

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

PARLIAMENT  
OF KENYA  
LIBRARY

**REPORT**

OF

DATE:

08 APR 2025

Wednesday  
Hon. Naomi Wago, MP  
Deputy Majority Party Whip  
Abulima Ahmed

**THE AUDITOR-GENERAL**

ON

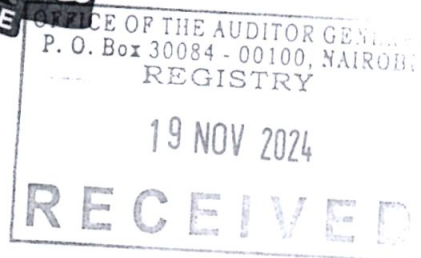
**REVENUE STATEMENTS**

**FOR THE YEAR ENDED**

**30 JUNE, 2024**

**STATE DEPARTMENT FOR THE BLUE  
ECONOMY AND FISHERIES**





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**MINISTRY OF MINING, BLUE ECONOMY AND MARITIME AFFAIRS.**

**STATE DEPARTMENT FOR THE BLUE ECONOMY AND FISHERIES.**

**REVENUE STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>th</sup> JUNE 2024**

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

*State Department for Blue Economy and Fisheries.*  
*Revenue Statements for the year ended 30<sup>th</sup> June 2024.*

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**1. Acronyms and Glossary of Terms**

NT	National Treasury
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
ROR	Receiver of Revenue
OAG	Office of the Auditor General
C.E.O	Chief Executive Office
IPSAS	International Public Sector Accounting Standards

## **2. Key Entity Information and Management**

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

The *State Department for the Blue Economy and Fisheries* was established vide Executive Order No.1 of January, 2023 under the Ministry of Mining, Blue Economy and Maritime Affairs. At cabinet level, the *State Department* is represented by the Cabinet Secretary, who is responsible for the general policy and strategic direction of the *State Department*.

#### ***Vision Statement***

To be a global leader in governance and development of the blue economy and fisheries resources

#### ***Mission Statement***

To facilitate sustainable management and development of the blue economy and fisheries resources for accelerated socio- economic development

#### ***Mandate***

The State Department is mandated to coordinate the development of policy, legal, regulatory and institutional framework for fisheries, aquaculture and the blue economy management and development

#### ***Core Values***

In order to fulfil its mandate and realize its vision and mission, State Department's operation is guided by the following principles: -

- i). Integrity;
- ii). Team Spirit;
- iii). Fairness and equity;
- iv). Efficiency;
- v). Professionalism; and
- vi). Accountability.

#### ***Core Functions***

- i. Co-ordination of the development of national oceans and blue economy strategy and policy;
- ii. Fisheries and aquaculture policy;
- iii. Co-ordination of the development of policy, legal, regulatory and institutional framework for the fisheries industry and the Blue Economy;
- iv. Drive sustainable transformation and diversification of the ocean's economy by promoting research and innovation;
- v. Increase local participation and investment in the blue economy by promoting through private sector engagement and partnerships;
- vi. fisheries marketing policy;

**State Department for Blue Economy and Fisheries.**  
**Revenue Statements for the year ended 30<sup>th</sup> June 2024.**

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- vii. Promote fish consumption;
- viii. Development of fisheries;
- ix. Fish quality assurance;
- x. Enhancement of technical co-operation with partner states;
- xi. Management and licensing of local and foreign fishing trawlers in Kenya waters;
- xii. Overall policy for exploitation of agro-based marine resources;
- xiii. Policy on development of fishing ports and associated infrastructure;
- xiv. Capacity building for Sustainable Exploitation of agro-based marine resources;
- xv. Protection of aquatic ecosystems; and
- xvi. Promotion of Kenya as a centre of Aquaculture, and
- xvii. economic development-oriented fisheries research.

**(b) Principal activities**

The State Department for the Blue Economy and Fisheries collects revenue from 3540302 (Fishing Rights). Revenue collected is remitted to the National Treasury's Exchequer Account (Consolidated Fund) and used for funding government budget through exchequer.

**(c) Key Management**

The *State Departments'* day-to-day management is under the following key organs:

- The Principal Secretary;
- Administration
- Technical Services

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

No.	Designation	Name
1	Accounting Officer	Ms. Betsy Muthoni Njagi
2	Fisheries and the Blue Economy Secretary	Mr. Rodrick Kundu
3	Senior Deputy Secretary	Mr. Elvis Korir

**(d) Entity Headquarters**

NHIF Building  
Ragati Road  
P.O. Box 58187-00200  
**NAIROBI, KENYA**

**(e) Entity Contacts**

Telephone: (254)020718870  
E-mail: ps@blueeconomy.go.ke  
Website: www. mibema.go.ke

**(f) Independent Auditors**

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

**(g) Principal Legal Adviser**

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

**(h) Bankers (include all bankers)**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
**NAIROBI, KENYA**

### 3. Management Discussion and Analysis

#### 1. Operational and Financial Performance

The State Department for the Blue Economy and Fisheries is committed to the sustainable management and development of the blue economy, including fisheries, maritime transport, and ocean conservation. Over the last five years, the State Department has made significant strides in achieving its objectives while ensuring sound revenue management.

#### *Operational Performance*

**Fisheries Management:** The State Department continued to focus on the sustainable management of fisheries resources. It successfully implemented comprehensive fisheries management plans, resulting in improved stock assessments and the preservation of our marine ecosystems. Our efforts led to a notable reduction in overfishing and a healthier marine environment.

**Blue Economy Promotion:** The State Department actively promoted the blue economy through various initiatives, including the expansion of maritime transport infrastructure and the facilitation of aquaculture development. These efforts contributed to increased economic activities in coastal regions and enhanced food security through sustainable fisheries practices and thus boosting the revenues collection.

**Research and Conservation:** The State Department's commitment to ocean conservation remained unwavering. We collaborated with scientific institutions and NGOs to conduct research on marine biodiversity, leading to the establishment of marine protected areas and the conservation of critical habitats hoping in future we will be able to earn more revenues from this investment.

#### **Revenue Performance**

The following key revenue highlights reflect the State Department's commitment to fiscal responsibility and transparency:

**1 Revenue Generation:** Over the past five years, our revenue streams diversified, with increased revenue from fishing licenses, aquaculture permits, and maritime services. This diversification reduced our dependency on a single revenue source, making our finances more resilient nevertheless the Kenya Fisheries Service were early in the year allowed to collect AIA and therefore reducing the revenues that were budgeted by almost 50%.

Listed below are the collections against the budgeted revenues

YEAR	BUDGETED (KSHS)	ACTUAL (KSHS)
2019/2020	194,140,720	86,835,721.85
2020/2021	97,289,939	135,454,044
2021/2022	142,851,725	125,504,663.75
2022/2023	134,213,887	130,311,440
2023/2024	70,000,000	34,921,093

*State Department for Blue Economy and Fisheries.*  
*Revenue Statements for the year ended 30<sup>th</sup> June 2024.*

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**2 Cost Management:** The State Department maintained strict cost control measures while ensuring the efficient allocation of resources. This allowed us to fund critical projects and initiatives while remaining within budget.

**3 Investment in Infrastructure:** The State Department invested in the development and maintenance of critical maritime infrastructure, including ports and fish landing sites, to support the growth of the blue economy. These investments were instrumental in facilitating trade and improving the livelihoods of coastal communities as well as boosting revenue collection.

#### **4. Statement of Receiver of Revenue's Responsibilities**

Section 82 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, a receiver of revenue shall prepare an account of the revenue received and collected by that receiver during that financial year.

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

The Principal Secretary/ designated receiver of revenue in charge of the State Department for the Blue Economy and Fisheries accepts responsibility for the State Department's revenue accounts, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Principal Secretary is of the opinion that the State Department's revenue account gives a true and fair view of the state of State Department's revenue transactions during the financial year ended June 30, 2024, and of the *entity's* financial position as at that date. The Principal Secretary in charge of the (*name of the entity*) further confirms the completeness of the accounting records maintained for the State Department's revenue, which have been relied upon in the preparation of the State Department's revenue account as well as the adequacy of the systems of internal financial control.

***State Department for Blue Economy and Fisheries.***  
***Revenue Statements for the year ended 30<sup>th</sup> June 2024.***

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

**Approval of the Revenue Statements**

The revenue statements were approved and signed on 18/11 2024 by:



.....  
**Betsy Muthoni Njagi**  
**Principal Secretary**

# REPUBLIC OF KENYA

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*Enhancing Accountability*

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

## REPORT OF THE AUDITOR-GENERAL ON REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2024 - STATE DEPARTMENT FOR THE BLUE ECONOMY AND FISHERIES

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### PREAMBLE

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the revenue statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Revenue Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

### REPORT ON THE REVENUE STATEMENTS

#### Qualified Opinion

I have audited the accompanying revenue statements of State Department for the Blue Economy and Fisheries set out on pages 1 to 10, which comprise the statement of

financial assets and liabilities and statement of arrears of revenue as at 30 June, 2024 and the statement of receipts and disbursements, and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the revenue statements present fairly, in all material respects, the financial position of the Revenue Statements - State Department for the Blue Economy and Fisheries as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Unsupported E-Citizen Revenue Collections**

The statement of receipts and disbursements reflect total non-tax receipts amounting to Kshs.34,921,093. As disclosed in Note 1 to the revenue statements, the receipts were in respect of issuance of health, food handling and compliance certificates, and was collected by Kenya Trade Network Agency (KENTRADE) on behalf of the State Department through e-citizen platform. However, the revenue was not supported by a listing of revenue collected in each stream, but was instead lumped together. In addition, it was not possible to confirm whether the revenue received through the platform represented actual receipts during the year.

In the circumstances, the accuracy and completeness of non-tax receipts amounting to Kshs.34,921,093 collected through the e-citizen platform could not be confirmed.

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

### **Emphasis of Mater**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.70,000,000 and Kshs.34,921,093 respectively, resulting to an under collection of Kshs.35,078,907 or 50% of the budget.

The under collection affected budget financing from the Receiver of Revenue which may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

### **Other Matter**

#### **Unresolved Prior Year Issues**

In the audit of the previous year, several matters were raised under the Report on Financial Statements. However, the matters remained unresolved as at 30 June, 2024.

### **Other Information**

Management is responsible for the other information set out on pages iii to ix which comprise of key entity information and management, management discussion and analysis and statement of receiver of revenue's responsibilities. the other information does not include the financial statements and my audit report thereon.

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **Late Submission of Financial Statements**

The revenue statements for the State Department for Blue Economy and Fisheries were submitted to the Auditor-General on 31 October, 2024, instead of the statutory deadline

of 30 September, 2024. This was contrary to Section 81(4) of the Public Finance Management Act, 2012 which require financial statements to be submitted to the Auditor-General, not later than three months after the end of each financial year.

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

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

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

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

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

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

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

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

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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

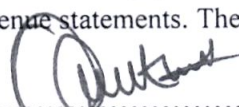
24 December, 2024


*State Department for Blue Economy and Fisheries.  
Revenue Statements for the year ended 30<sup>th</sup> June 2024.*

6. Statement of Receipts and Disbursements for the year ended 30<sup>th</sup> June 2024.

	Note	2023/2024	2022/2023
		Kshs	Kshs
<b>Non -tax receipts</b>			
Import and export of fish & fish products (KENTRADE) -issuance of health certificate, food handling and compliance certificate.	1	34,921,093.00	130,311,440.00
<b>Total non -tax receipts</b>		<b>34,921,093.00</b>	<b>130,311,440.00</b>
<b>Total receipts</b>		<b>34,921,093.00</b>	<b>130,311,440.00</b>
<b>Disbursements to exchequer account</b>		(34,921,093.00)	(130,311,440.00)
<b>Balance due for disbursement</b>		-	-

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 18/11/2024 2024 and signed by:

  
.....  
**Betsy Muthoni Njagi.**  
Principal Secretary

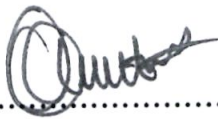
  
.....  
**Mathews T. Ouko**  
Deputy Head of Accounting Unit  
ICPAK No.. 67107


*State Department for Blue Economy and Fisheries.*  
*Revenue Statements for the year ended 30<sup>th</sup> June 2024.*

7. Statement of Financial Assets and Liabilities as at 30<sup>th</sup> June 2024

	Note	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and Cash Equivalents</b>		-	-
Bank Balances	2	-	-
<b>Total Financial Assets</b>		-	-
<b>Total Financial Assets</b>		-	-
<b>Financial Liabilities</b>			
Payables-Due to Exchequer	3	34,921,093.00	130,311,440.00
<b>Total Financial Liabilities</b>		<b>34,921,093.00</b>	<b>130,311,440.00</b>

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 18<sup>th</sup> July 2024 and signed by:

  
 .....  
**Betsy Muthoni Njagi**  
 Principal Secretary

  
 .....  
**Mathews T. Ouko**  
 Deputy Head of Accounting Unit  
 ICPAK No... 6747...

*State Department for Blue Economy and Fisheries.  
Revenue Statements for the year ended 30<sup>th</sup> June 2024.*

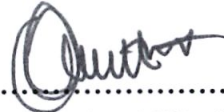
**8. Statement of Comparison of Budget and Actual Amounts for the Year ended 30<sup>th</sup> June 2024**


	Original Targets	Adjustments	Final Targets	Actual	% Realized
	Kshs	Kshs	Kshs	Kshs	
<b>Non -tax receipts</b>					
Import and export of fish & fish products (KENTRADE)- issuance of health certificate, food handling and compliance certificate.	70,000,000.00	-	70,000,000.00	34,921,093.00	50%
<b>Total non -tax receipts</b>	<b>70,000,000.00</b>	<b>-</b>	<b>70,000,000.00</b>	<b>34,921,093.00</b>	<b>50%</b>
<b>Total receipts</b>	<b>70,000,000.00</b>	<b>-</b>	<b>70,000,000.00</b>	<b>34,921,093.00</b>	<b>50%</b>

**Budget Notes:**

*Variance analysis: The State Department's total actual receipts reached only 50% of the estimated target, falling short by 50%.*

The entity financial statements were approved on 18/06/2024 2024 and signed by:

.....  
  
**Betsy Muthoni Njagi**  
**Principal Secretary**

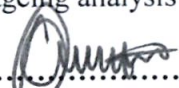
.....  
  
**Mathews T. Ouko**  
**Deputy Head of Accounting Unit**  
**ICPAK No... 6747...**


*State Department for Blue Economy and Fisheries.  
Revenue Statements for the year ended 30<sup>th</sup> June 2024.*

**9. Statement of Arrears of Revenue as at 30<sup>th</sup> June 2024**

<b>Classification of Receipts</b>	<b>Balance as at 1<sup>st</sup> July 2023</b>	<b>Arrears received during the year</b>	<b>Additions in arrears for the current year to 30<sup>th</sup> June 2024</b>	<b>Total arrears as at 30<sup>th</sup> June 2024</b>	<b>Measures taken to recover the arrears</b>	<b>Assessment to the recoverability of arrears</b>
	Kshs	Kshs	Kshs	Kshs		
<b>Non- Tax Receipts</b>						
Import and export of fish & fish products (KENTRADE)- issuance of health certificate, food handling and compliance certificate.	-	-	-	-		
Total arrears	-	-	-	-		

An ageing analysis of revenue in arrears has been shown on note 18 of these financial statements.

  
.....  
**Betsy Muthoni Njagi**  
Principal Secretary

  
.....  
**Mathews T. Ouko**  
Deputy Head of Accounting Unit  
ICPAK No... 6747...

## **10. Significant Accounting Policies**

The key accounting policies adopted in the preparation of these revenue statements are set out below:

### **1. Statement of Compliance and Basis of Preparation**

The revenue statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting and relevant legal framework of the Government of Kenya. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya. The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the State Department, and all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

The revenue statements have been prepared on the Cash Basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the State Department.

### **2. Recognition of Receipts**

The State Department for Fisheries, Aquaculture and the Blue Economy recognises all receipts from the various sources when the related cash has been received by the State Department.

### **3. Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as these revenue statements. The revenue budget was approved as required by law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the revenue's actual performance against the comparable budget for the financial year under review has been included in these revenue statements.

*Significant Accounting Policies (Continued)*

**4. 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.

**5. Revenue in Arrears**

This relates to revenue earned and is yet to be received or collected by the receiver of revenue. These arrears are disclosed under the statement of arrears as required under the PFM Act, 2012 which is a memorandum statement.

**6. Disbursements to the Exchequer**

The Receiver of Revenue has an arrangement for sweeping of funds from its bank account to the Exchequer account. Total disbursements to the exchequer are as a result of the sweeping arrangement during the year.

**7. Comparative Figures**

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

**8. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the revenue statements for the year ended June 30, 2024

*State Department for Blue Economy and Fisheries.*  
*Revenue Statements for the year ended 30<sup>th</sup> June 2024.*

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**11. Notes to the Financial Statements**

**1. Import and Export (KENTRADE)**

Description	2023-2024	2022-2023
	Kshs	Kshs
Import and export of fish & fish products (KENTRADE)- issuance of health certificate, food handling and compliance certificate.	<b>34,921,093.00</b>	130,311,440.00
Transfers to the Exchequer account	34,921,093.00	130,311,440.00
<b>Balance carried forward</b>	-	-

*State Department for Blue Economy and Fisheries.  
Revenue Statements for the year ended 30<sup>th</sup> June 2024.*

**2. Bank Balances**

Name of Bank, Account No. & currency	Amount in bank account currency	Exc. rate (if in foreign currency)	2023-2024	2022-2023
			Kshs	Kshs
<i>Central Bank of Kenya, Acct. No. 1000387254-Ksh.</i>	-	-	-	-
<i>Name of Bank, Account No. &amp; currency</i>	-	-	-	-
<i>Name of Bank, Account No. &amp; currency</i>	-	-	-	-
<b>Total</b>			-	

**3. Payables- Due to Exchequer**

Payables	2023-2024	2022-2023
	Kshs	Kshs
Amounts disbursed to Exchequer during the year	34,921,093.00	130,311,440.00
<b>Total</b>	<b>34,921,093.00</b>	<b>130,311,440.00</b>

*This relates to amounts yet to be disbursed to the exchequer at the end of the financial year.*

*State Department for Blue Economy and Fisheries.  
Revenue Statements for the year ended 30<sup>th</sup> June 2024.*

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**1. Appendices**

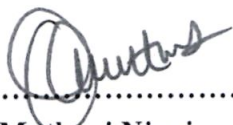
**Appendix 2: Progress on Follow Up of Prior Year Auditor-General Recommendations**

The following is the summary of issues raised by the Auditor –General and management comments that were provided. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

**Guidance Notes:**

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



.....  
**Betsy Muthoni Njagi.**  
Principal Secretary



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**Mathews T. Ouko**  
Deputy Head of Accounting Unit  
ICPAK No... 6747...