

REPUBLIC OF KENYA



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REPORT

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ON

STATE DEPARTMENT FOR
CORRECTIONAL SERVICES

FOR THE YEAR ENDED
30 JUNE, 2024

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 14 MAR 2025	DAY: FRIDAY
TABLED BY:	DEPUTY MAJORITY LEADER (HON. OWEN BAYA, MP)
CLERK-AT THE-TABLE:	IRENE NDUKU



STATE DEPARTMENT FOR CORRECTIONAL SERVICES

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

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

STATE DEPARTMENT FOR CORRECTIONAL SERVICES
Annual Report and Financial Statements for the year ended 30th June 2024

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1. Acronyms and Glossary of Terms

AIE	Authority to Incur Expenditure
SCFO	Senior Chief Finance Officer
HAU	Head of Accounting Unit
IPSAS	International Public Sector Accounting Standards
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PFM	Public Finance Management
SDCS	State Department for Correctional Services
BIC	Budget Implementation Committee
MDA	Ministry, Department and Agencies
CS	Cabinet Secretary
PS	Principal Secretary
IFMIS	Integrated Financial Management Information Systems
GOK	Government of Kenya

2. Key Entity Information and Management

(a) Background information

The State Department for Correctional Services falls under the Ministry of Interior and National Administration as per the Executive Order No. 1 of January 2023. The State Department comprises of two technical departments namely; Kenya Prisons Service and the Probation and After Care Services, supported by General Administration and Planning Services.

Vision Statement, Mission Statement and Strategic Objectives

Vision

To be an excellent organization in correctional services.

Mission

To contribute to the promotion of just and secure society through efficient management of offenders.

Mandate

Specific functions of the State Department for Correctional services as derived from the Executive Order No. 1 of 2023 include:

- ❖ Correctional services;
- ❖ Policy for reforms of Penal Justice system,
- ❖ Prisons Enterprise;
- ❖ Development of Administrative Policies for Borstal Institutions and Facilities for Incarcerated Minors; and
- ❖ Probation Services.

Strategic Objectives

To realize its vision, the State Department was guided by the following strategic objectives:

1. To ensure responsive effective and efficient services to the public;
2. To contain inmate in secure and humane conditions;
3. To efficiently facilitate access to justice;
4. To supervise, rehabilitate reintegrate and resettle offenders;
5. To revitalize prison farms and industries; and
6. To enhance development of skills for offenders under rehabilitation.

Bottom-Up Economic Transformation Agenda

The BETA agenda is geared towards economic turn around and inclusive growth and aims to increase investment in at least five sectors envisaged to have the largest impact to the Kenyan citizen's livelihood as well as Household. This includes; Agricultural transformation, Micro small and medium enterprise, Housing and settlement, Health care, Digital super highway. The Ministry of Interior and National Administration identified five key priority areas as part of its contribution to BETA as follows:

- Security Sector Institutional Reforms

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- Improve Border Controls Delivery of Citizen Services
- Transform Kenya Prisons Enterprises
- Security Sector Equipment Modernization
- Upgrade of Service Delivery Systems

State Department for Correctional Services Beta aligned priorities

The State Department has mainstreamed and aligned the programmes and strategies to Bottom-Up Economic Transformation Agenda (BETA) and will implement BETA priorities as one of the Subsector within the Governance and Administration Sector in the Medium Term Plan four (MTPIV 2023-2027). Among the prioritize strategies include:

- i. Legal and policy reforms;
- ii. Capacity enhancement;
- iii. Strengthening security in penal facilities;
- iv. Decongestion of prison facilities;
- v. prison modernization programme;
- vi. Mobility;
- vii. Upgrade of services delivery systems through digitization of correctional services & ICT infrastructure set up;
- viii. Offenders' safe custody, rehabilitation, supervision and reintegration; and
- ix. Transforming Kenya prisons enterprises.

(b) Key Management

The State Department's day-to-day management is under the following key organs:

- General Administration;
- Kenya Prison Service and;
- Probation and After Care Services.

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(c) Fiduciary Management

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

No.	Designation	Name
1.	Cabinet Secretary	Hon.(Prof.)Kithure Kindiki, EGH
2.	Accounting Officer	Dr.Salome M. Beacco,CBS
3.	Commissioner General -Prisons	Brig. (RTD) John K. Warioba, EBS
4.	Secretary, Probation and After Care	Christine A. Obondi (Mrs), PhD, OGW
5.	Secretary Administration	Peter K. Wanjohi,MBS
6.	Director, HRM&D	Peter.K. Koros
7.	Senior Chief Finance Officer	Walter J. Oselu
8.	Director, Central Planning Unit	Nicholas K. Thairu
9.	Head, Supply Chain Management	George.M.Njane
10.	Head of Accounting Unit	Johnson W. Njuguna

(d) Fiduciary Oversight Arrangements

(a) Public Finance Management Standing Committee

The committee is mandated by the terms of reference as stipulated in the Public Finance Regulations 18 (1) of the Finance Regulations of 2015. The committee is responsible for coordinating Management of Public Finance for the State Department.

(b) Budget Implementation committee

The committee is mandated to oversee the budget implementation process and advise the Accounting Officer on the performance of the entire budget during the implementation phase and to oversee production of performance reports.

(c) Parliamentary Budget committee

The committee is mandated to respond to matters raised by Parliamentary Account Committee in relation to budgetary allocations and appropriations.

(d) Audit Committee

The duties and responsibilities of Audit Committee include financial and management reporting, risk management, internal controls and compliance with laws, regulation, ethics and good governance.

(e) State Department Headquarters

Entity Contacts

Telephone: (254) 228411

E-mail: ps@correctional.go.ke

Website: www.go.ke

(f) Entity Bankers

Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

NAIROBI, KENYA

(g) Independent Auditors

Auditor - General

Office of The Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

NAIROBI, KENYA

(h) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

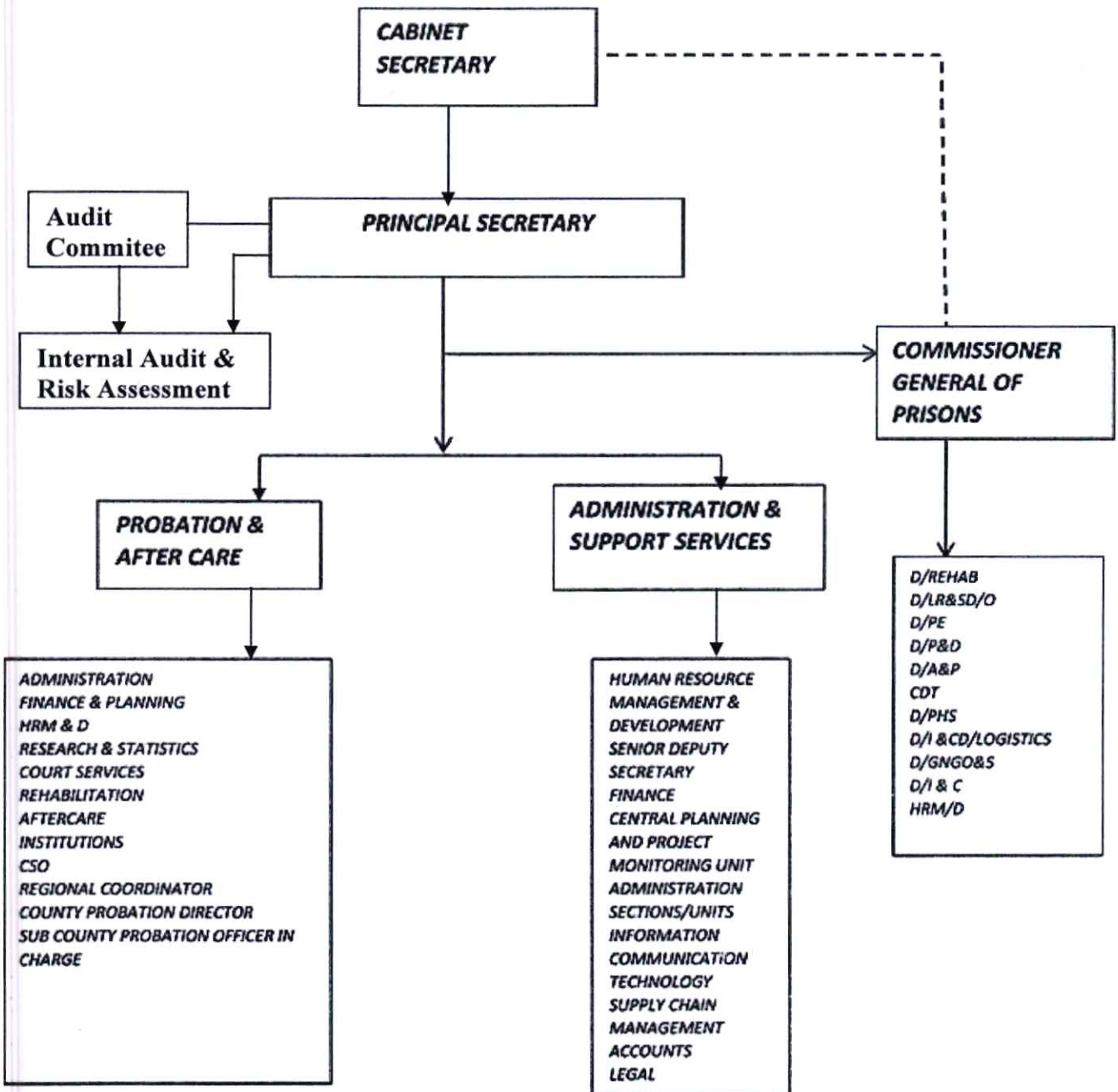
Nairobi, Kenya

3. Statement of Governance

1. key leadership structure

The State Department for Correctional services is under the Ministry of Interior and National Administration which is headed by the Cabinet Secretary, the accounting officer for State department for correctional services is the Principal Secretary while the state department has three key department of probation and after care services, administrative and support services and Kenya Prison Services.

Current Organization Structure Of The State Department For Correctional Service



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2. Public Finance Management Standing Committee

The State Department established the committee on 20th July 2023 Pursuant to Regulations 18 (1) of the Finance Regulations of 2015. The committee is responsible for coordinating Management of Public Finance for the State Department.

Public Finance Management Standing Committee members;

No.	Designation	Name	Position
1.	Accounting Officer	Dr. Salome M. Beacco, CBS	Chairperson
2.	Commissioner General of Prisons	Brig. (RTD) John K. Warioba, EBS	Member
3.	Secretary, Probation and After Care	Christine A. Obondi (Mrs), PhD, OGW	Member
4.	Secretary Administration	Peter K. Wanjohi, MBS	Member
5.	Director, HRM&D	Peter K. Koros	Member
6.	Senior Chief Finance Officer	Walter J. Oselu	Secretary
7.	Director, Central Planning Unit	Nicholas K. Thairu	Member
8.	Head, Supply Chain Management	George M. Njane	Member
9.	Head of Accounting Unit	Johnson W. Njuguna	Member

The standing committee is responsible for the following:

- a) Ensuring that there is prioritization on resources allocated to the State Department,
- b) Regularly reviewing, prioritization, monitoring budget implementation and review on the State Department's capital expenditures on a quarterly basis,
- c) Identify risks and implementation of appropriate measures to manage such risks,
- d) Reviewing on a regular basis the adequacy and integrity of the State Department's internal controls and compliance with applicable laws, regulations, rules and guidelines,
- e) Establishing and implementing a system that provides necessary information to stakeholders,
- f) Maintaining the effectiveness of the corporate governance practices,
- g) Monitoring timely resolutions of the auditor issues and
- h) Any other matter referred to it from time to time by the responsible Cabinet Secretary.

3. Budget Implementation Committee

The State Department has established a Budget Implementation Committee (BIC) and Project Implementation Committee (PIC) as per Treasury circular no. 08/2015 dated 10th June, 2015 and Nation Treasury circular no. 14/2016 dated 13th July, 2016 respectively.

The BIC is mandated to oversee the budget implementation process and advise the Accounting Officer on the performance of the entire budget during the implementation phase and to oversee production of performance reports. The Terms of Reference for BIC is as below;

1. To review and consider the cash flow plans which involves regular review of the ministerial cash plan and approval of any changes to the initial cash flow plan and advice the National Treasury appropriately to enable processing of the State Department's exchequer.
2. To review the utilization of cash limits and consider any changes as may be required.
3. To advise the accounting officer on any challenges related to the budget implementation.
4. To review and recommend re-allocation of expenditure items.
5. To review and approve the submission of expenditures returns, IPPD, pending bills and AIA returns and recommend actions to be taken.
6. To participate in Sector Working Group.
7. To prepare the budget for the State Department in consultations with the implementing agents.

The membership of the BIC is constituted of;

- i. Accounting officer– Chairperson
- ii. Head of Planning - Secretary
- iii. Head of Finance - Member
- iv. Head of Administration
- v. A maximum of six representatives from technical department.

The BIC's Terms of Reference include;

1. Prioritization of projects based on the MDAs Strategic Plan, Medium Term Plan of the Vision 2030, and the Big Four Agenda namely Food & Nutrition Security, Universal Health Coverage, Manufacturing and Affordable Housing,
2. Assessment of the viability and sustainability of new projects,
3. Approval of projects to be implemented based on established criteria,
4. Identification of the potential projects 'risks and mitigating measures,
5. Providing guidance on any changes in the project's design during implementation and
6. Monitoring and evaluating the achievement of programmes/projects outputs and outcomes.

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4.Parliamentary Budget Committee

The State Department followed the guidelines and circulars issued by the National Treasury in the preparation of the Financial Year 2023/24 Budget under the guidance of the Accounting Officer. The committee was mandated to respond to matters raised by Parliamentary Account Committee in relation to budgetary allocations and appropriations.

The members of state department for correctional services who were mandated by the accounting officer to prepare responses to the parliamentary account committee briefs included,

1. The Commissioner General Prisons
2. Director probation and After Care Services
3. Director Administration
4. Head Planning Unit
5. Head of Accounting Unit
6. Head Finance Unit
7. Head Supply Chain Management
8. Head Legal Unit.

The State Department's 2023/2024 budget was discussed by the National assembly, and gazetted on 8th July, 2023.

The State Department appeared at the National Assembly on Wednesday 6th June, 2024 for the examination of the 2021/2022 Auditor General's report.

5.Audit Committee

1.0 Mandate and establishment of Audit Committee

Section 73(5) of the Public Finance Management Act, 2012 provides that every national government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the regulations.

Audit Committee members;

S/No.	Name	Position
1.	Prof. Daniel K. Tarus	Chairperson
2.	Dr. James Mwangi	Member
3.	Ms Sabina W. Maghanga	Member
5.	Mr. Paul Famba	Member
6.	Ms. Edwina O. Magoha	The National Treasury Representative
7.	Mr. James Muigai	Secretary

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

- - a) Support the Accounting Officer with regard to their responsibility on issues of risk control and governance and associated assurance but the responsibility over the management of risk control and governance processes remains with the management of Ministry.
 - b) Follow up on the implementation of the recommendations of internal and external auditors.

The Responsibility of the Audit Committee

The duties and responsibilities Audit Committee include the following;

(i) Financial and Management Reporting

Review the adequacy, reliability and accuracy of the financial information provided by management and other providers of such information and make recommendations for improvements as required.

(ii) Risk Management

The SDCS Risk Management Framework provides that the Audit Committee is responsible for the oversight of the risk management function and for its effectiveness. While Internal Audit will provide independent assurance on the effectiveness of risk management in the state department, risk management is to be carried out by management.

(iii) Systems of Accounting and Internal Controls

Internal control is the process that provides reasonable assurance that the State department will be able to achieve its objectives in effectiveness and efficiency of operations, in reliability of financial reporting and in complying with applicable laws and regulations.

(iv) Compliance with Laws, Regulations, Ethics and Good Governance

The Audit Committee shall review the procedures put in place to ensure compliance with pertinent laws and regulations. It shall also evaluate the effectiveness of controls aimed at preventing or detecting conflicts of interest and fraud.

4. Statement by the Cabinet Secretary

The State Department for Correctional Services is domiciled in the Ministry of Interior and Coordination of National Government.

During the financial year 2023/24, the State Department for Correctional Services had an approved total budget allocation amounting to Kshs. 35,247,193,564.00. The Recurrent Vote had Kshs. 34,452,193,564.00 while Development Vote amounted to Kshs. 795,000,000.00.

During the period under review, the State Department's total Expenditure amounted to Kshs 32,933,534,060.20 attaining an absorption rate of 93% of the allocated funds.

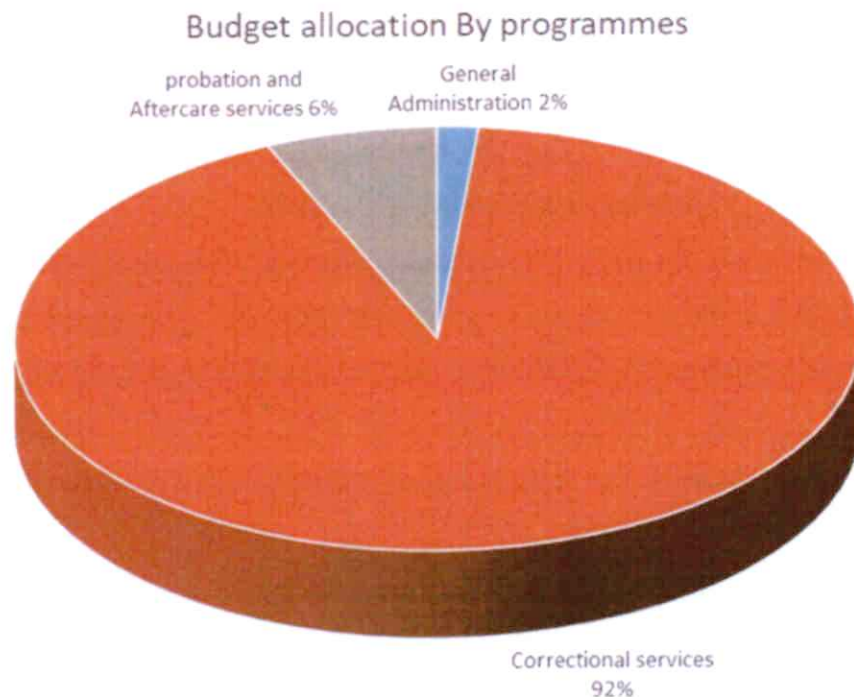
Recurrent and Development Expenditures amounted to Kshs 32,332,172,694.40 and Kshs 601,361,365.80 respectively.

The State Department endeavored to execute the budget in the most prudent manner despite the fact that employees' compensation took up 71%, use of goods and services 25% and acquisition of assets 3% of the total funds received.

BUDGET ALLOCATION

In the financial year 2023/24 the State Department for Correctional Services had a gross budget of **Kshs 35,247,193,564.00** which was made up of Kshs 34,452,193,564.00 and Kshs 795,000,000.00 for recurrent and development vote respectively.

The State Department was to expend the gross budget of **Kshs 35,247,193,564.00** under the following three programmes:



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Programme 1 Correctional Services

Objective: To facilitate increased access to justice, provide quality services for custody, containment, supervision, rehabilitation and reintegration of all categories of offenders.

Programme 2: Probation and after care services

Objective: To efficiently facilitate access to justice.

Programme 3: General Administration

Objective: To provide better planning, policy direction and support services for improved service delivery.

The 2023/2024 budget was funded and utilized as analyzed below:

Programmes	Approved Budget Allocation	Actual Payments	Variance	Actual as a Percentage of budget
	Amount (KShs) a	Amount (KShs) b	Amount (KShs)c	d=b/a
Correctional services	32,380,815,878.00	30,402,541,613.55	1,978,274,264.45	94%
Probation and After Care Service	2,306,270,294.00	2,018,799,745.60	287,470,548.40	88%
General Administration	560,107,392.00	512,192,701.05	47,914,690.95	91%
TOTAL	35,247,193,564.00	32,933,534,060.20	2,313,659,503.80	93%

STRATEGIC FOCUS FOR THE STATE DEPARTMENT FOR CORRECTIONAL SERVICES

The State Department's Strategic plan is focused on undertaking the projects as below: -

1. Modernization of Prison Infrastructure by constructing a Maximum Security Prison (Super Maximum Prison); construction of modern prison facilities; establishment of Prison wings for Special needs offenders and violent extremists.
2. Modernization of Prisons Enterprise by revitalization of prison industries and mechanization. prison farms
3. Digitization of offender records through acquisition of Integrated Offender Records Management System (ORMS).
4. Finalize the development of the National Correctional Policy.

5. Development of Case Management System.

Emerging Issues related to the Entity

- a) COVID-19 pandemic compounded congestion and sanitation problems in prisons as majority of prison stations do not have reliable running water, have poor sanitation and are congested hence making it difficult to enforce Ministry of Health (MoH) guidelines which recommends frequent washing of hands, proper hygiene and maintaining social distance of 1.5 metres.
- b) Collaborating gang crimes that have posed security challenges to containment and facilitation of justice
- c) Emerging crimes such as terrorism, extremism/radicalization and cybercrimes requiring specialized containment thus increased challenges in offender management.
- d) Inadequate offender management facilities besides the increasing numbers and sophisticated crimes by inmates.
- e) Additional responsibility by constitutional bodies and Acts of Parliament not factored in the budget leading to constraint of available resources

Key risk management strategies

- a) Effective management of high-risk offenders
- f) Sufficient staffing capability and capacity to deliver effective offender management
- g) Effectiveness of offender rehabilitation & re-integration programmes
- h) Corroboration with other security and correctional services agencies

Implementation challenges

- a) Inadequate budgetary allocation for key mandate areas i.e. safe containment of offenders
- b) Lack of adequate transport services beside the obligations by independent judicial system agencies to facilitate justice through production of inmates to courts and conduction of social inquiries, preparation and submission of mandatory reports
- c) Budget cuts introduced during the implementation of budget affecting non-discretionary areas leading to conflict with judicial system agencies and instances of contempt of court orders against our officers.

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- a) Budget rationalization and prioritization of activities.
- b) Adoption of online court sessions has helped to reduce transport costs.
- c) Procurement of food and rations from prison farms and other government agencies under favourable terms.

All the above have helped to stretch scarce resources to finance the State Department's requirements.



.....
Hon.(Prof.)Kithure Kindiki, EGH

CABINET SECRETARY

MINISTRY OF INTERIOR AND NATIONAL ADMINISTRATION

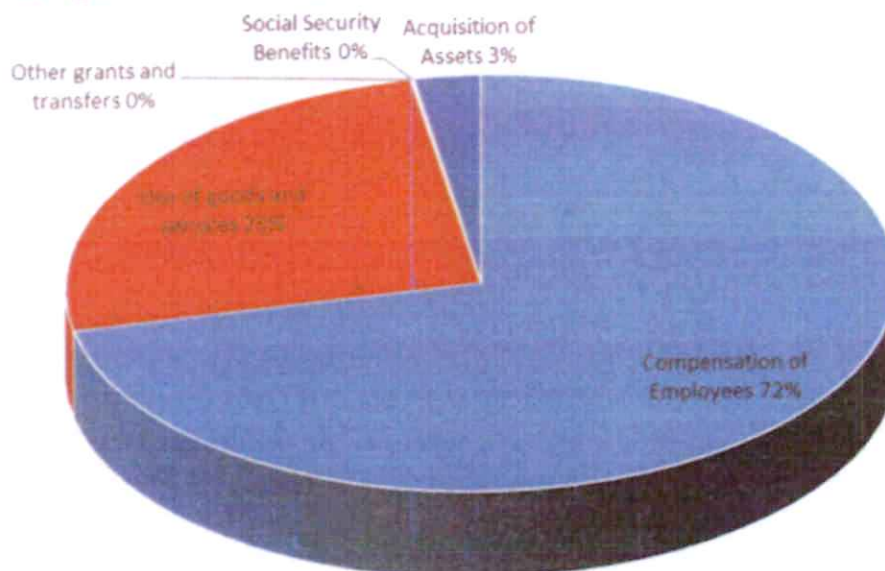
5. Statement by the Principal Secretary / Accounting Officer

1.The State Department endeavored to execute the budget in the most prudent manner despite the fact that employees' compensation took up 72%, use of goods and services 25% and acquisition of assets 2% of the total funds received.

Economic Classification	Approved Budget Allocation	Actual Payments	Variance	Actual as a Percentage of budget
	a	b	c	d=b/a
Compensation of Employees	25,287,494,521.00	24,877,057,579.35	410,436,941.65	98%
Use of goods and services	9,017,528,608.00	7,313,406,059.10	1,704,122,548.90	81%
Other grants and transfers	15,160,000.00	15,160,000.00	-	100%
Social Security Benefits	11,312,625.00	9,498,724.95	1,813,900.05	84%
Acquisition of Assets	915,697,810.00	718,411,696.80	197,286,113.20	78%
Total Payments	35,247,193,564.00	32,933,534,060.20	2,313,659,503.80	93%

The high proportion of personal emoluments left the State Department with little room for improvement of correctional facilities as indicated by the graph below.

Budget Utilisation by Economic Classification and Programmes



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The Table below depicts the economic classification expenditures as per the State Department's three programmes of Administration and Planning, Prison Services and Probation & After Care services.

Programme	Economic Classification	Approved Budget Kshs	Actual Payments Kshs	Variance Kshs
Administration and Planning	Wages and salary contribution	153,637,227.00	112,124,624.60	41,512,602.40
	Social Contributions	1,235,520.00	1,087,380.00	148,140.00
	Goods and Services	366,349,445.00	362,117,731.75	4,231,713.25
	Routine Maintenance	22,517,650.00	20,695,218.45	1,822,431.55
	Social Security Benefits	1,200,000.00	1,024,569.25	175,430.75
	Acquisition of Fixed Assets	15,167,550.00	15,143,177.00	24,373.00
	Total	560,107,392.00	512,192,701.05	47,914,690.95
Correctional Services	Wages and salary contribution	23,300,492,236.00	23,165,603,519.00	134,888,717.00
	Social Contributions	40,641,609.00	40,641,262.20	346.80
	Goods and Services	8,172,373,576.00	6,482,831,130.25	1,689,542,445.75
	Routine Maintenance	101,641,200.00	98,379,388.60	3,261,811.40
	Other Transfers and Emergency Relief	8,160,000.00	8,160,000.00	-
	Social Security Benefits	9,095,800.00	8,474,155.70	621,644.30
	Acquisition of Fixed Assets	748,411,457.00	598,452,157.80	149,959,299.20
Total	32,380,815,878.00	30,402,541,613.55	1,978,274,264.45	
Probation and After Care Services	Wages and salary contribution	1,785,313,619.00	1,551,485,118.25	233,828,500.75
	Social Contributions	6,174,310.00	6,115,675.30	58,634.70
	Goods and Services	327,552,250.00	323,938,113.60	3,614,136.40
	Routine Maintenance	27,094,487.00	25,444,476.45	1,650,010.55
	Other Transfers and Emergency Relief	7,000,000.00	7,000,000.00	-
	Social Security Benefits	1,016,825.00	-	1,016,825.00
	Acquisition of Fixed Assets	152,118,803.00	104,816,362.00	47,302,441.00
Total	2,306,270,294.00	2,018,799,745.60	287,470,548.40	
	Grand Total	35,247,193,564.00	32,933,534,060.20	2,313,659,503.80

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2. Detail key achievements for the entity

Ref	Project Name	Principal activity of the project	Accounting Officer	Project consolidated in FS (yes/no)	Actual Expenditure
1.	Security in Penal Institutions	Security	Dr. Salome M. Beacco, CBS	Yes	25,900,298.45
2.	Construction of penal facilities	Security	Dr. Salome M. Beacco, CBS	Yes	31,851,889.20
3.	Probation office accommodation	Housing	Dr. Salome M. Beacco, CBS	Yes	31,989,840.00
4.	Construction of penal facilities II	Security	Dr. Salome M. Beacco, CBS	Yes	9,699,702.00
5.	Security in penal facilities - II	Security	Dr. Salome M. Beacco, CBS	Yes	27,804,597.00
6.	Construction of penal facilities	Security	Dr. Salome M. Beacco, CBS	Yes	12,450,345.45
7.	Modernization Of Prison industries	Housing	Dr. Salome M. Beacco, CBS	Yes	2,600,000.00
8.	Complete construction of staff houses	Housing	Dr. Salome M. Beacco, CBS	Yes	4,900,000.00
9.	Acquisition of ICT applications& infrastructure	Information Technology	Dr. Salome M. Beacco, CBS	Yes	83,760,107.00
10	Probation Hostels	Housing	Dr. Salome M. Beacco, CBS	Yes	39,585,467.80
11	Construction of Probation Office blocks	Administration	Dr. Salome M. Beacco, CBS	Yes	25,888,748.20
12	Security in penal institutions	Security	Dr. Salome M. Beacco, CBS	Yes	31,792,084.90
13	Completion of stalled projects	Security	Dr. Salome M. Beacco, CBS	Yes	11,233,580.00
14	Perimeter wall, watch tower & gate lodge	Security	Dr. Salome M. Beacco, CBS	Yes	27,468,014.00
15	Prisoners wards	Security	Dr. Salome M. Beacco, CBS	Yes	5,542,805.40
16	Administration blocks	Administration	Dr. Salome M. Beacco, CBS	Yes	6,925,525.40
17	Construction of penal facilities	Security	Dr. Salome M. Beacco, CBS	Yes	5,258,623.00
18	Construction of Magereza level IV Hospital	Security	Dr. Salome M. Beacco, CBS	Yes	216,709,738.00
TOTAL DEVELOPMENT					601,361,365.80

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F/Y 2023-2024 Achievements

Digitization of Correctional Service delivery systems

- Purchased 30 computers, 20 laptops and installed and commissioned 3IP-PABX at prisons headquarters, Kamiti max and Shimo max.
- Constituted the State Department technical working team on business process and ICT to spearhead digitization
- On-boarded various services on the e-citizen platform.
- Acquired ICT equipment and accessories to support service delivery (82 Desk top computers and 68 lap tops, hard disk and related hardware,89 printers,104 chairs,104 tables,2 cameras and tonners) for the Probation and aftercare services.

Security sector equipment modernization

- Procured 300VHF radio
- Procured 300 VHF base radio
- Procured 30HF radio
- Procured Antenna accessories

Environmental Conservation

- Planted 352,379 trees in various penal institutions across the country.
- Contributed to environment and climate change by planting 20,896 exotic and indigenous trees in arid areas to enhance forest cover and mitigate against desertification through the Community Service Orders – Afforestation programme.

HealthCare

- Provided comprehensive medical insurance to 32,202 member of staff and their families
- Provided medical drugs and paid medical expenses for inmates.

Improve management of correctional services

- Supervised, facilitated and offered policy direction to 134 gazetted penal institutions, 8 regional commands and Prisons Staff Training College (PSTC)
- Updating of Prisons rules (CAP 90 and Borstal Institutions Act CAP 92) ongoing.
- Continued to Collaborate with the County Governments and National Government Administration Officers (NGAO) on supervision of non-custodial offenders.
- Provided 13,200 staffs with uniforms.
- Trained 4,000 Prison Officers on various courses.

Review Implementation status of MTP III & Develop Strategies for MTP IV

- i. Review implementation of the SDCS Strategic Plan for the Period 2023 – 2027.
- ii. Prepare & Implement the State Department annual work plan FY2023/24.
- iii. Develop Correctional services proposals for Medium Term Plan IV

Improve Offenders' Access to Justice

- Timely produced inmates to courts
- Offered legal aid to inmates attending courts

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- Generated, compiled and submitted **66,896** social inquiry reports to courts for sentencing of offenders/convicts
- Submitted **100** reports on post- sentences reviews to High court and Court of Appeal.
- Submitted **26** reports to Power of Mercy Advisory Committee (POMAC) within 30 days.

Supervision, rehabilitation and reintegration of offenders

- Facilitated provision of vocational training to 5,833 inmates
- Offered formal education to 3,732 long-term serving inmates
- Registered 664 inmates for KCPE and 131 for KCSE
- Offered psychological counseling to 43,117 inmates and spiritual counseling to all inmates.
- Provided vocational training opportunities to 1339 ex – offenders exiting penal facilities
- Supervised, rehabilitated and provided psychosocial support to 6,730 non-custodial offenders serving sentences within the community.

Enhance Containment of offenders in secure and humane conditions

- Provided safe custody to daily average of 60,000 inmates in all penal institutions across the country
- Enhanced inmates' welfare through provision of 33,200 pairs of uniform and 14,486 beddings and linen to inmates.
- Provided 186,411 inmates with medical services.

Youth Internships/ Industrial Attachments/ Apprenticeships

- Provided Industrial Attachment opportunities to 596 youth on request
- Provided apprenticeship opportunities to 1,637 youthful inmates.
- Provided internship opportunities to 193 Youths seconded from PSC.

Psychosocial Programme

- Facilitated provision of psychological counseling services to 5,002 staff and spiritual counseling to all staff.
- Facilitated 3153 staff to access prescribed health screening package for HIV, NCDS and mental health
- Reached 2716 members of staff and family with the prescribed sensitization package for NCDs
- Reached 12,637 members of staff and family with the prescribed sensitization package on HIV Prevention
- Reached 2,710 members of staff and family with the prescribed sensitization package for mental health
- Reduce new infections among adults by 75% through provision of HIV Testing Services to 8,805 staff and inmates

Financial Stewardship and Fiscal Discipline

- Raised Ksh.4,286,550 in Appropriation in Aid through conference charges and hiring out of institutional facilities against a target of Kshs. 5,000,000.

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- Cleared all F/Y2022/2023 pending bills amounting to Ksh.190.85 million in development and Ksh 175.67 million in the recurrent expenditure totaling to Ksh.366.53 million.

Transforming Kenya prisons enterprises. (financed by revolving funds)

- Installed a maize miller at Naivasha Maximum Security Prison.
Potato seed production project at Nyandarua prison is ongoing

3. List of emerging issues related to the entity include,

- (i) Emerging crimes including terrorism, extremism/radicalization and cybercrime require specialized containment thus increasing the challenge in offender management.
- (ii) Collaborating gang crimes that pose security challenges to containment and facilitation of justice.

4. Key Risk Management Strategies

The State department has adopted the following risk management strategies;

- (i) Create awareness to stakeholders
- (ii) Multiagency cooperation and collaboration
- (iii) Enforce government policy on the fight against corruption.
- (iv) Prioritizing activities with the biggest impact
- (v) Avoiding unnecessary costs
- (vi) Reduce costs incurred in overall programmes and projects implementation
- (vii) Transferring the cost to be incurred at cost centres through station based budgeting
- (viii) Spreading the costs over a longer planning period

6. Implementation challenges and recommended way forward.

Challenges

1. The increasing inmates' population strained both human and infrastructural resources in penal institutions.
2. Budgetary constraints which hampered implementation of key rehabilitation programs for both custodial and non-custodial offenders and procurement of critical specialized materials for priority programmes.

3. Pending bills for both recurrent and development
4. Inadequate accommodation for both staff and inmates
5. Downward budget rationalization
6. Inadequate office accommodation
7. Inadequate legal frameworks.
8. Inadequate infrastructure
9. Inadequate motor vehicles for services delivery.
10. Inadequate supervision and rehabilitation programmes.
11. Limited resources to undertake comprehensive training for Officers to build competencies to address emerging demands in offender management.
12. Limited ICT infrastructure and related facilities to support service delivery.
13. Inadequate tools, equipment and machineries.
14. Lack of an integrated case management system within the criminal justice system.
15. Emerging security challenges such as terrorism, cybercrime, radicalization etc.
16. Inadequate training facilities
17. Inadequate staff.
18. Inadequate psychosocial support
19. Lack of modern security equipment.
20. Inadequate succession management plan

How they were addressed

- i. Embracing Public Private Partnership (PPP) in the implementation of policies, programmes and projects to complement Exchequer support.
- ii. Acquired new specialised security equipment to enhance the level of supervision, crime detection and enhance partnership with stakeholder in security sector.
Enhance capacity building of staff to manage special category inmates

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- iii. To combat emerging crimes, security agencies must be enabled through training on specialized skills.
- iv. There is need for a unified offender data and case management system.
- v. Leveraging on ICT for effective data management.
- vi. A proposal for acquisition of more vehicles to facilitate the State Department to undertake its Core Mandate of facilitation of expeditious administration of justice presented to National Treasury.
- vii. Consideration for funding on additional mandates and assignments as required by Constitutional bodies and Acts of Parliament.



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DR. SALOME M. BEACCO, CBS
PRINCIPAL SECRETARY / ACCOUNTING OFFICER
STATE DEPARTMENT FOR CORRECTIONAL SERVICES

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**6. Statement of Performance Against Pre-Determined Objectives for FY 2023
 2024**

Introduction

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

The key strategic objectives as per the strategic plan for the Financial Year 2023-2024 were to:

- i. To enhance leadership and coordinate correctional services;
- ii. To efficiently facilitate access to justice;
- iii. To supervise, rehabilitate and reintegrate offenders; and
- iv. To contain inmates in secure and humane conditions.

Progress on the attainment of Strategic Objectives

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

The program objectives are as per the below;

SDCS PROGRAM PERFORMANCE FY 2023/2024

Sub Program me	Key output	Strategic objective	Key Performance Indicators	Planned Targets (2023/24)	Achieved Target (2023/24)	Remarks
SP 1.1: 0604010 Offender services	Youthful offenders' rehabilitation treatment services	To rehabilitate youthful inmates	No. of Borstals/YCTC boys and girls provided with treatment programmes	1,000	1,637	Target Achieved

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SP 1.1: 0604010 Offender services	Offender containment services	To enhance inmates welfare	No. of uniforms issued to inmates	57,000	33,200	Target under- achieved due to budget rationalization.
			No. of inmates provided with bedding and linen	20,000	14,486	Target under- achieved due to budget rationalization
			No. of inmates provided with medical services	57,000	186,411	Target achieved.
SP 1.1: 0604010 Offender services	Staff welfare services	To enhance welfare of staff	No. of staff provided with pairs of uniforms	10,000	13,200	Target achieved.
			No. of staff provided with insurance medical cover	32,202	32,202	Target achieved.
SP 1: 0604010 Offender services	Containment Services	To provide humane containment of offenders	No. of high-risk inmates contained daily	26,000	25,362	This were the medium risk inmates contained daily
	Administration of justice services	To facilitate access to justice	No. of high-risk inmates and remandees produced in court	150,00 0	155,262	Target achieved.
SP 1.1: 0604010 Offender services	Containment Services	To provide humane containment of offenders	No. of Medium risk inmates contained daily in humane and safe custody	30,000	37,816	Target achieved.
			No. of medium risk inmates and remandees produced in court	355,00 0	438,048	Target achieved.
			No. energy saving jikos acquired	150	60	Target not achieved due to rationalization of funds
			No. of inmates provided with feeding pans	15,000	0	Target not achieved due to rationalization of funds
SP 1.1: 0604010 Offender	Penal facilities supervision services	To facilitate service delivery	No. of Penal institutions operations	137	135	Target not achieved.

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services		within the field stations	supervised			
			No. of regions operations supervised	47	47	Target achieved
	Custodial offender rehabilitation services	To enhance custodial offender rehabilitation	Number of offenders offered formal education	6,200	3,732	Target under achieved due to low number of long term inmates who qualified to undertake formal education
			No. inmates registered for KCSE	120	131	The target was achieved as a result high enrolment.
			No. inmates registered for KCPE	760	664	Target not achieved
			Number of offenders offered vocational training	8,500	5,833	Target under achieved. low number of inmates who qualified to undertake vocational training
			% of offenders provided with spiritual and psychological counselling services	34,100	43,117	Target achieved
SP 1.1: 0604010 Offender services	Penal institutions security services	To enhance security of penal institutions	No. Of Perimeter/security walls under construction funded.	31	3	Target not achieved due to budget rationalization
SP 1.2: 0604020 Capacity Development	Staff Capacity Development services	To enhance staff capacity	No. of new prisons officers recruited and trained	0	0	
			No. of existing prisons officers trained on various course	5,284	4,000	Target not achieved due to budget rationalization
P. 2 0628000 Probation	Coordination of probation services	To enhance non-custodial supervision	No. of probation officers recruited	0	0	

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and Aftercare Services		& rehabilitation	No. of Computers & equipment procured	600	82	Target not achieved
			No of additional/new programmes implemented	4	0	Target not achieved
0628000 Probation and Aftercare Services	Non – custodial offender services	To facilitate offender reintegration	No. of cases of Supervised Pardonees (long term offenders) released through the Power of Mercy Advisory Committee	110	26	The target was under achieved
0628000 Probation and Aftercare Services	Administration of justice services	To facilitate administratio n of justice	No. of reports generated and submitted to courts and penal institutions	58,000	66,896	The target was over achieved. Cumulatively 66,896 reports generated and submitted.
			% of reports presented to High Courts and Courts of Appeal	100	100	Target achieved
0628000 Probation and Aftercare Services	Non-custodial offender supervision & rehabilitation services	To enhance non-custodial offender supervision	No. of offenders under Probation orders supervised	40,000	30,521	Target not achieved.
			No. of non- custodial offenders rehabilitated	20,000	33,739	The target was achieved
0628000 Probation and Aftercare Services	Coordination of community services order services	To expand provision of community service orders	No. of offenders serving community services order	30,000	61,730	The target was achieved
			% level of implementation of the Community Service Orders co-ordination services programme	100	100	The target was achieved
0628000	Regional	To facilitate	No. of counties	47	47	The target was

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Probation and Aftercare Services	supervision of probation services	offender supervision	with probation services supervised			achieved
0628000 Probation and Aftercare Services	Probation hostels services	To strengthen rehabilitation of special need offenders	No. of probationers provided with temporary accommodation	450	238	The target was partially achieved as these were the only probationers requiring temporary accommodation
			No. of ex-offenders Provided with Vocational training	800	1339	The target over achieved. No of ex- offenders offered vocational training increased
0628000 Probation and Aftercare Services	Community focused care model implemented		% level of implementation of the developed care model	100	100	The target was achieved
SP 2.1: Planning policy coordination & support services	Finance and procurement services	To enhance financial fiduciary and prudent application of budgeted resources	No. of budget implementation reports prepared	0	1	Target achieved
			No. of financial performance monitoring reports prepared	4	4	Target achieved
			% of procurement contracts advertised and awarded	100	100	Target achieved.
SP 2.1: Planning policy coordination & support services	Policy coordination and administration services	To enhance service delivery	No of surveys conducted on improved service delivery	1	1	The target was partially achieved.
			No. of policies processed	4	2	Target partially achieved. (child care policy and Mainstreaming road safety)
			Human resource payroll processed	12	12	Target achieved
SP 2.1: Planning policy	Planning Services	To monitor & provide feedback on	Monitoring & evaluation reports	4	0	The target was not achieved due to budget

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coordination & support services		service delivery				constraints.
			Performance contract reports	4	4	Target achieved
SP 2.1: Planning policy coordination & support services	Integrated Correctional Services	To safe guard state department's land	No of title deeds acquired	10	2	The targets were partially achieved.
			Number of parcels surveyed	10	1	To be achieved during the next financial year

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7. Management Discussion and Analysis

(a). Financial performance of State Department for Correctional Services for the last three years

APPROVED BUDGET V/S ACTUAL PAYMENTS

	2023-2024	2022-2023	2021-2022
APPROVED BUDGET	35,247,193,564.00	32,071,515,667.00	29,151,382,491.00
ACTUAL PAYMENT	32,933,534,060.20	31,444,240,921.65	28,626,720,359.00
VARIANCE	2,313,659,503.80	627,274,745.35	524,662,132.00
ACTUAL AS % OF BUDGET	93%	98%	98%

From the above table the State department has continued to get more budget from Kshs. 29,151,382,491.00 in F/Y 2021-2022 to Kshs 35,247,193,564.00 in the F/Y 2023-2024.

The budget performance of 100% has been hampered by lack of all exchequer from the National Treasury resulting to a performance of 98% in 2021-2022 and F/Y 2022-2023 and 93% in 2023-2024. these affects the operations of the subsequent years as they result in pending bills.

(b). key projects budgeted in FY 2023/2024 and ongoing indicating source of funds and project status

Ref	Project Name	Principal activity of the project	2023-2024 Budget	Source Of Funds	Status
1.	Security in Penal Institutions	Security	26,691,253.00	GOK	Ongoing
2.	Construction of penal facilities	Security	28,352,967.00	GOK	Ongoing
3.	Probation office accommodation	Housing	50,267,244.00	GOK	Ongoing
4.	Construction of penal facilities II	Security	8,090,000.00	GOK	Ongoing
5.	Security in penal facilities - II	Security	47,405,460.00	GOK	Ongoing
6.	Construction of penal facilities	Security	16,600,000.00	GOK	Ongoing
7.	Modernization Of Prison industries	Housing	2,600,000.00	GOK	Ongoing
8.	Complete construction of staff houses	Housing	13,900,000.00	GOK	Ongoing

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9.	Acquisition of ICT applications & infrastructure	Information Technology	74,530,401.00	GOK	Ongoing
10.	Probation Hostels	Housing	59,271,879.00	GOK	Ongoing
11.	Construction of Probation Office blocks	Administration	35,227,020.00	GOK	Ongoing
12.	Security in penal institutions	Security	49,340,071.00	GOK	Ongoing
13.	Completion of stalled projects	Security	19,221,228.00	GOK	Ongoing
14.	Perimeter wall, watch tower & gate lodge	Security	27,468,014.00	GOK	Ongoing
15.	Prisoners wards	Security	6,928,504.00	GOK	Ongoing
16.	Administration blocks	Administration	5,425,526.00	GOK	Ongoing
17.	Construction of penal facilities	Security	6,970,695.00	GOK	Ongoing
18.	Construction of Magereza level IV Hospital	Security	216,709,738.00	GOK	Ongoing
19.	Emergency Flood mitigation for prisons	Security	100,000,000.00	GOK	Ongoing
	TOTAL		795,000,000.00		

8. Environmental and Sustainability Reporting

The State Department for Correctional Services exists to transform lives. This is our purpose; the driving force behind everything we do by putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence.

a) Sustainability strategy and profile

The State department through its role of transforming lives has been in the forefront campaigning and championing matters on environmental conservation.

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

The State department has always been in the forefront advocating for reservation of Natural resources as well as collaborating with lead agencies in enforcing laws that preserve the environment. Further, when constructing Prisons across the country NEMA certification is usually sort.

c) Employee welfare

The State Department has taken into consideration the 3rd rule on gender ratio when hiring and promoting officers. Further, succession management has been effected for sustainability of service delivery throughout the year. The organisation has also complied with Occupational Safety and Health Act of 2007, (OSHA).

d) Operational practices

i. Responsible Supply chain and supplier relations

The State department advertise for all its procurement opportunities for all interested parties to participate. Further, tender opening is done in presence of all and evaluation is done as per laid down procedures and unsuccessful bidders are informed accordingly.

e) Community Engagements-

The State department has promoted sporting activities especially through the various prisons team who have engaged the community in tournaments. Further as depicted in the achievements' section, the Department has trained serving officers across all cadres especially on career promotional courses. Going forward, the State department will seek to organise more events in line with Corporate-Social Responsibility (CSR).

9. Statement of Management Responsibilities

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

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

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

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The Accounting Officer in charge of the State Department for Correctional Services 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 Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

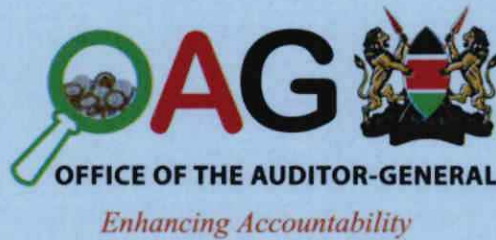
The State Department for Correctional Services financial statements were approved on.....18.12..... 2024 and signed by:



.....
Name: Dr.Salome M. Beacco, CBS
Principal Secretary



.....
Name:Johnson W. Njuguna
Head of Accounting Unit
ICPAK M/No 7626



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

PREAMBLE

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

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

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of State Department for Correctional Services set out on pages 1 to 31, which comprise of the statement of

financial assets and financial liabilities as at 30 June, 2024, and the statement of receipts and payments, statement of cash flows, 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 State Department for Correctional Services as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Pending Accounts Payable

Note 17.2 to the financial statements reflects pending accounts payable balance of Kshs.5,248,648,170 as at 30 June, 2024. The bills, owed to suppliers of goods and services, were not settled during the year under review but was carried forward to 2024/2025 financial year.

Failure to settle bills during the year to which they relate adversely affects the implementation of the subsequent year's budgeted programs as the outstanding bills form a first charge to that year's budget provision.

My opinion is not qualified 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. There were no key audit matters to report in the year under review.

Other Information

The Management is responsible for the other information set out on page iii to xxxiv which comprise of Key Entity Information and Management, Statement of Governance,

Foreword by the Cabinet Secretary, Statement by Principal Secretary/Accounting Officer, Statement of Performance Against Predetermined Objectives, Management Discussion and Analysis, Environmental and Sustainability Reporting, and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with One-Third of Basic Salary Rule

During the year under review, two thousand, five hundred and thirty-five (2,535) officers received a net salary less than one-third ($\frac{1}{3}$) of their basic salary. This was contrary to Section 19(3) of the Employment Act, 2007 which states that all deductions made by an employer from the wages or salaries of his employees at any one time shall not exceed two thirds of such wages or salaries.

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

2. Irregular Leasing of a Residential House

The State Department entered into a tenancy agreement with a service provider to lease a residential house for the immediate former Commissioner General of Prisons at a monthly rent of Kshs.250,000. During the year under review, the State Department paid an amount of Kshs.3,000,000 as rent in respect of the leased house. However, the Commissioner General's letter of appointment did not indicate that his terms of employment included provision of a leased residential house and therefore the basis for the leasing of the house was not confirmed. Further, the Commissioner General of Prisons was entitled to house allowance of Kshs.100,000 per month and therefore provision of a leased residential facility a cost of Kshs.250,000 per month accorded the

officer a higher benefit than his entitlement. Further, no evidence was provided to confirm registration of the lease with the State Department for Housing and Urban Development.

In addition, the higher benefit was not based on advice from the Salaries and Remuneration Commission (SRC) pursuant to the provisions of Article 230(4)(b) of the Constitution of Kenya 2010 to which mandate SRC to advise the national and county governments on the remuneration and benefits of all other public officers.

In the circumstances Management was in breach of the law.

3. Unbudgeted Expenditure at the Prison Staff Training College

Records maintained at the Prison Staff Training College (PSTC) indicates that the College had pending bills amounting to Kshs.85,842,162.00 as at 30 June, 2024. The bills arose after four thousand six hundred (4,600) Prison officers were sent to the College to undergo a development course after they were promoted to a higher rank (Corporal grade). However, by the time the officers were reporting for the training, the State Department had not secured financial resources to facilitate the training. On admission of the students, the College procured food and non-food items on credit therefore incurring debts to the tune of Kshs.85,000,000.

Management did not explain why the training was organized without first securing funding so as to avoid any liabilities which would otherwise be avoided. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which provides that an Accounting Officer shall not commence any procurement proceeding until satisfied that sufficient funds to meet the obligations of the resulting contract are reflected in its approved budget estimates.

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

4. Poor Maintenance of Buildings and Civil Works

Physical verification of various correctional facilities conducted in the months of September and November, 2024 revealed that the correctional facilities were poorly maintained as summarized below;

	Facility	Observations
	Kitengela Main Prison	Main store and food ration stores has worn out floors due to lack of repairs and maintenance. The ceiling boards in the ration store had fallen off due to leakage. There is a possibility of contamination of the stored food items due to contact with rainwater and other impurities from the roof top.

	Facility	Observations
2.	Nairobi Remand Prison	The roof to the Prison wards leaks with rainwater seeping through to the floor due to the state of the roofing sheets which are old and rusty. Limited number of CCTV cameras in place to monitor activities and movement within the Prison.
3.	Prisons Staff Training College	The store buildings were in a dilapidated condition with cracked floors and broken pavement with worn out surfaces due to the heavy human traffic and lack of regular maintenance.
4.	Thika Main Prison	The office spaces are squeezed, poorly ventilated, and had a leaking roof.
5.	Mixed Block at Kwale Main Prison	Leaking roof with a gaping hole when part of the roof was blown off in November 2021.

Further, no funds were allocated for maintenance of buildings to the correctional facilities.

In the circumstances, service delivery in the correctional facilities' may not be efficiently delivered.

5. Collapsed Perimeter Wall at Shimo La Tewa Maximum Prison

As reported in 2020/2021, the State Department for Correctional Services entered into a contract with a local contractor for the construction of a perimeter wall at Shimo La Tewa Maximum Prison at a contract sum of Kshs. 24,850,993. The contract period was sixteen (16) weeks commencing 4 May, 2017 but the works stalled on 23 December, 2017. It was later reported that on 24 July, 2018 at 1350 hours, 95 meters of the wall collapsed in the area between watch tower two and three as a result of which an officer manning the watch tower two (2) sustained some injuries.

Although the contract works resumed later, the contractor abandoned the site when the works were 60% complete and the project consequently stalled. Site visit on 28 November, 2024 confirmed that the collapsed wall was not reconstructed, three years after the collapse of the wall, and the contractor was not on site. Further, despite the recommendation by the Parliamentary Accounts Committee that the contractor had to reconstruct the wall or legal action taken for his failure to deliver the project, no evidence has been provided to indicate that the Committees recommendation was acted on by Management. In addition, the project manager (State Department for Public Works-Nairobi) had not prepared a detailed report on actual cause of the collapse of the wall and possible contractual remedies available to the Government for recovery of the amount of Kshs.22,365,893 paid to the contractor.

In the circumstances, value for money from the expenditure incurred on the project could not be confirmed. Further, the continued delay in completion of the construction may be a security threat.

6. Stalled Construction Projects in Various Correctional Facilities

Records maintained at various correctional facilities indicated that the State Department had initiated some thirty-eight (38) projects worth Kshs.570,005,684 with cumulative payments of Kshs.228,657,960 as at 30 June, 2024. However, the Projects stalled at various stages of completion.

Further, physical verification conducted during the months of September and November, 2024 revealed other stalled projects as summarized below;

	Facility	Project	Observations
1	Thika Prison	Plumbing, drainage and upgrading of facilities	The Project with a contract sum of Kshs.5,200,500 have been abandoned despite perennial flooding inside the Prison and staff lines during rainy season. The flooding coupled with the poor sewage system poses a health risk to the inmates, staff and their families.
2	Thika Women	Proposed new Prison	The Project started in 2011 at a contract sum of Kshs.15,881,490 with the understanding that construction labour was to be provided by inmates. The works stalled at 40% completion.
3	Kapsabet	Elevated Watch Tower	The works stalled at 85%. The total cost of the project was not revealed and no schedule of the amount so far spent was provided for our audit purposes.
4.	Kisumu (Kodiaga) Maximum	Rehabilitation of Sewer line and Sewerage Treatment Works at the Prison	The contract was signed on 16 October, 2020 at a contract sum of Kshs.32,547,845 and the same was to be executed within a period of 26 weeks effective from 01 December, 2020. The works were abandoned and the contractor is not on site. Further, the Prison has on several occasions been sanctioned by the National Environment Management Authority for polluting River Saka and Lake Victoria contaminating the water used downstream by the communities.
5	Kibos Maximum	Prisoners Multipurpose Dinning Hall	The Project commenced on November, 2011 and was to be completed in 2012 at a cost of Kshs.6,100,359. A total of Kshs.2,500,000 has been spent on the project. The floor slab was done and the process of walling had started but abandoned at three feet above the slab.

	Facility	Project	Observations
		Proposed Biogas Plant	The Project commenced in May 2012 at an initial cost of cost Kshs.12,949,546 and was to be completed in three months. The Project was abandoned after Kshs.9,648,675 was spent and no more budgetary provisions were made for its implementation.
		Construction of Sewer Line	The Project was for a contract sum of Kshs.50,529,400 and was to commence on 08 March, 2023 and expected to be completed by 13 September, 2023. To date the contractor had been paid a sum of Kshs.25,669,121 on the first and second interim certificate representing 50.8% of the contract sum. The project was yet to be completed and the contractor was not on site.

In the circumstances, the value for money for the expenditure incurred on the stalled projects could not be confirmed.

7. Encroachment of Prison Land

As reported in the previous years' audit, several parcels of land owned by various correctional facilities had been occupied by illegal occupants. Verification of the status of the land in the month of November, 2024 revealed further additional encroachments as detailed below;

	Facility	Approximate Size Encroached (Acres)	Remarks
1	Kitale	2,321.09	Ownership has been a subject of litigation. Despite the Parliamentary Accounts Committee directing that the persons who are in occupation of Kitale Prison land should be evicted as a matter of urgency and the land secured through a permanent fence, no such eviction has been affected as directed.
2	Shimo La Tewa	141.24	Allocated to seventy-seven (77) private individuals without de-gazettement of the same as Prison land.
3	Thika	23.08	The Prison had land used as quarry measuring approximately 120.45 Ha or 297.63 acres out of which 34.8 Ha or 86 acres have been taken over by unauthorized

	Facility	Approximate Size Encroached (Acres)	Remarks
			persons. As at the time of the inspection, there were five active cases relating to the ownership of the two parcels of land.
4	Nakuru		Land was gazetted in 1961 and registered under LR No 452/1/4. The original land size was 254.25 hectares or 628 acres. The land was later irregularly hived off and allocated to private developers among them churches and government Institutions.
5	Narok	64.8	The Prison has gradually lost part of its original land to private developers who have erected permanent buildings for commercial or residential purposes. A borehole belonging to Narok Prison has since been vandalized by private developers since the portion on which it occupies was allocated to a private developer effectively disconnecting the water supply to the Prison.
6	Malindi	262	The whole prison land is not surveyed and the two parcels making up the prison land have not been consolidated. One of the blocks is currently occupied by unknown number of illegal occupants.
7	Shikusa	764.7745	The land has not been surveyed and secured with titles. Records indicate that there exists conflict between the Prison, Kenya Forest Service and the local community about the ownership of the land. The Forest Service and the locals claim that the Prison has encroached onto the forest and are seeking transfer of the prison from the land.
8	Kapsabet	40.995	In 2005 the Chief Conservator of Forest acting on the Ndung'u Report directed the Prison to cease farming in the forest and cede the land to the Kenya Forest Service. The Prison vacated the forest land but found out that the land they previously owned had been subdivided and allocated to private individuals and other entities. The Prison is yet to get a title deed for the remaining piece of land.

	Facility	Approximate Size Encroached (Acres)	Remarks
9	Kisumu Medium	376.961	<p>The Prison land has been surveyed but the prison is yet to acquire title deeds for the parcels of land. Further, the prison land is not fenced allowing members of the public to trespass and at times cause losses and conflict with the prison. Some residents claims that the land was their ancestral land allocated illegally to the Prison by the colonial government. Part of the Land has been encroached into by private developers.</p> <p>The Prison was also allocated land measuring 1.646 hectares (4.0674 acres) in 1971 through Gazette Notice No. 721. The land has since been subdivided into three parcels and allocated to a church organization, a court, and private developers. The subdivision of the land is currently under investigation by the Ethics and Anti-Corruption Commission to establish how the land was reallocated to the current owners.</p>
10	Kibos Medium	284.49	The land was surveyed but no title has been issued. Further, the Prison does not have a perimeter wall and a sugar company had trespassed on the Prison land and cut trees.

In the circumstances, the completeness, ownership and security of the assets could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance

section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Enhancement of Governance Systems for Security Related Expenditures

During the year under review, the State Department incurred some expenditure on confidential security operations. A certificate of confidential expenditure was issued, supported by a declaration from the Accounting Officer affirming proper use of funds in compliance with Regulation 101(5) of the Public Finance Management (National Government) Regulations, 2015.

There is need, however, to enhance accountability of confidential expenditures through review of the Regulations to clearly define entities eligible for confidential security related expenditures and to specify what constitutes security related operations. Further, entities should establish internal oversight mechanisms and processes that include detailed budget projections and post-operation financial summaries to address risks and ensure responsible use and accountability of the funds, beyond the certificate.

The measures will strengthen governance, foster trust, and ensure funds are utilised responsibly without compromising State security.

2. Weak Controls in Management and Recording of Firewood

Firewood is the main source of fuel for cooking in the Correctional facilities. The receipt, recording and issuing is done in tonnage and the firewood supplied is usually not fully dried therefore its weight decreases over time due to loss of water. Management relies heavily on weighbridge certificates to ascertain the weight of firewood delivered. However, the weigh bridges are a significant distance away from certain Correctional facilities and therefore there is no established system of confirming that the consignment delivered is not interfered with on its way to the destination. Further, issuing of firewood is done through estimation in the absence of a suitable weighing scales to measure the weight of the firewood.

In the circumstances, Management should consider installation of a weigh bridge at a central point which will assist Correctional facilities to determine the weight of the delivered firewood. The facility may also generate revenue when it is used by other agencies for the same purpose.

3. Weak Controls in Management of Medical Drugs

Medical drugs for the inmates are issued as per the prescription by the Medical Officer In charge at the Prison Dispensary. The drugs are collected from the Pharmacy by the orderlies who then issue them to the inmates. However, the orderlies did not append their names and signatures in the issue book for drugs to confirm that they collected the drugs from the issuing officer at the Pharmacy. Further, there was no acknowledgement from the inmates that they had received the drugs making it difficult to confirm reliance on the records maintained at the Pharmacy.

In the circumstances, there is no mechanism in place to ensure adequate controls on purchase and administration of drugs.

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 the Management and those Charged with Governance

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

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

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

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

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

Report of the Auditor-General on State Department for Correctional Services for the year ended 30 June, 2024

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

27 December, 2024

STATE DEPARTMENT FOR CORRECTIONAL SERVICES
Annual Report and Financial Statements for the year ended 30th June 2024

11. Statement of receipts and payments for the year ended 30th June 2024

STATEMENT OF RECEIPTS AND PAYMENTS			
	Note	2023-2024	2022-2023
		Kshs	Kshs
RECEIPTS			
Transfers from National Treasury	1	32,942,881,865.45	31,455,177,220.65
Other Revenues	2	2,633,250.00	-
TOTAL REVENUES		32,945,515,115.45	31,455,177,220.65
PAYMENTS			
Compensation of Employees	3	24,877,057,579.35	22,625,661,241.35
Use of goods and services	4	7,313,406,059.10	8,423,472,297.75
Other grants and transfers	5	15,160,000.00	8,954,147.00
Social Security Benefits	6	9,498,724.95	12,941,043.65
Acquisition of Assets	7	718,411,696.80	373,212,191.90
TOTAL PAYMENTS		32,933,534,060.20	31,444,240,291.65
SURPLUS/DEFICIT		11,981,055.25	10,936,299.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on.....18.12.....2024 and signed by:



.....
Name: Dr. Salome M. Beacco, CBS
Principal Secretary



.....
Name: Johnson W. Njuguna
Head of Accounting Unit
ICPAK M/No 7626

STATE DEPARTMENT FOR CORRECTIONAL SERVICES
Annual Report and Financial Statements for the year ended 30th June 2024

12. Statement of Financial assets and Financial liabilities as at 30th June 2024

	Note	2023-2024	2022-2023
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8A	161,752,550.11	188,381,299.55
Cash Balances	8B	864,138.90	55,000.00
Total Cash And Cash Equivalents		162,616,689.01	188,436,299.55
Accounts Receivables - Outstanding Imprest and Advances	9	12,580,427.90	11,398,301.00
TOTAL FINANCIAL ASSETS		175,197,116.91	199,834,600.55
LESS: FINANCIAL LIABILITIES			
Accounts Payables - Deposits and retention	10	160,280,223.00	184,220,087.55
NET FINANCIAL ASSETS		14,916,893.91	15,614,513.00
REPRESENTED BY			
Fund balance b/fwd	11	15,614,513.00	228,315,245.00
Prior year adjustments	12	(12,678,674.35)	(223,637,031.00)
Surplus/Deficit for the year		11,981,055.25	10,936,299.00
NET FINANCIAL POSITION		14,916,893.91	15,614,513.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on.....18:12:.....2024 and signed by:



.....
Name: Dr. Salome M. Beacco, CBS
Principal Secretary



.....
Name: Johnson W. Njuguna
Head of Accounting Unit
ICPAK M/No 7626

STATE DEPARTMENT FOR CORRECTIONAL SERVICES
Annual Report and Financial Statements for the year ended 30th June 2024

13. Statement of cash flows for the year ended 30th June 2024

CASH FLOW FROM OPERATING ACTIVITIES			
	Note	2023-2024	2022-2023
		Kshs	Kshs
Receipts for operating income			
Transfers from National Treasury	1	32,942,881,865.45	31,455,177,220.65
Other Revenues	2	2,633,250.00	-
Total Receipts		32,945,515,115.45	31,455,177,220.65
Payments for operating Expenses			
Compensation of Employees	3	24,877,057,579.35	22,625,661,241.35
Use of goods and services	4	7,313,406,059.10	8,423,472,297.75
Other grants and transfers	5	15,160,000.00	8,954,147.00
Social Security Benefits	6	9,498,724.95	12,941,043.65
Total Payments		32,215,122,363.40	31,071,028,729.75
Net Receipts/(Payments)		730,392,752.05	384,148,490.90
Adjusted for:			
Decrease/(Increase) in accounts receivable		(1,182,126.90)	412,790,883.00
Increase/(Decrease) in accounts payables		(23,939,864.55)	(198,797,567.45)
Prior year adjustments	12	(12,678,674.35)	(223,637,031.00)
Net cashflow from operating activities		692,592,086.25	374,504,775.45
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	7	(718,411,696.80)	(373,212,191.90)
Net cash flows from Investing Activities		(718,411,696.80)	(373,212,191.90)
CASHFLOW FROM BORROWING ACTIVITIES			
Net cash flow from financing activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		(25,819,610.55)	1,292,583.55
Cash and cash equivalent at BEGINNING of the year		188,436,299.55	187,143,716.00
Cash and cash equivalent at END of the year		162,616,689.00	188,436,299.55

STATE DEPARTMENT FOR CORRECTIONAL SERVICES
Annual Report and Financial Statements for the year ended 30th June 2024

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on.....18.12.....2024 and signed by:



.....
Name: Dr. Salome M. Beacco, CBS
Principal Secretary



.....
Name: Johnson W. Njuguna
Head of Accounting Unit
ICPAK M/No 7626

14. Statement of Comparison of budget and Actual Amounts for FY2023/24

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Proceeds from Domestic and Foreign Grants	70,000,000.00	(70,000,000.00)	-	-	-	-
Exchequer releases	35,762,200,000.00	(521,506,436.00)	35,240,693,564.00	32,942,881,865.45	2,297,811,698.55	93%
Other Receipts	5,000,000.00	1,500,000.00	6,500,000.00	2,633,250.00	3,866,750.00	41%
Total Receipts	35,837,200,000.00	(590,006,436.00)	35,247,193,564.00	32,945,515,115.45	2,301,678,448.55	93%
Payments						
Compensation of Employees	25,463,210,000.00	(175,715,479.00)	25,287,494,521.00	24,877,057,579.35	410,436,941.65	98%
Use of goods and services	9,111,778,775.00	(94,250,167.00)	9,017,528,608.00	7,313,406,059.10	1,704,122,548.90	81%
Other grants and transfers	15,160,000.00	-	15,160,000.00	15,160,000.00	-	100%
Social Security Benefits	11,312,625.00	-	11,312,625.00	9,498,724.95	1,813,900.05	84%
Acquisition of Assets	1,235,738,600.00	(320,040,790.00)	915,697,810.00	718,411,696.80	197,286,113.20	78%
Grand Total	35,837,200,000.00	(590,006,436.00)	35,247,193,564.00	32,933,534,060.20	2,313,659,503.80	93%
Surplus/Deficit	-	-	-	11,981,055.25	(11,981,055.25)	

(a) *Variance analysis:*

- (i) Use of goods of 81% was as a result of lack of exchequer from national Treasury.
- (ii) Acquisition of asset of 78% was as a result of lack of exchequer from national Treasury.
- (iii) Other Receipts amounting to kshs.1,653,300 which consist of self-generated AIA have been captured in the deposit register.

(b) *Reallocations within the year:*

The changes between the original and final budget is as a result of budget reallocations within the year.

The entity financial statements were approved on 18.12. 2024 and signed by:



.....
Name: Dr. Salome M. Beacco, CBS
Principal Secretary



.....
Name: Johnson W. Njuguna
Head of Accounting Unit
ICPAK M/No 7626

STATE DEPARTMENT FOR CORRECTIONAL SERVICES
Annual Report and Financial Statements for the year ended 30th June 2024

14(a) Summary Statement of Appropriation: Recurrent for FY2023/24

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=d-c	f=d/c %
RECEIPTS						
Exchequer releases	34,667,200,000.00	(221,506,436.00)	34,445,693,564.00	32,340,238,126.20	2,105,455,437.80	94%
Other Receipts	5,000,000.00	1,500,000.00	6,500,000.00	2,633,250.00	3,866,750.00	41%
Total Receipts	34,672,200,000.00	(220,006,436.00)	34,452,193,564.00	32,342,871,376.20	2,109,322,187.80	94%
PAYMENTS						
Compensation of Employees	25,463,210,000.00	(175,715,479.00)	25,287,494,521.00	24,877,057,579.35	410,436,941.65	98%
Use of goods and services	9,041,778,775.00	(24,250,167.00)	9,017,528,608.00	7,313,406,059.10	1,704,122,548.90	81%
Other grants and transfers	15,160,000.00	-	15,160,000.00	15,160,000.00	-	100%
Social Security Benefits	11,312,625.00	-	11,312,625.00	9,498,724.95	1,813,900.05	84%
Acquisition of Assets	140,738,600.00	(20,040,790.00)	120,697,810.00	117,050,331.00	3,647,479.00	97%
Grand Total	34,672,200,000.00	(220,006,436.00)	34,452,193,564.00	32,332,172,694.40	2,120,020,869.60	94%
Surplus/Deficit	-	-	-	10,698,681.80	(10,698,681.80)	



Notes

(a) Variance analysis:

- (i) Other Receipts amounting to kshs. 1,653,300 which consist of self-generated AIA have been captured in the deposit register.
- (ii) Use of goods of 81% was as a result of lack of exchequer from national Treasury.

(b) Reallocations within the year:

The difference between the original and final budget is as a result of budget reallocations within the year.

The entity financial statements were approved on 18.12. 2024 and signed by:

Name: Dr. Salome M. Beacco, CBS
Principal Secretary

Name: Johnson W. Njuguna
Head of Accounting Unit
ICPAK M/No 7626

14(b) Summary Statement of Appropriation: Development for FY2023/24

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Proceeds from Domestic and Foreign Grants	70,000,000.00	(70,000,000.00)	-	-	-	-
Exchequer releases	1,095,000,000.00	(300,000,000.00)	795,000,000.00	602,643,739.25	192,356,260.75	76%
Other Receipts						
Total Receipts	1,165,000,000.00	(370,000,000.00)	795,000,000.00	602,643,739.25	192,356,260.75	76%
Payments						
Use of goods and services	70,000,000.00	(70,000,000.00)	-	-	-	-
Acquisition of Assets	1,095,000,000.00	(300,000,000.00)	795,000,000.00	601,361,365.80	193,638,634.20	76%
Grand Total	1,165,000,000.00	(370,000,000.00)	795,000,000.00		601,361,365.80	193,638,634.20
Surplus/Deficit	-	-	-		1,282,373.45	(1,282,373.45)

(a) *Variance analysis:*

(i) Acquisition of asset of 76% was as a result of lack of exchequer from national Treasury

(b) *Reallocations within the year:*

The difference between the original and final budget is as a result of budget reallocations within the year.

The entity financial statements were approved on18.12..... 2024 and signed by:



.....

Name: Dr. Salome M. Beacco, CBS
Principal Secretary



.....

Name: Johnson W. Njuguna
Head of Accounting Unit
ICPAK M/No 7626

STATE DEPARTMENT FOR CORRECTIONAL SERVICES
Annual Report and Financial Statements for the year ended 30th June 2024

14(c) Budget Execution by Programmes and Sub-Programmes for FY2023/24

Prog./Sub-prog. Code	Programme/Sub-programme	Final Budget	Actual on comparable basis	Budget utilization difference
		2023-2024	2023-2024	2023-2024
		Kshs	Kshs	Kshs
0623000000	General Administration			
0623010000	Planning, Policy Cordination and Support Services	560,107,392.00	512,192,701.05	47,914,690.95
	SUB TOTAL	560,107,392.00	512,192,701.05	47,914,690.95
0627000000	Correctional services			
0627010000	Offender Services	31,670,391,389.00	29,693,529,580.55	1,976,861,808.45
0627020000	Capacity Development	710,424,489.00	709,012,033.00	1,412,456.00
	SUB TOTAL	32,380,815,878.00	30,402,541,613.55	1,978,274,264.45
0628000000	probation and Aftercare services			
0628010000	Probation Services	2,087,802,091.00	1,825,865,332.80	261,936,758.20
0628020000	Aftercare Services	218,468,203.00	192,934,412.80	25,533,790.20
	SUB TOTAL	2,306,270,294.00	2,018,799,745.60	287,470,548.40
	GRAND TOTAL	35,247,193,564.00	32,933,534,060.20	2,313,659,503.80

Notes to the Financial Statement

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

1. Statement of Compliance and Basis of Preparation

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

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the State Department for Correctional Services. The financial statements encompass the reporting entity as specified under Section 81 of the PFM Act 2012 and also comprise of the following development projects implemented by the State Department for Correctional Services during the financial year are as listed in Annex 5 – List of Projects.

3. Reporting Currency

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

Significant Accounting Policies (Continued)

4. Significant Accounting Policies

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

a) Recognition of Receipts

The State Department recognises all receipts from the various sources when the event occurs, and the related cash has been received by the Entity.

(i) Transfers from the Exchequer

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

(ii) External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners. Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2024, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Significant Accounting Policies (Continued)

(iii) Miscellaneous receipts

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

b) Recognition of payments

The Entity recognises all payments when the event occurs, and the related cash has been paid out by the Entity.

i) Compensation of Employees

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

ii) Use of Goods and Services

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

iii) Interest on Borrowing

Borrowing costs that include interest are recognized as payment in the period in which they are paid for. The State Department does not borrow as an entity but relies on exchequer issues from the National Treasury.

iv) Principal on borrowing

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The State Department does not borrow as an entity but relies on exchequer issues from the National Treasury.

v) Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained and a summary provided for purposes of consolidation. This summary is disclosed as an annexure 4 to the financial statements.

vi) In-kind contributions

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

vii) Third Party Payments

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

c) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in

STATE DEPARTMENT FOR CORRECTIONAL SERVICES
Annual Report and Financial Statements for the year ended 30th June 2024

value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

A bank account register is maintained and a summary provided for purposes of consolidation. This summary is disclosed as an annexure 8 to the financial statements.

Restriction on Cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2024, this amounted to Kshs 110,385,876.65 compared to Kshs 94,620,301.20 in prior period as indicated on note 11. There were no other restrictions on cash during the year.

d) Imprests and advances

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

e) Third party deposits and retention

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

Other liabilities including pending bills are disclosed in the financial statements.

f) Pending Bills

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

g) Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits and retentions, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament in June 2023 for the period 1st July 2023 to 30th June 2024 as required by Law and there were 2 supplementary adjustments to the original budget during the year.

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

h) Comparative Figures

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

i) Subsequent Events

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

j) Prior Period Adjustment

During the year, errors that have been corrected are disclosed under note 13 explaining the nature and amounts.

k) Related Party Transactions

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

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

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

l) Contingent Liabilities

A contingent liability is:

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

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Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships, The entity 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. Note 17.3 and Annex 4 of this financial statement is a register of the contingent liabilities in the year.

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

15. Notes to the Financial Statements

1. Exchequer releases

Description	2023-2024	2022-2023
	Kshs	Kshs
Total Exchequer Releases for quarter 1	4,159,545,752.60	5,348,156,460.10
Total Exchequer Releases for quarter 2	11,133,437,249.20	6,732,785,201.45
Total Exchequer Releases for quarter 3	5,679,226,762.05	7,273,929,205.55
Total Exchequer Releases for quarter 4	11,970,672,101.60	12,100,306,353.55
TOTAL	32,942,881,865.45	31,455,177,220.65

2. Other Receipts

Description	2023-2024	2022-2023
	Kshs	Kshs
Sales of Market Establishments	2,633,250.00	-
TOTAL	2,633,250.00	-

Other Receipts amounting to kshs.1,653,300 which consist of self-generated AIA have been captured in the deposit register.

3. Compensation to Employees

	2023-2024	2022-2023
	Kshs	Kshs
Basic salaries of permanent employees	15,820,707,552.85	13,185,726,822.05
Personal allowances paid as part of salary	9,008,505,709.00	9,439,934,419.30
Employer Contributions to Compulsory National Social Security Schemes	47,844,317.50	-
TOTAL	24,877,057,579.35	22,625,661,241.35

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

Notes to the Financial Statements (Continued)

4. Use of Goods and Services

	2023-2024	2022-2023
	Kshs	Kshs
Utilities, supplies and services	433,052,722.55	456,094,109.00
Communication, supplies and services	7,659,918.00	10,747,375.55
Domestic travel and subsistence	357,368,562.75	214,813,109.00
Foreign travel and subsistence	1,909,113.45	-
Printing, advertising and information supplies & services	2,230,730.00	4,839,971.00
Rentals of produced assets	104,857,249.50	47,201,038.00
Training expenses	12,180,263.25	253,195,794.00
Hospitality supplies and services	29,618,322.00	28,801,865.70
Insurance costs	1,325,000,000.00	1,500,000,000.00
Specialised materials and services	3,862,903,702.65	4,812,884,426.00
Office and general supplies and services	49,078,873.00	50,537,010.65
Fuel Oil and Lubricants	599,790,762.35	753,840,058.15
Other operating expenses	383,236,756.10	205,979,772.70
Routine maintenance – vehicles and other transport equipment	136,538,236.10	73,162,931.00
Routine maintenance – other assets	7,980,847.40	11,374,837.00
TOTAL	7,313,406,059.10	8,423,472,297.50

5. Other Grants and Transfers

	2023-2024	2022-2023
	Kshs	Kshs
Scholarships and other educational benefits	15,160,000.00	8,954,147.00
Total	15,160,000.00	8,954,147.00

STATE DEPARTMENT FOR CORRECTIONAL SERVICES
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Notes to the Financial Statements (Continued)

6. Social Security Benefits

	2023-2024	2022-2023
	Kshs	Kshs
Government pension and retirement benefits	9,498,724.95	12,941,043.65
TOTAL	9,498,724.95	12,941,043.65

7. Acquisition of Assets

	2023-2024	2022-2023
	Kshs	Kshs
<u>Non-Financial Assets</u>		
Construction of Buildings	338,499,466.00	113,237,022.10
Construction and Civil Works	229,262,357.80	149,582,550.80
Purchase of Vehicles and Other Transport Equipment	19,940,000.00	16,270,000.00
Purchase of Household Furniture and Institutional Equipment	64,070,850.00	49,726,975.00
Purchase of Office Furniture and General Equipment	6,856,456.00	399,400.00
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialised Plant, Equipment and Machinery	58,625,142.00	43,766,244.00
Purchase of Certified Seeds, Breeding Stock and Live Animals	229,000.00	230,000.00
Research, Feasibility Studies, Project Preparation and Design, Project Supervision	928,425.00	-
TOTAL	718,411,696.80	373,212,191.90

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Notes to the Financial Statements (Continued)

8. Cash and Bank Accounts

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Account(Note 9A)	161,752,550.11	188,381,299.55
Cash on hand (Note 9B)	864,138.90	55,000.00
TOTAL	162,616,689.01	188,436,299.55

9A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit e.t.c	Exc rate (if in foreign currency)	2023-2024	2022-2023
				Kshs	Kshs
<i>Central Bank of Kenya, 1000302054, KShs</i>	Kshs	Recurrent	1	167,782.19	1,312,420.65
<i>Central Bank of Kenya, 1000302062, KShs</i>	Kshs	Development	1	1,304,544.92	2,848,791.35
<i>Central Bank of Kenya, 1000302078, KShs</i>	Kshs	Deposit	1	110,385,876.65	94,620,301.20
<i>Central Bank of Kenya, 1000302089, KShs</i>	Kshs	CBK 165	1	-	-
<i>Central Bank of Kenya, 1000452617, KShs</i>	Kshs	Pending Bills Deposit	1	49,894,346.35	89,599,786.35
<i>National Bank of Kenya, Account-01001032494800</i>	Kshs	Kenya Prison Service Imprest Account-01001032494800	1	-	-
Total	-			161,752,550.11	188,381,299.55

STATE DEPARTMENT FOR CORRECTIONAL SERVICES
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Notes to the Financial Statements (Continued)

9B: Cash on hand

Description	2023-2024	2022-2023
	Kshs	Kshs
Cash in Hand Held in domestic currency	864,138.90	55,000.00
Cash in Hand – Held in foreign currency		
TOTAL	864,138.90	55,000.00

Detailed Cash is as follows:

Description	2023-2024	2022-2023
	Kshs	Kshs
Headquarters, State Department for Correctional Services - Recurrent	864,138.90	55,000.00
Headquarters, State Department for Correctional Services - Deposit	-	-
TOTAL	864,138.90	55,000.00

9. Imprests and Advances

Description	2023-2024	2022-2023
	Kshs	Kshs
Government Imprests	-	104,650.00
District suspense	12,580,427.90	11,293,651.00
TOTAL	12,580,427.90	11,398,301.00

STATE DEPARTMENT FOR CORRECTIONAL SERVICES
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Notes to the Financial Statements (Continued)

10. Third party deposits and retention

	2023-2024	2022-2023
		Kshs
Retention	110,385,876.65	94,620,301.20
Pending bills deposits	49,894,346.35	89,599,786.35
TOTAL	160,280,223.00	184,220,087.55

Third Party deposits relates to various funds belonging to retention of various contractors and other deposits monies.

11. Fund Balance Brought Forward

	2023-2024	2022-2023
	Kshs	Kshs
Bank accounts	188,381,299.55	187,143,716.00
Cash in hand	55,000.00	-
Imprest and advances	11,398,301.00	424,189,184.00
Third party deposits and retention	(184,220,087.55)	(383,017,655.00)
TOTAL	15,614,513.00	228,315,245.00

STATE DEPARTMENT FOR CORRECTIONAL SERVICES
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Notes to the Financial Statements (Continued)

12. Prior Year Adjustments

	Balance b/f from previous year as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f Current Year
Description of the error	Kshs	Kshs	Kshs
Bank account balances	-	(1,385,023.35)	(1,385,023.35)
Imprests and advances	(424,081,084.00)	(11,293,651.00)	(435,374,725.00)
Third party deposits and retention	200,444,053.00	-	200,444,053.00
	(223,637,031.00)	(12,678,674.35)	(236,315,705.35)

Prior year adjustment during the year relates to bank balances and unspent balances submitted to the National Treasury.

13. (Increase)/ Decrease in Advances and Imprests

Description	2023-2024	2022-2023
	Kshs	Kshs
Receivables As At 1 st July (A)	11,453,301.00	424,189,184.00
Receivables As At 30 th June (B)	12,580,427.90	11,453,301.00
(Increase)/ Decrease in Receivables (C=(B-A))	1,127,126.90	(412,735,883.00)

(Receivable as at 1st July for FY 2023/24 should be the same as receivable as at 30th June for FY 2022/23)

14. Increase/ (Decrease) in Retention and Third-Party Deposits

Description	2023-2024	2022-2023
	Kshs	Kshs
Payables As At 1 st July (A)	184,220,087.55	383,017,655.00
Payables As At 30 th June (B)	160,280,223.00	184,220,087.55
(Increase)/ Decrease in Receivables (C=(B-A))	(23,939,864.55)	(198,797,567.45)

STATE DEPARTMENT FOR CORRECTIONAL SERVICES
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Notes to the Financial Statements (Continued)

15. Related Party Disclosures

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS. The following comprise of related parties to the State department for correctional services.

- i) Key management personnel that include the Cabinet Secretaries and Accounting Officers
- ii) Other Ministries Departments and Agencies and Development Projects;
- iii) County Governments; and
- iv) State Corporations and Semi-Autonomous Government Agencies.

16. Other Important Disclosures

16.1 Related party transactions:

Description	2023-2024	2022-2023
	Kshs	Kshs
Key Management Compensation	42,622,544.30	38,371,735.20
Total	42,622,544.30	38,371,735.20

16.2: Pending Accounts Payable (See Annex 1)

	Balance B/F	Additions for the period	Paid during the year	Balance C/F
	FY 2022/2023			FY 2023/2024
Description	Kshs	Kshs	Kshs	Kshs
Historical Pending bills				
Construction of Civil Works	131,868,236.00	-	13,191,244.20	118,676,991.80
Supply of Goods	5,595,181,136.01	150,142,199.00	1,397,013,735.44	4,348,309,599.57
FY 2022/2023				
Construction of Buildings	667,777,881.84	-	216,709,739.00	451,068,142.84
Construction of Civil Works	190,854,145.16	196,732,982.56	190,854,145.16	196,732,982.56
Supply of Goods	175,676,872.35	119,402,975.81	175,676,872.35	119,402,975.81
Court Awards	70,673,471.09	11,635,409.62	67,851,403.09	14,457,477.62
Total	6,832,031,742.45	477,913,566.99	2,061,297,139.24	5,248,648,170.20

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Notes to the Financial Statements (Continued)

The pending bills amounting to Kshs 2,297,811,698.55 was occasioned by lack of exchequer from the National Treasury while the balance of Kshs 2,950,836,471.65 which constitutes historical pending bills was as a result of lack of budgetary allocation.

16.3 Contingent Liabilities

Contingent liabilities	2023-2024	2022-2023
	Kshs	Kshs
Court case 23 against the State Department	-	70,673,471.09
Total	-	70,673,471.09

STATE DEPARTMENT FOR CORRECTIONAL SERVICES
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17.4 Progress on follow up of Prior Years Auditor-General’s recommendations

The State Department has implemented public accounts committee recommendations on the government of Kenya accounts for the financial year 2021/2022.

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

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)
1.	Pending bills	Pending bills amounting to Kshs.6,832,031,742.00 owed to various suppliers	Response Provided	By 30 th June 2025
2.	Contingent Liabilities	Contingent Liabilities amounting to Ksh.70,673,471 relating to various determined court cases	Response Provided	By 30 th June 2025
3.	Over-commitment of salary beyond Two Thirds of Basic Pay.	Analysis of IPPD revealed 4,082 officers earned less than one third of their basic pay because of 7.5% SPSS and removal of Tax relief	Response Provided	By 30 th June 2025
4.	Encroachment of Prisons Land	The ownership land has been the subject of court litigations between Kenya Prison and other parties (grabbers). Kenya Prisons Service is collaborating with National Land Commission and Ethics and Anti - Corruption Commission to recover grabbed parcels of land.	Response Provided	By 30 th June 2025
5.	Failure to register Rental	Lease of Three floors for use by	Response	By 30 th June

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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)
	Lease	Department of Probation and After Care Services. The Lease has been forwarded for registration.	Provided	2025
6.	Grounded vehicles at Naivasha Main Prison.	Vehicles were to be disposed and the department is in process of Disposal.	Response Provided	By 30 th June 2025
7.	Poor Maintainance of Buildings at Nyahururu Medium Security Prison.	Lack of Adequate budgetary Provision.	Response Provided	By 30 th June 2025
8.	Stalled Projects	The State Department has continuously budgeted for the projects with a view to completion but the budget cuts has continuously hampered thier completion.we have budget for stalled projects in F/Y 2024/2025.	Response Provided.	By 30 th June 2025
9.	Failure to Recover Machackos Prison Land from Third parties.	Court case hampering the recovery of the Land.	Response Provided.	By 30 th June 2025
10.	Poor Construction of a Perimeter Wall at Busia G.K Prison	These was contributed by inadequacies in the preparation of designs, bills of quantities did not factor in the suitability of the soil within the construction site and requirement of introducing the	Response Provided.	By 30 th June 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a circle when you expect the issue to be resolved)
		ground beam to withstand the swampy nature of the ground hence some works were omitted to compensate some items were not captured in bill of quantities i.e. ground beams and ring beams		



Principal Secretary



Head of Accounting Unit

16. Annexes

Annex 1 - Analysis of Pending Accounts Payable

RECURRENT PENDING BILLS FOR F/Y 2023/2024								
S/NO.	SUPPLIER /CONTRACTOR	INVOICE NO.	INVOICE DATE	NATURE OF GOODS/SERVICES	AMOUNT(Kshs)	AMOUNT PAID	OUTSTANDING AMOUNT(Kshs)	COMMENTS
1	APA INSURANCE LIMITED	002/2022/23	26-Jul-24	PROVISION FOR MEDICAL COVER (KPS)	175,000,000.00	-	175,000,000.00	INSUFFICIENT FUNDS
2	KENYATTA INTER CONVENTION CENTRE	SINV2979	30-Nov-23	PROVISION FOR CONFERENCE FACILITY	4,524,000.00	2,636,786.00	1,887,214.00	INSUFFICIENT FUNDS
3	NOBILITY INVESTMENTS LIMITED	13	21-Jun-24	SUPPLY OF ELECTRICAL MATERIALS	1,579,838.40	-	1,579,838.40	INSUFFICIENT FUNDS
4	MOI TEACHING AND REFFERAL HOSPITAL	VARIOUS	VARIOUS	PROVISION FOR MEDICAL SERVICES	313,783.64	-	313,783.64	INSUFFICIENT FUNDS
5	MOI TEACHING AND REFFERAL HOSPITAL	VARIOUS	VARIOUS	PROVISION FOR MEDICAL SERVICES	424,186.51	-	424,186.51	INSUFFICIENT FUNDS
6	KENYATTA NATIONAL HOSPITAL	VARIOUS	VARIOUS	PROVISION FOR MEDICAL SERVICES	2,410,399.01	-	2,410,399.01	INSUFFICIENT FUNDS
7	KENYATTA NATIONAL HOSPITAL	VARIOUS	VARIOUS	PROVISION FOR MEDICAL SERVICES	2,064,521.00	-	2,064,521.00	INSUFFICIENT FUNDS
8	NAKURU LEVEL FIVE HOSPITAL	VARIOUS	VARIOUS	PROVISION FOR MEDICAL SERVICES	2,782,184.00	-	2,782,184.00	INSUFFICIENT FUNDS
9	MOI TEACHING AND REFFERAL HOSPITAL	VARIOUS	VARIOUS	PROVISION FOR MEDICAL SERVICES	1,962,096.00	-	1,962,096.00	INSUFFICIENT FUNDS

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10	SILVER AFRICA TOURS LTD	14813	15-Jan-24	PROVISION FOR AIR TICKET	202,350.00	-	202,350.00	INSUFFICIENT FUNDS
11	SILVER AFRICA TOURS LTD	14879	16-Jan-24	PROVISION FOR AIR TICKET	22,500.00	-	22,500.00	INSUFFICIENT FUNDS
12	SILVER AFRICA TOURS LTD	'00014782	27-Dec-23	PROVISION FOR AIR TICKET	268,050.00	-	268,050.00	INSUFFICIENT FUNDS
13	SILVER AFRICA TOURS LTD	14911	31-Jan-24	PROVISION FOR AIR TICKET	66,460.00	-	66,460.00	INSUFFICIENT FUNDS
14	SILVER AFRICA TOURS LTD	13856	11-Aug-23	PROVISION FOR AIR TICKET	18,500.00	-	18,500.00	INSUFFICIENT FUNDS
15	SILVER AFRICA TOURS LTD	14329	25-Oct-23	PROVISION FOR AIR TICKET	198,870.00	-	198,870.00	INSUFFICIENT FUNDS
16	SILVER AFRICA TOURS LTD	14143	20-Sep-23	PROVISION FOR AIR TICKET	165,980.00	-	165,980.00	INSUFFICIENT FUNDS
17	HAVENS GROUND LIMITED	258	29-Mar-24	SUPPLY OF FOOD STUFF	1,015,700.00	-	1,015,700.00	INSUFFICIENT FUNDS
18	KENYA MEDICAL SUPPLIES AUTHORITY	1035443	29-Jun-24	SUPPLY OF PHARMACEUTICAL ITEMS	700,000.00	-	700,000.00	INSUFFICIENT FUNDS
19	JERUMWASH ENTERPRISES	123	28-Jun-24	SUPPLY OF WOOD FUEL	500,500.00	-	500,500.00	INSUFFICIENT FUNDS
20	MISSION FOR ESSENTIAL DRUGS AND SUPPLIES	653675	05-Jun-24	SUPPLY OF ASSORTED MEDICAL DRUGS	13,120.00	-	13,120.00	INSUFFICIENT FUNDS
21	INSTITUTE OF HUMAN RESOURCE	B42193	07-Jun-24	PROVISION FOR CONFERENCE FACILITY	527,800.00	-	527,800.00	INSUFFICIENT FUNDS

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	MANAGEMENT							
22	EASTERN CENTRAL AFRICAN LIBRARY	140/2024	26-Mar-24	CONFERENCE CHARGES	100,000.00	-	100,000.00	INSUFFICIENT FUNDS
23	MAKOKHA BUTONGA ENTERPRISES	6	28-Jun-24	SUPPLY OF SAMSUNG TV AND ACCESSORIES	730,000.00	-	730,000.00	INSUFFICIENT FUNDS
24	KABIRO STEPHEN MUIGAI	7533	29-Jun-24	SALARY ARREARS	3,430,930.00		3,430,930.00	INSUFFICIENT FUNDS
25	CERTIFIED HUMAN RESOURCE PROFESSIONALS	C00259	11-Jun-24	PROVISION FOR CAPACITY BUILDING	348,000.00	-	348,000.00	INSUFFICIENT FUNDS
	TOTALS				199,369,768.56	2,636,786.00	196,732,982.56	

DEVELOPMENT PENDING BILLS FOR F/Y 2023/2024

S/NO.	SUPPLIER /CONTRACTOR	INVOICE NO.	INVOICE DATE	NATURE OF GOODS/SERVICES	AMOUNT(Kshs)	AMOUNT PAID	OUTSTANDING AMOUNT(Kshs)	COMMENTS
1	CROWN DONAR AGENCIES	40	27-Jun-24	SUPPLY OF TELECOMMUNICATION EQUIPMENTS	2,739,000.00		2,739,000.00	INSUFFICIENT FUNDS
2	BENEIZ GENERAL SUPPLIES	48	27-Jun-24	SUPPLY OF TELECOMMUNICATION EQUIPMENTS	2,235,000.00		2,235,000.00	INSUFFICIENT FUNDS
3	INTERMASS TECHNOLOGIES LTD	936	13-Jun-24	SUPPLY OF LAPTOPS AND DESKTOPS	16,392,760.00	-	16,392,760.00	INSUFFICIENT FUNDS

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4	PETIPAL ENTERPRISES LTD	7	28-Jun-24	SUPPLY AND DELIVERY OF ELECTRICAL MATERIALS	1,457,950.00	-	1,457,950.00	INSUFFICIENT FUNDS
5	BRANDHOUSE SOLUTION LIMITED	1ST CERTIFICATE	12-Jun-24	DEMOLITION WORKS NAKURU PROBATION GIRLS HOSTEL	1,825,650.00	-	1,825,650.00	INSUFFICIENT FUNDS
6	TAKI LIMITED	1ST CERTIFICATE	13-May-24	CONSTRUCTION OF NYAMIRA PROBATION OFFICE BLOCK	13,043,725.00	-	13,043,725.00	INSUFFICIENT FUNDS
7	SUTITU AFRICA LIMITED	1ST CERTIFICATE	20-Jun-24	CONSTRUCTION OF KITCHEN AND CATERING FACILITY NKR PROBATION GIRLS HOSTEL	10,064,320.00	-	10,064,320.00	INSUFFICIENT FUNDS
8	HOME FIX LIMITED	2ND CERTIFICATE	27-Jun-24	CONSTRUCTION OF SIAYA PROBATION HOSTEL STAFF QUARTERS	31,409,633.00	3,224,921.80	28,184,711.20	INSUFFICIENT FUNDS
9	GUREY AFRICA LIMITED	1ST CERTIFICATE	30-May-24	DRILLING AND EQUIPPING OF BOREHOLE MARSIBIT GK PRISON	14,950,277.20	-	14,950,277.20	INSUFFICIENT FUNDS
10	MAASH GENERAL SUPPLIERS	2ND CERTIFICATE	22-Jun-24	CONSTRUCTION OF SEPTIC TANK LODWAR PRISON	6,970,694.04	5,258,623.00	1,712,071.04	INSUFFICIENT FUNDS

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11	ZIRSOFT AGENCIES LIMITED	3RD CERTIFICATE	22-May-24	CONSTRUCTION OF PERIMETER WALL MARSABIT PRISON	11,663,127.20	5,349,596.00	6,313,531.20	INSUFFICIENT FUNDS
12	LUNAO ENTERPRISES	6TH CERTIFICATE	24-Jun-24	CONSTRUCTION OF OFFICE BLOCK KAKAMEGA COUNTY	49,828,264.00	41,798,884.48	8,029,379.52	INSUFFICIENT FUNDS
13	FARSAM LIMITED	2ND CERTIFICATE	14-May-24	CONSTRUCTION OF SECURITY WALL AT HINDI GK PRISON	20,995,000.00	10,904,900.00	10,090,100.00	INSUFFICIENT FUNDS
14	FARSAM LIMITED	3RD CERTIFICATE	04-Jun-24	CONSTRUCTION OF SECURITY WALL AT HINDI GK PRISON	20,995,000.00	19,235,000.00	1,760,000.00	INSUFFICIENT FUNDS
15	ZUHUNAIN INTERNATIONAL INVESTMENT	4TH CERTIFICATE	06-Jun-24	CONSTRUCTION OF A MIXED BLOCK KERICHO MEDIUM	12,090,013.00	11,485,512.35	604,500.65	INSUFFICIENT FUNDS
				TOTALS	216,660,413.44	97,257,437.63	119,402,975.81	

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PENDING COURT AWARDS						
S/NO	SDCS FILE.NO	COURT STATION	COURT CASE NO	PARTIES	JUDGMENT DATE	JUDGMENT AMOUNT KSHS.
1.	SDC/LEG/12/5 69	High court at migori	90/2019	Simon Ndunda-VS- Ministry of Interior & Coordination of National	13 th December, 2022	6,136,077.00
2.	SDC/LEG/12/5 85	NRB CMCC & Molo CMCC	1083/2016 385/2011	Minor suing VS The Hon SG & Henry Gituma	19 th June 2018	2,219,731.88
3.	SDC/LEG/12/5 63	Nakuru CMCC	960/2019	James Waweru Chege VS the Attorney General & Commissioner of Prisons	9 th December, 2022	1,673,149.00
4.	SDC/LEG/12/	Mombasa	CMCC 2306 of 2012	Fredrick Nicholas Onyango T/A Hawii Hape Construction Enterprise V. AG	06.04.2018	776,050.10
5.	SDC/LEG/12/5 52	Kerugoya	HC.Misc. JR 28 OF 2017	James Maina Muriuki v PS & The AG	13.07.2012	703,676.00
6.	SDC/LEG/12/5 96	Nairobi	ELRC 14 of 2015	Peter Mwendwa Kaliki v AG	11.10.2016	342,342.00
7.	SDC/LEG/12/5 44	Milimani	ELRC NO. E078/2020	Samuel Murathi Gatuu Vs Commissioner General of Prisons	2020	1,000,000.00
8.	SDC/LEG/12/5 84	Nairobi	CMCC NO.4830 OF 2018	Jeremiah Ndambuki Mbakula Vs Nairobi Water & Sewerage Company limited, Prison & the Hon. Attorney General	23rd August 2019	1,606,451.64
	TOTAL					14,457,477.62

SUMMARY OF PENDING BILLS

No.	Particulars	Amount
1.	Recurrent For F/Y 2023/2024	196,732,982.56
2.	Development For F/Y 2023/2024	119,402,975.81
3.	Court Awards	14,457,477.62
4.	Recurrent For F/Y 2022/2023	150,142,199.00
5.	Development For F/Y 2022/2023 (Wanini Kireri Magereza level IV Hospital)	451,068,142.84
6.	Historical Pending bills submitted to Pending bills verification committee	3,371,650,415.37
7.	Verified Historical Pending bills Budgeted in F/Y 2023/2024	677,221,627.00
8.	Under verification Historical Pending bills Budgeted in F/Y 2023/2024	267,972,350.00
	Total	5,248,648,170.20

Attachment for no.4,6,7 and 8 are attached separately in a booklet as they are bulky.

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Annex 2 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2023/2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) 2023/2024
Non Financial Assets					
Construction of Buildings	1,959,898,548.30	338,499,466.00	-	-	2,298,398,014.30
Construction and Civil Works	231,462,427.25	229,262,357.80	-	-	460,724,785.05
Purchase of Vehicles and Other Transport Equipment	115,291,494.00	19,940,000.00	-	-	135,231,494.00
Purchase of Household Furniture and Institutional Equipment	49,726,975.00	64,070,850.00	-	-	113,797,825.00
Purchase of Office Furniture and General Equipment	128,298,532.00	6,856,456.00	-	-	135,154,988.00
Purchase of ICT Equipment, Software and Other ICT Assets	146,022,749.00	-	-	-	146,022,749.00
Purchase of Specialised Plant, Equipment and Machinery	43,869,473.50	58,625,142.00	-	-	102,494,615.50
Rehabilitation and Renovation of Plant, Machinery and Equip.	756,489,536.00	-	-	-	756,489,536.00
Purchase of Certified Seeds, Breeding Stock and Live Animals	56,488,995.00	229,000.00	-	-	56,717,995.00
Research, Feasibility Studies, Project Preparation and Design, Project	-	928,425.00	-	-	928,425.00

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Supervision					
TOTAL	3,487,548,730.05	718,411,696.80	-	-	4,205,960,426.85

(NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the Ministry, Department or Agency. Additions during the year should tie to note 7 on acquisition of assets during the year. Ensure this section is complete and covers all the entity's assets. Ensure the complete fixed asset register is separately prepared as per circular number 5/2020 and follow up reminder of circular No.23/2020 of The National Treasury)

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Annex 3 – List of Projects implemented by the State Department for Correctional Services FY 2023/2024

Ref	Project Name	Principal activity of the project	Accounting Officer	Project consolidated in FS (yes/no)	Actual Expenditure
19	Security in Penal Institutions	Security	Dr. Salome M. Beacco, CBS	Yes	25,900,298.45
20	Construction of penal facilities	Security	Dr. Salome M. Beacco, CBS	Yes	31,851,889.20
21	Probation office accommodation	Housing	Dr. Salome M. Beacco, CBS	Yes	31,989,840.00
22	Construction of penal facilities II	Security	Dr. Salome M. Beacco, CBS	Yes	9,699,702.00
23	Security in penal facilities - II	Security	Dr. Salome M. Beacco, CBS	Yes	27,804,597.00
24	Construction of penal facilities	Security	Dr. Salome M. Beacco, CBS	Yes	12,450,345.45
25	Modernization Of Prison industries	Housing	Dr. Salome M. Beacco, CBS	Yes	2,600,000.00
26	Complete construction of staff houses	Housing	Dr. Salome M. Beacco, CBS	Yes	4,900,000.00
27	Acquisition of ICT applications& infrastructure	Information Technology	Dr. Salome M. Beacco, CBS	Yes	83,760,107.00
28	Probation Hostels	Housing	Dr. Salome M. Beacco, CBS	Yes	39,585,467.80
29	Construction of Probation Office blocks	Administration	Dr. Salome M. Beacco, CBS	Yes	25,888,748.20
30	Security in penal institutions	Security	Dr. Salome M. Beacco, CBS	Yes	31,792,084.90
31	Completion of stalled projects	Security	Dr. Salome M. Beacco, CBS	Yes	11,233,580.00
32	Perimeter wall, watch tower & gate lodge	Security	Dr. Salome M. Beacco, CBS	Yes	27,468,014.00
33	Prisoners wards	Security	Dr. Salome M. Beacco, CBS	Yes	5,542,805.40
34	Administration blocks	Administration	Dr. Salome M. Beacco, CBS	Yes	6,925,525.40
35	Construction of penal facilities	Security	Dr. Salome M. Beacco, CBS	Yes	5,258,623.00
36	Construction of Magereza level IV Hospital	Security	Dr. Salome M. Beacco, CBS	Yes	216,709,738.00
	TOTAL DEVELOPMENT				601,361,365.80

Annex 5- Reports Generated from IFMIS

The following financial reports generated from IFMIS should be attached as appendices to these financial statements.

- i. GOK IFMIS Comparison Trial Balance
- ii. FO30 (Bank reconciliations) for all bank accounts
- iii. GOK IFMIS Receipts and Payments Statement
- iv. GOK IFMIS Statement of Financial Position
- v. GOK IFMIS Statement of Cash Flows
- vi. GOK IFMIS Notes to the Financial Statements
- vii. GOK IFMIS Statement of Budget Execution
- viii. GOK IFMIS Statement of Deposits
- ix. GOK IFMIS Budget Execution by Programme and Economic Classification
- x. GOK IFMIS Budget Execution by Heads and Programmes
- xi. GOK IFMIS Budget Execution by Programmes and Sub-programmes