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REPORT

OF

THE AUDITOR-GENERAL

ON

**ROADS MAINTENANCE LEVY
FUND - KENYA WILDLIFE SERVICE**

**FOR THE YEAR ENDED
30 JUNE, 2021**



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ANNUAL FINANCIAL STATEMENTS FOR ROAD MAINTENANCE LEVY FUND

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021**

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

Kenya Wildlife Service
Annual Financial Statements for Road Maintenance Levy Fund
For the year ended June 30, 2021

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1. KEY ENTITY INFORMATION & MANAGEMENT.

a) Background Information

Kenya Wildlife Service (KWS) was established by the Wildlife Conservation and Management Act, 1989 (now repealed and replaced by Wildlife Conservation and Management Act, 2013) and subsequent miscellaneous amendments. The overall mandate of KWS is to conserve and manage wildlife in Kenya and to enforce related laws and regulations. It has a sole jurisdiction over national parks and supervises other wildlife management areas, including national reserves, private sanctuaries and conservancies, and all conservation and management activities outside protected areas.

Our Vision

To conserve Kenya's wildlife and its habitats for posterity.

Our Mission

To sustainably manage Kenya's wildlife and its habitats for the benefits of nature and humanity.

Corporate Values

KWS has adopted four main corporate values, which serve as guiding principles in the provision of quality and acceptable services to our customers. These values include;

- i. Passion
- ii. Professionalism
- iii. Innovation
- iv. Quality

b) Principal Activities

The principal activity of KWS is to sustainably conserve, manage and enhance Kenya's wildlife and its habitats, and provides a wide range of public uses in collaboration with stakeholders. In pursuit of this commitment, the strategy is anchored on three pillars;

- i. **Conservation** - Commitment to conservation leadership
- ii. **Collaboration** - Enhance partnerships with stakeholders
- iii. **Enterprise** - Develop mechanisms for financial sustainability

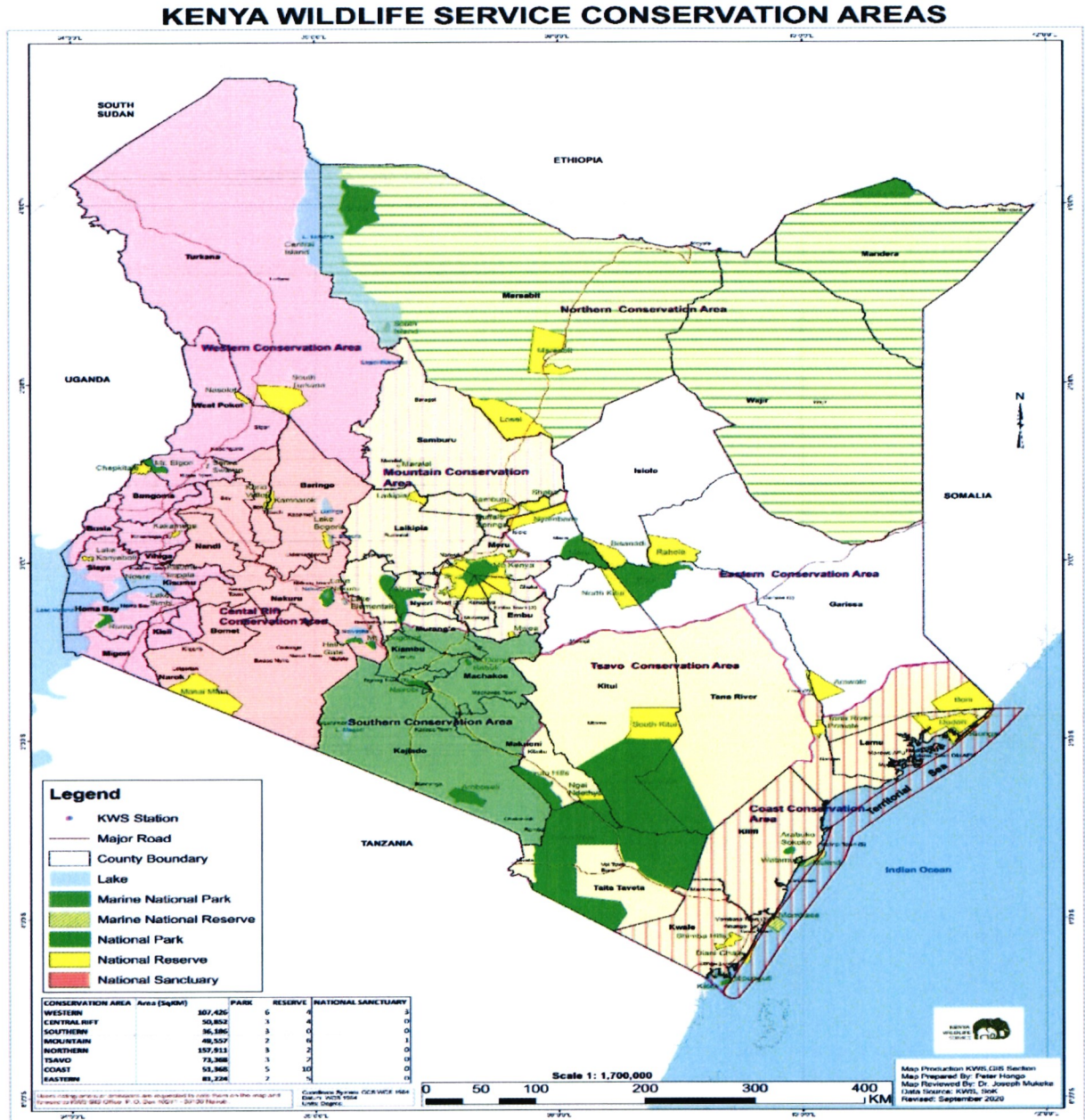
The project is continuously implemented by Kenya Wildlife Service (KWS) as a roads agency under the KRB Act. As an agency KWS is allocated 1% of roads management levy funds.

Area of operation

The Service operates 22 National Parks, 28 National Reserves, 4 Marine National Parks, 6 Marine National Reserves and 5 National Sanctuaries. KWS is divided into 8 conservation areas (Western conservation, Central Rift conservation, Southern conservation, Mountain conservation, Northern conservation, Tsavo conservation, Coast conservation, and Eastern conservation), Main headquarters and three semi-autonomous institutions; Airwing, Kenya Wildlife Service Training Institute (KWSTI) and Law Enforcement Academy-LEA (Manyani) for ease of administration.

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The figure below shows the location of these conservation areas



c) Key Management

The day-to-day management of the Service is entrusted to the Director General who is the Secretary to the Board and Chief Executive Officer of the Service. The Director General is assisted by a management team of Directors and Deputy Directors. The Service is classified as a State Corporation under PC 3A.

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d) Fiduciary Management

KWS is managed by a ten (10) member Board of Trustees, comprising of four (4) Government representatives, five (5) independent members, and the Director General who is the Secretary to the Board and Chief Executive Officer of the Service.

The appointment and the terms of the current membership of the Board of Trustees are shown below;

Board of Trustees

The Trustees of Kenya Wildlife Service Board as at the date of this report are as follows:

1) Dr. John Waithaka	Board Chairman	Resigned on April 27, 2020
2) Ms. Beatrice Sereya Maitoyo	Board Vice Chair	Appointed on July 30, 2018
3) Mr. Ian Hamish Craig	Board Member	Appointed on July 30, 2018
4) Mr. Jochen Zeitz	Board Member	Appointed on July 30, 2018
5) Mr. Fred Ojiambo	Board Member	Appointed on July 30, 2018
6) Prof. Fred. K. Segor	Principal Secretary State Department for Wildlife	
7) Mr. Arthur Nduati	Rep. Principal Secretary, The National Treasury & Planning	
8) Mr. Jack Wanami Wamboka	Rep. Principal Secretary, Ministry of Devolution	
9) Mr. Rashid Yakub	Rep. Inspector General, Kenya Police Service	
10) Brig (Rtd). John M. Waweru	CEO/Board Secretary	Appointed on March 13, 2019

Corporation Secretary

M/s. Doreen Mutung'a
P. O. Box 40241-00100
NAIROBI

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Director General	Brig (Rtd). John M. Waweru
2.	Director Parks and Reserves	Dr. Charles Musyoki
3.	Head of Corporate Services	Eng. Walter Ochieng Odira
4	Director Biodiversity, Research & Planning	Dr. Patrick Omondi
5.	Director Strategy and Change	Mr. Edwin Wanyonyi
6.	Deputy Director Security	Ms. Nancy Kabete
7	Deputy Director Finance & Administration	CPA Japheth Kilonzo
8	Corporate secretary & Head of Legal	Ms. Doreen Mutunga
9	Senior Assistant Director	Mr. Michael Wanjau
	Head of Internal Audit & Risk Management	CPA Nelson Otieno Agina
8	Head of Finance	CPA Peter Mathenge
10	Engineer Roads	Eng. Micah Aiyabei

e) Fiduciary Oversight Arrangements

The Board of Trustees of KWS is responsible for the governance of the Service and is accountable to the Government of Kenya in ensuring that it complies with the various laws while maintaining high ethical standards and corporate governance. Accordingly, the Board attaches very high importance to the generally accepted corporate governance practices and has embraced the internationally developed principles and code of best practice of good corporate governance including the Mwongozo Code of Conduct.

Board of Trustees

The roles and functions of the Chairman and the Director General are distinct and their respective responsibilities clearly defined within the Wildlife Conservation and Management Act 2013.

The Board defines the policy guidelines for effective management of the Service. Except for direction and guidance on general policy, the Board delegates authority of its day-to-day business to the Management through the Director General.

Board Meetings

The Board holds meetings on a regular basis while special meetings are called when it is deemed necessary.

Committees of the Board

The Board has set up four key Committees to facilitate efficient decision making of the Board in discharging its duties and responsibilities.

Board Finance and Administration Committee

The Committee has responsibilities for oversight in financial and human capital management. These responsibilities include: -

- a) Policies that maintain and improve the financial sustainability and integrity
- b) Review and recommend a long-term financial plan for the Service
- c) Review and recommend an annual operating budget and annual capital budget consistent with the long-term financial plan and financial policies
- d) Review the financial aspects of major proposed transactions, new programs, projects and services, as well as proposals to discontinue the same and making recommendations to the board
- e) Review and approve financial statements for release to external auditors
- f) Review and approve opening and closing of bank accounts.
- g) Monitor the financial performance of the Service as a whole against approved budgets and long-term trends
- h) Requiring and monitoring corrective actions to bring the organization into compliance with laws, policies and applicable financial principles.
- i) Review of human resource policies.
- j) Deliberation of staff matters.

Board Conservation Committee

This Committee has responsibilities for oversight in Wildlife Conservation and Management. These responsibilities include; -

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- a) Review and advise the Board on the development of Protected Area Management Plans, species strategies and conservation policies.
- b) Provide oversight of the organization's programs, projects and activities relating to conservation.
- c) Ensure that programs related to conservation are informed by best practice and leading- edge thinking, incorporating scientific, economic and social trends.
- d) Evaluate and review conservation programs and activities.
- e) Identify and submit risks, including legal, financial and reputational risks, relating to conservation to the Board Audit and Risk Committee.

The Committee also has responsibilities for oversight in mitigation of human wildlife conflict and compensation to communities. These include:

- a) Facilitate mobilization of requisite resources necessary for the department to carry out its mandate as spelt out in sec 7(n) of the WCM Act 2013 which states that "the service shall promote and undertake extension service programs intended to enhance wildlife conservation, education and training".
- b) Provide strategic policy direction to facilitate effective conservation education and awareness programs to enhance wildlife conservation and management.
- c) To determine incentives required for communities to foster effective Collaborative management of wildlife within a specified conservation area.
- d) Addressing human / wildlife conflicts in targeted conservation areas.
- e) Resources required for community mobilization to advocate for and Support the development and implementation of enabling policy and Legal environment for wildlife conservation.
- f) Facilitate establishment of the wildlife compensation scheme Sec 24 (b) of WCMA 2013

Board Audit and Risk Committee

This Committee has responsibilities for oversight in audit and risk matters of the Service. These include:

- a) Approving the internal audit charter.
- b) Reviewing of audit reports.
- c) Approving the risk based internal audit plan.
- d) Approving the internal audit budget and resource plans.
- e) Entity wide risk management processes
- f) Receiving communications on the internal audit activity's performance relative to its plan and other matters

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Board Enterprise Committee

This Committee has the responsibility of developing sustainable enterprises for the Service for the Service's financial sustainability. These include:

- Building a brand this will be done through exploring options for building and leveraging a new and distinct brand for KWS's protected area assets and its related products and services;
- Optimizing Traditional Sources of Revenue in order to increase both the revenue and related margin contribution of traditional tourism related revenues for KWS.
- Building New Sources of Revenue with a goal to diversify and increase sources of both wider funding and commercially generated revenues for KWS.
- To develop a clear strategic framework, disciplined business planning, considering Public-Private partnerships, optimal delegation and optimizing the use of technology among.

f) KWS is an implementing Agency of RMLF. KWS Information details are as follows:

Registered office,

KWS Complex
Lang'ata Road
P.O. Box 40241 GPO 00100
Nairobi, Kenya

g) KWS Contacts

Tel: +254(20) 2379407/08/09
Email: kws@kws.go.ke
Website: www.kws.go.ke

h) Project Information

Project Start Date:	FY 2003-2004
Project End Date:	Continuous
Project Manager:	Eng. Walter Ochieng Odira
Project Sponsor:	The Kenya Roads Board

i) Project overview

The project is under the supervision of Ministry of Transport and Infrastructure. The strategic objectives of the project are to maintain, rehabilitate and develop such categories of roads within the jurisdiction of Kenya Wildlife Service (KWS) as shall be specified in the notice of designation.

j) Projects Bankers

a) Kenya Commercial Bank Ltd
Moi Avenue Branch
P.O. Box 484000 00100
NAIROBI

b) Standard Chartered Bank Kenya Ltd
Langata Branch
P.O. Box 30003 00100
NAIROBI

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k) Independent Auditors




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

l) Principal Legal Advisor

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

2. THE BOARD OF TRUSTEES

PROFILE	
 <p>Ms. Beatrice Seraya Maitoyo Vice-Chair, Board of Trustees</p>	<p>Beatrice Seraya Maitoyo has a Master of Arts in Intercultural Studies Fuller Theological Seminary, Pasadena, California, U.S.A and a Bachelor's degree in Arts in Community Development and Business Administration from Daystar University. She over ten(10) years of progressive experience in advocacy for children, youth, women and minority groups' rights and is an ardent supporter of conservation of the environment and proper management of natural resources by communities, without exploitation.</p> <p>She is Gender specialist consultant working with Mainyoiito Pastoralist Integrated Development Organization.</p>
 <p>Mr. Jochen Zeitz Trustee</p>	<p>Jochen Zeitz is recognised as one of the world's leaders in sustainable business, conservation and philanthropy. He is Co-Founder and Co-Chair of the Zeitz Museum of Contemporary Art Africa (Zeitz MOCAA), Co-Founder of The B Team, Owner of Segera Conservancy and Founder of the Zeitz Foundation and The Long Run, which support sustainable solutions that balance conservation, community, culture and commerce (the 4Cs). Previously, Zeitz served 18 years as Chairman and CEO at PUMA, then Board Member and Chair of the Sustainability Committee for luxury brand group Kering. In addition to KWS, Zeitz is on the Board of Cranemere and Harley-Davidson, and Chairs their Sustainability Committees. Zeitz has received numerous awards, including Financial Times' "Strategist of the Year" 3 times and the Federal Cross of Merit of the Republic of Germany.</p>
 <p>Mr. Ian Hamish Craig Trustee</p>	<p>Ian Hamish Craig was a founding board member of Namunyak Wildlife Conservation Trust and Il Ngwesi Group Ranch and has served as the Executive Director of the Lewa Wildlife Conservancy for 14 years. He is a founding member and the first CEO of the Northern Rangelands Trust in 2004 an umbrella body that supports community conservancies across Northern Kenya.</p> <p>He is the Director of Conservation for the Northern Rangelands Trust. Previously served on the Board of Trustees, Kenya Wildlife Service for two terms.</p>

 <p>Mr. Fred Ojiambo Trustee</p>	<p>Fred Omondi Oliver N'cruba Ojiambo, MBS, SC is an advocate and holds a Bachelor of Laws Degree and a Post Graduate Diploma in Advocacy. He is a Senior Partner at Kaplan & Stratton Advocates and is a member of the Law Society of Kenya and the International Bar Association.</p> <p>Mr. Ojiambo has had a long career in private practice and his experience was recognized with an award of Senior Counsel in 2007</p>
 <p>Prof. Fred H. K. Segor, CBS Principal Secretary State Department for Wildlife Ministry of Tourism and Wildlife</p>	<p>Prof Fred H. K. Segor, holds B.SC., M.SC., Phd. (Chemistry) He is currently the Principal Secretary State Department for Wildlife. Prior to his current appointment, he served as PS in the Ministry of Water and Irrigation, State Department for Water Services, PS in the Ministry of Agriculture, Livestock and Fisheries, State Department for Livestock and also the PS in the Ministry of Health.</p> <p>Prof. Segor is a member of many national and international scientific societies including the Kenya Chemical Society, Kenya DAAD Scholars Association (KDSA) and Kenya National Academy of Sciences among others. He is an accomplished scholarly writer having published 15 scientific publications and 11 papers mainly in the field of Chemistry</p>
 <p>Mr. Arthur Nduati Representative: PS, The National Treasury & Planning</p>	<p>Mr. Arthur Nduati holds a Masters of Business Administration Degree from JKUAT. He is a Certified Public Accountant of Kenya (CPA, K) and a member of the Institute of Certified Public Accountants of Kenya (ICPAK).</p> <p>He has over 12 years' experience in Public Finance Management and is currently a Senior Assistant Director of Budget at the National Treasury. Previously, he was Head of Finance in the Ministry of Youth Affairs and Sports, Ministry of Immigration and Registration of Persons and Office of the Director of Public Prosecutions.</p>

3. MANAGEMENT TEAM

 <p>Brig. (Rtd) John M. Waweru, EBS Director General</p>	<p>Brigadier (retired) John Migui Waweru is the Kenya Wildlife Service Director General. He was appointed to this position on March 13, 2019.</p> <p>He holds a Masters Degree in Security Management from the University of Witwatersrand, Johannesburg, South Africa and is currently undertaking a PhD in International Studies at the University of Nairobi.</p> <p>He brings a wealth of management experience and strategic leadership from his previous assignments where he served as a Naval Officer with the Kenya Defense Forces for over 30 years, both in command and staff appointments at the Kenya Navy, Kenya Defense Headquarters and various Military Training Institutions in Kenya and overseas.</p>
 <p>Dr. Charles Musyoki, PhD, OGW Director (i) Parks and Reserves</p>	<p>Dr. Charles Musyoki is the Director Parks and Reserves. He holds a Bachelor of Science (Hons) degree in Wildlife Management (Moi University), a Master of Philosophy degree in Wildlife Management (Moi University) and a Doctor of Philosophy degree (Kyoto, Japan). He is currently pursuing an Executive Master of Business Administration at the Management University of Africa.</p> <p>He is a member of the IUCN Antelope Specialist Group, the Technical Advisory Group for the Raptors MoU and the African Lion Working Group. He has authored and co-authored a number of publications of wildlife research and conservation that include a book on human-wildlife conflict in Kenya. He is a Research Professor of Kyoto University. He has over twenty five (25) years' experience in research and wildlife conservation</p>
 <p>Dr. Patrick Omondi, PhD, OGW Director (i) Biodiversity, Research & Planning</p>	<p>Dr Patrick Omondi is the Director Biodiversity, Research & Planning. He holds a MSc. in Wildlife Management & Control, Reading University UK; BSc. in Wildlife Management, Moi University; and a PhD in Animal Ecology, Kenyatta University. He has upon him the honour and style of The Grand Warrior of Kenya (OGW) in recognition of his contribution to Wildlife Conservation in Kenya.</p> <p>He has over twenty (25) five years' experience in the Service</p>

 <p>Mr. Edwin Wanjala Wanyonyi Director (i) Strategy & Change</p>	<p>Mr. Edwin Wanyonyi is the Director Strategy & Change. He holds an MBA in Strategic Management and a Bachelor of Business Administration. He is a member of the Kenya Institute of Supplies Management, Kenya Institute of Management, a postgraduate diploma in resource mobilization and a member of Kenya Association of Fundraising Professionals. He is currently pursuing PhD in Management.</p> <p>He has over ten (10) years' experience in the Service.</p>
 <p>Ms. Nancy Kabete, HSC, ndc (k) Deputy Director Security</p>	<p>Nancy Kabete is the head of Security Division. Previously she has worked in Investigation and Intelligence Departments in Senior positions. She holds Bsc in Chemistry from Moi University, An MBA in Strategic Management from Kenya Methodist University and an MA in International Studies from the University of Nairobi. She is a graduate of National Defence College and a Board member at Firearms Licensing Board. She has the Honour of Head of State Commendation (HSC) for her contribution to wildlife conservation in Kenya.</p> <p>She has over 15 years of experience in the Service</p>
 <p>Eng. Walter Ochieng Odira Deputy Director Corporate Services</p>	<p>Eng. Walter Ochieng Odira is the Deputy Director Corporate Service. He holds a Masters degree in Business Administration (Global Executive Master in Business Administration) from United States International University-Africa and also Bachelor of Science in Civil Engineering from the University of Nairobi.</p> <p>He is a member of the Institution of Engineers of Kenya and Engineers Board of Kenya. He has over Eight (8) years' experience in the Service. He is currently pursuing Masters of Business Engineering (MBE) program on International Construction: Practice and Law from University of Stuttgart</p>

 <p>CPA Japheth Kilonzo Deputy Director Finance and Administration</p>	<p>Mr. Japheth K. Kilonzo holds a Master of Business Administration (Strategic Management) from Kenyatta University, a Bachelor of Science in International Business Administration (Accounting) from USIU-A, a graduate of SLDP from Kenya School of Government.</p> <p>He is a Certified Public Accountant of Kenya (CPA,K) and Member of the Institute of Certified Public Accountants of Kenya (ICPAK), He is also a Certified Credit Professional (CCP, K) and a member of Institute of Credit Management of Kenya (ICM-K).</p> <p>He has over ten (10) years' experience in the Service and is the Deputy Director Finance and Administration.</p>
 <p>Ms. Doreen Mutung'a Corporation Secretary & Head of Legal</p>	<p>Doreen Mutungá is the Corporation Secretary and Head of Legal. She is a member of the Law society of Kenya and an Associate of the Chartered Institute of Arbitrators.</p> <p>She attended the law school at the Catholic University of Eastern Africa and she has over 5 years' experience in the Service.</p>
 <p>Mr. Michael Wanjau Senior Assistant Director</p>	<p>Mr. Wanjau is currently a senior Assistant Director in the Directorate of Parks and Reserves. He assists to oversee the management of all the parks and reserves as part of KWS mandate in conserving Wildlife and their habitats plus the associated tourism activities. He has a long experience spanning over 30 years in conservation and management of protected areas. He holds a Bsc.in Zoology and Botany from the University of Nairobi, and an SLDP graduate from Kenya School of Government. He is also extensively trained both locally and abroad on a wide range of management and conservation courses and programmes</p>



CPA Nelson Otieno Agina
Head of Internal Audit & Risk
Management

Mr. Nelson Agina is the Head of Internal Audit & Risk Management. He holds a Bachelor of Commerce degree (Accounting) and he is a Certified Public Accountant - CPA (K). he is a member of the Institute of Certified Public Accountants of Kenya (ICPAK)

He has had a long career in Public service having served as a Senior internal Auditor in the Ministry of Finance.

He has over twenty five (25) years' experience in the Service both in Finance and internal Audit.

4. CHAIRMAN'S STATEMENT

It is a great honor for me to present to you the Kenya Wildlife Service (KWS) annual report and financial statements for the year ended 30th June 2021 for Roads Maintenance Levy Fund (RMLF). KWS mandate is to conserve and manage wildlife across this great nation.

Kenya Roads Board Act of Parliament, 1999, amended by Kenya Roads Act of 2007, Schedule III, recognizes KWS as implementing Road Agency. As per the Act, KWS is allocated 1% of the Roads Management Levy Funds (RMLF) collection.

The network under 1% RMLF funding constitute major access or park roads and are "classified" by the Ministry of Roads. The other network comprises of arterial roads, tourist circuits, and security patrol roads.

At the onset of the COVID 19 pandemic the Board refocused the marketing strategy on the domestic market. This aimed at establishing a sustainable revenue base by shifting reliance on traditional international markets to the citizen market. Although there are indications of recovery, the revenues are still low and as such the Service continues to experience inadequate funding for conservation activities.

It is exciting to note that the Service undertook the first ever National Wildlife Census with an objective to establish a National baseline of wildlife species. Conservation continues to face numerous challenges that include diminishing space for wildlife, human wildlife conflicts, poaching, and changes in land use. These challenges manifest as loss of wildlife habitat, wildlife insecurity, and demand for bush meat, livestock incursion, and disease outbreak among others. However, KWS collaborates with communities living adjacent to protected areas for enhanced human wildlife coexistence and security.

Lastly, I wish to acknowledge the Government and Kenya Roads Board for the great support given to the Service. I look forward to your continued support in the fulfilment of the conservation mandate. I would also like to appreciate the management and staff for their passion and commitment to the conservation.



PROF. FRED H. K. SEGOR, CBS
FOR: CHAIRMAN - BOARD OF TRUSTEE

5. REPORT OF THE DIRECTOR GENERAL

The financial year ended 30th June 2021 was challenging one for the Kenya Wildlife Service just like it was for other players in the Tourism sector. With Covid-19 pandemic, leisure travel was one of the casualties affected by restriction on travelling as well as the reduced family disposal income. This resulted to significant reduction in collection of internal revenues which are majorly tourism driven.

Kenya Wildlife Service (KWS) as one of the Road Agency, appreciates the support we have continued to receive from Kenya Roads Board (KRB) towards maintenance of not only the major access roads towards the parks and those tourist circuits within the national parks and reserves. This support dates back to the financial year 2003/2004 when KWS received first tranche of KES 60 Million, which has gradually grown to kshs 631million at the end of FY 2020/2021. This has seen the length of our network under maintenance through the funding grow from 904 Km to the current network of 2450 Km. KWS has a road network of 10,000Km out of which 2500Km are under regular maintenance through RMLF whereas the remaining 7500Km now to be maintained through internal capacity.

Through competitive procurement process, KWS had accumulated savings of about 491Million from prior year's allocation of RMLF from FY 2016 to the last FY.

The total received in the year amounted to Ksh.721, 507,377 and interest earned in the same year amounted to kshs 32,429,423. The total expenditure for the same period amounted to kshs 1, 284, 062, 760, which represents payments for financial year 2020/2021 and 2019/2020, which resulted to a deficit of kshs 530,125,960. Most of the payments for 2019/2020 spilled over to the current year.

KWS maintain classified roads through RMLF in the following parks, Ruma N.Park, Mt Elgon Park,Lake. Nakuru N.Park, and Aberdares N.Park, Mt. Kenya N.Park, Meru/Kora N.Park, Oldonyo Sabuk, Nairobi N.Park, Amboseli, Tsavo East N.Park, Tsavo West, Shimba Hills N.Park.

KWS was able to acquire three (3) motor Graders and seven (7) supervision vehicles at total costs of kshs 140million bringing a total costs of assets from inception to kshs 163 million Through savings accrued from RMLF funding to enhance internal capacity.

In addition five interns' engineers were recruited in the year under review by KRB and seconded to KWS to assist in carrying out roads works.

Implementation challenges.

Adverse Weather patterns experienced in all over the country greatly affected the progress of works especially in the wet parks such as Ruma, Mt. Kenya, Aberdare and Mt.Elgon.

Some contractors especially those who were awarded the tenders reserved for special category had challenges of technical and financial capacity hence affecting, implementation of works;

Inadequate funding i.e. the funding received could not cover the entire classified network forcing

I would like to extend my gratitude to the Government and Kenya Roads Board. Finally, much appreciation goes to the highly dedicated staff with whom we have come this far.



BRIG (Rtd) JOHN M. WAWERU, EBS
DIRECTOR GENERAL

6. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETERMINED OBJECTIVES.

INTRODUCTION

Kenya Wildlife Service (KWS) was established by an Act of Parliament, the Wildlife Conservation and Management Act (CAP 376) No. 16 of 1989, with the overall mandate to conserve and manage wildlife in Kenya, now repealed to Wildlife Conservation and Management Act, 2013.

The KRB Act (amended) recognizes Kenya Wildlife Services (KWS) as a road agency with the responsibility of maintaining approach roads and roads within National Parks and Game reserves. KWS is allocated 1% of the RMLF funding.

The road agency is expected to carry out maintenance (routine and periodic) and utilize some of the funds for administrative purposes. The 1 % RMLF fund received have been instrumental in making the parks and reserves accessible.

The overall goal of the funds is to maintain the roads accessing the parks and those within the parks and reserves with an aim of preserving the existing roads assets. Since the inception of the 1% RMLF funding, the number of passable roads has increased over the years with state of the roads in parks and reserves maintained in good and fair condition. Roads support the wildlife conservation activities, enhancement of security and the tourist experience within the parks improving the efficiency and effectiveness of KWS. Communities around the parks benefit from the passable roads accessing the parks which allow for easy transportation of people and goods in and out of the areas. Increase in tourism activities improve the income of the neighboring communities who are part of the conservation activities.

Project components

- I. Road maintenance** -The expected outcome of this component is to maintain the status of the park roads and roads accessing the park in good condition thereby improving the tourist experience. Attainment of this objective ensures that the exist road assets are preserved, road users have an acceptable level of service, minimizes the road user costs and minimizes the road agency costs.
- II. Rehabilitation and routine maintenance of various roads within Nairobi Park** - The expected outcome of this component is to improve the serviceability levels of the road over a long period of time thus reducing the maintenance cycle. Maintain the existing roads.
- III. Purchase of inspection vehicles and graders** -The expected outcome for this component is improving the supervision and delivery of quality roads in the parks.
- IV. Research and Development**-The expected outcome of this component is carry out research on eco-friendly products that can be used to increase the lifetime of the roads with low maintenance cost.

Progress on attainment of 2020/2021 annual plan

For purposes of implementing and cascading the above development objectives to specific components, all the development objectives were made specific, measurable, achievable, realistic and time-bund (SMART)

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and converted into development outcomes. Below we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
KWS RMLF FUNDED PROJECTS	Road Maintenance	Maintaining of the roads within the parks	<ul style="list-style-type: none"> Maintenance of the roads as per the Annual Work Plan 2020-2021 Inclusion of PBC within the works to ensure the contractors are responsible of the quality of works they deliver Completion of the roads under previous financial years Better drainage within the park roads Use of local contractors in the works 	25 contracts were awarded for the FY 2020/2021 works .Of these, 16 contracts have been completed and paid in full within the year 3 of the contracts within the FY 2020/2021 are under 1 year PBC in Mt. Kenya, Aberdare and Amboseli National Parks. Emergency works for various tourist circuits within Nairobi National Park were completed and paid in full – KWS/OT/RMLF/47/2019-2020 PBC in Amboseli National Park completed and paid in full KWS/OT/PBC/R&F/17/2015-2016
	Rehabilitation of various tourist circuits within Nairobi National Park	Serviceability levels of the roads are improved with long maintenance cycles Maintenance of the road in Nairobi National Park	<ul style="list-style-type: none"> Maintenance Cycle Better level of service by road users Promote increased tourist travel 	<ul style="list-style-type: none"> Rehabilitation of Club House- Junct. 1-Junct 4-Junct 5-Junct 6- Junct 7-East Gate (15km) Routine Maintenance Of Junct 27a-Junct 27b-Kingfisher-Junct 28a (5Km) Routine Of Junct 24c-25d- Nairobi Tented Camp-Junct 26d/Junct 26c-26d-Banda Gate- Sheldrick Orphanage Gate (7.3Km)
	Purchase of inspection vehicles and graders	Improve supervision of works and delivery of quality roads in the parks	<ul style="list-style-type: none"> Approval and purchase 5 double cabins, 2 Toyota Fortuners and 3 graders Reduced frequencies of breakdown of the vehicles and 	<ul style="list-style-type: none"> Double cabins to be used at the park levels for supervision of works. Parks allocated the vehicles are Tsavos East, Tsavos West, Meru, Aberdare and Ruma National Parks Graders are used for in-house maintenance of roads and fire breaks. They were allocated to

Kenya Wildlife Service
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For the year ended June 30, 2021

Project	Objective	Outcome	Indicator	Performance
			<ul style="list-style-type: none"> machinery 	<p>Tsavos west, Meru and Aberdare</p> <ul style="list-style-type: none"> Toyota Fortuners have been allocated to the HQ management for prompt supervision of works and road management activities.
	Research and Development	Better technology used on the roads to increase the lifetime of the road and reduce maintenance cost	<ul style="list-style-type: none"> Research on alternative road construction materials which do not affect the ecosystems in the parks Capacity building sessions for the staff Pitching of new technologies that can be used in the parks 	<ul style="list-style-type: none"> ETB (Emulsion Treated Base) was sampled in the Nairobi National Park and a sample done on 5KM to observe its behavior. It was found to be good and thus adopted for the rehabilitation of the roads listed below in Nairobi Park <ul style="list-style-type: none"> i. Rehabilitation Works on Club House – Junct.1 - Junct.4 - Junct.5 - Junct.6 - Junct. 7 - East Gate (15km) In Nairobi National Park under RMLF ii. Rehabilitation Works on Junct.7 – Junct.8 - Junct.9 - Junct.10a- Hippo Pools - Junct.11a - Junct. 10b - Junct.10a In Nairobi National Park under TPF iii. Rehabilitation works on Junct. 5- Junct 18- Junct 19- Junct. 18A- Junct. 18B – Junct. 28B- Masai Gate/ Junct. 28B- Junct. 28A- Junct. 29A-Junct 21- Junct 22/Junct.23A- Langata Gate under TPF Other technologies are being looked into such as use of <i>STEIN</i> and <i>CLAY CRETE</i> to improve condition of roads in wet and clay soil areas

In summary, the objectives of the FY 2020/2021 have been achieved.

7. CORPORATE GOVERNANCE STATEMENT

The Board of Trustees of KWS is responsible for the governance of the Service and is accountable to the Government of Kenya in ensuring that it complies with the various laws while maintaining high ethical standards and corporate governance. Accordingly, the Board attaches very high importance to the generally accepted corporate governance practices and has embraced the internationally developed principles and code of best practice of good corporate governance including the Mwongozo Code of Conduct.

Board of Trustees

The roles and functions of the Chairman and the Director General are distinct and their respective responsibilities clearly defined within the Wildlife Conservation and Management Act 2013.

The Board defines the policy guidelines for effective management of the Service. Except for direction and guidance on general policy, the Board delegates authority of its day-to-day business to the Management through the Director General.

Board Meetings

The Board holds meetings on a regular basis while special meetings are called when it is deemed necessary.

Committees of the Board

The Board has set up four key Committees to facilitate efficient decision making of the Board in discharging its duties and responsibilities.

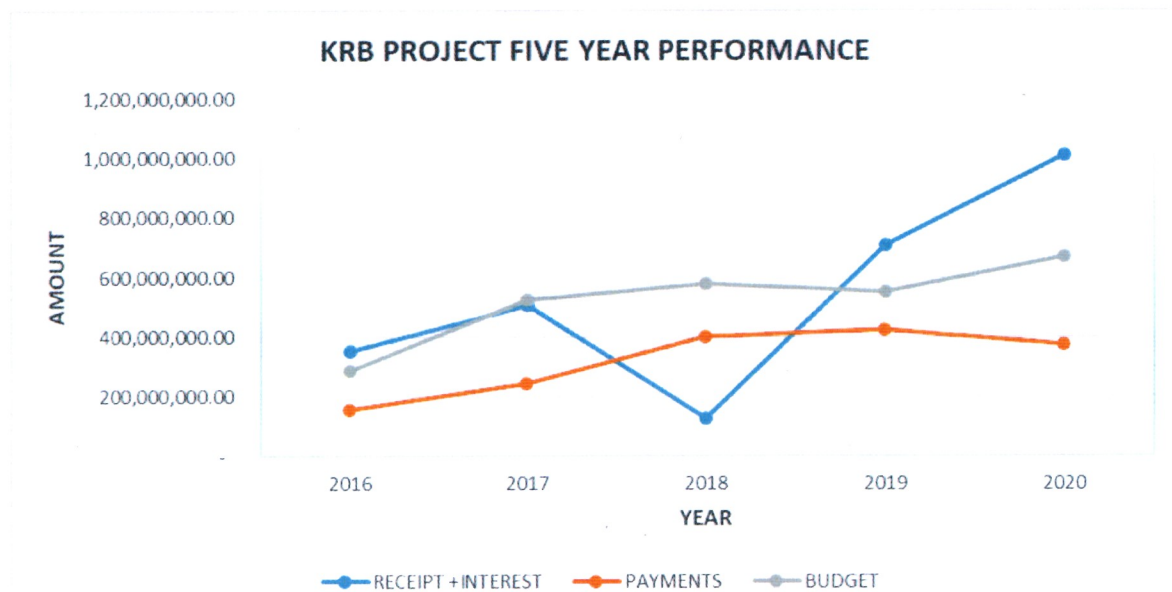
8. MANAGEMENT DISCUSSION AND ANALYSIS

During the year under review management paid for road works for the prior financial year 2019/2020 that spilled over to the current financial year under audit. The work plan for FY2020/2021 was procured and awarded on 4th January 2021 and the contracts signed on 18th February 2021. The implementation was ending on 5th July 2021. The project achieved value for money on goods and services through sourcing services competitively i.e. open tendering.

The financial and operational performance of KWS with regard to RMLF in the last five (5) years is a shown below.

- a) Adverse Weather patterns experienced in all over the country greatly affected the progress of works especially in the wet parks e.g. Ruma, Mt. Kenya, Aberdare and Mt.Elgon.
- b) Some contractors especially those who were awarded the tenders reserved for special category had challenges of technical and financial capacity hence affecting, implementation of works.
- c) Inadequate funding i.e. the funding received could not cover the entire classified network forcing KWS to do 40% of her classified network alone. The classified network covered under the funding source is 2400Km out of the total classified network of approximately 6,500Km within Kenya Wildlife Service.
- d) Low staffing levels; loss of staff through resignations/retirements without replacements.
- e) Inadequate machinery to carry out emergency works and supervision vehicles.

However, KWS was able to acquire three (3) motor Graders and seven (7) supervision vehicles through savings accrued from RMLF funding to enhance internal capacity. Furthermore, KRB recruited five Graduate Intern Engineers on behalf of KWS to assist in carrying out road works.



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During the period under review, the Service complied with all statutory requirements in line with the PFM Act and The National Treasury circulars with regards to the following reports, budget estimates, quarterly financial statements and annual financial statements. In addition all statutory deductions to the government authorities were paid on time within the timelines (to KRA, NHIF, NSSF HELB and NITA).

SECTION D: Material arrears in statutory / financial obligations

The Service during the period under review did not have any material statutory arrears and financial obligation except for the numerous compensation cases relating to human wildlife conflicts being analyzed for settlement.

SECTION E: The Service's financial probity and serious governance issues.

The Service did not have any financial probity and governance issues at the preparation of this report.

Way forward

Kenya Wildlife Service Management is of the view that KRB should consider giving more money say 2% or 3% in order, to effectively carry out its mandate. In addition, KWS should be allowed to recruit staff to replace those who have left the service.

9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The Kenya Wildlife Service (KWS) has over the years engaged communities who coexist with wildlife through various projects as a way of giving back and gaining their goodwill in conservation efforts.

Through Road Maintenance Levy Fuel (RMLF), KWS has carried out CSR projects through Roads 2000 Strategy, and improvement of access roads passing through communities and leading to the parks/reserves.

Roads 2000 Strategy entails utilization of local resources that are technically and economically feasible. The local resources include labour and equipment which are the basic inputs to road construction. Through acquisition of local resources from communities living around the Parks/Reserves, jobs have been created, and skills transferred to the locality and also at the national level. This has seen youth and women getting employment and thereby improving their livelihood.

Through RMLF allocation to KWS, various classified roads passing through the surrounding communities and accessing the Parks/Reserves have been regularly maintained to good service levels leading to all year round mobility. This has facilitated efficient movement of goods and people to markets, health centres, and other social facilities.

This CSR activities together with the commitment by the organization has contributed to economic development, improved quality of life of the local communities as well as building social trust towards the mandate of KWS and Kenya Roads Board (KRB).

KWS has zero tolerance on corruption matters. The Service has put in place structures in to detect, prevent and investigate corruption. This includes;

- Appointment of a corruption prevention committee.
- Established structures for staff and other stakeholders to report corruption matters.
- The Service has a corruption prevention policy, which provides commitment of ensuring all KWS activities are conducted in an honest and ethical manner.
- KWS has a Code of Conduct (CoC) which provides a framework within which all employees are expected to conduct themselves. All employees have signed a copy as evidence that they have read, understood it and will adhere to it.

KWS has developed a corruption risk register, which is regularly reviewed and updated.

The Service endeavors to eradicate all forms of discrimination and harassment in order to promote inclusiveness and representation of Kenya's diverse communities and ethnic groups. No employee shall discriminate against:-

Another person in any way that segregates that person on ethnic, religious, political, gender or any other adverse grounds; or

Another person by way of victimization through any act that is injurious to the person's well-being and esteem by treating the person less favorably.

Employees are not permitted to be active members of any associations of which the objects and functions are in any way political. While it is the constitutional right of any employee to be involved in political party activities, an employee shall not use her/his office held to:-

- i) Act as an agent for, or further the interest of a political party
- ii) Indicate support, for or opposition, to any political party or candidate in an election
- iii) Engage in political activities that may compromise or be seen to compromise the political neutrality of the office held.

10. REPORT OF DIRECTORS

The Directors submit their report together with the audited Financial Statements for the year ended June 30th June, 2021, which show the state of the entity's affairs.

i) Principal activities

The principal activity of KWS is to sustainably conserve, manage and enhance Kenya's wildlife and its habitats, and provides a wide range of public uses in collaboration with stakeholders

ii) Results

The results of the RMLF for the year ended 30th June 2021, are set out on page 30

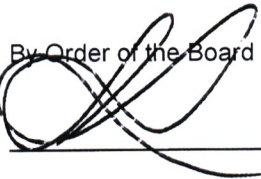
iii) Directors

The members of the Board of Directors who served during the year are shown on page 9 -11.

iv) Auditors

The Auditor General is responsible for the statutory audit of the *entity* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



COMPANY SECRETARY

DATE

30/9/2021

11. STATEMENT OF DIRECTORS RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and State Corporation Act 2015, & Wildlife Conservation & Management Act 2013, requires the Trustees to prepare financial statements which give a true and fair view of the state of affairs of the Service at the end of the financial year and the operating results of the Service for that year. The Trustees are also required to ensure that the entity keeps proper accounting records which disclose with reasonable accuracy the financial position of the Service. The Trustees are also responsible for safeguarding the assets of the Service.


The Trustees are responsible for the preparation and presentation of the Service's financial statements, which give a true and fair view of the state of affairs of the Service for the year and as at the end of the financial year ended on 30th June, 2021. 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 Service; (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 Service; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Trustees accept responsibility for the Service's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS) and in the manner required by the PFM Act, 2012 and (the State Corporations Act of 2015) ,Wildlife Conservation & Management Act 2013. The Trustee are of the opinion that the Service's financial statements give a true and fair view of the state of its transactions during the financial year ended 30th June 2021, and of the its financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the entity, 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.

Nothing has come to the attention of the Trustees to indicate that the Service will not remain a going concern in the foreseeable future.

Approval of the financial statements

The entity's financial statements were approved and signed by:

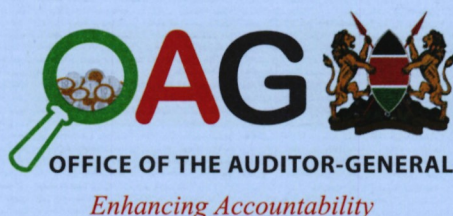


BRIG (Rtd) JOHN WAWERU, EBS
DIRECTOR GENERAL



PROF. FRED H. K. SEGOR, CBS
FOR: CHAIRMAN - BOARD OF TRUSTEES

REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON ROADS MAINTENANCE LEVY FUND - KENYA WILDLIFE SERVICE FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the Road Maintenance Levy Fund - Kenya Wildlife Service set out on pages 28 to 46, which comprise of the statement

of financial position as at 30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Road Maintenance Levy Fund - Kenya Wildlife Service as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Wildlife Conservation and Management Act, 2013

Basis for Qualified Opinion

1. Retention Monies not Held in a Separate Account

The statement of financial position reflects other payables of Kshs.28,303,797 (2020: Kshs.7,876,753) which, as disclosed in Note 8 to the financial statements, includes contractors' retention monies balance to Kshs.9,985,928 held by the Fund. However, Management did not maintain a separate bank account for deposits and payments of retention monies and instead, the Fund used an operations account which is in the name of Kenya Wildlife Service. The retention monies may not be available to pay contractors as and when claims for retention are presented for payment. Further, the schedule of retention monies includes unpaid retention monies amounting to Kshs.213,605 which are over five (5) years old.

In the circumstances, the accuracy and existence of retention monies balance of Kshs.9,985,928 could not be confirmed.

2. Variances in Road Maintenance Levy Fund

The statement of financial performance reflects road maintenance levy fund amount of Kshs.871,051,487 which is at variance with the road maintenance levy fund amount of Kshs.721,507,377 reflected in the statement of comparison of budget and actual amount by unexplained variance of Kshs.149,544,111.

In the circumstances, the accuracy and completeness of the road maintenance levy fund amounting to Kshs.871,051,488 could not be confirmed

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

Key Audit Matters

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

Other Matter

1. Budget Over Expenditure

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.871,051,488 and Kshs.753,936,800 respectively resulting to an under-funding of Kshs.117,114,688 or 13% of the budget. Similarly, the Fund spent Kshs.1,284,062,760 against an approved budget of Kshs.871,051,488 resulting to an over-expenditure of Kshs.413,011,272 or 147% of the budget. However, Management has disclosed that the work plan for 2019/2020 with an approved budget of Kshs.669,668,404 was implemented in the current financial period of 2020/2021. The Fund therefore could not absorb all the funds meant for the year under review as there were pending projects for 2019/2020 which were given priority.

In the circumstances, the Fund operated over and above the approved budget for the year contrary to the Appropriation Act, 2018, the Supplementary Appropriation Act, 2018 and Section 43 (b) of Public Finance Management Regulations, 2015.

Management was in breach of the law.

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under Report on Lawfulness and Effectiveness in Use of Public Resources. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Delay in Completion of Projects

Annex 1 to the financial statements reflects schedule of unexecuted works and ongoing works totalling to Kshs.181,683,632. Included in this balance is Kshs.66,170,333 or 36% for two (2) ongoing projects awarded in 2015/2016 financial year. However, by the time of audit in the month of June ,2022, percentage completion of the two (2) projects was at 75% and 72% respectively. The Management has however, explained the slow phase of

implementation of these projects as due to unforeseen adverse weather conditions and inflation of prices of basic items for major works.

In the circumstances, the value for money, efficiency and effectiveness of these projects may not have been derived due to the delay in completing the projects.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of a Disaster Recovery Plan

During the year under review, the Fund did not have a Disaster Recovery Plan in place which details recovery procedures in place that may lead to serious organizational and institutional memory which may lead to loss of crucial data and information in case of disaster.

In the circumstances, it was not possible to confirm control measures put in place by Management to safeguard data and recovery in case of a disaster.

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

Responsibilities of Management and Board of Trustees

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in

which the design or operation of one or more of the internal controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

26 September, 2022

Kenya Wildlife Service
Annual Financial Statements for Road Maintenance Levy Fund
For the year ended June 30, 2021

13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2021

Description	Note	2020/2021	2019/2020
		KShs	KShs
Revenue			
Road Maintenance Levy Fund	1	871,051,487	984,145,834
Finance Income (Interest on RMLF Funds)	2	32,429,423	24,946,861
Total Revenue		903,480,910	1,009,092,695
Expenditure			
Certified Works	3	1,295,070,104	364,678,837
Other Roadworks Expenses	4	17,017,909	11,160,508
Total Expenditure		1,312,088,013	375,839,345
Surplus/(Deficit) for the year		(408,607,103)	633,253,350

The notes on pages 42 to 45 form an integral part of these Financial Statements.

The Financial Statements set out on pages 28 to 32 were signed on behalf of the Board of Directors by:



**BRIG (Rtd) J. WAWERU, EBS
DIRECTOR GENERAL**



**CPA JAPHETH KILONZO
DDF&A
ICPAK Member No. 9174**



**PROF. FRED H. K. SEGOR, CBS
FOR, BOT CHAIRPERSON**

DATE... 30/09/2021

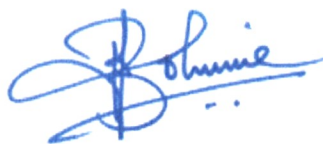
14. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2021

		2020/2021	2019/2020
ASSETS	Note	KShs	KShs
CURRENT ASSETS			
Cash and Cash Equivalents	5	738,524,084	1,268,650,044
Receivables	6	149,544,110	-
TOTAL ASSETS		888,068,194	1,268,650,044
LIABILITIES			
CURRENT LIABILITIES			
Certificates Payable	7	7,598,209	0
Other Payables	8	28,303,797	7,876,753
TOTAL		35,902,006	7,876,753
NON-CURRENT LIABILITIES			
		-	-
TOTAL LIABILITIES		35,902,006	7,876,753
TOTAL NET ASSETS		852,166,188	1,260,773,291
NET ASSETS			
Accumulated Surplus/deficit	9	852,166,188	1,260,773,291
TOTAL NET ASSETS		852,166,188	1,260,773,291


The notes on pages 42 to 45 form an integral part of these Financial Statements.

The Financial Statements set out on pages 28 to 32 were signed on behalf of the Board of Directors

by:



**BRIG (Rtd) J. WAWERU, EBS
DIRECTOR GENERAL**



**CPA JAPHETH KILONZO
DDF&A**

ICPAK Member No. 9174



**PROF. FRED H. K. SEGOR, CBS
FOR, BOT CHAIRPERSON**

DATE. 30/09/2021.

15. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE 2021

Description	Accumulated surplus KShs
Prior Year	
Balance as at 1 July 2019	
Surplus/(deficit) for the period	
Balance as at 30 June 2020	
Current Year	
Balance as at 1 July 2020	1,260,773,291
Surplus/(deficit) for the period	(480,607,103)
Balance as at 30 June 2021	852,166,188

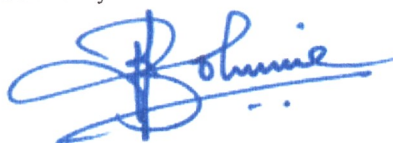
The notes on pages 42 to 45 form an integral part of these Financial Statements.

16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2021

	Note	2020/21 KShs	2019/20 KShs
CASH FLOWS FROM OPERATIONS			
Surplus for the year		(408,607,103)	633,253,350
<i>Adjustments for:</i>			
Finance Income	2	(32,429,423)	(24,946,861)
Operating income before Working Capital Changes		(441,036,526)	608,306,489
<i>Changes in working capital balances:</i>			
	6	(149,544,110)	-
(Decrease)/Increase in Receivables			-
(Decrease)/Increase in Payables:	7		
Certificates Payable		7,598,209	-
Other Payables	8	20,427,044	-
Net Cash flows (to)/from Operating Activities (A)		(562,555,383)	608,306,489
CASH FLOWS FROM INVESTMENTS			
Finance Income	2	32,429,423	24,946,861
Net Cash flows (to)/from Investing Activities (B)		32,429,423	24,946,861
CASH FLOWS FROM FINANCING			
Net Cash flows (to)/from Financing Activities (C)			
MOVEMENT IN CASH AND CASH EQUIVALENTS			
Cash and Cash Equivalents at the Beginning of the Year		1,268,650,044	635,396,694
Net Increase/ Decrease in Cash and Cash Equivalents		(530,125,960)	633,253,350
(D) = (A) + (B) +(C)			
Cash and Cash Equivalents at the End of the Year		738,524,084	1,268,650,044

The notes on pages 42 to 46 form an integral part of these Financial Statements.

The Financial Statements on pages 28 to 32 were approved by the Board of Directors and signed on its behalf by:



**BRIG (Rtd) J. WAWERU, EBS
DIRECTOR GENERAL**



**CPA JAPHETH KILONZO
DDF&A
ICPAK Member No. 9174**



**PROF. FRED H. K. SEGOR, CBS
FOR, BOT CHAIRPERSON**

DATE... 30/9/2021

17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021

	APRP BUDGET	ACTUAL	VARIANCE	VARIANCE
	2020/21	2020/21		
	KShs	KShs	KShs	%
Revenue				
Road Maintenance Levy	871,051,488	721,507,377	149,544,111	82%
Finance Income	-	32,429,423	(32,429,423)	
Other	-	-	-	
Total Receipts	871,051,488	753,936,800	117,114,688	
Expenditure				
Other Road works	25,204,827	17,017,909	8,186,918	68%
Certified Works	845,846,661	1,267,044,851	(421,198,190)	150%
Total Expenditure	871,051,488	1,284,062,760	(413,011,272)	
Surplus/deficit	-	(530,125,960)	530,125,960	

Comments

- Certified works and Operating costs for the year had been budgeted for Ksh871, 051,488. The expenditure for the year was Ksh.1, 284,062,760 resulting to a variance of Ksh.413, 011,272. The high expenditure is as a result of payments done which relates to previous years.
- The actual received from KRB amounted to kshs 721,507,377 and interest for the year amounted to kshs 32,429,423. Certified works and Operating costs for the year had been budgeted for Ksh871, 051,488 resulting to a variance of kshs 149,544,110 which was received in the current financial year 2021/2022.
- The actual expenditure for the year amounted to kshs 1,312,088,013 against the total revenue of kshs 903,480,910 resulting to overall performance deficit of kshs 408,607,103.

18. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Statement of compliance and basis of preparation

The RMLF Financial Statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The Financial Statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented.

The Financial Statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the indirect method. The Financial Statements are prepared on accrual basis.

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

The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board (PSASB).

The accounting policies adopted have been consistently applied to all the years presented.

2. Adoption of new and revised standards

a) Relevant new standards and amendments to published standards effective for the year ended 30th June 2021

Standard/ Amendments : Applicable: 1st January 2021:	Impact
a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks	There was no impact of the amendment to IPSAS 13 with respect to the current financial report
b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved	There was no impact of the amendment to IPSAS 13 and IPSAS 17 with respect to the current financial report as the entity did not apply any of the transitional provisions in the FY 2020/2021
c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.	There was no impact of the amendment to IPSAS 21 and IPSAS 26 with respect to the current financial report as the entity does not have Non-Cash Generating Assets and neither did it have impaired cash generating assets.
d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard	

b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of Financial Statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.</p> <p>IPSAS 41 provides users of Financial Statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its Financial Statements about social benefits. The information provided should help users of the Financial Statements and general purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.

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Standard	Effective date and impact:
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2022: a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.

c) Early adoption of standards

KWS roads project adopted new standards in Financial Year 2020/2021.

3. Revenue Recognition

i) Revenue From Non-Exchange Transactions

Transfers from Other Government Entities/ Transfer of RMLF from KRB

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. In particular, revenue from non-exchange transactions relates to the transfer of funds from KRB to RMLF for the Road Authorities.

ii) Revenue from exchange transactions (Finance income (from RMLF funds))

Finance income (from RMLF funds) is accrued using the effective yield method. Finance income (from RMLF funds) is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine finance income (from RMLF funds) each period.

This relates to interests earned on the RMLF Accounts as held in Commercial Banks. Finance income (from RMLF funds) is reported at gross as received in the bank statement of the Road Authority.

4. Certified Works

Certified works are recognized when the works can be measured reliably and/ or when certificates of work done are received by KWS.

5. Roadwork Commitments

Roadwork commitments arise from contracts entered into with contractors for road maintenance and development. These commitments are disclosed in annex 1 of these financial statements.

6. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at Standard chartered bank and KCB Bank. For the purposes of these Financial Statements, cash and cash equivalents relates to bank balances in commercial banks for the RMLF as at the end of the financial year.

7. Financial instruments

a) Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

8. Budget information

The Annual Public Roads Programmed APRP (Original budget) for FY 2020/2021 was approved on 22/7/2020. Subsequent revisions or additional appropriations were made to the approved budget (APRP) in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget (APRP) by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of Kshs 239,736,998 on 13th March 2021 of the FY 2020/2021 budget following the governing body's approval.

The entity's budget is prepared based on work plans from the Roads Authorities which is on cash basis. The Financial Statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 16 of these Financial Statements.

9. Changes in accounting policies and estimates

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

10. Comparative figures

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

11. Events after the reporting period

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

12. Ultimate and Holding Entity

KWS is a Road Maintenance Levy Fund agency established by Road Act under the State Department of Wildlife. Its ultimate parent is the ministry of Tourism and Wildlife.

13. Currency

The Financial Statements are presented in Kenya Shillings (KShs).

14. Significant judgments and sources of estimation uncertainty

The preparation of the Entity's Financial Statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

State all judgements, estimates and assumptions made: e.g.

a) Estimates and assumptions

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

Financial risk management

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

The Fund's financial risk management objectives and policies are detailed below:

a) Credit risk

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

a) Liquidity risk management

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

b) Capital risk management

The objective of the RMLF's capital risk management is to safeguard the RMLF's ability to continue as a going concern.

19. NOTES TO THE FINANCIAL STATEMENTS

1.0 Road Maintenance Levy Fund

Description	2020/21 KShs	2019/20 KShs
1% RMLF Allocations	871,051,488	984,145,834
Total	871,051,488	984,145,834

2.0 Finance Income (Interest on RMLF Funds)

Description	2020/21 KShs	2019/20 KShs
Finance Income (Interest on RMLF Funds)	32,429,423	24,946,861
Total	32,429,423	24,946,861

3.0 Certified Works

Description	2020/21 KShs	2019/20 KShs
Certified works during the year	1,295,070,104	364,678,836
Total Expenditure	1,295,070,104	364,678,836

4.0 Other Roadworks Expenses

Description	2020/21 KShs	2019/20 KShs
Domestic travel and subsistence	13,961,408	8,101,657
Routine maintenance	1,235,327	855,648
Advertising	328,979	180,757
Hospitality supplies	121,360	959,291
Communication, supplies & services	334,217	223,439
Training payments	886,928	798,085
Other operating payments	148,790	34,631
Total	17,017,009	11,160,508

5.0 Cash and Cash Equivalents

(a) Analysis of Bank and Cash balances:

These represent cash held at various banks, as follows:

Description	2020/21 KShs	2019/20 KShs
Amounts held in local currency:		
Standard Chartered Bank-KWS HQS A/c No. 0104033037413	738,454,027	1,268,579,988
Kenya Commercial Bank- Amboseli A/c No. 1103871358	67,271	67,271
Kenya Commercial Bank- Meru A/c No. 1154211576	<u>2,785</u>	<u>2,785</u>
Total	<u>738,524,084</u>	<u>1,268,650,044</u>

The Authority is not exposed to credit risk on cash and bank balances as the funds are held with sound financial institutions approved by the Central Bank of Kenya.

(b) Cash and cash equivalents

For purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months.

Analysis of cash and cash equivalents is as set out below: -

Description	2020/21	2019/20
	KShs	KShs
Cash Balances	<u>738,524,084</u>	<u>1,268,650,044</u>

6.0 Receivables

Description	2020/21	2019/20
	KShs	KShs
Receivable from KRB (1% RMLF Allocations)	149,544,110	-
Contractors' Advances	-	-
GoK Receivables	-	-
Other Receivables	-	-
Total	<u>149,544,110</u>	=

7.0 Certificates Payable

Description	2020/21	2019/20
	KShs	KShs
Opening Balance as at 1 st July 2020	-	-
Add: Total Certified Works during the year	1,274,643,060	-
Less: Certificates Paid within the year	(1,267,044,851)	-
Closing Balance as at 30th June 2021	7,598,209	-

8.0 Other Payables

Description	2020/21	2019/20
	KShs	KShs
Other payables	28,303,797	7,876,753
Total	28,303,797	7,876,753

9.0 Accumulated Surplus

Description	2020/21	2019/20
	KShs	KShs
Accumulated surpluses As at 1 st July 2020 (from prior years)	1,260,773,291	-
Add: Surplus for the year (as per statement of financial performance)	(480,607,103)	-
Accumulated surpluses As at 30th June 2021	852,166,188	-

10.0 Cash Generated from Operations

Reconciliation of Net Cash Flows from Operating Activities to Surplus for the year:

Description	Note	2020/21	2019/20
		KShs	KShs
Surplus for the year		(408,607,103)	633,253,350
<i>Adjustments for:</i>			
Finance Income	2	(32,429,423)	(24,946,861)
Operating income before Working Capital Changes		(441,036,526)	608,306,489
<i>Changes in working capital balances:</i>			
(Decrease)/Increase in Receivables	7	(149,544,110)	-
(Decrease)/Increase in Payables	8	28,025,253	-
Net Cash flows (to)/from Operating Activities		(562,555,383)	608,306,489

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11.0 Disclosure Note on Unexecuted Contracts and ongoing Contracts yet to be certified.

Annex 1

Description	Note	2020/2021 Kshs	2019/2020 Kshs
Balances of unexecuted /ongoing contracts at the beginning of the year		60,704,280	
Add: Road contracts awarded in the current year		468,090,165.88	
Brought forward contracts		947,896,528.12	
Less: Certified works during the year		1,295,070,104	
Closing Balance of Contract commitment		181,683,632	

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Annex 1: Schedule of Unexecuted works and ongoing works

	Road/park	Contract number	Company	Amount Outstanding as at 30.6.2021	Contract Period	Physical progress in	Status as at 30.06.2021
1	TSAVO EAST NATIONAL PARK	KWS/OT/RMLF/11/2020-2021	NUHDRA LIMITED	16,708,727.29	2020/2021	80%	PENDING
2	AMBOSELI NATIONAL PARK	KWS/OT/RMLF/17/2020-2021	ADEQUATE MACHINERY CONSTRUCTION CO. LIMITED	11,025,424.50	2020/2021	65%	PBC-ONGOING
3	MT. KENYA NATIONAL PARK	KWS/OT/RMLF/22/2020-2021	CHOGI'S GARAGE LIMITED	14,513,162.09	2020/2021	30%	PBC-ONGOING
4	MT. KENYA NATIONAL PARK	KWS/OT/RMLF/23/2020-2021	WAYWEST LIMITED	13,681,836.00	2020/2021	48%	ONGOING
5	MERU NATIONAL PARK	KWS/OT/RMLF/24/2020-2021	PRIMEWAY LIMITED	673,667.00	2020/2021	95%	ONGOING
6	KORA NATIONAL PARK	KWS/OT/RMLF/25/2020-2021	ALIGALO TRADERS LIMITED	10,144,321.72	2020/2021	69%	ONGOING
7	TSAVO WEST NATIONAL PARK	KWS/OT/RMLF/13/2020-2021	RAVINA AGENCIES	17,781,210.00	2020/2021	79%	ONGOING
8	ABERDARE NATIONAL PARK	KWS/OT/RMLF/20/2020-2021	FALCON ROAD CONTRACTORS LIMITED	11,721,468.50	2020-2021	27%	ONGOING
9	MT ELGON NATIONAL PARK	KWS/OT/RMLF/28/2020-2021	DIGITALEGE (K) LIMITED	19,263,481.20	2020-2021	10%	ONGOING
10	MT ELGON NATIONAL PARK	KWS/OT/PBC/R & F/20/2015-2016	KAXPAR TECHNICAL WORKS LTD	29,909,398.26	2015-2016	75%	ONGOING
11	MERU NATIONAL PARK	KWS/OT/PBC/R & F/18/2015-2016	LENDA CONSTRUCTION	36,260,935.21	2015-2016	72%	ONGOING
	TOTAL AMOUNT			Kshs 181,683,631.77			

NB: The above commitments are for FYs 2015/2016 to 2020/2021 contracts. Some contracts are performance based while others are for routine maintenance. The works were completed as per the percentages shown in the status column as at 30.06.2021. Their payment certificates had not been received for processing as at the end of the financial year

20. PROGRESS ON FOLLOW UP OF AUDITOR'S RECOMENDATIONS

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

Reference No. on the external audit report	Issues / Observations from auditor	Management comments	Status:(Resolve/ Not resolved)	Time frame: Date when you expect the issue to be resolved.
1.1	Budgetary Control and Performance	Backlog cleared	Resolved	Resolved 2020/2021
1.2	Delay in completion of Works	Management following up on completion of works	Ongoing	pending
1.3	Pending Accounts Payables	Payments were made in FY 2020/2021	Resolved	2020/2021 FY



**BRIG (Rtd) JOHN WAWERU, EBS
 DIRECTOR GENERAL**



**PROF. FRED H. K. SEGOR, CBS
 FOR: CHAIRMAN - BOARD OF TRUSTEES**