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 THE NATIONAL ASSEMBLY	
<b>REPORT</b>	
DATE: 03 MAR 2022	
DAY: Muvu	
TABLED BY:	LOM
CLERK-AT THE-TABLE:	C. Ndiritu

**THE AUDITOR-GENERAL**

**ON**

**KENYA NATIONAL CONVENTION  
BUREAU**

**FOR THE YEAR ENDED  
30 JUNE, 2020**



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# **KENYA NATIONAL CONVENTION BUREAU**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2020**

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

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## **Key KNCB Information and Management**

### **(a) Background information**

The Kenya National Convention Bureau (KNCB) was gazetted on 16th August 2019 via gazette Notice No. 7263 following cabinet approval of the National Tourism Blueprint 2030. KNCB is a government entity whose mandate is to market Kenya as a meeting, Incentive, conference and events destination. Its strategic role within the Ministry of Tourism & Wildlife is anchored in National Tourism Blue Print (2017).

### **(b) Principal Activities**

The mandate of the Kenya National Convention Bureau as per Kenya Gazette Notice no. 7263 are as follows:

- Undertake mapping and profiling of the status of the MICE sector in Kenya
- Develop and Implement a National Business Tourism Events strategy
- Market and sell Kenya as a business events destination
- Research potential domestic and international events opportunities
- Advise and coordinate the bidding process of MICE events by public and private entities
- Offer expert services and support in site selection process, planning and producing successful events, incentive travels, conventions and exhibitions
- Serve as the focal point for coordination of MICE activities
- Provide leadership in expanding the economic benefits and impact of MICE tourism
- Advise on and promote appropriate MICE tourism infrastructure for destination development
- Coordinate collections and dissemination of relevant MICE tourism information and research, and
- Support the development and delivery of MICE tourism or hospitality education and training programmes

### **(c) Vision**

To position Kenya as Africa's leading authentic MICE destination by 2030.

### **(d) Mission**

To build Africa's most innovative and best performing MICE industry through government and private sector collaboration, resulting in positive economic, social and environmental benefits to Kenya's communities.

**(e) Key Management**

The Kenya National Convention Bureau day-to-day management is under the following key organs:

- Board of Directors
- National Coordinator

**(f) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2020 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	National Co-ordinator	Jacinta Nzioka
2.	Business Development and Sales	Muriuki Murithi
3.	Strategy and Research	Hesbon Oyendoh
4.	Industry Relations and Marketing	Josephine Mbela
5.	Procurement Officer	Norah Mukuna
6.	Finance officer	Dickson Changwony

**(g) Fiduciary Oversight Arrangements**

- Audit and finance committee
- Parliamentary committee

**(h) Kenya National Convention Bureau (KNCB)**

P.O. Box 18757-00100

Tourism Fund Building-6th Floor ` Valley Road.

Nairobi, Kenya.

**(i) KNCB Contacts**

E-mail: [secretariat@kncb.go.ke](mailto:secretariat@kncb.go.ke)

**(j)KNCB Banker**

Kenya Commercial Bank  
Kipande House, Kenyatta Avenue

**(k)Independent Auditors**

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

**(l)Principal Legal Adviser**

The Attorney General  
State Law Office  
Sheria House, Harambee Avenue

## The Board of Directors



**Hon. Safina Kwekwe Tsungu, CBS, PS Tourism**

### **Chairperson**

Hon. Safina Kwekwe Tsungu, CBS, is the Principal Secretary state Department of Tourism at the Ministry of Tourism. Hon. Tsungu has served in various organizations and institutions in both civil society and the Public sector. Notably, she served as the Principal Secretary for Gender in the Ministry of Public Service, Youth and Gender. She also worked as the County Executive Committee Member for Trade and Co-operative Development in Kwale County, Action Aid International – Kenya, the East African Community as a legislator in the second East African Legislative Assembly (EALA) and chaired the Parliamentary Standing Committee on

Agriculture, Tourism and Natural Resources.

She is a holder of a Master's degree in International Trade Policy and Trade Law from Lund University, Sweden and a Bachelor of Commerce degree from The University of Nairobi.



**Dr. Julius Muia, EBS PS Treasury,**

### **Member**

Dr. Julius Muia is the Principal Secretary is the National Treasury and is the former Principal Secretary, State Department of Planning and the Director General Vision 2030 Secretariat. He also served an Assistant Audit Manager, Price Waterhouse in Manchester, United Kingdom, Group Financial Controller Lonrho Hotels, and Finance Director at Safari Park Holdings among others. Dr. Muia trains on leadership and lectures at Strathmore Business School.



**Mr. Said Athman, Tourism Secretary,**

### **Member**

Mr. Said Athman is the Tourism Secretary at the Ministry of Tourism and wildlife. He has a distinguished career in private, public and development sector. Mr. Said previously served as Advisor to the Cabinet Secretary Ministry, Mining Secretary in the Ministry of Mining, Housing Secretary in the Ministry of Housing and Culture Secretary in the Ministry of National Heritage and Culture. He has also served as Chief Executive of the Consortium for the Empowerment and Development of Marginalized Communities (CEDMAC) and Director of Association of the St. John Ambulance in Kenya amongst

Others. He holds a Masters in Regional and Urban Planning, University of Nairobi and an Honorary Building Economics degree from University of Nairobi.



**Ms. Angela Ndambuki, CEO, Kenya National Chamber of Commerce, Member**

Ms. Angela Ndambuki has vast experience in strategic decision making and leadership with excellent organizational and management skills. She is the CEO at Kenya National Chamber of Commerce and previously served as the Chief Executive Officer, Performers Rights Society of Kenya. She is also an established artist with creative skills and talent for innovation. Angela holds a Master of Laws (LLM) in Intellectual Property Law from University of Edinburgh; Bachelor of Laws (LLB) University of

Nairobi and Post Graduate Diploma (Law) from The Kenya School of Law. She is a qualified Advocate of the High Court of Kenya.



**Dr. Betty Addero Radier, CEO, Kenya Tourism Board, Member**

Dr. Betty Addero Radier is the CEO of the Kenya Tourism Board (KTB) and is a Leader in the fields of Entrepreneurship, Marketing Strategy and Operations. She also has over 20 years' experience developing strategies for corporate clients in the advertising industry, technology and telecom sector in key leadership roles.

Dr. Radier holds a PhD Degree in Entrepreneurship and Small

Business Development from University of Cape Town South Africa and an MBA Degree in Strategy and Finance from the University of Nairobi. She is also an Adjunct lecturer at Strathmore Business School in Kenya specializing in Marketing strategy, Entrepreneurship and Owner Manager Program.



**Ambassador Ben Ogutu, Ministry of Foreign Affairs, Member**

Amb. Ben Ogutu is a consummate diplomat with a wealth of experience and expertise in Conferencing and Multilateralism. He is currently the Director-General of the Directorate of International Conferences and Events (DICE). Prior to this appointment, he served as Special Envoy for TICAD and Director-General, TICAD VI Secretariat. Amb. Ogutu has overseen the preparatory arrangements, management and organization of various international conferences. Amb. Ogutu holds a Bachelor of Arts

Degree in Political Science from the University of Nairobi and a Diploma in International Relations and Economic Cooperation from Berlin, Germany. He also attended an Advanced Diplomatic Training at the Foreign Service Academy in Islamabad, Pakistan and a Certificate Course on Foreign Policy of Kenya at the United States International University, Nairobi.



**Mr. Joseph R Cherutoi, CEO Tourism Fund,  
Member**

Mr. Joseph R Cherutoi holds a Master of Business and Administration (MBA) and is currently undertaking his PhD. He is a Certified Public Accountant CPA(K).

Mr. Cherutoi is the Chief Executive Officer of the Tourism Fund and sits on the KTB Board as a member of the Finance and Establishment Committee.



**Ms. Carol Karuga CEO, KEPSA,  
Member**

Ms. Carol is the CEO at KEPSA and previously served at Programme Manager Kenya Private Sector Alliance (KEPSA) and Barclays Bank of Kenya. She is a Board Member: Harvard University Center for African Studies, Africa Advisory Board and Board Member: BAF (Business Advocacy Fund, Danish Embassy), Kenya.

She won a Global Female Leadership Impact Award and Induction into the Global Women Leaders Hall of Fame (GWLHOF), Economic and Leadership Development (CELD), during the 2017 South AmericaAfrica-Middle East-Asia Women's Summit (SAMEAWS). She also received a Women Super Achiever Award, by World Women Leadership Congress and Awards 2017, India.

She holds a Master's Degree in Public Administration and International Affairs, Bowling Green State University, Ohio, USA, Bachelor of Arts Degree in Economics and Sociology, Honors, University of Nairobi.



**Mr. Michael Mandu, Deputy Director, Ministry of Trade,  
Member**

Mr. Michael Mandu works at the Directorate of International Trade, responsible for Kenya's Trade Relations with Europe within the Bilateral Trade Division. He deals with issues affecting trade between Kenya and its European partners and facilitates outward bound trade missions to European countries and inward trade missions from Europe. Previously Mr. Mandu served as a Commercial Attaché to the Kenya High Commission, London, in charge of Trade and Investment. Mr. Mandu holds a degree in Economics and Social Administration from Makerere University and currently enrolled for Master of Business administration, University of South Wales, United Kingdom. He also holds a Postgraduate Diploma in Entrepreneurship Development from Jomo Kenyatta University of Agriculture and Technology.



**Ms. Susan M. Ongalo, CEO KTF,  
Member**

Mrs. Ongalo is the Chief Executive Officer at Kenya Tourism Federation (KTF) the umbrella body for the private sector in tourism charged with advocacy for a conducive business environment for the tourism sector. She bags a wealth of work experience, with over 12 years in tourism and hospitality. She was instrumental in the setting up of the Secretariat/Administrative department at the Kenya Tourism Federation, as well as oversees the operations of the Safety and Communication Centre at KTF. Mrs. Ongalo is a Public Relations and Business Manager by training and over the years added to her knowledge feathers in Advocacy, Project Management, Customer Relations, Disaster Management and Marketing. She also serves on the following committees and boards in the tourism sector: Tourism work permit vetting committee, Tourism Fund and East Africa Tourism Platform (EATP). Ms. Ongalo is a holder of Bachelors in Leadership & Management in International Relations, Advance Diploma in Public Relations and Champions (Diploma) in Occupational Health from Association of British Travel Agency (ABTA). She is currently pursuing a Master's Degree in Business Corporate Leadership.



**Mr. Kenneth Otula, Commissioner of Sports, Ministry of  
Sports,  
Member**

Mr. Otula is a Commissioner of Sports at the Ministry of Sports and is passionate about development of sports activities in Kenya. He plays a major role in planning of major sports events in Kenya and international arena.

Mr. Otula has also undergone professional training in Leadership Management, Public Ethics and integrity, HIV/AIDS awareness and Internal Audit.

Mr. Otula holds a Degree in Public Administration, Economics and Sociology from Sukhadia University in India and Diploma in Leisure and Recreation.



**Jacinta Nzioka, National Co-ordinator,  
Secretary to the Board**

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Ms. Nzioka was appointed in October 2019 as the National Coordinator heading the secretariat setting up the Kenya National Convention Bureau, as a brand new entity. Under her leadership, KNCB is working to be the leader in coordinating all the MICE activities in the destination and to position Kenya as a preferred MICE destination aiming at ranking 2<sup>nd</sup> in Africa by 2022.

Before her appointment, she had served as the Director of Marketing at the Kenya Tourism Board (KTB) for 6 years where she was charged with the responsibility of leading Kenya's global tourism marketing strategy. In 2016, she was the Acting Chief Executive Officer (CEO) of the KTB for 11 months. With over 20 years' experience in Destination Marketing & Management at the KTB, she has been involved in several projects and initiatives to turn around the sector during previous crises through implementation of global recovery strategies. While at the Tourism Board, Jacinta has overseen implementation of tourism projects in all the source markets having been a Regional Manager for America, Europe and Emerging Markets during this period and has overseen development of a strategy to penetrate the African market and Domestic markets in later years.

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## The Management Team



**Ms. Jacinta Nzioka**  
**National Co-ordinator**

Ms. Jacinta Nzioka is the National Coordinator, head of the secretariat and coordinates all MICE activities in the destination. She has over 20 years' experience in Destination Marketing & Management and has been involved in several projects and initiatives to turn around the sector during previous crises through implementation of global recovery strategies namely America,

Europe, Africa and Emerging Markets at the Kenya Tourism

Board.

Prior to her appointment to KNCB she worked at the Director of Marketing and in 2016 she was the Acting Chief Executive Officer (CEO) of the KTB for 11 months.

Ms. Nzioka is currently pursuing her second Master's Degree in Responsible Tourism at LeedsBeckett University, holds a Masters of Business Administration (MBA) in Strategic Management,

Bachelor's degree (BSc) in Tourism Management at Moi University, Post Graduate Diploma in Marketing at Maastricht School of Business and has undertaken several executive courses in Leadership from Cranfield Business School UK and Strathmore Business School among others.

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### **Mr. Muriuki Muriithi- Business Development and Sales**



Mr. Muriuki Muriithi is responsible for Business Development and sales and has over 14-years' experience in destination marketing (leisure) and product development. He served as an Assistant product development Manager at Kenya Tourism Board before his deployment to Kenya National Convention Bureau.

Mr. Muriuki holds a Bachelor's degree in Mathematics and Computer Science from the Jomo Kenyatta University of Technology and Agriculture.

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### **Mr. Dickson Sumukwo Changwony - Finance**



Mr. Dickson Changwony is responsible for Finance and served as a Finance Officer at Tourism Fund before his deployment to Kenya National Convention Bureau. Prior to joining Tourism Fund, Mr. Changwony served as an accountant at Letshego Kenya Ltd a Microfinance subsidiary in Kenya whose parent company is based in Botswana. Mr. Changwony holds a Bachelor's degree in Business Management (Finance and Banking) from Moi University and is a Certified Public Accountant finalist.

ended June 30, 2020



### **Ms. Josephine Mbela- Marketing and Industry Relations**

Ms. Josephine Mbela is responsible for Marketing and Industry Relations and has over 25 years' experience in Sales and Marketing portfolio. She served as an Assistant Marketing Manager at Kenya Tourism Board before her deployment to Kenya National Convention Bureau.

Ms. Mbela holds a Master of in Business Administration (MBA) in Marketing, Bachelor's Degree in Business Administration (BA) Marketing from Kenya Methodist University and Diploma in

Sales and Marketing from London Chamber of Commerce and Industry.

She also holds a certificate in Strategic Leadership Development Program (SLDP) from Kenya School of Government.



### **Mr. Hesbon Oyendo- Strategy and Research**

Mr. Hesbon Oyendo is responsible for Research and Strategy and has over 10 years' experience in Tourism Strategy, Policy, Product Development and Stakeholder Engagement. He served as a Tourism Officer at the Ministry of Tourism and Wildlife before his deployment to Kenya National Convention Bureau.

Mr. Oyendo holds a Master of Arts degree in Monitoring and Evaluation from Africa Nazarene University and a Bachelor's of Science degree in Tourism from Moi University. Alongside he

has also attended Harbin University of Commerce and Heilongjiang College of Tourism in China for Tourism Development and Tourism Policy courses.



### **Ms. Norah Mukuna- Procurement**

Ms. Norah Mukuna is responsible for Procurement Department and prior to her deployment to KNCB she worked as a Supplies Officer at the Tourism Fund.

She also has 11 years' experience as a Supplies Practitioner and 13 years' as a Branch Cashier at Catering & Tourism Development Levy Trustees at the Tourism Fund.

Ms. Mukuna holds a Degree in Bachelor of Business Administration and Management (Purchasing & Supply Chain Management) from St. Paul's University - Nairobi Campus, a

Diploma in Purchasing and Supplies Management from Kenya Institute of Management. She is a Member and holds a Supplies Practitioner's License from Kenya Institute of Supplies Management.

## **Chairperson's Statement**

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Welcome to the Kenya National Convention Bureau. We're reporting our first-year financial statement amid tackling the world's toughest and unprecedented pandemic challenge COVID 19. Nevertheless, at Kenya National Convention Bureau, we wish to assure stakeholders that, The Board and the management remain focused on putting in place measures that will enable the Kenya National Convention Bureau to strengthen Kenya's position in the regional and global market presence and resume shareholder returns. We're cognizant that, in the global practice every fourth individual out of tens of millions of people goes abroad on a

business trip. The growth of this particular segment has made relevant development of specific fields namely Meetings, Incentives, Conventions, and Events (MICE).

MICE, a service industry combining trade, transportation, finance, and travel – has been active in Kenya for quite some time. Despite this presence of the phenomena, it has remained largely uncoordinated in a streamlined framework. The Ministry of Tourism recognizes that the sector draws lucrative direct and indirect revenue for host destinations. Consequently, of all these major characteristics, the number of destinations connecting to this sector and dynamic industry is extremely increasing. New convention and exhibition facilities, hotels, casinos, integrated resorts, and themed entertainment precincts are being developed throughout the world. This development of new products, combined with the world's increasing focus on economic engagement across, means that as a country we must be able to pot on the right gears to reap on this segment.

Hon. Najib Balala, EGH, Cabinet Secretary Gazetted the Kenya Nation National Convention Bureau in August 2019, to be a specialized agency to drive business tourism and events into Kenya. The Kenya National Convention Bureau, therefore, is focused on growing the volume and value of business events in Kenya.

The industry must act now, together. Kenya must have a world-class business events sector that delivers compelling benefits and outcomes: growth in the visitor economy and Kenya's GDP; more jobs and higher productivity for local businesses; and an increase in Kenya's international exposure and reputation.

**ended June 30, 2020**

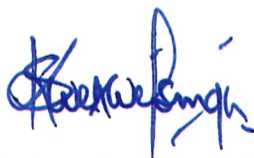
The Kenya National Convention Bureau will, therefore, undertake significant changes to meet the Business Events Plan's aspirations. It will intervene with initiatives that address market failure or require levels of co-ordination that individual businesses or organizations cannot deliver. Kenya National Convention Bureau will as well influence and/or support third party initiatives that are likely to improve outcomes in the sector. By stepping up activities, Kenya National Convention Bureau will help increase Kenya's reputation as a business event destination, grow the city's profile in key markets regionally and globally.

We are happy that the review of the Kenya Tourism Policy is going on and will enable speedy actions towards entrenching the Kenya National Bureau into Tourism Act 2011. This will ensure that the agency is allocated sufficient budgets to enable it to execute its mandate as well as engage management staff and relevant human capital on a full-time basis towards impacting the Gross Domestic of this country and.

Our thoughts continue to be with those who are going through very tough times during this pandemic. We congratulate those who have reached out and helped fellow Kenyan's who are in need.

COVID-19 is not the first crisis Kenya has faced in the face of history. We, therefore, do not take our resilience for granted. Instead, we use what we previously learned to bring resolutions. The Kenya National Convention Bureau remains focused on visitor safety, quality stay, and wellbeing of both guests and hosts.

In the meantime, we share the world's focus on redefining the future of work and the talent needed to support new business models. The first positive step to recovery is up skilling. Most importantly, we must remember that we are in the business of people and it is time to first focus on people, with compassion and sincerity. Ahsante



**Hon. Safina Kwekwe Tsungu, CBS,**

## **Report of The National Coordinator**



The Kenya National Convention Bureau (KNCB) is Kenya's newest government agency in tourism, gazetted by Hon. Najib Balala, EGH- Cabinet Secretary Ministry of Tourism and Wildlife in August 2019. Its major mandate is to market Kenya as a preferred Meetings, Incentives, Conventions, and Events (MICE) destination. Just a few months into our operations the extraordinary public health crisis has evolved into a disastrous economic crisis to the entire globe and consequently the tourism, hotel, and events sector. Therefore, ensuring the safety

of the delegates and the staff have become our top priority. Even when these businesses do open, it will be under new operating procedures in the absence of a vaccine. Kenya National Convention Bureau was involved in the taskforce in the development of health and safety protocols to ensure this.

Despite these happenings, KNCB hasn't simply put a stop our plans, it has altered the way we live, work, and play. The rules of engagement have changed, and difficult decisions will have to be made, which is why we must rally together to strengthen our business capabilities to ensure we emerge stronger and better prepared for future crises in the MICE sector. We have put in place several measures that include a Resilience Plan that will first seek to enhance stakeholder collaboration for MICE development in Kenya. We base this foundation that all stakeholders and the private sector to participate in its formal strategic planning and policymaking so that we fare better in the aftermath of the crisis. We appreciate all stakeholders and will further enhance our engagement.

Kenya National Convention Bureau is grateful to have received words of encouragement from Hon. Najib Balala, EGH Cabinet Secretary Ministry of Tourism and Wildlife at the beginning. We are attuned to the advice and conversations from the global event industry and have since been laid the foundation of plans to work in tandem with our local industry associations and private sectors to implement support-in-action.

We have as well put a recovery strategy that will be realized in phases. We recognize that the domestic market is our low hanging fruit and therefore developing local events in collaboration with stakeholders and county governments will be one of our priorities. Event tourism will, therefore, play a key player in the business visits & events partnership. It will represent leading trade and professional organizations, government agencies, and other significant influencers in the business visits and events sector. We've put in place an inventory of situational analysis and a Blueprint to guide the development and brand positioning.

**ended June 30, 2020**


It will garner the cohesive opinion of stakeholders. This is to collectively influence and develop policies, practices, and strategies that support and generate growth of business events. This will be extended to trade and creative enterprise through business visits and events. All these are geared towards building a more successful and attractive Kenyan MICE destination.

We are delighted to announce our membership with International Conference and Conventions Association (ICCA) as an official Associations Relations Partner (ARP). This will put into effect the destination as a solid destination when it comes to hosting international association conferences given Kenya's strong foundation of local associations and international associations.

We are mandated to work closely with the public and its agencies in promoting and coordinating the setting up of infrastructure required for MICE needs that are well-planned and executed, that positive attributes can benefit the country. The planning and implementation of such infrastructures such as transport, information technology, and purpose-built conference and exhibition venues should be adequate to support the anticipated demand for MICE. We need as well to make available space for holding exhibitions.

While we are aware that many other factors can play a role in supporting recovery and resilience of the MICE sector, measures addressing infrastructure development, new investments, human resource development, marketing repositioning, and product diversification will provide a basic template for Kenya National Convention Bureau to start their recovery efforts.

Our challenge as we start is to shift more and more of our national and international business events to our smaller towns so that we spread the benefits geographically across all regions of our country. To further localize the benefits of these events, event organizers must procure the goods and services that they require from local communities. There are also opportunities to use events in smaller towns as a training ground for local people, who should be employed in the event set-up processes, where they can gain valuable training and experience. Corporate business and the Incentive market are quick wins as the destinations diversifying is world-class. Tourism is a catalyst that can change lives – and the Kenya vibrant MICE infrastructure high potential to support the business events industry has a vital role to play in our country's future health and prosperity.



**Jacinta Nzioka- National Coordinator**

## Review of Performance for Financial Year 2019/2020

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national **government** entity's performance against predetermined objectives.

The Kenya National Convention Bureau has 5 strategic objectives;

1. To contribute to business arrivals at 14% of international visitor arrivals in 2021
2. To enhance and consolidate stakeholder collaboration and bidding for business events and meetings so as to contribute 4% of the total tourism receipts in 2021
3. To attract 30 new association meetings into the destination by end of 2021
4. To attain ICCA ranking of No. 3 in Africa in 2021 for number of associations meetings held in the destination
5. To increase the average, spend by delegates in Kenya by 10% from the current estimate of US\$ 273 per delegate

In the FY 2019/20, The Kenya National Convention Bureau main activities were to lay down the fundamentals of operations i.e. find the office space, source for operational funds, set up departments, seek approval to open and run bank accounts and seek for deployment of officers from other government institutions. KNCB also engaged the government and the MICE Industry by attending exhibitions and activities with various industry players for corporate visibility.

Below are the activities;

No's	Activity	KNCB Role	Remarks
1.	Commemoration of World War II	Key player in the tourism industry and a partner in marketing the destination in conference tourism.	The World War I, 100 year's commemoration is an annual event that takes place in November at Taita County to commemorate the death of soldiers who fought at the world war.
2.	13 <sup>th</sup> Routes Africa 2019	Supported the Organisers in the Meeting Preparation, site inspection and also advising on how to Bid for	Routes Africa event brings airlines, airports and tourism authorities together to discuss air services to, from and

**ended June 30, 2020**

		the world Routes Conference 2022.	within Africa for over a decade.
3.	Meetings Africa 2020	The team achieved quite a milestone for all the laid objectives; mostly important, business leads, networking as well as learning best practices from the leading African convention centres.	Is a leading MICE exhibition which focuses on marketing Africa as a destination? It is a targeted show with hosted buyers drawn from key source markets around the globe aiming to do business with Africa.

## Corporate Governance Statement

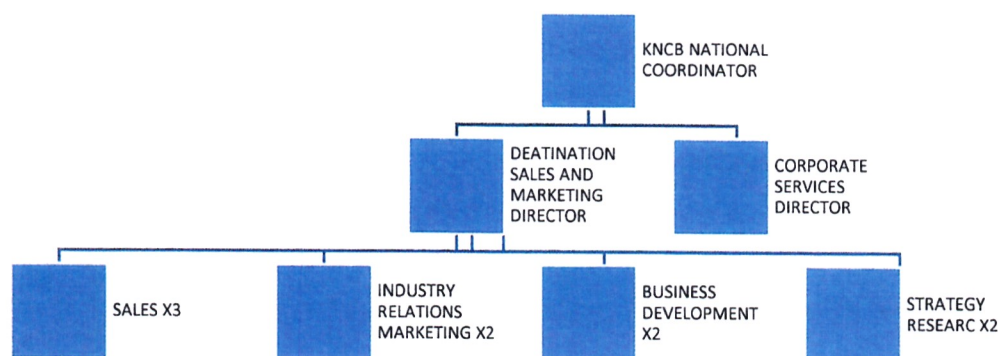
KNCB's successes are built on a foundation of strong and effective corporate governance and the Board of Directors as well as the KNCB Management ensured that this remained a key area of focus during the year. Through the various KNCB board committees as well as the Full Board, we executed the Board's role of providing policy, oversight and strategy to the corporation and, together with KNCB Management, ensured that corporate governance served as the framework for achieving the organizations' objectives as well as providing the benchmark for measurement of performance and disclosures.

At Kenya National Convention Bureau, we believe that sound and effective corporate governance is fundamental to enhancing our Board of Directors' (the "Board") ability to guide the management of the Kenya National Convention Bureau ("Management") in its efforts to generate long-term value for the country. We uphold standards of corporate governance that reflect applicable legal and regulatory requirements and a thoughtful approach to emerging practices.

The Kenya National Convention Bureau consists of the Advisory Board and Secretariat that implements the directions of the Board.

### KNCB structure

The functional organogram approved by the Board, with an immediate staff component of six and ten proposed for the longer term (excluding the National Coordinator and Corporate Services), is as follows:



## **The Board**

The Kenya National Convention Bureau is governed by the Advisory Board as per the Gazette Notice N0. 7263. The day to day running of the Bureau is vested on the National Coordinator who is the Secretary of the Board. The object and the function of which the organization is established is to;

- a) To provide leadership in marketing and promotion of the destination for business events.
- b) To develop and implement the national business events strategy.
- c) To market and sell Kenya as a business events destination.
- d) To research and qualify potential domestic and international business events opportunities.
- e) To advise and coordinate the bidding process for both public and private entities.
- f) To offer expert services and support to governments, corporates, associations and independent meeting planners in site selection process, planning and producing successful events, incentive travels, conventions and exhibitions.
- g) To serve as the focal point for the coordination of all MICE tourism industry activities
- h) To provide leadership in expanding the economic benefit and impact of MICE tourism.
- i) To advise and promote appropriate MICE tourism infrastructure for destination development
- j) To provide innovative services to improve the effectiveness of the meetings industry
- k) To coordinate the collection & dissemination of relevant MICE tourism information & research
- l) To support the development & delivery of MICE tourism/hospitality education & training programs.

## **Appointment and Removal of Directors**

The Board is appointed pursuant to the provisions of Kenya Gazette Notice No. 7263. The Chairperson of the Board and the members are appointed by the Cabinet Secretary, Ministry of Tourism and Wildlife.

### **Advisory Board Organization and Structure**

Principal Secretary, Tourism (Chairperson)

Principal Secretary, Foreign Affairs

Principal Secretary, Finance

Principal Secretary, Trade

Principal Secretary, Sports

Chief Executive Officer, KEPSA

Chief Executive Officer, Chambers of Commerce

Chief Executive Officer, Tourism Fund

### **Role of Advisory Board**

- a) Provide policy guidance and oversight to the Kenya National Convention Bureau
- b) Coordinate actions required by the public and private sector at both levels to resolve matters brought to the Advisory Board by the committee for review and give final endorsement for annual work plans.
- c) Review and approve final budget of Kenya National Convention Bureau
- d) Approve all Kenya National Convention Bureau expenditures in line with the work plans.
- e) Commission the preparations of all major reports including annual progress report, audit report, midterm and end term evaluation report or other researchers that may inform the better execution of its mandate.
- f) Perform any other duties that are necessary or expedient for execution of its term of reference.
- g) Undertake such other task that may be assigned by Cabinet Secretary responsible for tourism.

### **The roles of the Board of committees**

#### **i) Business Development and Marketing Committee (BD&MC)**

##### **Current Membership**

1. Ms. Susan Ongalo Kenya Tourism Federation- Chairperson
2. Principal Secretary Ministry of Trade
3. Principal Secretary Ministry of Foreign Affairs
4. Tourism Secretary

5. CEO Kenya Tourism Board
6. CEO Kenya Private Sector Alliance
7. CEO Kenya National Chamber of Commerce and Industry

### **Mandate**

The mandate of the Business Development and Marketing Committee is to:

- a) Advise the Board on the main strategic priorities of the Bureau;
- b) Review the execution of the performance and operational strategy;
- c) Review the plan and budget and recommend its approval to the Board;
- d) Review and give opinions on major investments, divestments and external growth; acquisition and disposal of assets; and
- e) Carry out any other business directed by the Board relevant to the mandate of the Committee.

## **ii. Board Finance & Establishment Committee (BFEC)**

### **Current Membership**

1. Ms. Angela Ndambuki- Kenya National Chamber of Commerce and Industry- Chairperson
2. Principal Secretary Ministry of Trade
3. Principal Secretary Ministry of Sports and Culture
4. Principal Secretary National Treasury
5. Tourism Secretary
6. CEO Tourism Fund
7. CEO Kenya Tourism Board

The Committee is empowered to:

- b) Ensure the Bureau has in place and implements Human Resources strategic objectives;
- c) Continually review and formulate Human Resources management policies of the Bureau;
- d) Identify and implement best practices with regard to staff development and retention;

- 
- e) Review and propose an optimal organisational structure including staffing levels; and
  - f) Identify and recommend to the Board the recruitment of Director level management staff and thereafter annually evaluate their performance.
  - g) Reviews and recommends approval of an annual operating budget;
  - h) Regularly reviews financial results;
  - i) Oversees the management of financial assets;
  - j) Reviews resource mobilization strategy and policies; and
  - k) Reviews the funding pipeline and status of grants managed by the Centre.

**iii. Board Audit and Risk Committee (BARC)**

**Current Membership**

1. Caroline Kariuki Kenya National Chamber of Commerce and Industry
2. Principal Secretary National Treasury
3. Principal Secretary Ministry of Foreign Affairs
4. Principal Secretary Ministry of Sports and Culture
5. CEO Kenya Tourism Federation
6. CEO Tourism Fund

The Board of Directors has delegated to the Board Audit & Risk Committee the authority to undertake the following functions:

- a. To assist the Chief Executive Officers in enhancing internal controls in order to improve efficiency, transparency and accountability
- b. To review audit issues raised by both internal and external auditors
- c. To resolve unsettled and unimplemented PAC/PIC recommendations
- d. To enhance communication between management, internal and external auditors and foster an effective internal audit function
- e. To establish and maintain an effective Board risk management process and framework

Board meetings held and the attendance to those meetings by members:

	Full Board	BD&MC	BF&EC	BA&RC
<b>No. of Meetings held</b>	<b>6</b>	<b>2</b>	<b>2</b>	<b>1</b>
Attendance				
Joe Okudo	2			
Hon. Safina K. Tsungu	1			
Amb. Ben Ogutu	3	1		1
Julius Muia				
Michael Mandu	3	2	2	
Keneth Otula	5		1	1
Said Athman	4	2	2	
Joseph Cherutoi	5	1	2	
Betty Radier	4		1	
Caroline Kariuki	1	2		
Angela Ndambuki	5	2	1	
Susan Ongalo	6	1		1

### **Board Charter**

The Kenya Convention Bureau has a board Charter for audit and risk committee whose fundamental responsibility is to ensure that the Bureau has the required resources to achieve its mission and vision with the highest level of honesty, integrity and ethical standards. The current Board constitutes a diverse pool of skills in the areas of business, tourisms management and economics, amongst other areas.

### **Succession Planning**

Board succession planning will provide further information on the mix of skills and diversity that the Board seeks to achieve in the membership of the Board. The Board implements term limits for the independent Non-Executive Directors in line with the Articles of Association, the Board Charter and the Board rotation schedule and manages its succession planning with the assistance of the Corporate Governance and Nominations Committee, which has prepared a detailed skills matrix for the Board.

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## **Induction and Training**

The Kenya National Convention Bureau will endeavour to continuously train the Advisory Board on A Code of Governance for Government Owned Entities- MWONGOZO. The Code addresses matters of effectiveness of Boards, transparency and disclosure, accountability, risk management, internal controls, ethical leadership and good corporate citizenship. It further provides a platform for addressing shareholder rights and obligations and ensuring more effective engagement with stakeholders. More importantly, MWONGOZO will ensure that sustainability, performance and excellence become the hallmark of our entity.

## **Conflict of Interest**

The Advisory Board in future through on boarding and annual directors' questionnaires, the directors will be asked to identify relevant outside business dealings and other companies or entities with which they have relationships. These responses will assist the Board and Management in identifying actual or potential conflict of interest situations in advance. If a director's business or personal relationships present a material personal interest in a business matter or relationship that conflicts, or appears to conflict, with the interests of the Bureau, the issue will be referred to the Board Chair.

## **Code of Business Conduct & Ethics**

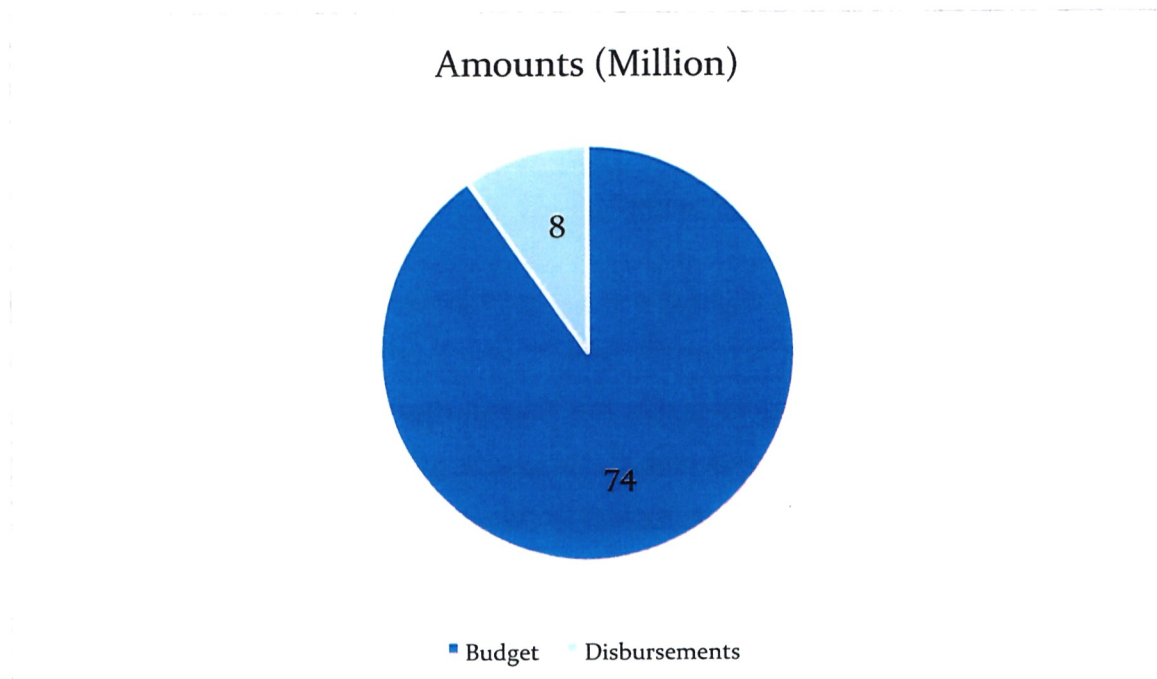
The Bureau is committed to the highest standards of integrity, behaviour and ethics in dealing with all its stakeholders. A formal code of ethics will be availed by the Advisory Board and is fully implemented to guide the Board, management, employees and stakeholders on acceptable behaviour in conducting business. All Board members and employees of the Bureau are expected to avoid activities and financial interests that could undermine their responsibilities to the Bureau. In addition, the Board applies a Conflict of Interest policy. A Director with an actual or potential conflict of interest in relation to a matter before the Board is required to disclose such interest and excuse himself or herself from the Board for discussion relating to the matter in question.

## Management Discussion and Analysis

### Operational and Financial Performance

The Kenya National Convention Bureau began its operations in October 2019. However, KNCB received an approval from The National Treasury to open a Bank account in February 2020. Prior to the advisory board approved budget of Kshd.100Million to be disbursed from Tourism Fund on monthly basis. These fund projections were meant to set up the operationalization of KNCB and cater for some programs and activities for the Financial Year 2019/2020.

The Financial Year 2019/20 was a challenging fiscal year for KNCB considering the learning gaps as a new entity, the liquidity challenges as a result of delay and underperformance by KNCB financier and the Covid-19 pandemic. As a result of these, KNCB had to do a budget cut of Kshs.26Million thus reducing the total budget to Kshs.74Million. However, KNCB received only Kshs.8Million from Tourism Fund and thereby closing the FY with a pending Bill of Kshs.9.4Million.



### Compliance with statutory Requirements

KNCB complies with all statutory obligations including but not limited to: remittances of PAYE, NHIF, NSSF, VAT and HELB within the stipulated deadlines.

**Key Project and Investment decision being implemented**

During the period, KNCB contracted a consultant to aid activating the strategy on MICE and operationalize the mandate of the Bureau. The objective of the project is to develop a MICE blueprint, develop a MICE brand, set up business portfolio, development of all frameworks and capacity building to staff and industry. The total cost of the contract amounts to US\$ 298,652.00 (Kshs.32Million). Being a major project in FY 2019/20.

Project	Financing	Project Objectives	Rationale	Current Challenges	Project Risks
Project for the provision of consultancy service for activation the strategy on MICE and operationalize the Mandate of KNCB	Tourism Fund	Develop a MICE Blue Print, develop a MICE Brand, Set up business portfolios, Development of all frameworks, Capacity building to staff and industry	To ensure coordination of all MICE activities in Kenya, Standardise and improve quality of events, Increase the number of events	Financial Constraint, Covid19 Restrictions for Meetings industry	Inadequate Financing, Restrictions on the Travel & meetings Industry

**Financial probity and serious governance issues**

There are no issues of financial improbity reported by any board committee. There are no governance issues and no undisclosed conflicts of interest at the Board or top management of the Bureau. As at now KNCB does not have an internal auditor.

## **Corporate Social Responsibility Statement**

KNCB envisions Kenya as the preferred destination offering diverse innovative and authentic experiences to its visitors. Below is a brief highlight of our achievements in each pillar;

### **1. Sustainability strategy and profile**

The Global Destination Sustainability index aims to promote the sustainable growth of international meeting destinations, highlighting best practices and responsible business tourism. In a world increasingly focused on responsible business and environmental impact, the GDS-Index helps destinations to engage clients with sustainability, align with the UN Sustainable Development Goals and drive the adoption, promotion and recognition of sustainable performance of cities and bureaus in four key areas;

- City environmental strategy and infrastructure
- City social sustainability performance
- Industry supplier support (Restaurants, Hotels and Convention Centres)
- Convention Bureau strategy and initiatives

### **2. Environmental performance**

Four guiding principles of event sustainability were launched that mean taking responsibility and action towards preserving our natural environment, promoting a healthy and supporting a thriving economy.

- Four Principles of event sustainability:
  1. Event organisers and suppliers share responsibility for implementing and communicating sustainable practices to their stakeholders.
  2. Basic environmental practices include; Conservation of resources including water, energy and natural resources, carbon emissions reduction and management, supply chain management and responsible purchasing and Biodiversity preservation.
  3. Basic Social consideration include: Universal human rights, community impacts, Labour practices, respect for culture, Safety and security, Health and well-being.

4. Sustainable events support thriving economic practices through;  
Collaboration and partnerships, Local support, including small and medium enterprises (SMEs) Stakeholder participation, Equitable economic impact, Transparency, Responsible governance.

### **3. Employee welfare**

All the staff in current FY 2019/20 are on deployment from other Government Agencies to establish the institution and develop all the Human Resource Instruments within the FY 2020/21 is projected to be the first year to fill most of the positions for the institution. The new positions will be filled both internally and externally, recruitment is proposed to be phased in two financial years, FY 2020/21 and FY 2021/22.

### **4. Market place practices**

As the lead agency for implementation of the national MICE strategy, KNCB's primary mandate is to

- a) Capitalize on the potential of MICE to impact positively and deliver benefits beyond tourism.
- b) It is important to note that Convention Bureaus do not compete with Private sector and are not responsible for any aspect of organising MICE events.
- c) Destination Stewardship: Building Public-sector coalition between the tourism industry, economic development agencies, academic institutions, civic and non-government organisations.



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In line with Business Corporate Social (CSR) responsibility, KNCB participated in cleaning and pruning of flowers at Uhuru Park. The park is in the heart of Nairobi city and is key in growing business travel to the country.

The activity took place on 24<sup>th</sup> April 2020.

## **Report of the Directors**

The Directors submit their report together with the unaudited financial statements for the year ended June 30, 2020 which show the state of the Kenya National Convention Bureau affairs.

### **Principal activities**

The principal activities of the Kenya National Convention Bureau are as follows:

- Undertake mapping and profiling of the status of the MICE sector in Kenya
- Develop and Implement a National Business Tourism Events strategy
- Market and sell Kenya as a business events destination
- Research potential domestic and international events opportunities
- Advise and coordinate the bidding process of MICE events by public and private entities
- Offer expert services and support in site selection process, planning and producing successful events, incentive travels, conventions and exhibitions
- Serve as the focal point for coordination of MICE activities
- Provide leadership in expanding the economic benefits and impact of MICE tourism
- Advise on and promote appropriate MICE tourism infrastructure for destination development
- Coordinate collections and dissemination of relevant MICE tourism information and research, and
- Support the development and delivery of MICE tourism or hospitality education and training programmes

### **Results**

The results of the Kenya National Convention Bureau for the Financial Year ended June 30, 2020 are set out on page 1 to 7

### **Dividends/Surplus remission**

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The KNCB did not make any surplus during the year (FY 2019/20) and hence no remittance to the Consolidated Fund.

**Auditors**

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

### **Statement of Directors' Responsibilities**

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act require the Directors to prepare financial statements in respect of the bureau, which give a true and fair view of the state of affairs of the bureau at the end of the financial year and the operating results of the bureau for that year. The Directors are also required to ensure that the bureau keeps proper accounting records which disclose with reasonable accuracy the financial position of the bureau. The Directors are also responsible for safeguarding the assets of the bureau.

The Directors are responsible for the preparation and presentation of the Kenya National Convention Bureau financial statements, which give a true and fair view of the state of affairs of the bureau for and as at the end of the Financial Year ended on June 30, 2020. 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 bureau;
- (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 bureau;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

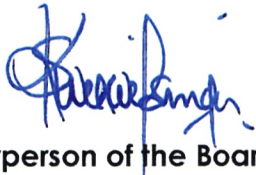
The Directors accept responsibility for the Kenya National Convention Bureau financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act. The Directors are of the opinion that the Kenya National Convention Bureau financial statements give a true and fair view of the state of bureau's transactions during the financial year ended June 30, 2020, and of the Kenya National

Convention Bureau financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the Kenya National Convention Bureau, which have been relied upon in the preparation of the Kenya National Convention Bureau financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Kenya National Convention Bureau will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The Kenya National Convention Bureau financial statements were approved by the Board on 30<sup>th</sup> September, 2020 and signed on its behalf by:



**Chairperson of the Board**



**National Coordinator**

# REPUBLIC OF KENYA



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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON KENYA NATIONAL CONVENTION BUREAU FOR THE YEAR ENDED 30 JUNE, 2020**

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

#### **Opinion**

I have audited the accompanying financial statements of Kenya National Convention Bureau set out on pages 1 to 21 which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Kenya National Convention Bureau as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and complies with the Public Finance Management Act, 2012 and the Kenya Gazette Notice No. 7263 of 16 August, 2019

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in my professional 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.

## 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.

### **Lack of Internal Audit Function and an Audit Committee of the Board**

The Bureau has not established an internal audit function and does not have an Audit Committee of the Board. This was contrary Section 73 of the Public Finance Management Act, 2012 which provides for the establishment of an internal audit function and an Audit Committee of the Board. As such the Bureau did not benefit from the assurance and advisory services from the internal audit function as well as oversight from the Audit Committee.

Consequently, the Bureau was in breach of law.

### **Basis for Conclusion**

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1.0 Lack of Approved Information Technology Security Policy**

Review of the Company's information technology systems revealed that it has in place Enterprise Resource Planning (ERP) to manage its operations. However, the Company did not have an approved IT policy for governance and management of its ICT resources. In addition, there is no ICT steering committee in place to assist in development of ICT policy framework to enable the company realize long term ICT strategic goals. Lack of an

approved IT policy may result in unclear direction regarding maintenance of information security across the organization and safeguarding the Company's ICT assets. Further, without a sound and approved framework, users do not have any rules and procedures to follow in order to minimize risk of errors, fraud and the loss of data confidentiality, integrity and availability.

## **2.0 Lack of Financial Accounting and Reporting Manual**

The Management had not instituted policies and procedures to guide key financial processes and controls for the management for instance revenue, expenditure, personnel expenditure, inventory, liabilities etc. The Bureau was using the Finance Manual borrowed from the Tourism Fund.

## **3.0 Human Resources Policy and Procedure Manual**

The Bureau did not have a human resource policy and procedure manual in place. Further, the Bureau did not have an approved organizational and Authorised establishment. The absence of the human resource policy and procedure manual may affect the operations and activities of the Bureau.

## **4.0 Lack of Staff**

Review of human resource data revealed that the Bureau was yet to recruit staff. The staff in position had been deployed from Tourism Fund, Kenya Tourism Board, Kenyatta International Convention Centre and the State Department for Tourism. In the absence of its own staff, it may be difficult for the Bureau to fulfil its mandate.

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 governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **Responsibilities of Management and the Board of Directors**

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

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

Further, in planning and performing the audit of the financial statements and the audit of compliance, I consider internal control in order to give an assurance on effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article (229) (7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in the amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of 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 policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of 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 Bureau'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 Bureau 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 Bureau to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

11 February, 2022

ended June 30, 2020

## Statement of financial performance for the year ended 30 June 2020

	Notes	2019-2020
		Kshs
Revenue from non-exchange transactions		
<b>Tourism Fund Grants</b>	<b>6</b>	<b>8,000,000</b>
Revenue from exchange transactions		
Total revenue		8,000,000
Expenses		
<b>Employee costs</b>	<b>7</b>	<b>67,052</b>
<b>Board Expenses</b>	<b>8</b>	<b>1,260,000</b>
<b>Depreciation and amortization expense</b>	<b>9</b>	<b>25,606</b>
<b>General Operating expenses</b>	<b>10</b>	<b>744,990</b>
<b>Marketing and PR Expenses</b>	<b>11</b>	<b>12,441,894</b>
Total expenses		<b>14,539,542</b>
Net Deficit for the year		<b>(6,539,542)</b>

The notes set out on pages 6 to 22 form an integral part of these Financial Statements

**Statement of Financial Position as at 30 June, 2020**

	Notes	2019-2020
		Kshs
<b>Assets</b>		
Current assets		
Cash and cash equivalents	12	23,101
Prepayments	13	180,131
Inventories	14	1,624,967
Total Current Assets		1,828,199
Non-current assets		
Property, plant and equipment	15	1,022,127
Total assets		<u>2,850,326</u>
<b>Liabilities</b>		
Current liabilities		
<b>Trade payables from exchange transactions</b>	<b>16</b>	<b>9,389,868</b>
Total liabilities		<b>9,389,868</b>
Net assets		
<b>Accumulated surplus</b>		<b>(6,539,542)</b>
Total Net Assets And Liabilities		<u>2,850,326</u>

The Financial Statements set out on pages 1 to 22 were signed on behalf of the Board of Directors by:

**National Coordinator**

Jacinta Nzioka

**Head of Finance**

Dickson Changwony

**Chairman of the Board**

Hon. Safina K Tsungu

**Statement of Changes in Net Assets for the Year Ended 30 June 2020**

	Accumulated Surplus	Total
At July 1, 2019	0	0
<b>Deficit for the Period</b>	(6,539,542)	(6,539,542)
<b>At June 30, 2020</b>	<b>(6,539,542)</b>	<b>(6,539,542)</b>

**Statement of Cash Flows for the Year Ended 30 June 2020**

STATEMENT OF CASHFLOWS	Note	
		2019/2020
		Shs.
Cash flows from operating activities		
Receipts		
<b>Tourism Fund</b>	<b>6</b>	<b>8,000,000</b>
<b>Total Receipts</b>		8,000,000
Payments		
Employees Costs	<b>7</b>	67,052
Board Remuneration's	<b>8</b>	1,260,000
General expense	<b>10</b>	744,990
Marketing and PR programme Expenses	<b>11</b>	3,052,026
Prepayments- ICCA Membership	<b>13</b>	180,131
Consumable inventory	<b>14</b>	1,624,967
<b>Total Payments</b>		<b>6,929,166</b>
Net cash flows from operating activities		1,070,834
Cash flows from investing activities		
<b>Purchase of property, plant, equipment and intangible assets</b>	<b>15</b>	<b>1,047,733</b>
<b>Proceeds from sale of property, plant and Equipment</b>		-
Net cash flows used in investing activities		1,047,733
Cash flows from financing activities		
<b>Proceeds from borrowings</b>		-
<b>Repayment of borrowings</b>		-
<b>Increase in deposits</b>		
Net cash flows used in financing activities		-
Net increase/(decrease) in cash and cash equivalents at end of the year		<b>23,101</b>

**Statement of Comparison of Budget and Actual Amounts**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020
REVENUES					
Government grants	100,000,000	26,000,000	74,000,000	8,000,000	66,000,000
Total income	100,000,000		74,000,000	8,000,000	66,000,000
EXPENDITURES					
Business Development	37,000,000	-	37,000,000	10,064,003	26,935,997
Marketing and PR	37,000,000	23,000,000	14,000,000	1,090,041	12,909,959
Industry Relations	16,000,000	3,000,000	13,000,000	1,287,850	11,691,239
secretariat Operations	10,000,000	-	10,000,000	2,097,648	7,902,352
Total expenditure	100,000,000		74,000,000	14,539,542	59,439,547
Deficit for the period				(6,539,542)	

## **Budget notes**

### **Revenue**

The material variance as seen above is as a result of shortfall in disbursements by the Tourism Fund owing to the low collection as a result of government measures to combat the spread of Covid-19 Pandemic which forced Hotels and restaurant to close hence unable to collect the 2% levy.

### **Expenditure**

Owing to the shortfall in the expected revenue disbursements from the Tourism Fund where KNCB received 10.8% only. The convention Bureau put on holds some activities.

## **Accounting Policy and Notes to the Financial Statements**

### **1. General information**

The Kenya National Convention Bureau (KNCB) is a Government bureau whose mandate is to market Kenya as a Meeting, Incentive, Convention and Events / Exhibitions (MICE) destination, and secure future meetings to Kenya. The bureau was gazette on 16th August 2019 vide Kenya Gazette Notice No. 7263 Following Cabinet approval and further to the recommendation by both the MICE Task Force (2016) and the Tourism Recovery Task Force (2012). Its strategic role within the Ministry of Tourism and Wildlife is anchored in the Kenya National Tourism Blueprint (2017).

### **2. Statement of compliance and basis of preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the bureau's accounting policies.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the bureau.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**3. Adoption of new and revised standards**

Relevant new standards and amendments to published standards effective for the year ended 30 June 2020.

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

- i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

Standard	Effective Date and Impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1<sup>st</sup> 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 bureau'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"> <li>• 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;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between a bureau's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul> <p>This doesn't apply to KNCB</p>

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

Standard	Effective Date and Impact:
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1<sup>st</sup> January 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting bureau 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> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the bureau;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the bureau's financial performance, financial position and cash flows.</li> </ul> <p>This doesn't apply to KNCB</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1<sup>st</sup> January 2022:</p> <ul style="list-style-type: none"> <li>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.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> </ul> <p>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.</p>
<p>Other Improvements to IPSAS</p>	<p>Applicable: 1<sup>st</sup> January 2021:</p> <ul style="list-style-type: none"> <li>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</li> </ul>

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

Standard	Effective Date and Impact:
	<p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment.</p> <p>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</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets.</p> <p>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.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs).</p> <p>Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard</p>

ii. Early adoption of standards

The KNCB did not early – adopt any new or amended standards in year 2019/20.

**4. Summary of Significant Accounting Policies**

**a) Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset ( cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the bureau and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**1. Interest income**

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

**b) Budget information**

The Kenya National Convention Bureau began its operation in the mid of Financial Year 2019/2020 when the National Assembly had already approved the budget for FY 2019-2020. Subsequent the advisory board approved a Budget of Kshs.100Million to be financed by Tourism Fund. The disbursements were to be made monthly for a period of 6 months beginning January to June 2020. However due to the effects caused by the Covid-19 pandemic to the economy and as advised by the parent ministry, the advisory board did a budget cut of Kshs.26Million reducing the Final Budget to Kshs.74Million.

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

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

**c. Property, plant and equipment**

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

the bureau recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Equipment were depreciated at 33.3% per annum. Furniture were acquired at last date of the year.

**Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Bureau.

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**Provisions**

Provisions are recognized when the Bureau has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Bureau expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

**Contingent liabilities**

The Bureau does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

**Contingent assets**

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

**Nature and purpose of reserves**

The Bureau creates and maintains reserves in terms of specific requirements  
Changes in accounting policies and estimates

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

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

**Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the

settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

**a) Related parties**

The Bureau regards a related party as a person or a bureau with the ability to exert control individually or jointly, or to exercise significant influence over the Bureau, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

**b) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprest and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**c) Comparative figures**

There are no comparative figures for the period ended June 30, 2020. Kenya National Convention Bureau came into operation during the financial year 2019/2020.

**d) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2020.

**5. Significant judgments and sources of estimation uncertainty**

The preparation of the Bureau'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.

**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 Bureau 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 Bureau. Such changes are reflected in the assumptions when they occur.

IPSAS 1.140

**Useful lives and residual values**

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

The condition of the asset based on the assessment of experts employed by the Bureau. The nature of the asset, its susceptibility and adaptability to changes in technology and processes the nature of the processes in which the asset is deployed

- Availability of funding to replace the asset
- Changes in the market in relation to the asset

**Provisions**

Provisions were raised and management determined an estimate based on the information available.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**6. TRANSFERS FROM OTHER GOVERNMENTS**

Description	2019-2020
	KShs
Unconditional grants	
Tourism Fund grants	8,000,000
Other grants	
Total government grants and subsidies	8,000,000

**TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES**

Name of the Bureau sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total amount during the year	2019-2020
			KShs	KShs	KShs
Tourism Fund Grants					8,000,000
Total					<b>8,000,000</b>

**7. EMPLOYEE COSTS**

	2019-2020
	KShs
Salaries and wages	66,852
Employee related costs-contributions to pensions and medical aids	200
Employee costs	<b>67,052</b>

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. BOARD EXPENSES**

Description	2019-2020
	KShs
Chairman's Honoraria	0
Directors emoluments	0
Sitting allowances	1,260,000
<b>Total director emoluments</b>	<b>1,260,000</b>

**9. DEPRECIATION AND AMORTIZATION EXPENSE**

Description	2019-2020
	KShs
Property, plant and equipment	25,606
Intangible assets	
Investment property carried at cost	
<b>Total depreciation and amortization</b>	<b>25,606</b>

**10. GENERAL EXPENSES**

Description	2019/2020
	Shs
Conferences and delegations	41,720
Consulting fees	-
Subsistence	100,800
Travel and accommodation	39,370
Subscription and Membership	375,581
Postage	10,010
Courier Services	7,730
Printing and stationery	26,100
consumable stock expense	63,948
Telecommunication	46,625
Other	33,106
<b>Total General Expenses</b>	<b>744,990</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**11. MARKETING AND PR EXPENSES**

Description/Functional Areas	2019-2020
	KShs
Business Development	10,064,003
Industry Relations	1,287,850
Marketing And PR	1,090,041
Total Marketing and PR programme Expenses	12,441,894

**Note:** Out of the Ksh.12,441,894, Kshs.9,389,868 was amounts accrued for consultancy payment relating to a contract on Consultancy service the Bureau had received services but payment had not been made.

**12. CASH AND CASH EQUIVALENTS**

Description	2019-2020
	KShs
Current account	19,351
Petty Cash	3,750
Total cash and cash equivalents	<b>23,101</b>

**DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS**

		2019-2020
Financial institution	Account number	KShs
a) Current account		
Kenya Commercial bank		19,351
Sub- total		<b>19,351</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**13. PREPAYMENTS**

Description	2019-2020
	KShs
Current receivables	
Prepayments (ICCA Membership)	180,131
Total current receivables	<b>180,131</b>

**14. INVENTORIES**

Description	2019-2020
	KShs
<b>a)</b> Office stationery - Operations	89,967
<b>b)</b> Give-Aways consumables- Marketing	1,535,000
Total inventories at the lower of cost and net realizable value	<b>1,624,967</b>

**15. PROPERTY, PLANT AND EQUIPMENT**

	Furniture and fittings	Computers	Total
Cost	Shs	Shs	Shs
At June 2019	-	-	-
Additions	125,000	922,733	1,047,733
Disposals	-	-	-
Transfer/adjustments	-	-	-
At end of year - June 2020	125,000	922,733	1,047,733
Depreciation and impairment			
Depreciation	-	25,606	25,606
As at 30 June 2020	-	25,606	25,606
Net book values			
As at 30 June 2020	125,000	897,127	1,022,127

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**16. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

Description	2019-2020
	Kshs
Trade payables	9,389,868
Total trade and other payables	9,389,868

**Appendix 1: Progress on Follow up of Auditor Recommendations**

The Kenya National Convention Bureau is reporting for the first time.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
N/A	N/A	N/A			

**Appendix II: Projects Implemented by the Bureau**

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Project for the provision of consultancy service for activation the strategy on MICE and operationalize the Mandate of KNCB	31,842,993	9,044,031.84	35%	32Million	31,842,993	Tourism Fund

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**Appendix III: Inter-Bureau Transfers**

The Kenya National Convention Bureau did not receive allocation from The National Treasury in Financial Year 2019/20.

**Appendix IV: Recording of Transfers from Other Government Entities**

Name of the MDA/Donor Transferring the funds	Date received:	Nature: Recurrent/Develop ment/Others	Total Amount - KES
	as per bank statement		
Tourism Fund	24/02/2020	Recurrent	5,000,000
Tourism Fund	16/04/2020	Recurrent	3,000,000
<b>Total</b>			<b>8,000,000</b>



