
TOTAL	245,420.00	28,185.00

Note: The Amount of ksh 245,420 relates to salary advance which was advanced to staff members and is being recovered .

12 Accounts Payables

	2023-2024	2022-2023
	Kshs	Kshs
Returned Cheques	14,700.00	444,560.35
Deposits	143,231,037.65	140,215,982.65
TOTAL	143,245,737.65	140,660,543.00

Increase on Deposit was as a result of retention monies of ksh.2,869,640.10 from five firms involved in final partitioning ,tourism service portal and Ps office partitioning and khs.145,414.05 being commission earned by the state department for funds transfer

13 BALANCES BROUGHT FORWARD

	2023-2024	2022-2023
	Kshs	Kshs
Bank accounts	140,756,554.40	156,999,779.55
Receivables - Outstanding Imprests	416,375.35	-
Payables - Deposits	140,215,982.65	138,954,996.00
TOTAL	124,196.40	18,044,783.55

14 PRIOR YEAR ADJUSTMENTS

Description of the error	Balance b/f	Adjustments	Adjusted Balance c/f	Adjustments
	FY 2022-2023 as per Financial statements		FY 2023/2024	FY 2021/2022
	Kshs	Kshs	Kshs	Kshs
Bank account Balances	-	416,375.35	-	-
	140,756,554.40		140,340,179.05	18,044,784
Accounts Payables	140,215,982.65		140,215,982.65	-
	-	416,375.35	-	-
	540,571.75		124,196.40	18,044,784

Prior year adjustment of ksh. 124,196.40 is comprised of ksh.96,011.40 recovered by the national treasury after the end the financial year and ksh. 28,185 in respect of recoverable salary advance.

15 **(Increase)/Decrease in Advances and imprest**

Description of the error	2023-2024	2022-2023
	KShs	KShs
Outstanding Imprest as at 1 st July 2023 (A)	- 28,185.00	
Imprest issued during the year (B)	66,280,363.10	28,185.00
Imprest surrendered during the Year (C)	66,034,943.10	
Net changes in account receivables D= A+B-C	217,235.00	28,185.00

16 **Increase/(Decrease) in Retention and Third Party deposits**

Description of the error	2023-2024	2022-2023
	KShs	KShs
Deposit and Retentions as at 1 st July 2023	- 140,215,982.65	- 138,954,996.00
Deposit and Retentions as at 30 th June 2024	143,231,037.70	140,215,982.65
Returned cheques as at 1 st July 2023	- 444,560.35	0
Returned cheques as at 30 th June 2024	14,700.00	444,560.35
	2,585,194.70	1,705,547.00

Increase on retention and third partys was as a result of retention monies of ksh.**2,869,640.10** was occasioned by projects done by the department in the year under and khs.**145,414.05** being commission earned by the state department for funds transfer.

17 PENDING ACCOUNTS PAYABLE (See Annex 1)

	2023-2024	2022-2023
	Kshs	Kshs
Construction of buildings		
Construction of civil works		
Supply of goods	4,802,000.00	2,223,840.00
Supply of services	69,094,662.14	52,421,646.30
TOTAL	73,896,953.64	54,645,486.30

Note: Pending payables were as a result of lack of budget after the budget cuts during the supplementary 1 estimates.

18 PENDING STAFF PAYABLES (See Annex 2)

	2023-2024	2022-2023
	Kshs	Kshs
Senior management		
Middle management		
Unionisable employees		
Others (<i>specify</i>)		
TOTAL	-	-

19 OTHER PENDING PAYABLES (See Annex 3)

	2023-2024	2022-2023
	Kshs	Kshs
Amounts due to National Government entities		
Amounts due to Entity entities		
Amounts due to third parties	143,231,037.70	140,215,983
Others (<i>specify</i>)		
TOTAL	143,231,037.70	140,215,983

Other pending payables relate to payment to third parties (retention monies) which is payable once certificate of practical completion is received from the relevant office on completion of contract.

20. Related party transactions:

Description	2023-2024	2022-2023
	Kshs	Kshs
Key Management Compensation		23,587,995.65
Transfers to Related Parties		
Transfers to SCs and SAGAs	652,630,000	812,245,833
Total Transfers to Related Parties	652,630,000	812,245,833
Purchase of Goods and Services		
Rent paid to Govt. Agencies	48,551,311.10	21,029,462
Training Fees paid to Govt Agencies		-
Conference Facilities hired from Govt. Agencies		-
Total Goods and Services paid to Govt. Agencies	48,551,311.10	21,029,462
Transfers from Related Parties		
Transfers from the Exchequer	1,058,598,988.50	1,182,052,839
Total Transfers from Related Parties	1,058,598,988.50	1,182,052,839

Other important disclosures (continued)

Notes to the Financial Statements (Continued)

21. Progress on follow up of Prior Years Auditor-General’s recommendations.

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

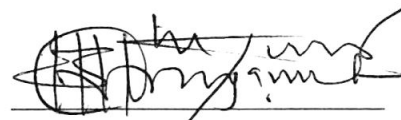
Reference No of Audit Report	Issue /Auditor Observation	Management Comment	Status	Time frame
1773.	Note 17 to the financial statements, reflects pending accounts payable balance of Kshs.54,645,486 as at 30 th June 2023. Included in the balance is an amount of Kshs.328,500 that has been outstanding since the year 2009/2010. The outstanding bills were not settled during the year under review but instead carried forward to the subsequent financial year (2023/2024). Failure to settle the bills during the year to which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent fiscal year	<p>i).It is true that note 17 of the 2022/2023 financial statements reflected accounts payable of ksh,54,645,486. However out of this total, an amount of ksh.36,231,731.85 has since been paid during the year 2023-2024 leaving a balance of ksh18,413,754.15 of which ksh. 13,532,000 for National Youth service is outstanding due to insufficient budget while ksh.1,437,111.40 for Richardson Company limited has not been paid as the certificate of practical completion received from the ministry of Public Works indicated completion of building works part(b) , with an exception for connection to the main sewer as indicated by building supervisor. See list of pending bills paid & Certificate of practical completion.</p> <p>ii). Out of the two invoices for Morendat Training Centre amounting to ksh. 328,500, one invoice of ksh.166, 500</p>	Yet to appear in PAC for recommendatons	

		has been paid while invoice for ksh162, 000 remains outstanding as the institution has not provided support documents despite the state department requesting them to do so. Email to Morendat training and conference center attached (See Annex 1C)		
1774.	Note 12 to the financial statements reflects accounts payable-deposits balance of Kshs.140,660,543 which includes Kshs.444,560 relating to returned cheques and Kshs.140,215,983 for deposits due to various contractors and other depositors. Included in Kshs.140,215,983 is Kshs.19,723,473 for retentions relating to amounts withheld from contractors between July, 2017 to July, 2021. The retentions have remained unpaid despite lapse of defects liability period on 11 August, 2021 from substantial completion inspection date of the project on 11 February, 2021, contrary to the provisions of Section 151(2)(h) of the Public Procurement and Asset Disposal Act 2015.	Note 12 of the financial statement for 2022-2023 reflected payable deposits of ksh140,660,543 out of which ksh,444,560 were returned cheques of ksh.286,500 for benimode Enterprise and ksh.163,000 for James Muchiri which have since been paid (See annex 2A) . Included in the Amount of ksh.140,215,983 is an amount of ksh.19,723,473 for retention withheld from the contactor which remains unpaid despite lapse of defect liability period on 11 th August 2021.This has been occasioned by the report from the ministry of public works on contract closure dated 27 th March 2023 where the ministry indicated that there was a contract gap of 457 days and that the contractor is liable to pay a total of ksh 19,879,998.22 as liquidated damages. (See Annex 2B)	Yet to appear in Pac for recommendations	

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed focal persons within your entity responsible for implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

**John Ololtuaa, CBS
Principal secretary**



**Julius Mugambi
Head of Accounting Unit
ICPAK NO 5569**

16. Annexes: Annex 1 - Analysis of Pending Accounts Payable

Supplier of Goods or Services	Date invoiced/ contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
				a	b	c	d=a+b-c	
Construction of buildings								
1.								
Sub-Total								
Construction of civil works				-	-	-	-	
2.								
Sub-Total								
Supply of goods				2,223,840.00	4,802,000.00	2,223,840.00	4,802,000.00	
3.								
Sub-Total								
Supply of services				52,421,646.30	50,681,199.49	34,007,892.15	69,094,953.64	
4.								
5.								
Sub-Total								
Grand Total				54,645,486.3	55,483,199.49	36,231,732.15	73,896,953.64	

Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Job Group	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance Current Year	Outstanding Balance Previous Year	Comments
			a	b	c=a-b		
Senior Management							
1.							
2.							
Sub-Total							
Middle Management							
3.							
Sub-Total							
Union Employees							
4.							
Sub-Total							
Others (specify)							
5.							
Sub-Total							
Grand Total							



Annex 3 - Analysis of Other Pending Payables

Name	Brief Transaction Description	Date Payable Contracted	Original amount	Amount Paid To-Date	Outstanding Balance Current Year	Outstanding Balance Previous Year	Comments
			a	b	c=a-b		
Amounts due to National Govt Entities							
1.							
Sub-Total							
Amounts due to County Govt Entities							
2.							
Sub-Total							
Amounts due to Third Parties							
3.			140,215,983	-	143,231,037.7	140,215,983	Additional retention from partitioning and refurbishment
Sub-Total							
Others (<i>specify</i>)			459,260.35	444,560.35	14,700	444,560.35	Returned RTGS
Sub-Total							
Grand Total			140,675,243.35		143,245,737.7	140,660,543	

Annex 4 – Summary of Fixed 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	138,298,260	16,726,409.95	0	0	155,024,669.95
Transport equipment	20,698,780	79,963,537.00			100,662,317
Office equipment, furniture and fittings	24,454,038	5,656,860.00			30,110,898
ICT Equipment	22,936,750				22,936,750
Machinery and Equipment	-				
Biological assets					
Infrastructure Assets- Roads, Rails	221,234,736				221,234,736
Heritage and cultural assets	476,734,795				476,734,795
Intangible assets					
Work in Progress					
Total	904,357,359	102,346,806.95			1,006,704,165.95

(NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the Ministry, Department or Agency. Additions during the year should tie to note 9 on acquisition of assets during the year.



Annex 5 – List of Projects implemented by State Department For Tourism

Ref	Project Name	Principal activity of the project	Accounting Officer	Project consolidated in these financial statements(yes/no)
1			John Ololtuaa	yes
2	-	-	-	-

Annex 6 – List of SCs, Sagas and Public Funds Under State Department For Tourism

Ref	SC, SAGA or Public Fund's name	Amount transferred during the year	Inter- entity reconciliations done?(yes/no)
1	Tourism regulatory Authority	-	N/A
2	Kenya Utalii College	101,270,000	Yes
3	Kenya Tourism Board	326,650,001	Yes
4	Tourism regulatory Authority	167,800,000	Yes
5	Tourism Research Institute	56,910,000	Yes
6	Kenyatta International Convention Centre		N/A
7	Tourism Promotion Fund	-	N/A
		652,630,001	

Annex 7 – Contingent Liabilities Register

NO.	Nature of contingent liability	DESCRIPTION	REMARKS
1.	Nairobi HCCC No. E221 of 2024 Epo Builders Limited –vs- Ministry of Tourism and Wildlife and Hon. Attorney General	The Plaintiff has instituted the suit alleging breaches in the procurement process and therefore seeks special damages of Kshs. 75,363,831,20/-	The Attorney General has filed a Defence on behalf of the State department and the case will be mentioned in court on 24 th September 2024.
2.	Nairobi HC PET No. E397 of 2021 Parbat Siyani Construction Ltd Vs KICC	The Petitioner is challenging the termination of a tender for provision and installation of prefabricated Exhibition Centre at KICC grounds. The Petitioner claims compensation of Kshs. 339,295,223.52 (Vide letter dated 25 th February 2020, the Ministry directed KICC to terminate tendering processes relating to the project. This was due to austerity measures that led to the removal of previously approved	The Attorney General is representing KICC in court and has filed a 'Notice of preliminary objection (P.O)'. The P.O was heard but the ruling is yet to be delivered by the Hon. Judge.

		<i>budget from supplementary 1 of FY 2019/2020)</i>	
3.	<i>Nairobi ELRC PET. No. E124 of 2021 Okiya Omtatah Vs Tourism Board of Trustees & Others</i>	<i>The Petitioner is challenging recruitment of a CEO for the Tourism Fund.</i>	<i>The Attorney General has filed and argued a Preliminary Objection on behalf of the Ministry. The matter is still pending in court.</i>
4.	<i>Nairobi ELRC Pet No. E079 of 2024 Hashim Mohamed –vs- SCAC, Kenya Utalii College, Ministry of Tourism & Wildlife and Public Service Commission</i>	<i>The Petitioner, a former principal of Kenya Utalii College is claiming compensation of an amount of Kshs. 23,727,272/= for alleged accumulated unpaid salary</i>	<i>The Attorney General is representing the government entities in the case.</i>
5.	<i>Mombasa E&LC PET. No. 26 of 2020 Tabitha Mukuni Mboko Vs Ministry of Tourism</i>	<i>Tabitha Mukuni instituted this case seeking an injunction to restrain the Ministry from evicting her. She has however occupied the suit parcel illegally which is part of plot No. 2120/1/MN located in Bamburi, Mombasa which belongs to the Ministry.</i>	<i>Case pending in court.</i>

6.	<i>Nairobi ELC PET. No. 025 of 2020 Kenya Africa National Union (Kanu) Vs AG, Ministry of Lands, KICC and Others</i>	<i>KANU instituted this suit claiming indemnity by the Government against a claim owing to Kenya Power for Kshs. 355,200,295.80. KANU further seeks an order directing the Government to give vacant possession of suit property LR No. 209/19829 (where KICC stands today)</i>	<i>Case dismissed by court</i>
7.	<i>Nairobi HCCC No. 374 of 2007 Edith Kweya Ekume -vs- Hon. Attorney General & Another</i>	<i>The plaintiffs sued as the legal representatives and administrators of the estate of the late Moses Ernest kweya Ekume. The case relates to a road accident involving motor vehicle registration number GK A222E (KAN 5241) as a result of which the deceased suffered fatal injuries.</i>	<i>Judgement was entered against the Ministry on 1st November 2013 and the outstanding decretal amount is Kshs. 1,188,348.16</i>
8.	<i>Nairobi ELRC Pet No. E060 of 2024 Tonge Yoya -vs- KICC, CS Ministry of Tourism & Wildlife and Hon. Adelina Mwau</i>	<i>The Petitioner instituted this case challenging appointment of Mr.</i>	<i>The Attorney General is representing the Ministry and has</i>

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		<i>James Mwaura as C.E.O of KICC</i>	<i>filed an application to expunge documents relied on by the Petitioner.</i>
9.	<i>NBI CMCC No. 10780 of 2003 Clement Mwatsuma –vs- Attorney General (NBI HCJR No. 259 of 2019)</i>	<i>The Plaintiff instituted this suit against the Ministry seeking orders of unlawful denial of confirmation to the post of Director of Tourism. He further sought compensation by way of special and general damages.</i>	<i>Judgment was entered in favour of the Plaintiff for the principal sum of Kshs. 762,986.50 on 4th March 2010. The Ministry is awaiting advice from the Attorney General on whether the judgment sum should be paid.</i>
10.	<i>NBI Petition No. 278 of 2017 Council of Governors –vs- Kenya Tourism Board and Others</i>	<i>The Council of Governors sought orders that the Ministry is performing functions assigned to the County Governments, under the 4th Schedule of the Constitution</i>	<i>Case pending in court.</i>
11.	<i>NBI EIRC Cause No. E795 of 2022 Kennedy Lwenyi –vs- Tourism Regulatory Authority (TRA) & 2 Others</i>	<i>The Petitioner is challenging recruitment of a Director General for TRA</i>	<i>Case pending in court.</i>



Annex 8: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

Annex 10- Reports Generated from IFMIS

IFMIS financial reports on request.

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Name of the MDA: STATE DEPARTMENT FOR TOURISM

Pending Bill Status as at 30th June 2024

	VOTE	Budget Allocation for the Contract	Financial Year when the pending bill was incurred	Cumulative payment as at 30 th June 2024	Outstanding amount as at 30 th June 2024	Remarks
	a) Recurrent					
1	Tondwe Africa Group Limited	180,750.00	2023-2024	180,750.00	180,750.00	Budgetary Cut
2	Africa Bliss Travel limited	43,500.00	2023-2024	43,500.00	43,500.00	Budgetary Cut
3	Trawell Company Limited	163,955.00	2023-2024	163,955.00	163,955.00	Budgetary Cut
4	Trawell Company Limited	80,970.00	2023-2024	80,970.00	80,970.00	Budgetary Cut
5	Trawell Company Limited	311,533.00	2023-2024	311,533.00	311,533.00	Budgetary Cut
6	Tondwe Africa Group Limited	126,300.00	2023-2024	126,300.00	126,300.00	Budgetary Cut
7	Premier Safaris	235,155.00	2023-2024	235,155.00	235,155.00	Budgetary Cut
8	Africa Bliss Travel limited	475,500.00	2023-2024	475,500.00	475,500.00	Budgetary Cut
9	Tondwe Africa Group Limited	1,768,850.00	2023-2024	1,768,850.00	1,768,850.00	Budgetary Cut
10	Africa Bliss Travel limited	2,486,300.00	2023-2024	2,486,300.00	2,486,300.00	Budgetary Cut
11	Trawell Company Limited	199,905.00	2023-2024	199,905.00	199,905.00	Budgetary Cut
12	Africa Bliss Travel limited	49,800.00	2023-2024	49,800.00	49,800.00	Budgetary Cut
13	Trawell Company Limited	40,570.00	2023-2024	40,570.00	40,570.00	Budgetary Cut
14	Trawell Company Limited	364,185.00	2023-2024	364,185.00	364,185.00	Budgetary Cut
15	Trawell Company Limited	264,015.00	2023-2024	264,015.00	264,015.00	Budgetary Cut
16	Trawell Company Limited	446,145.00	2023-2024	446,145.00	446,145.00	Budgetary Cut
17	Trawell Company Limited	585,210.00	2023-2024	585,210.00	585,210.00	Budgetary Cut
18	Trawell Company Limited	197,890.00	2023-2024	197,890.00	197,890.00	Budgetary Cut
19	Tondwe Africa Group Limited	107,400.00	2023-2024	107,400.00	107,400.00	Budgetary Cut
20	Tondwe Africa Group Limited	36,875.00	2023-2024	36,875.00	36,875.00	Budgetary Cut
21	Trawell Company Limited	298,410.00	2023-2024	298,410.00	298,410.00	Budgetary Cut
22	Tondwe Africa Group Limited	319,700.00	2023-2024	319,700.00	319,700.00	Budgetary Cut
23	Trawell Company Limited	298,270.00	2023-2024	298,270.00	298,270.00	Budgetary Cut
24	Trawell Company Limited	1,939,830.00	2023-2024	1,939,830.00	1,939,830.00	Budgetary Cut
25	Trawell Company Limited	207,450.00	2023-2024	207,450.00	207,450.00	Budgetary Cut
26	Trawell Company Limited	950,310.00	2023-2024	950,310.00	950,310.00	Budgetary Cut
27	Trawell Company Limited	142,960.00	2023-2024	142,960.00	142,960.00	Budgetary Cut
28	Tondwe Africa Group Limited	37,800.00	2023-2024	37,800.00	37,800.00	Budgetary Cut
29	Tondwe Africa Group Limited	157,860.00	2023-2024	157,860.00	157,860.00	Budgetary Cut
30	Trawell Company Limited	255,440.00	2023-2024	255,440.00	255,440.00	Budgetary Cut
31	Tondwe Africa Group Limited	2,551,450.00	2023-2024	2,551,450.00	2,551,450.00	Budgetary Cut
32	Lake Naivasha Resort	202,500.00	2023-2024	202,500.00	202,500.00	Budgetary Cut
33	Lake Naivasha Resort	202,500.00	2023-2024	202,500.00	202,500.00	Budgetary Cut
34	Lake Naivasha Resort	742,500.00	2023-2024	742,500.00	742,500.00	Budgetary Cut
35	Wildlife Research and Training Institute	288,840.00	2023-2024	288,840.00	288,840.00	Budgetary Cut
36	Wildlife Research and Training Institute	121,800.00	2023-2024	121,800.00	121,800.00	Budgetary Cut
37	Wildlife Research and Training Institute	858,400.00	2023-2024	858,400.00	858,400.00	Budgetary Cut
38	Wildlife Research and Training Institute	614,800.00	2023-2024	614,800.00	614,800.00	Budgetary Cut

39	Wildlife Research and Training Institute	183,280.00	2023-2024	183,280.00	183,280.00	Budgetary Cut
40	Kenya Utalii College	2,719,350.00	2023-2024	2,719,350.00	2,719,350.00	Budgetary Cut
41	Treasure Collection	486,000.00	2023-2024	486,000.00	486,000.00	Budgetary Cut
42	Chardam Agencies	231,791.00	2023-2024	231,791.00	231,791.00	Budgetary Cut
43	Bassels Auto Services Limited	343,870.40	2023-2024	343,870.40	343,870.40	Budgetary Cut
44	Bassels Auto Services Limited	649,748.00	2023-2024	649,748.00	649,748.00	Budgetary Cut
45	Bassels Auto Services Limited	354,809.00	2023-2024	354,809.00	354,809.00	Budgetary Cut
46	Government Advertising Agency	180,757.50	2023-2024	180,757.50	180,757.50	Budgetary Cut
47	Government Advertising Agency	212,115.00	2023-2024	212,115.00	212,115.00	Budgetary Cut
48	Government Advertising Agency	205,045.00	2023-2024	205,045.00	205,045.00	Budgetary Cut
49	Kenya School of Government	696,105.00	2023-2024	696,105.00	696,105.00	Budgetary Cut
50	Tourism fund	26,030,291.50	2023-2024	26,030,291.50	26,030,291.50	Budget cut
Historical Recurrent Pending Bills 2022-2023						
49	Wildlife Research and Training Institute	100,920.00	2022-2023	100,920.00	100,920.00	Budgetary Cut
50	Government Advertising Agency	233,669.00	2022-2023	233,669.00	233,669.00	Budgetary Cut
51	Government Advertising Agency	205,045.00	2022-2023	205,045.00	205,045.00	Budgetary Cut
52	Government Advertising Agency	259,768.75	2022-2023	259,768.75	259,768.75	Budgetary Cut
53	Trawell Company Limited	2,483,240.00	2022-2023	2,483,240.00	2,483,240.00	Budgetary Cut
54	National Youth Service	2,275,500.00	2022-2023	2,275,500.00	2,275,500.00	Budgetary Cut
Historical Recurrent Pending Bills 2021-2022						
55	National Youth Service	7,718,500.00	2021-2022	7,718,500.00	7,718,500.00	Budgetary Cut
Historical Recurrent Pending Bills 2020-2021						
56	National Youth Service	3,538,000.00	2020-2021	3,538,000.00	3,538,000.00	Budgetary Cut
Historical Recurrent Pending Bills 2009-2010						
57	Morendat Training and Conference	162,000.00	2009-2010	162,000.00	162,000.00	Budgetary Cut
Sub-Total				67,625,433.15	67,625,433.15	
b) Development						
1	Resjos Enterprise Limited	18,576.91	2023-2024	18,576.91	18,576.91	Budgetary Cut
2	Refcon Engineering Services Limited	13,832.18	2023-2024	13,832.18	13,832.18	Budgetary Cut
3	Temporada Limited	2,618,000.00	2023-2024	2,618,000.00	2,618,000.00	Budgetary Cut
4	A-Z Technologies	2,184,000.00	2023-2024	2,184,000.00	2,184,000.00	Budgetary Cut
Historical Recurrent Pending Bills 2008-2009						
5	Richardson Company Limited	1,437,111.40	2008-2009	1,437,111.40	1,437,111.40	Lack of budgetary provision
Sub-Total				6,271,520.49	6,271,520.49	
Grand Total (a+b)				73,896,953.64	73,896,953.64	

CONSOLIDATED BY: ESTHER A. AKUMU
SSCMO

SIGNATURE:..... DATE:.....

CONFIRMED BY: JANE WANYIKA
HSCMS

SIGNATURE:.....DATE:.....