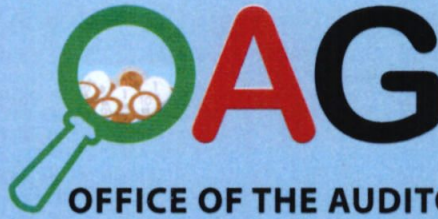


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL



ON

KENYA FISHERIES SERVICE

FOR THE YEAR ENDED

30 JUNE, 2024



 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 08 APR 2025	
DAY: TUES	
TABLED BY:	DEPUTY LEADER OF THE MAJORITY PARTY
CLERK-AT-THE-TABLE:	Pmuga 

Handwritten notes at the bottom of the page, including the word "Handwritten" and other illegible scribbles.



Revised Template 30th June 2024



**REPUBLIC OF KENYA
KENYA FISHERIES SERVICE
OFFICE OF THE DIRECTOR GENERAL**

KENYA FISHERIES SERVICE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

**Kenya Fisheries Service
Annual Report and Financial Statements
For the year ended June 30, 2024.**

(Leave this page blank)

Kenya Fisheries Service
Annual Report and Financial Statements
For the year ended June 30, 2024.

Table of Contents

Page

1. KEY ENTITY INFORMATION AND MANAGEMENT	ii
2. THE BOARD OF DIRECTORS/COUNCIL	ix
3. MANAGEMENT TEAM	xv
4. Chairman's Statement	xx
5. Report of the Chief Executive Officer (CEO).....	xxii
6. Statement of Performance against Predetermined Objectives for FY 2023/24	xxv
7. Corporate Governance Statement.....	xxviii
8. Management Discussion and Analysis	xxxi
9. Environmental and Sustainability Reporting.....	xxxii
10. Report of the Directors.....	xxxiv
11. Statement of Directors Responsibilities	xxxvi
12. Report of the Independent Auditor for Kenya Fisheries Service for the Year ended 30 th June 2023....	xxxviii
13. Statement of Financial Performance for the year ended 30 June 2024.....	1
14. Statement of Financial Position as at 30 June 2024.....	2
15. Statement of Changes in Net Assets for the period ended 30 June 2024	3
16. Statement of Cash Flows for the year ended 30 June 2024.....	4
17. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024.....	6
18. Notes to the Financial Statements	7
24. Appendix.....	43

Kenya Fisheries Service

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

1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Kenya Fisheries Service (KeFS) was established by an Act of Parliament (**Fisheries Management and Development (FMD) Act, No. 35 of 2016 of the Laws of Kenya (herein after the Act)**) in September 2016 after the repeal of the Fisheries Act, Cap 378, Trout Ordinance Act and the Fisheries Protection Act, Cap 380 on 23rd September 2016.

KeFS is domiciled in Kenya, headquartered in Nairobi NHIF Building and has Regional Offices Nairobi Metropolitan, Central Region, Eastern region, Coastal region, Lake Victoria Region, Lake Turkana Region, Western Region, Central Rift Region and Boarder offices of Busia, Malava, Isebania, Namanga, Kiunga, Lunga Lunga and JKIA.

KeFS have 5 major departments namely:

1. Capture Fisheries
2. Aquaculture;
3. Fish Quality Safety & Trade;
4. Kenya Fishing School; and
5. Corporate Services Directorate.

(b) Principal KeFS Activities

Pursuant to section 9 of the Act, the principal KeFS main functions are to:

- a) Ensure the appropriate conservation, development of standards on management, sustainable use, development and protection of the fisheries and aquaculture resources;
- b) Formulate and monitor the implementation of policies regarding the conservation, management and utilization of all fisheries and aquaculture resources;
- c) Develop standards for the management of all fisheries and aquaculture activities and fishing related activities;
- d) Develop guidelines for the preparation of fisheries specific management plans for the Kenya fishery waters;
- e) Provide education to create public awareness and support for fisheries conservation, management, development and sustainable use;
- f) Set and meet goals for fisheries conservation, management, development and sustainable use;

- g) In consultation with the Kenya Marine and Fisheries Research Institute, approve and co-ordinate research activities;
- h) Collect and analyse data in relation to resources and activities; identify manpower requirements and recruit manpower at all levels for the Service;
- i) Liaise as appropriate with agencies and persons, including stakeholders, industry, government agencies, regional and international organizations and experts, whether local or foreign;
- j) To act on behalf of the government, subject to the Treaty Making and Ratification Act, 2012 in relation to all domestic and international agreement relating to fishing, fishing related activities or any matter falling within the scope of this Act, to which Kenya is or may become a party;
- k) Administer and co-ordinate international protocols, conventions and treaties regarding fisheries in all its aspects in consultation with the Cabinet Secretary pursuant to the Treaty Making and Ratification Act, 2013;
- l) Subject to the Public Health Act and the Food, Drugs and Substance Act, control and regulate fish safety and quality;
- m) Raise revenue through levies, fees, investments and other means in accordance with the Act including solicitation by public appeal or otherwise, and accept and receive subscriptions, donations, devices and bequests, whether of movable or immovable property and whether absolute or unconditional for the general or special purposes of the Service or subject to any trust;
- n) Undertake the development of appropriate fisheries and aquaculture resources infrastructure, that relates to its mandate under this Act and the Constitution;
- o) Facilitate investment in commercial fisheries, in collaboration with relevant agencies, persons or bodies, including Government departments;
- p) Promote development and introduction of appropriate technologies in aquaculture production, processing and preservation in collaboration with relevant agencies, county governments and stakeholders;
- q) Identify and promote construction of any works deemed necessary for the sustainable development and economic utilization of fisheries and aquaculture resources;

**Kenya Fisheries Service
Annual Report and Financial Statements
for the year ended June 30, 2024.**

- r) In collaboration with county government and the Fish Marketing Authority established under section 201 of the Act, identify opportunities and promote all aspects of fisheries marketing;
- s) Arrange and enter into joint ventures or any other forms of investment arrangement for purposes of performing any of its functions;
- t) Co-ordinate fish quality assurance and operations of the marine and coastal fisheries, aquaculture and inland and riverine fisheries;
- u) Coordinate and or undertake monitoring, control and surveillance of all activities; and
- v) Perform such other duties and functions consistent with the provisions of the FMD Act 2016.

Vision

A leading agency for sustainable development of fisheries and aquaculture resources for enhanced livelihoods

Mission

To facilitate sustainable management and development of fisheries and aquaculture resources for accelerated socio-economic growth in Kenya.

Strategic Objectives

The mandate of the Kenya Fisheries Service as per the Fisheries Management and Development Act, No. 35 of 2016 is to conserve, manage and develop Kenya's fisheries and aquaculture resources. To achieve the above mandate, KeFS mobilizes resources from various local and international partners. The development of this Strategic Plan was guided by the following strategic objectives:

- a) To manage and protect fisheries resources and the aquatic environment;
- b) To facilitate increased national fish production to enhance food and nutrition security in the country;
- c) To create a conducive environment for increased investment and employment opportunities in fisheries, aquatic resources and related industries;
- d) To improve quality and safety of fish and fishery products and minimize post-harvest losses; and
- e) To strengthen institutional structure and capacity

(c) Key Management

The day-to-day management is under the following key organs:

- a) Board of Directors;
- b) Director General/ CEO;
- c) Management; and
- d) Staff.

During the period, KeFS Board of directors was composed of the following members:

No	Name (BoD)	Role
1.	Col (Rtd) Noor Musa, MBS	Chairperson
2.	Ms. Margaret Righa	Deputy Chairperson
3.	Prof. Christopher Nyagah, PhD	Director
4.	Mr. Paul Huka Kalla	Director
5.	Ms. Shukran H. Gure	Director
6.	Mr. Rodrick Kundu	Director (Alternate to PS SDBEF)
7.	Mr. Timothy Mburu	Director (Alternate to PS National Treasury)
8.	Mr. Isaac Wanyonyi Masinde	Rep PS Defence
9.	Mr. Daniel Mungai	DG/Secretary to the Board

NOTE: During the period under review the Ms. Jessica Gakinya retired from the Board and Ms. Shukran H. Gure was appointed. Secondly the representation of PS defence remained vacant on retirement of Mr. Wambua on attainment of retirement age of 60 years.

(d) 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.	Director General (DG), Chief Executive Officer	Mr. Daniel Mungai
2.	Director, Aquaculture	Dr. Simon Macharia, PhD
3.	Director, Capture Fisheries	Mrs. Lucy Obungu

**Kenya Fisheries Service
Annual Report and Financial Statements
for the year ended June 30, 2024.**

No	Designation	Name
4.	Director, Fish Quality Safety and Trade	Ms. Daisy Muriuki
5.	Ag. Head of Finance	Ms. Agnes Bwire
6.	Ag. Head of Accounts	Mr. Robert Korir

(e) Fiduciary Oversight Arrangements

Fiduciary oversight on the Service activities is carried out by the following:

A. The Finance, Strategy and Administration Committee (FSAC)

The Committee is comprised of 3 members of the Board including the DG. Its main function is to review and monitor KeFS financial position on behalf of the Board, including review of the liquidity status, all the Service' Accounts, Budgets, Financial Statements and statutory reports as well as bank reconciliation. It also ensures compliance with the financial reporting requirements and proper keeping of all the financial records of the Service. Further the Committee is also mandated to advise the Board of Management on Human Resource and Administration governance issues of the Service. The Members to this Committee includes:

1. Mr. Paul Kalla Independent Director (Chairperson)
2. Ms. Shukran H. Gure Independent Director
3. Mr. Timothy Mburu Rep PS National Treasury
4. Mr. Daniel Mungai DG

B. The Technical Committee (TC)

The committee is composed of 3 members including the DG. Its main function is to advise the Board on all technical matters of the Service including, the development and implementation of annual Performance Contract, development and review of the Service Strategic Plan, Service Charter and annual work plan. Secondly, the Committee ensure that the Service meets her mandate to Kenyans. The members to this committee include:

1. Ms. Shukran H. Gure Independent Director (Committee Chairperson)
2. Mr. Rodrick Kundu Rep PS SDBEF
3. Mr Isaac Wanyonyi Rep PS Defence
4. Daniel Mungai DG

C. Audit, Risk and Governance Committee (ARGC)

This Committee is comprised of 3 members of the Board including the Head of internal Audit at the State Department for the Blue Economy and Fisheries (SDBEF) who is the Committee secretary. Its main function is to consider and process on behalf of the Board all matters relating to audit, audit queries and management letters from Office of Auditor General or the duly appointed external auditors. It also considers matters of quality assurance of systems and processes in the Institute's operations and reviewing the risk management framework and the periodic performance contract reports, and governance matters of the service. The members to this committee include:

- | | |
|----------------------------------|--|
| 1. Prof. Christopher Nyagah, PhD | Independent Director (Committee Chairperson) |
| 2. Ms. Margaret Righa | Deputy Chairperson |
| 3. Mr. Timothy Mburu | Rep PS National Treasury |
| 4. Mr. Geoffrey Esebwe | Head, Internal Audit (SDBEF) |

(f) Entity Headquarters

NHIF Building, 13th Floor
Ragati Road,
P.O. Box 48511 - 00100
Nairobi, KENYA

(g) Entity Contacts

Telephone No.: +254 20 2716102
Email: kefs@kilimo.go.ke; info@kefs.go.ke
Website: <http://www.kefs.go.ke>

**Kenya Fisheries Service
Annual Report and Financial Statements
for the year ended June 30, 2024.**

(h) Entity Bankers

The following are the Bank Accounts owned by the Service during the year ending 30th June 2024 Kenya Commercial Bank-Capital Hill Branch-NRB Headquarters –A/C No: 1266312323

- i. Kenya Commercial Bank -Capital Hill Branch-NRB-Head Quarter A/C NO :1266312323
- ii. Kenya Commercial Bank -Capital Hill Branch-NRB-Head Quarter A/C NO :1318946948
- iii. Kenya Commercial Bank-Kisumu Branch-Lake Victoria Region-A/c No:1294556290
- iv. Kenya Commercial Bank-Treasury Square-Marine and Coastal Region-A/c No:1294569155
- v. Kenya Commercial Bank-Karatina-Kenya Fishing School Sagana-A/c No: 1294418858
- vi. Kenya Commercial Bank-Nyeri-National Trout Centre, Kiganjo-A/c No: 1294393316
- vii. Kenya Commercial Bank-Eldoret-North Rift Region-A/c No: 1294422219
- viii. Kenya Commercial Bank-Kakamega-Western-A/c No: 1294495763
- ix. Kenya Commercial Bank-Nakuru-Central and South Rift-A/c No:1294535188
- x. Kenya Commercial Bank-Embu-Eastern Region-A/c No: 1294536974
- xi. Kenya Commercial Bank-Capital Hill-Nairobi Metropolitan-A/c No:1294423959
- xii. Kenya Commercial Bank-Busia-Busia Border Post-A/c No: 1294371991
- xiii. Kenya Commercial Bank-Lodwar-Lake Turkana Region-A/c No: 1294268198
- xiv. Kenya Commercial Bank-Isebania-Isebania Border Post-A/c No: 1294386336
- xv. Kenya Commercial Bank-Capital Hill-Nairobi Head Quarters Euro A/C-A/c No:1294424823

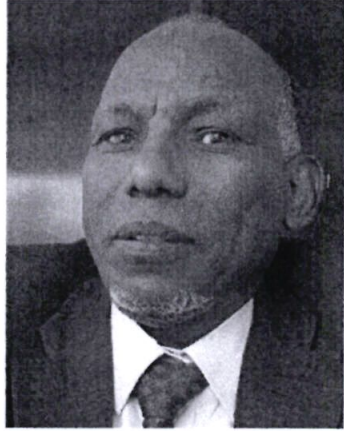
(i) Independent Auditors

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



(j) Principal Legal Adviser

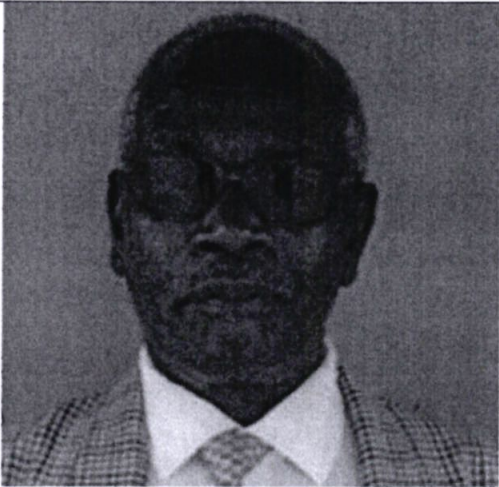
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200,


2. THE BOARD OF DIRECTORS/COUNCIL

Ref	Directors	Details
1.	 <p>Col. (Rtd) Noor Musa, MBS Chairman, KeFS Board of Directors</p> <p>Key Academic Qualifications</p> <ul style="list-style-type: none"> • Bachelors in Corporate leadership and Governance Costa Rica South America • Bachelor of Arts (Peace and Conflict resolution) - Egerton University • Diploma in international relations – East African Institute • Certificate in ICT • Certificate in Military science • Senior Management Course form Kenya Institute of Administration 	<p>Date of Appointment</p> <p>5th August 2022</p> <p>Work Experience:</p> <ul style="list-style-type: none"> • He served as Chairman Marhab Foundation and Executive Director of NGO Horn of Africa Peace advocacy • He worked as Chief Consultant/Advisor/ liason at Mandera County Government • He rose in various ranks in Kenya Defence Forces including the Liason Officer of Kenya Army in charge of over 40,000 staff • Liaison officer for Kenya Contigement in Namibia UNTAG • Senior instructor in the school of combat • Colonel Training Directorate at Kenya Army • Colonel Personnel at Kenya Army

**Kenya Fisheries Service
Annual Report and Financial Statements
for the year ended June 30, 2024.**

2.	 <p>Ms. Margaret Righa Independent Director Deputy Chairperson, KeFS Board of Directors</p> <p>Key Qualifications:</p> <ul style="list-style-type: none"> • PhD Scholar in Administration, Leadership and Governance (JKUAT) • Master in Education – Education Leadership and Administration (Aga Khan University) • Bachelor of Education - English and Literature (Moi University) • She has attended Strategic Leadership Development Programme and Senior management Course at Kenya School of Government and other community empowerment seminars including a seminar of Dialogue, Negotiation and Mediation at International Peace Support Training centre 	<p>Date of Birth 29th December 1978</p> <p>Date of Appointment 8th October 2021</p> <p>Work Experience</p> <ul style="list-style-type: none"> • She is an experienced Professional in Civil Service and in and a passionate educationist and gender equity and community empowerment • She had been Director at Industrial and Commercial Development Corporation (ICDC) • Prior to this appointment she served as Chief Officer and Sub- County administrator at Taita Taveta County Government, • She successfully taught in various capacities as a Lecturer at Coast Institute of Technology, Taita Taveta University and Mwangeka Girls School
3.	 <p>Ms. Shukran H. Gure Independent Director</p>	<p>Date of Appointment 13th March 2024</p> <p>Work Experience</p> <ul style="list-style-type: none"> • A diplomatic and committed professional with over 14 years of diverse experience in leadership and governance, public administration, and managing healthcare consultancy services, I have a proven track record of success. • Former Member of Parliament at the Kenya National Assembly, (Garissa County)

	<p align="center">Member Technical Committee</p> <p>Key Qualifications:</p> <ul style="list-style-type: none"> • Bachelor of Science in Nursing (University of St. Catherine - USA) • Diploma in Associate of Nursing (University of St. Catherine - USA) 	<p>with extensive experience in executive competencies such as advising on strategic plans, developing policies, participating in evaluations, monitoring financial affairs, and maintaining confidentiality in all internal organizational affairs.</p>
4.	 <p align="center">Prof. Christopher Gathu Nyagah, PhD Independent Director Chairman Audit, Risk and Governance Committee</p> <p>Key Qualifications</p> <ul style="list-style-type: none"> • PhD in Environmental Analytical Chemistry (UoN) • Postgraduate Diploma, University of Uppsala, Sweden • MSc. in Analytical Chemistry (UON) • Bachelor of Education – Chemistry and Physics (UoN) • S1 Teaching Certificate in Chemistry (KU) 	<p>Date of Birth 12th December 1948</p> <p>Date of Appointment 8th October 2021</p> <p>Work Experience</p> <ul style="list-style-type: none"> • Prof. Nyaga is a renowned Full Professor of Analytical Chemistry, Scholar, researcher and Educationist with over 50 years' wealth of experience • He has shown exemplary leadership skills as Director Alternative Degree Programme at JKUAT having successfully trained and supervised over 30 MSc. and PhD students and has published widely having over 30 publications in local and international peer reviewed journals • He also served in various capacities as in academia as Departmental Chairman and external examiner • He has taught Chemistry at JKUAT and Catholic University and Kenyatta University

5.	<div style="text-align: center;">  <p>Mr. Paul HukaKalla Independent Director Chairperson Finance, Strategy and Administration Committee</p> <p>Key Qualifications</p> <ul style="list-style-type: none"> • Ongoing PhD in Education Research Evaluation at Catholic University of East Africa (CUEA) • Masters of Education (hons) – Research and evaluation Logistics & (CUEA) • Bachelor of Education (Hons) (CUEA) </div>	<p>Date of Birth December 1965</p> <p>Date of Appointment 8th October 2021</p> <p>Work Experience</p> <ul style="list-style-type: none"> • Mr. Kalla is a highly resourceful and focused teaching professional with exceptional management capabilities • He is highly trained with over 25 years’ experience • He is currently a lecturer at Meru university of science and technology (MUST) • He ably serves as Chief of staff in the Office of the Governor- Marsabit County Government from 2014-2017 • Prior to this appointment he had served in various educational capacities as BOM Chair, Head teacher and Trainer of trainers. • He has attended many national capacity development workshops and seminars to sharpen his management skills.
----	---	--



Mr. Roderick Kundu
Fisheries and Blue Economy
Secretary – SDBE&F
Alternate Director to PS – SDBE&F

Key Qualifications:

- Masters in Fisheries and Aquatic Sciences (Fisheries Management Option)
- Bachelors in Botany and Zoology
- Strategic Leadership Development Programme (SLDP),
- Senior Management Course (SMC)
- Member Pan African Fish and Fisheries Association (PAFFA)

Date of Birth

30th December, 1964

Date of Appointment:

December, 2023

Work Experience

- He has a wealth of experience in public sector spanning over three decades, during which time he has demonstrated exemplary expertise in fisheries management and aquaculture development, a fact that has seen him take up crucial assignments in the entire East Africa and Central African Region as a consultant and Technical Advisor.
- He is well versed in processes of policy development, project development and operation, working closely with stakeholder organizations and government institutions to support sustainable fisheries resource development.
- He has also contributed to a number of research articles and technical reports on fisheries, aquaculture and Blue Economy.

6.	<p>Mr. Roderick Kundu Fisheries and Blue Economy Secretary – SDBE&F Alternate Director to PS – SDBE&F</p> <p>Key Qualifications:</p> <ul style="list-style-type: none"> • Masters in Fisheries and Aquatic Sciences (Fisheries Management Option) • Bachelors in Botany and Zoology • Strategic Leadership Development Programme (SLDP), • Senior Management Course (SMC) • Member Pan African Fish and Fisheries Association (PAFFA) 	<p>Date of Birth 30th December, 1964</p> <p>Date of Appointment: December, 2023</p> <p>Work Experience</p> <ul style="list-style-type: none"> • He has a wealth of experience in public sector spanning over three decades, during which time he has demonstrated exemplary expertise in fisheries management and aquaculture development, a fact that has seen him take up crucial assignments in the entire East Africa and Central African Region as a consultant and Technical Advisor. • He is well versed in processes of policy development, project development and operation, working closely with stakeholder organizations and government institutions to support sustainable fisheries resource development. • He has also contributed to a number of research articles and technical reports on fisheries, aquaculture and Blue Economy.
7.	<p>Alternate Director to PS - Defence</p>	<ul style="list-style-type: none"> •



**Mr. Timothy Mburu MBA (Finance & Accounting), B.com (Accounting), CPA (K), CIA, CISA, CRMA
Alternate Director to PS – National Treasury**

Key Qualifications:

- He holds a Master's of Business Administration (MBA) from University of Nairobi and Bachelors of Commerce (Accounting Option) from the Catholic University of Eastern Africa (CUEA).
- He is also a Certified Public Accountant (Kenya), Certified Internal Auditor, Certified Information Systems Auditor and Certified Risk Management Assurance.

Date of Birth

1979


Date of Appointment

10th March 2022


Work Experience

- He is a Deputy Accountant General in National Treasury, Kenya.
- Currently working with National Assets and Liabilities Department in the Directorate of Public Investment and Portfolio Management in the National Treasury with the mandate of managing assets and liabilities in Public sector entities in Kenya.
- He has 18 years' experience in public sector working previously as internal auditor in the Department of Internal Auditor General for 15 years.


8.



9.	 <p>Mr. Daniel N. Mungai DG/ Secretary to the KeFS Board of Directors</p> <p>Key Qualifications:</p> <ul style="list-style-type: none"> • M.Sc. in Microbiology (Kenyatta University) • B.Sc. in Botany and Zoology, (Kenyatta University) • Member International Association of Fish Inspectors (IAFI) 	<p>Date of Birth 23rd February, 1968</p> <p>Date of Appointment 1st October 2020</p> <p>Area of Responsibility</p> <ul style="list-style-type: none"> • Director General/Chief Executive Officer of the Service. • Accounting Officer of the Service • Secretary to the KeFS Board of Directors.
----	--	--

3. MANAGEMENT TEAM



	Management	Details
1.		<p>Date of Birth 23rd February, 1968</p> <p>Area of Responsibility</p> <ul style="list-style-type: none"> • Director General and Chief Executive Officer

**Kenya Fisheries Service
Annual Report and Financial Statements
for the year ended June 30, 2024.**

	<p style="text-align: center;">Mr. Daniel N. Mungai DG/CEO</p> <p>Key Qualifications:</p> <ul style="list-style-type: none"> • M.Sc. – Microbiology (Kenyatta University) • B.Sc. - Botany and Zoology, (Kenyatta University) 	<ul style="list-style-type: none"> • Accounting Officer of the Service
2.	<div style="text-align: center;">  </div> <p>Mrs. Lucy Obungu</p> <p>Key Qualifications:</p> <ul style="list-style-type: none"> • MSc. in Food Science (from the University of Strathclyde, Scotland) • BSc. Honours (University of Nairobi) • Member International Association of Fish Inspectors (IAFI) • Member African Network on Fish Technology and Safety (ANFTS) 	<p>Date of Birth 8th November 1965</p> <p>Area of Responsibility</p> <ul style="list-style-type: none"> • Director (Capture Fisheries) • In-charge of Capture Fishery Directorate

<p>3.</p>	 <p>Dr. Simon Macharia, PhD</p> <p>Key Qualifications:</p> <ul style="list-style-type: none"> • PhD in Natural Resources Management (Egerton University) • MSc. in Environmental Science (Egerton University) • BSc. Fisheries (Moi University) 	<p>Date of Birth 15th April 1972</p> <p>Area of Responsibility</p> <ul style="list-style-type: none"> • Director (Aquaculture) • In-charge of Aquaculture Directorate
<p>4.</p>	 <p>Ms. Rosaline Daisy Muriuki 'ndc'(K)</p> <p>Key Qualifications:</p>	<p>Date of Birth 13th November 1971</p> <p>Area of Responsibility</p> <ul style="list-style-type: none"> • Director (Fish Quality, Safety and Trade) • In-charge of Fish, Quality, Safety and Trade Directorate • In-Charge of Fish Quality and safety Laboratories in Nairobi, Mombasa and Kisumu

**Kenya Fisheries Service
Annual Report and Financial Statements
for the year ended June 30, 2024.**

	<ul style="list-style-type: none"> • Pursuing PhD in Biotechnology at Kenyatta university • MSc. Biotechnology (Kenyatta University) • BSc. Biochemistry (Kenyatta University) 	
5.	 <p>CPAK Agnes Lily Bwire</p> <p>Key Qualifications:</p> <ul style="list-style-type: none"> • Master of Business Administration (Finance Option) • Bachelor of Business Management (Accounting Option) 	<p>Date of Birth 1st March 1983</p> <p>Area of Responsibility</p> <ul style="list-style-type: none"> • Ag. Head of Finance • Responsible for all matters finance within the Service
6.	 <p>CPA Robert Korir</p>	<p>Date of Birth 31stDecember 1974</p> <p>Area of Responsibility</p> <ul style="list-style-type: none"> • Ag. Head of Accounts • Responsible for all matters Accounting within the Service

**Kenya Fisheries Service
Annual Report and Financial Statements
for the year ended June 30, 2024.**

	<p style="text-align: center;">ICPAK REG. NO. 20645</p> <p>Key Qualifications:</p> <ul style="list-style-type: none">• Masters of Business administration (Finance Option)• Bachelor of Commerce (Accounting Option)• Certified Public Accountant (K) Member No: 20645• Certified Fraud Examiner (ACFE)	
--	--	--

4. Chairman's Statement

KeFS is a regulatory State Corporation created under the Fisheries Management and Development Act, 2016. During the reporting period, KeFS continued to play its critical role in conservation, management and development of fisheries resources in Kenya pursuant to the Act. I thank the Government for the granting the much-required finances to operationalize and delink the operations of KeFS.

ACHIEVEMENTS DURING THE FINANCIAL YEAR 2023/2024

The Service continued to implement its fisheries conservation, management and development mandate during the year under review and achieved its Performance Contract targets as set out in the signed KeFS Performance Contract for the FY 2023/2024 and the Service Strategic Plan (2023-2027). In particular, KeFS managed the capture fisheries of the Indian Ocean and inland waters by granting access through licensing and registration; Monitoring, Control and surveillance (MCS) was enhanced; promotion of aquaculture technologies and innovations progressed; promotion of fish quality, safety and trade; capacity building initiatives and collaboration with other agencies internationally, regionally and nationally within KeFS mandate.

ONGOING INITIATIVES

In order to operationalize the Act, the Service is actively participating in the development of subsidiary fisheries legislation and fisheries management plans in collaboration with counties. Of particular interest, the Service developed 5-year Strategic plan (2023-2027) that is set to be aligned to the *Kenya Kwanza* Bottom-Up economic Transformation Agenda (BETA) and other key national development priorities.

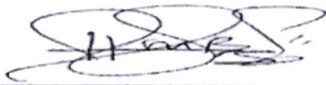
FUTURE PROSPECTS OF THE SERVICE

The Service will continue to play its role nationally, regionally and internationally pursuant to the Fisheries Management and development Act, 2016. To realize well managed fisheries and aquaculture the Service will endeavour develop programs and activities that are aligned with the enormous mandate of the Service. The sound Management of the physical, human and financial resources will

**Kenya Fisheries Service
Annual Report and Financial Statements
for the year ended June 30, 2024.**

contribute to the realization of the aforementioned mandate powered with efficient financial systems which the Service will establish and run to ensure fiduciary responsibility and accountability.

In conclusion, I take this opportunity to thank members of the KeFS Board of Directors and Management for providing leadership over the past year. I am greatly indebted to the committed Staff of the Service for their unwavering support in delivering our mandate. The commitment of this dedicated team contributed immensely to the Service performance. I am confident that they will spare no effort to attain and surpass the targets set for the next financial year.



**Col. (Rtd) Noor Musa, MBS
Chairman
KeFS Board of Directors.**

5. Report of the Chief Executive Officer (CEO)

It gives me great pleasure to present the second Annual Report and Financial Statements for the Kenya Fisheries Service (KeFS) for the period ended 30th June, 2024.

The Service has steadily taken up the role of Management and Development of Fisheries Resources as per the Fisheries Management and Development Act, of 2016. The Act mandates the Service to conserve, manage and develop marine and freshwater fisheries and aquaculture for sustainable exploitation of fisheries and other aquatic resources.

For the period under review, the Service has continued to provide the required leadership in designing suitable plans and strategies that will contribute to high and sustainable socio-economic development.

ACHIEVEMENTS DURING THE PERIOD

During the period, the Service Implemented the performance Contract for the FY 2023-2024 successfully that saw all the performance targets successfully achieved as negotiated with the Parent Ministry of Mining, Blue Economy and Maritime Affairs and vetted by the Performance Contracting Secretariat. The main achievements included:

A. Capture Fisheries

1. The eight fisheries regulations were further reviewed by a team of legal officers from the Ministry of Mining, Blue Economy and Maritime Affairs (MMBEMA), Attorney General Office and Kenya Law Reform Commission (KLRC) and technical fisheries officers from the SDBEF and KeFS. These regulations includes:
 - i. Fisheries General Regulations, 2023;
 - ii. Inland Fisheries Regulations, 2023;
 - iii. Marine Fisheries Regulations, 2023;
 - iv. Fisheries (Beach Management Units) Regulations, 2023;
 - v. Fisheries (Fish Safety and Quality) Regulations, 2023;
 - vi. Fisheries (Aquaculture) Regulations, 2023
 - vii. Fisheries (Inland and Riverine Recreational Fisheries) Regulations, 2023; and
 - viii. Fish Levy Trust Fund Regulations, 2023.

2. 875 fishing crew trainees from 42 counties in the country have been trained for the Fisheries Management course;

B. Aquaculture

1. The Empowering Novel Agribusiness-Led Employment (ENABLE) Youth Kenya Program aims at creating business opportunities and decent employment for youth along priority agricultural value chains. Kenya Fisheries Service participates through the Kenya Fishing School as one of the Youth Agri-Business Incubation Centres (YABICs).
2. Aquaculture programs that were implemented included: Tilapia and Catfish breeds improvement; and Aquaculture Technologies development and innovations transfer; and Upgrading of the centre by construction of the Aquaculture Technology and Innovations facility

C. Kenya Fishing School

The school accomplished a number of activities that were projected. These included but were not limited to the training of fish farmers, provision of conferencing facilities/lecture halls, and training of learners from various institutions of learning across the country including management of all aquaponic units nationally.

D. Fish Quality, Safety and Trade

1. The competent authority standing committee (CASC) convened to issue Certificates of compliance (COC);
2. 31 new Beach Inspectors based in Marine and Coastal Region on inspection procedures of fish landing sites and were issued with certificates;
3. Inspections were carried out during the period under review so as to ensure that the fish and fishery products being distributed in both the local and international markets meet the required standards;
4. Trade in fish and fish products were facilitated during the reporting period.

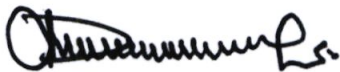
COMPLIANCE WITH THE LAWS AND REGULATIONS

During the FY 2023-2024, the Service complied with the set budgetary levels for the year. All the funds released by the government and donor partners to the Service were expensed towards the intended and approved work-plan of the Service.

KeFS Budget

Kenya Fisheries Service received Ksh650, 099,992.00, as a grant from the National Treasury, Ksh.22, 000,000 as appropriation in Aid and Ksh10, 000,000 from COMESA through the national treasury as external grant. The funds were utilised for personal emoluments, recurrent expenditure and Board Expenses as per the work plan for the FY. However, due to the strained budget the service is yet operationalize all her regional offices and critical boarder stations. On the other, hand the Service will continue work with the national treasury and development partners start development activities within the mandate of the Service.

In conclusion, the Service mandate remains critical and I applaud the staff and with the unwavering support of the Board of Directors, who have shown immense commitment to the achievement of the goals set for the reporting period.



Mr. Daniel Mungai

DIRECTOR GENERAL/CEO KeFS

6. Statement of Performance against Predetermined Objectives for FY 2023/24

KeFS performance for the period under review was guided by its Strategic Plan of 2023-2024 which has the following four key strategic issues to be addressed:

- a) Inadequate policy, legal and institutional framework for management and development of fisheries
- b) Low fish production, overfishing and IUU
- c) Undeveloped markets and marketing systems
- d) Poor fisheries data and information management system
- e) Weak collaboration and cooperation mechanisms at national, regional and international level

The Service develops its annual work plans and performance targets based on the above strategic issues and the assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The Service performance targets for the FY 2023/2024 period for its 8 key strategic issues, as indicated in the table below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Inadequate policy, legal and institutional framework for management and development of fisheries	To formulate and monitor the implementation of policies and regulations regarding conservation, management and utilization of all fisheries resources	Draft regulations	Formulate and review laws, regulations, standards and guidelines governing the fisheries	- Finalized 8 fisheries regulations and submitted them to the attorney general for gazettment
	To operationalize	Deploy and train newly	Establishment of manpower	Various training initiatives were

**Kenya Fisheries Service
Annual Report and Financial Statements
for the year ended June 30, 2024.**

	the Kenya Fisheries Service (KeFS) Institutional Framework.	recruited officers	requirements and Recruitment of Staff	conducted to various members of staff and in support of key development partners
Strategic Issue 2	Strategic Objective	Key Performance Indicators	Activities	Achievements
Low fish production, overfishing and IUU	To increase fish production from capture fisheries	Domestic fleet in Kenya's marine waters	Reflagging of foreign flagged vessels Registration under KMA Licensing for local fishing	6 long liners, 8 trawlers and 2 crab vessels were licensed to operate in Kenyan marine waters
		Development of sea-going capacity	Recruitment and training of fish crews	875 Kenyan were trained local on deep sea fishing and are ready for employment
	To Strengthen Fisheries Resource Governance	Implementation of Port State Measures Agreement (PSMA)	Development of tools to implemt PSMA	Sensitization on the new guideline on Transhipment was conducted
Strategic Issue 3	Strategic Objective	Key Performance Indicators	Activities	Achievements

**Kenya Fisheries Service
Annual Report and Financial Statements
for the year ended June 30, 2024.**

Undeveloped markets and marketing systems	To ensure safety and quality of fish and fishery products	Training reports	Training of beach inspectors	31 Coastal Region beach inspectors were trained and commissioned
		Sample Analysis	Operationalization of fish quality control laboratories	Lab Reagents were procured for the Kisumu and Nairobi Labs
Strategic Issue 4	Strategic Objective	Key Performance Indicators	Activities	Achievements
Poor fisheries data and information management system	To Establish data and information management system	A functional data and information management unit	Establish a data and information management unit	Production of Fisheries Statistical Bulletin (2022) and KNBS Report (2022)
Strategic Issue 5	Strategic Objective	Key Performance Indicators	Activities	Achievements
Weak collaboration and cooperation mechanisms at national, regional and international level	Honour and update Regional and International obligations	Enhance compliance to regional and international fisheries management	Participate in IOTC, SWIOFC, FAO, WTO forum.	Participated in IOTC, SWIOFC, FAO, WTO forum to enhance compliance

**Kenya Fisheries Service
Annual Report and Financial Statements
for the year ended June 30, 2024.**

7. Corporate Governance Statement

Good corporate governance entails establishment and enhancement of sustainable value for stakeholders through adoption of ethically driven procedures and processes. The Board of Directors ensures that corporate governance guidelines and best practices are followed, and that all corporate affairs are managed in a fair and transparent manner. In this regard, we believe it is our inherent responsibility to disclose timely and accurate information on our financials and performance as well as leadership and governance of the Service. The Board of Directors and KeFS Management remains steadfastly committed to the adoption of corporate governance best practices in support of our vision to provide world-class services that delight our customers, create value and meet stakeholders' expectations. This statement sets out the main corporate governance practices and structures in the Service and actions taken towards achievement of our goals.

During the reporting period the Board held the following meeting and developed three policy documents: namely the Board Charter; the Risk Management Policy; and Risk Management Plan.

S/No	Type of Meeting	Frequency
1.	Full Board	6
2.	Technical Committee	5
3.	Finance, Strategy and Administration Committee	5
4.	Audit Committee	5
5.	Board Charter and Risk Mitigation Policy Workshop	1
6.	Board visit to Coast Region	1
7.	Board Self Evaluation	2
8.	Board Training	1

i. Board of Directors

The KeFS Board of Directors consists of five (5) independent non-executive members, representatives of the PS National Treasury, State Department for Fisheries Aquaculture and the Blue Economy and Defence and the Director General KeFS who is the Board Secretary. The Board composition draws a good mix of skills, experience and proficiencies in various fields.

ii. Board work plan and meetings

Dates for Board almanac in the ensuing year were decided in advance and scheduled in the Board's work plan. The Board meets at least four times in a financial year to monitor and transact the business

of the Service. Board Members receive adequate notice and detailed papers on issues to be discussed in good time to enable them prepare for the meetings.

iii. Board Committees

The Board has three standing committees that assist to effectively discharge various business functions and responsibilities. However, *ad hoc* committee can be constituted to deal with pertinent issues as they arise as provided for by the Resolutions of the Board. The Board defines terms of reference under which the respective committees operate. The committees submit reports of their activities to the Board.

During the year, the Board established and supervised the following three committees:

a. The Finance, Strategy and Administration Committee (FSAC)

The Committee is comprised of 3 members of the Board including the DG. Its main function is to review and monitor KeFS financial position on behalf of the Board, including review of the liquidity status, all the Service' Accounts, Budgets, Financial Statements and statutory reports as well as bank reconciliation. It also ensures compliance with the financial reporting requirements and proper keeping of all the financial records of the Service. Further the Committee is also mandated to advise the Board of Management on Human Resource and Administration governance issues of the Service.

b. The Technical Committee (TC)

The committee is composed of 3 members including the DG. Its main function is to advise the Board on all technical matters of the Service including, the development and implementation of annual Performance Contract, development and review of the Service Strategic Plan, Service Charter and annual work plan. Secondly, the Committee ensure that the Service meets her mandate to Kenyans.

c. Audit, Risk and Governance Committee (ARGC)

This Committee is comprised of 3 members of the Board including the Head of internal Audit at the State Department for Fisheries, Aquaculture and the Blue Economy (SDFA&BE) who is the Committee secretary. Its main function is to consider and process on behalf of the Board all matters relating to audit, audit queries and management letters from Office of Auditor General or the duly appointed external auditors. It also considers matters of quality assurance of systems and processes in the Institute's operations and reviewing the risk management framework and the periodic performance contract reports, and governance matters of the service.

8. Management Discussion and Analysis

Operational performance

During the period under review, KeFS continued to implement its Performance Contract for the financial year 2023/2024 as negotiated with the Parent Ministry and vetted by the Performance Contracting Secretariat. The Service implemented the fisheries conservation, management and development of fisheries and aquaculture resources in Kenya. On the, other hand quality assurance, trade and value addition was promoted nationwide.

The Service continued with its core mandate by management and development of the fisheries resources; this was achieved by ensuring faster authorisations for import/export of fisheries products, enhancement of locals into deep sea fishing expeditions by training 875 fish crews who are now employed in the deep-sea fishing vessels; promoted aquaculture technologies and innovations; and assured quality and safety of fish and fish products.

With regards to budgetary resources, the government released exchequer grants to the Service, though with unprecedented delays as per the government printed estimates for the 2023-2024 financial year.

9. Environmental and Sustainability Reporting

KeFS purpose is to transform lives. This being the driving force behind everything we do. It guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

i) Sustainability strategy and profile

The Service draws its agenda from the national development goals, Vision 2030, the *Kenya Kwanza Bottom-up Economic Transformation Agenda* (BETA), and the UN sustainable Development Goals (SDGs) and AU Agenda 2063. The consideration of the aforesaid instruments led to the 5-year commitment of the KeFS strategic plan 2018-2022 that the Service was concluding and chatting forward for the next planning period (2023-2027). The Service collaborated with the devolved governments in meeting her mandate in aquaculture

**Kenya Fisheries Service
Annual Report and Financial Statements
for the year ended June 30, 2024.**

development, granting of fisheries access, development of policies and legislations, quality assurance, trade and co-management of fisheries resources.

ii) Environmental performance

The Service remained compliant to the provision of the Environmental Management and Conservation Act (EMCA) Cap 387 and subsidiary legislation in establishment and management of fisheries business and aquaculture production. The principle of Ecosystem approach to fisheries management is applied in all fisheries to ensure sustainable aquatic ecosystem. On the other hand, reduction of pollution by industrial fishing vessels was ensured by implementing the International Maritime Organisation (IMO) Marpol convention and enforcement of the Merchant Shipping Act No. 4 of 2009 in collaboration with Kenya Maritime Authority (KMA). During the reporting period the Service planted trees in all its station rallying the Government agenda to achieve 10% forest cover by the year 2030.

iii) Employee welfare

KeFS adheres the provisions of the Employment Act, 2007 in granting equal opportunities to all Kenyans without discrimination based on gender and ethnicity. In view of this, the Service advanced capacity building of the staff at all levels. In compliance to the Performance Contracting requirements KeFS implemented the crosscutting issue of Gender Mainstreaming in all its departments and ensured a 1:1 gender ratio in the Senior Management level. The Individual Performance Appraisal system was upheld. KeFS adhere to the provisions of the Occupational Safety and Health Act of 2007, (OSHA) with reference to safety and well-being of the employees.

iv) Market place practices-

KeFS have put in place the following:

a) Responsible competition practice.

KeFS is a non-political institution respecting the governance structures as a SAGA within the national Government. The Service consults and collaborates with the County Governments through the County Departments responsible for fisheries in executing its mandate. On the other hand, KeFS has mainstreamed the anti-corruption policy in all her service delivery, ensures fair competition and have set up a mechanism

to address the public complaints. The KeFS contracts to entrench responsible practices in the performance contract for the Service.

b) Responsible Supply chain and supplier relations

KeFS adhere to the provisions of the Public Procurement and Disposal Act Revised 2016 and subsidiary legislation.

c) Responsible marketing and advertisement

KeFS practise open-door policy in advertisement and marketing of KeFS products and Services. The employment opportunities are advertised in the Service website, Ministry website and widely circulated printed newspapers.

d) Product stewardship

KeFS disclose all its Services rendered to citizens in the Citizen's Service Delivery Charter.

v) Corporate Social Responsibility / Community Engagements

KeFS acknowledges the need to give back to society to promote harmonious relations given the contribution made by surrounding communities in creating a conducive environment for her extension and management activities. This has been pioneered successfully by the Sagana Fish Farm which has ensured the neighbouring community benefits from the un-skilled casual labour. The farm has also been involved in supporting vulnerable fish farmers who suffer from flash floods by helping restock their ponds. Further, Sagana Fish Farm has been undertaking a long-term partnership with the Catholic Diocese of Embu in supporting philanthropic fish farming activities to targeted orphans and widows who have benefitted from high quality fingerlings and feeds produced at the Farm. These outreach programs will be enhanced to use them as avenues for ensuring the members of public especially the vulnerable segment of society appreciate the work done by the Service coupled with the benefits of the fish industry.

**Kenya Fisheries Service
Annual Report and Financial Statements
for the year ended June 30, 2024.**

10. Report of the Directors

The Board of Directors has the pleasure to submit the annual report and audited financial statements for the year ended June 30, 2024 in accordance with the International Public Sector Accounting Standards, the State Corporations Act (Cap 446) of 1986 and the PFM Act, 2012 which discloses the state of affairs of the Service.

i) Principal activities

The Mandate of KeFS as per the Kenya Fisheries Management and Development Act, 2016 is to conserve, manage and develop marine and freshwater fisheries and aquaculture for sustainable exploitation of fisheries and other aquatic resources. It is our responsibility to provide the required leadership in designing suitable plans and strategies that will contribute to high and sustainable socio-economic development. It is our undertaking to ensure that Kenya Fisheries Service has a credible Strategic Plan and Performance Contract that will deliver the desired goals.

ii) Results

The financial results of the Service for the year ended June 30, 2024 are set out on page 1.

iii) Directors

The members of the Board of Directors who served during the year are shown on page vi. The Chairman of the Board and Board Members who served during the year was appointed by the President and Cabinet Secretary of the Ministry of Mining, Blue Economy and Cooperatives. The founding Chairman Term of office expired on 6th February 2022 and was not renewed. This followed appointment of Col (Rtd) Noor Musa, MBS as the Chairperson of KeFS Board of Directors on 5th August 2022. On the other hand, Prof. Christopher Nyagah upon resignation of Dr. Francis Mutegi and Ms. Jessica Gakinya was re-appointed to the Board by the Cabinet Secretary on 2024

Kenya Fisheries Service
Annual Report and Financial Statements
for the year ended June 30, 2024.

iv) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The Service made a surplus of kshs 14,646,368 under AIA during the year (FY 2023-2024) KShs. 14,646,368)is to be remittance to the Consolidated Fund.


v) Auditors

The Auditor General is responsible for the statutory audit of the Service in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of the Service for the year/period ended June 30, 2024 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

Mr. Daniel Mungai

DIRECTOR GENERAL/SECRETARY - KeFS Board of Directors

Signature: 

Date: 17/12/2024

Kenya Fisheries Service
Annual Report and Financial Statements
for the year ended June 30, 2024.

11. Statement of Directors Responsibilities

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

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

The Directors accept responsibility for the KeFS's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Directors are of the opinion that the KeFS's financial statements give a true and fair view of the state of KeFS's transactions during the financial year ended June 30, 2024, and of the KeFS's financial position as at that date.

The Directors further confirms the completeness of the accounting records maintained for the Service, which have been relied upon in the preparation of the KeFS's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Kenya Fisheries Service's financial statements were approved by the Board on 17th December 2024 and signed on its behalf by:



.....
Col (Rtd) Noor Musa, MBS
Chairman of the Board of Directors



.....
Mr. Daniel Mungai
Director General/CEO – KeFS

REPUBLIC OF KENYA



Enhancing Accountability

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

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

REPORT OF THE AUDITOR-GENERAL ON KENYA FISHERIES SERVICE 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.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the 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 Kenya Fisheries Service set out on pages 1 to 43, which comprise the statement of financial position as at 30 June, 2024,

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenya Fisheries Service 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 (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Inaccuracies in the Property, Plant and Equipment

The statement of financial position reflects of property, plant and equipment balance of Kshs.46,302,942 and as disclosed in Note 18 to the financial statements. Review of inventory assets in use at the Corporation revealed that several assets which were not recorded in the assets register comprising of land, motor vehicles office and furniture. According to Management, the assets had been acquired by the State Department for Blue Economy and Fisheries for use by the Corporation.

In addition, ownership documents and valuation reports for the assets were not provided for verification.

In the circumstance, the accuracy, completeness and ownership of the property, plant and equipment valued at Kshs.46,302,942 could not be confirmed.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Issues

In the audit of the previous year, several matters were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources and Report on effectiveness of internal controls, risk management and governance. However, although Management has indicated as having resolved those matters in appendix 1 to the financial statements, no evidence was provided to support that status.

Other Information

Management is responsible for the other information set out on pages ii to xxxvii which comprise of key entity information, management team, board of directors, chairman's statement, report of the chief executive officer, corporate governance statement, statement of performance against predetermined objectives, management discussion and analysis, environmental and sustainability reporting, statement of director's responsibilities and report of the independent auditors. The Other Information does not include the financial statements and my audit report thereon.

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

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

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. Unutilized Fish Testing Laboratories

During the year under review, Management operated three fish quality control laboratories located in Mombasa and Kisumu. Since inception of the Corporation in 2016, through the Statement of Blue Economy and Fisheries, had been making significant investments in laboratory equipment and personnel amounting to Kshs.199,225,353.

The laboratories were equipped with specialized in microbiology, chemistry and sensory units. However, the laboratories were yet to be accredited by Kenya Accreditation Service (KENAS) to enable them offer services which meet international standards of laboratory quality and competence. According to Management, a concept note was developed to have the laboratories obtain an ISO/IEC 17025:2017 certification during the year under review. However, there was no sufficient budget allocation to meet the funding requirement of Kshs.6,670,900 including requisite training. Lack of accreditation of the

laboratories prevented the Corporation from providing testing services to importers and exporters of fish and fish products at a fee.

In addition, during the year under review, the Management made a requisition to State Department for purchase of laboratory reagents since the Corporation lacked a budget for the items. However, the reagents received did not meet the specifications set out in the requisition form. Similarly, a delivery note provided in support of the purchased reagents lacked item description making it difficult to confirm the items against the order. This was contrary to Section 60 (2) of the Public Procurement and Asset Disposal Act, 2015 which provides that the specific requirements shall include all the procuring entity's technical requirements with respect to the goods, works or services being procured.

Further, no inspection and acceptance report and certificates were provided for review contrary to Section 48(3) of the Public Procurement and Asset Disposal Act, 2015 which require an inspection and acceptance committee to, all immediately after the delivery of the goods, works or services inspect or test the goods and services to ensure compliance with the terms and specifications of the contract and accept or reject the goods or services on behalf of the procuring entity.

In the circumstance, the value for money incurred on laboratory equipment amounting to Kshs.199,225,353 could not be ascertained. In addition, Management was in breach of the law.

2. Excess Procurement of Laboratory Reagents

During the year under review Management procured three 500ml multi-element calibration standards reagents at a cost of Kshs.360,000 for use in Nairobi, Kisumu and Mombasa Laboratories. However, review of a requisition form for the equipment revealed that users had requested for only one 500ml reagent for use in Nairobi.

In addition, the two (2) additional reagents meant for use in Kisumu and Mombasa laboratories could not be used as the laboratories lacked Atomic Absorption Spectrophotometer machines which use the reagents.

In the circumstance, value for money amounting to Kshs.240,000 incurred in the purchase of the excess reagents could not be ascertained.

3. Non-Compliance with the One-Third of Basic Salary Rule

Analysis of the payroll data of the Corporation revealed that at least five (5) employees were paid a net salary which was less than a third (1/3) of their basic pay. This contravenes Section 19(3) of the Employment Act, 2007 which requires that the total amount of all deductions which under the provisions of subsection (1), may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of such wages or such additional or other amount as may be prescribed by the Minister either generally or in relation to a specified employer or employee or class of employers or employees or any trade or industry. No sufficient explanation was given for breach of law on payment of salaries and allowances.

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

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

REPORT ON 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, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

In preparing the financial statements, Management is responsible for assessing the Service'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 Service's financial reporting process, reviewing the effectiveness of how Management monitors compliance

with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 December, 2024

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

Basis for Conclusion

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

In preparing the financial statements, Management is responsible for assessing the Service'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 Service's financial reporting process, reviewing the effectiveness of how Management monitors compliance

with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 December, 2024

Kenya Fisheries Service
Annual Report and Financial Statements
for the year ended June 30, 2024.

13. Statement of Financial Performance for the year ended 30 June 2024

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6a)	650,099,992	552,200,000
Balances b/f		-	15,657,961
AIA	6.c	36,646,368	
Public contributions and donations	7	10,000,000	10,000,000
Total		696,746,360	577,857,961
Revenue from exchange transactions		-	-
Total revenue		696,746,360	577,857,961
Expenses			
Use of goods and services	8	133,743,951	79,026,855
Employees Costs	9	402,300,502	366,806,142
Board Expenses	10	11,164,256	8,042,400
Depreciation and amortization expense	11	12,145,378	4,286,437
Other Transfers and Payments	12	37,000,765	29,239,011
Contracted services-Security	13	-	-
Repairs and maintenance	14	6,997,019	6,015,228
Training of fishers	21	33,359,670	31,640,330
Total expenses		636,711,541	525,056,403
Surplus/(deficit)for the period/year		60,034,819	52,801,558
Remission to National Treasury		14,646,368	-
Net Surplus for the year		45,388,451	52,801,558

Note: Remission to National Treasury of Ksh.14,646,368 was excess Appropriation in Aid, collected during the year against the target of Ksh.22,000,000. However, the net surplus of Ksh.45,388,451 was for the already planned activities under patrol services programme that was ongoing. The surplus was occasioned due to delay in receipt of exchequer from the National Treasury.

The notes set out on pages 9 to 52 form an integral part of these Financial Statements.

The Financial Statements set out on pages 1 to 8 were signed on behalf of the Board of Directors by:



Accounting Officer
 Mr. Daniel Mungai

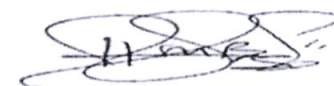
Date 17/12/24



Ag. Head of Accounts
 Mr. Robert Korir

ICPAK Member: 20645

Date 17/12/24



Chairman of the Board
 Col (Rtd) Noor Musa, MBS

Date 17/12/2024

Kenya Fisheries Service
Annual Report and Financial Statements
for the year ended June 30, 2024.

14. Statement of Financial Position as at 30 June 2024

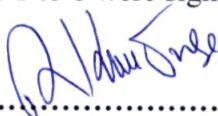
	Notes	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	15	90,480,405	47,017,650
Receivables from non-exchange transactions	16	-	6,266,769
Inventory	17	2,832,820	
Total Current Assets		93,313,225	53,284,419
Non-Current Assets			
Property, plant and equipment	18	46,302,942	15,756,747
Total Non- Current Assets		46,302,942	15,756,747
Total Assets		139,616,167	69,041,166
Current Liabilities			
Payables	19	11,120,179	580,000
Total Current Liabilities		11,120,179	
Total Liabilities		11,120,179	580,000
Net assets		128,495,988	68,461,166
Represented by:			
Reserves		15,659,611	15,659,608
Accumulated surplus		112,836,377	52,801,558
Total Net Assets and liabilities		128,495,988	68,461,166

The financial statements set out on pages 1 to 8 were signed on behalf of the Board of Directors by:



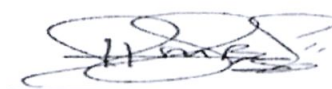
Accounting Officer
 Mr. Daniel Mungai

Date 17/12/2024



Ag. Head of Accounts
 Mr. Robert Korir

ICPAK Number:20645
 Date 17/12/2024



Chairman of the Board
 Col (Rtd) Noor Musa, MBS

Date 17/12/2024

**Kenya Fisheries Service
Annual Report and Financial Statements
for the year ended June 30, 2024.**

15. Statement of Changes in Net Assets for the period ended 30 June 2024

	Note	Accumulated Surplus Kshs.	TOTAL Kshs.
Balance as at 1 July 2023		52,801,558	52,801,558
Additions			
Surplus for the period		60,034,819	60,034,819
Balance as at 30 June 2024		112,836,377	112,836,377

The financial statements set out on pages 1 to 8 were signed on behalf of the Board of Directors by:



Accounting Officer

Mr. Daniel Mungai

Date 17/12/2024

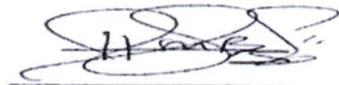


Ag. Head of Accounts

Mr. Robert Korir

ICPAK Number:20645

Date 17/12/2024



Chairman of the Board

Col (Rtd) Noor Musa,

MBS

Date 17/12/2024

Kenya Fisheries Service
Annual Report and Financial Statements
for the year ended June 30, 2024.

16. Statement of Cash Flows for the year ended 30 June 2024

		2023-2024	2022-2023
	Notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	6.a	650,099,992	552,200,000
Balance b/f		-	15,657,961
Public contributions and donations	7	10,000,000	10,000,000
Other income (AIA)		36,646,368	
Total Receipts		696,746,360	577,857,961
Payments			
Use of goods and services	8	133,743,951	86,306,014
Compensation of Employees	9	402,300,502	366,806,142
Board expenses	10	11,164,256	8,042,400
Other Transfers and payments	12	37,000,765	29,239,011
Contracted services-Security	13	-	-
Repairs and maintenance	14	6,997,019	6,015,228
Training of fishers		33,359,670	31,640,330
Total Payments		624,566,163	528,049,125
Surplus for the period without depreciation		72,180,197	49,808,836
Working capital adjustments			
Increase /decrease in receivables	16a	6,266,769	-
Increase /decrease in payables	19a	10,540,179	-
Increase /decrease in inventory		(2,832,820)	
Cashflow from /used in operating activities		86,154,325	49,808,836
Cash flows from investing activities			
Purchase of property, plant, equipment	18	(42,691,571)	(14,262,180)
Cash flows from/(used in) investing activities		(42,691,571)	(14,262,180)
Net cash flows from/(used in)investing activities		43,462,754	35,546,656
Net increase/(decrease)in cash and cash equivalents		43,462,754	35,546,656
Cash and cash equivalents at 1 st July		47,017,651	11,470,995
Cash and cash equivalents at 30th June		90,480,405	47,017,651

(IPSAS 2 allows a Service to present the cash flow statement using the direct or indirect method but encourages the direct method. Entities should use the direct method of cash flow preparation as shown above)

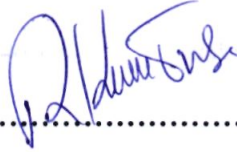
The financial statements set out on pages 1 to 8 were signed on behalf of the Board of Directors by:

**Kenya Fisheries Service
Annual Report and Financial Statements
for the year ended June 30, 2024.**




.....
Mr. Daniel Mungai
Accounting Officer

Date 17/12/2024



.....
Mr. Robert Korir
Ag. Head of Accounts
ICPAK M/No:20645

Date 17/12/2024



Col (Rtd) Noor Musa, MBS
Chairman of the Board

Date 17/12/2024

Kenya Fisheries Service
Annual Report and Financial Statements
for the year ended June 30, 2024.

17. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024

	Notes	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
		Kshs	Kshs	Kshs	Kshs	Kshs	
		a	b	c=(a+b)	d	e=(c-d)	f=d/c
Revenue							
Transfers from other governments entities	6	580,100,000	70,000,000	650,100,000	650,099,992	-	100%
Public Contributions and Donations (COMESA)	7	-	10,000,000	10,000,000	10,000,000	-	100%
AIA		22,000,000	-	22,000,000	36,646,368	14,646,368	164%
Balance b/f						-	
Operational Grant		6,822,136		6,822,136	6,822,136		100%
Training of fishers		33,359,670		33,359,670	33,359,670		100%
Public Contributions and Donations (COMESA)	7	1,656,057		1,656,057	1,656,057		100%
Total income		643,937,863	80,000,000	723,937,863	738,584,223	-	
Expenses						-	
Use of goods and services	8	111,987,325	47,400,000	159,387,325	133,743,951	25,643,374	84%
Compensation of employees	9	421,500,000	-	421,500,000	402,300,502	19,199,498	95%
Board expenses	10	11,500,000	-	11,500,000	11,164,256	335,744	97%
Other Transfers and Other Payments	12	37,798,772	-	37,798,772	37,000,765	798,007	98%
Repairs and maintenance	14	10,146,710	4,600,000	14,746,710	6,997,019	7,749,691	47%
Training of fishers		33,359,670	-	33,359,670	33,359,670	0	100%
Capital expenditure	18	17,645,386	28,000,000	45,645,386	42,691,571	2,953,815	94%
Total expenditure		643,937,863	80,000,000	723,937,863	667,257,734	56,680,129	92%
Surplus for the period					71,326,489		

**Kenya Fisheries Service
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

Budget Notes

Appropriation in Aid

The over collection of Appropriation in Aid of Kshs.14,646,368 over and above the budgeted figure was as a result of onboarding of Kef's services on E citizen hence making it easier for fisherfolks to access the Kef's services on E citizen portal at a fee. This resulted to more revenue collection because of wider geographical coverage

Use of goods and services

The variance of Kshs. 25,643,374 under use of goods and services was as a result of delay in release of exchequer by national Treasury for planned patrol services programme that was ongoing. The planned activities involve a lot of issues among them travelling which could not be undertaken within the short period to closure of FY

Repairs and maintenance

The variance of Kshs7,749,691 under repairs and maintenance was as a result of delay in release of exchequer by national Treasury for planned patrol services programme that was ongoing. Since the item of repairs was to cater for patrol boats repairs and maintenance and having the a few for patrols undertaken, the budget of repairs could not be spend as planned.

Reconciliation of Expenditure in Statement of Financial Performance to the Expenditure in the Budget Comparative report

Details of Budget FY 2023/24	Kshs.
Expenditure in statement of financial performance	636,711,541
<i>Add</i> use of goods and services expenses items in statement of financial position(capital expenditure)	42,691,571
<i>Less</i> Depreciation	(12,145,378)
Total budget expenditure	667,257,734

18. Notes to the Financial Statements

1. General Information

Kenya Fisheries Service is established by and derives its authority and accountability from Fisheries Management and Development Act, 2016. The Service is wholly owned by the Government of Kenya and is domiciled in Kenya. The Service's principal activity is Conservation, Management and Development of fisheries resources in Kenya.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in

**Kenya Fisheries Service
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *KeFS* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

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

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2022.*
IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.
- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.*

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Service’s future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held;

**Kenya Fisheries Service
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

Standard	Effective date and impact:
	<ul style="list-style-type: none"> • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Service’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Service provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Service. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Service’s financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.

**Kenya Fisheries Service
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

Standard	Effective date and impact:
	<p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p><i>Applicable 1st January 2023</i></p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>
<p>IPSAS 43</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of a Service.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non- Current Assets Held</p>	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p>

**Kenya Fisheries Service
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

Standard	Effective date and impact:
for Sale and Discontinued Operations	<p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

iii. Early adoption of standards

The Service did not early – adopt any new or amended standards in year 2021/2022.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The Service recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Service and the fair value of the asset can be measured reliably.

Transfers from other government entities

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

Rendering of services

The Service recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Service.

Interest income

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

ii) Revenue from exchange transactions

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Service's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2023-2024 was approved by the National Assembly June 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Service upon receiving the respective approvals in order to conclude the final budget.

**Kenya Fisheries Service
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Budget information (continued)

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actual as per the statement of financial performance is presented as below;

Reconciliation of expenditure in statement of financial performance to the expenditure in the budget comparative report

Details of Budget FY 2023/24	Kshs.
Expenditure in statement of financial performance	636,624,728
<i>Add</i> use of goods and services expenses items in statement of financial position(capital expenditure)	42,691,571
<i>Less</i> Depreciation	(12,058,565)
Total budget expenditure	667,257,734

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Service operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable Service and the same taxation authority.

**Kenya Fisheries Service
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii) When receivables and payables are stated with the amount of sales tax included
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an *xx*-year period. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Service recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Service. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Service also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Service will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Service. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

**Kenya Fisheries Service
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

h) Research and development costs

The Service expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Service can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale
- ii) Its intention to complete and its ability to use or sell the asset
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) Financial instruments

a) Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Held-to-maturity.

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Service has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

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

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

b) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Service determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

**Kenya Fisheries Service
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

j) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Service*.

k) Provisions

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

Where the Service expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

l) Contingent liabilities

The Service 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.

m) Contingent assets

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

n) Nature and purpose of reserves

The Service creates and maintains reserves in terms of specific requirements.

o) Changes in accounting policies and estimates

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

**Kenya Fisheries Service
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

p) Employee benefits

Retirement benefit plans

The *Service* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an *Service* pays fixed contributions into a separate *Service* (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

q) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

r) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

s) Related parties

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

t) Service concession arrangements

The *Service* analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Service* recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Service* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u) Cash and cash equivalents

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

**Kenya Fisheries Service
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

v) Comparative figures

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

w) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Notes to the Financial Statements (Continued)

Significant Judgments and Sources of Estimation Uncertainty (Continued)

Useful lives and residual value

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

- a. The condition of the asset based on the assessment of experts employed by the Service.
- b. The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c. The nature of the processes in which the asset is deployed.
- d. Availability of funding to replace the asset.
- e. Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note.

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

**Kenya Fisheries Service
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

Notes to the Financial Statements (Continued)

6. a) Transfers from Other Government Entities

Description	2023-2024	2022-2023
	KShs	KShs
Un conditional grants		
Operational grant received in the year	650,099,992	552,200,000
Total Unconditional Grants	650,099,992	552,200,000
Conditional grants		
Total government grants and subsidies	650,099,992	552,200,000

6.b) Transfers from Ministries, Departments and Agencies (MDAs)

Name of the Service sending the grant	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Period ended 30th June 2024	Period ended 30th June 2023
	KShs	KShs	KShs	KShs	KShs
SDBE&F	48,341,666			48,341,666	40,016,667
SDBE&F	10,000,000			10,000,000	-
SDBE&F	48,341,666			48,341,666	40,016,667
SDBE&F	48,341,666			48,341,666	40,016,667
SDBE&F	48,341,666			48,341,666	40,016,667
SDBE&F	48,341,666			48,341,666	40,016,667
SDBE&F	48,341,666			48,341,666	40,016,667
SDBE&F	48,341,666			48,341,666	40,016,667
SDBE&F	48,341,666			48,341,666	40,016,667
SDBE&F	48,341,666			48,341,666	40,016,667
SDBE&F	48,341,666			48,341,666	42,350,000
SDBE&F	48,341,666			48,341,666	42,350,000
SDBE&F	70,000,000			70,000,000	42,350,000
SDBE&F	48,341,666			48,341,666	65,000,000
Total	660,099,992			660,099,992	552,200,000

6. c) Appropriation in Aid (AIA)

Description	2023-2024	2022-2023
	KShs	KShs
Collection for the period	36,646,368	-
Total	36,646,368	-

7. Public Contributions and Donations

Description	2023-2024	2022-2023
COMESA	10,000,000	10,000,000
MESTP	-	-
EU-Ecofish Project	-	-
Total transfers and sponsorships	10,000,000	10,000,000
7.a		
Reconciliation of public contributions and donations		
Current year receipts	10,000,000	10,000,000
Conditions met - transferred to revenue	-	-
Conditions to be met - remain liabilities	10,000,000	10,000,000

**Kenya Fisheries Service
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

8. Use of Goods and Services

Description	2023-2024	2022-2023
	KShs	KShs
Advertising and printing services	642,993	1,358,805
Admin fees	2,461,000	572,992
Insurance costs	779,491	802,947
Fuel and oil	10,500,063	4,037,750
Hire of transport	2,988,450	-
Hospitality	6,181,944	4,739,287
Rental	17,642,742	16,840,193
Audit fees	2,320,000	1,160,000
Utility supplies and other services	1,604,715	147,077
Telecommunication	1,356,500	1,325,200
Training	14,619,804	6,130,824
Domestic Travel, accommodation and subsistence allowances	52,298,741	35,425,225
Foreign Travel, accommodation, subsistence and other allowances	2,244,492	2,262,750
Office and Other general expenses	4,966,741	4,157,755
Bank Charges	34,791	-
Comesa expenses	11,637,445	-
Specialized materials	1,464,039	66,050
Total	133,743,951	79,026,855

Notes to the Financial Statements (Continued)

9. Compensation of Employees

Description	2023-2024	2022-2023
	KShs	KShs
Salaries and wages	402,300,502	366,806,142
Total cash and cash equivalents	402,300,502	366,806,142

10. Board Expenses

Description	2023-2024	2022-2023
	KShs	KShs
Chairman/Directors' Honoraria	960,000	960,000
Sitting allowances	2,064,000	1,974,000
Board travel and accommodation	8,140,256	4,942,187
Other Board Expenses	-	166,213
Total	11,164,256	8,042,400

11. Depreciation Expense

Description	2023-2024	2022-2023
	KShs	KShs
Accumulated Depreciation for the year	12,145,378	4,286,437
Total	12,145,378	4,286,437

Kenya Fisheries Service
Annual Reports and Financial Statements
for the year ended June 30, 2024.

12. Other Transfers and Other Payments

Description	2023-2024	2022-2023
	KShs	KShs
KEFS-NAIROBI	2,101,302	1,825,483
KEFS-MOMBASA	4,637,549	4,380,402
KEFS-KISUMU	5,189,300	5,170,932
KEFS-LODWAR	2,525,468	1,717,098
KEFS-ELDORET	2,660,967	1,511,618
KEFS-NAKURU	1,999,301	1,561,817
KEFS-EMBU	2,081,969	1,359,831
KEFS-NYERI	4,870,631	3,936,463
KEFS-KAKAMEGA	2,013,968	1,321,641
KEFS-ISEBANIA	2,659,708	2,328,487
KEFS-SAGANA	3,947,969	2,626,599
KEFS- BUSIA	2,312,633	1,496,640
Total	37,000,765	29,239,010

13. Contracted Services.

Description	2023-2024	2022-2023
	KShs	KShs
Security Services	-	-
Total	-	-

**Kenya Fisheries Service
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

Notes to the Financial Statements (Continued)

14. Repairs and Maintenance

Description	2023-2024	2022-2023
	KShs	KShs
Maintenance of Motor Vehicles	3,715,063	970,600
Maintenance other assets	376,176	54,418
Renovation of building	2,905,780	4,990,210
Total	6,997,019	6,015,228

15. Cash and Cash Equivalents

Description	2023-2024	2022-2023
	KShs	KShs
KCB Bank	90,480,405	47,017,651
Total cash and cash equivalents	90,480,405	47,017,651

**Kenya Fisheries Service
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

Notes to the Financial Statements (Continued)

15. (a) Detailed Analysis of the Cash and Cash Equivalents

		2023-2024	2022-20223
Financial institution	Account number	KShs	KShs
a) Current account			
KCB-NAIROBI-HQ	1266312323	69,554,664	45,708,292
KCB-NAIROBI-HQ	1318946948	20,742,054	-
KCB-KEFS-NAIROBI REGION	1294423959	7,897	6,595
KCB-KEFS-MOMBASA	1294569155	4,664	4,956
KCB-KEFS-KISUMU	1294556290	54,407	4,092
KCB-KEFS-LODWAR	1294268198	13,840	96,865
KCB-KEFS-ELDOROT	1294422219	1,530	461
KCB-KEFS-NAKURU	1294535188	26,349	4,400
KCB-KEFS-EMBU	1294536974	2,565	441
KCB-KEFS-NYERI	1294393316	1,367	7,498
KCB-KEFS-KAKAMEGA	1294495763	22,653	597
KCB-KEFS-ISEBANIA	1294386336	37,250	51,103
KCB-KEFS-SAGANA	1294418858	9,208	1,128,014
KCB-KEFS-BUSIA	1294371991	1,957	4,337
Grand total		90,480,405	47,017,651

**Kenya Fisheries Service
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

Notes to the Financial Statements (Continued)

16. Receivables from Non- Exchange Transactions (Current)

Description	2023-2024	2022-2023
	KShs	KShs
Un received Exchequers for the Year	-	-
imprest and advances as at 30th June	-	6,266,769
Total	-	6,266,769
Ageing Analysis- Receivables from non-Exchange Transactions	-	2022-2023
Less than 1 year	-	6,266,769
Total	-	6,266,769

16 a) changes in receivables

Description	2023-2024	2022-2023
	KShs	KShs
Receivable as at 1 st July 2023	6,266,769	6,266,769
Receivable as at 30th June 2024	-	
Increase /Decrease	6,266,769	6,266,769

**Kenya Fisheries Service
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

Notes to the Financial Statements (Continued)

17. Inventory

Description	2023-2024	2022-2023
	KShs	KShs
Inventory	2,832,820	-
Total	2,832,820	-

17 a.Changes in Inventory

Description	2023-2024	2022-2023
	KShs	KShs
Inventory as at 1 st July 2023	-	-
Inventory as at 30 th June 2024	2,832,820	
Total	2,832,820	-

**Kenya Fisheries Service
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

Notes to the Financial Statements (Continued)

18. Property, Plant and Equipment

Description	Furniture and fittings (12.5%)	Computers (33.3%)	Motor vehicle (20%)	Total
Cost	Kshs	Kshs	Kshs	Kshs
As At 1 July 2023	3,370,658	2,842,090	9,544,000	15,756,748
Additions	4,632,468	5,097,368	32,961,735	42,691,571
Disposals	-	-	-	-
Transfers/Adjustments	-	-	-	-
As At 30th June 2024	8,003,126	7,939,458	42,505,735	58,448,319
Depreciation And Impairment				
At 1 July 2023	0	0	0	0
Depreciation	1,000,391	2,643,840	8,501,147	12,145,378
As At 30th June 2024	1,000,391	2,643,840	8,501,147	12,145,378
Net Book Values				
As At 1st July 2023	3,370,658	2,842,090	9,544,000	15,756,748
As At 30th June 2024	7,002,735	5,295,618	34,004,588	46,302,941

1. **Note:** Depreciation has been computed using the rates contained in the Finance Manual for Kenya Fisheries Service

Kenya Fisheries Service
Annual Reports and Financial Statements
for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

18. a) Property, Plant and Equipment at Cost

Description	Cost or valuation	Accumulated Depreciation	NBV
		Kshs	Kshs
Motor Vehicles including Motorcycles	42,505,735	8,501,147	34,004,588
Computers and Related Equipment	7,939,458	2,643,840	5,295,618
Office Equipment, Furniture and Fittings	8,003,126	1,000,391	7,002,735
Total	58,448,319	12,145,378	46,302,941

**Kenya Fisheries Service
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

Notes to the Financial Statements (Continued)

19. Payables

Description	2023-2024	2022-2023		
	KShs	KShs		
	Kshs	Kshs		
Provision for audit fee	1,740,000	580,000		
Bandari Maritime Academy	3,934,500			
TUMEL	1,620,100			
Machakos university	205,000			
Accrued NSSF remittance	3,594,179			
Sky extra tours	26,400			
Total provisions year end	11,120,179	580,000		
Ageing analysis: (Trade and other payables)	2023-2024	% of the Total	2022-2023	% of the Total
Under one year	11,120,179	100%	580,000	100%
Total	11,120,179		580,000	100%

19. a) Changes in payables

Description	2023-2024	2022-2023
	KShs	KShs
Payables as at 1 st July 2023	580,000	-
Payables as at 30th June 2024	11,120,179	580,000
Increase /Decrease	10,540,179	580,000

Kenya Fisheries Service
Annual Reports and Financial Statements
for the year ended June 30, 2024.

20. a) Cash movement from Operations

Description	2023-2024	2022-2023
	KShs	KShs
ADD INCREASE IN PAYABLES	10,540,179	-
ADD DECREASE IN RECEIVABLE	6,266,769	
LESS INCREASE IN RECEIVABLES		(3,960,951)
LESS INCREASE IN INVENTORY	(2,832,820)	421,210
LESS DECREASE IN PAYABLES		(3,500,000)
NET INCREASE IN CASHFLOWS FROM OPERATING ACTIVITIES	13,974,128	(7,039,741)

21. Training of fishers

Description	2023-2024	2022-2023
	KShs	KShs
Training	33,359,670	31,640,330
Total Forex Gain	33,359,670	31,640,330

22. Financial Risk Management

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

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

i) Credit risk

The Service has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Service's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

The carrying amount of financial assets recorded in the financial statements representing the Service's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Service has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Service's directors, who have built an appropriate liquidity risk management framework for the management of the Service's short, medium and long-term funding and liquidity management requirements. The Service manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

**Kenya Fisheries Service
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

The table below represents cash flows payable by the Service under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

iii) Market risk

The Service has put in place an internal audit function to assist it in assessing the risk faced by the Service on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Service's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Service's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Service's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The Kenya Fisheries Service has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Kenya Fisheries Service manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

The carrying amount of the Kenya Fisheries Service foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Financial Risk Management

The following table demonstrates the effect on Kenya Fisheries Service statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

b) Interest rate risk

Interest rate risk is the risk that the Service's financial condition may be adversely affected as a result of changes in interest rate levels. The Service's interest rate risk arises from bank deposits. This exposes the Service to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Service's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Financial Risk Management

Sensitivity analysis

The Service analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Kenya Fisheries Service market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Kenya Fisheries Service considers relevant and observable market prices in its valuations where possible.

**Kenya Fisheries Service
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

Financial Risk Management

The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management

The objective of the Service's capital risk management is to safeguard the Service's ability to continue as a going concern. The Service capital structure comprises of the following funds:

Notes to the Financial Statements (Continued)

9. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the *Service* include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the *Service*, holding 100% of the *Service*'s equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the *Service*, both domestic and external.

Other related parties include:

- i) The State Department for fisheries Aquaculture and the Blue Economy.
- ii) Key management.
- iii) Board of directors.

Notes to the Financial Statements (Continued)

23. Events after the Reporting Period

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

24. Ultimate and Holding Service

The *Service* is a State Corporation/ or a Semi- Autonomous Government Agency under the State Department for Fisheries Aquaculture and the Blue economy.

24. Currency

The financial statements are presented in Kenya Shillings (Kshs).

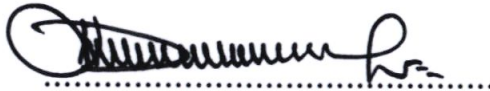
**Kenya Fisheries Service
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

24. Appendix

Appendix 1: Implementation Status of Auditor-General's Recommendations

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

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.	Failure to provide journals for Amended Financial Statements.	Journals Provided.	Resolved	
2.	Failure to have a depreciation Policy	The service has already developed a Finance manual which is to undergo stakeholder engagement and later to the Board of Directors for approval.	Resolved	
3.	Failure to recognize Assets held at the Regional Offices	Ownership of such assets still yet to be transferred to the Service. Management still pursuing the matter	Resolved	



Mr. Daniel Mungai

Director General/C.E.O

Date **17/12/2024**

**Kenya Fisheries Service
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

Appendix II: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
SDBE&F	18/08/2022	Recurrent	48,341,666	48,341,666	-	-	-	-	48,341,666
SDBE&F	28/08/2022	Recurrent	10,000,000	10,000,000	-	-	-	-	10,000,000
SDBE&F	22/09/2022	Recurrent	48,341,666	48,341,666	-	-	-	-	48,341,666
SDBE&F	29/09/22	Recurrent	48,341,666	48,341,666	-	-	-	-	48,341,666
SDBE&F	15/11/22	Recurrent	48,341,666	48,341,666	-	-	-	-	48,341,666
SDBE&F	5/12/2022	Recurrent	48,341,666	48,341,666	-	-	-	-	48,341,666
SDBE&F	30/12/22	Recurrent	48,341,666	48,341,666	-	-	-	-	48,341,666
SDBE&F	7/2/2023	Recurrent	48,341,666	48,341,666	-	-	-	-	48,341,666

**Kenya Fisheries Service
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

SDBE&F	23/03/23	Recurrent	48,341,666	48,341,666	-	-	-	-	48,341,666
SDBE&F	14/04/23	Recurrent	48,341,666	48,341,666	-	-	-	-	48,341,666
SDBE&F	6/6/2023	Recurrent	48,341,666	48,341,666	-	-	-	-	48,341,666
SDBE&F	30/06/23	Recurrent	48,341,666	48,341,666	-	-	-	-	48,341,666
SDBE&F	30/06/23	Recurrent	70,000,000	70,000,000	-	-	-	-	70,000,000
SDBE&F	3/7/2023	Recurrent	48,341,666	48,341,666	-	-	-	-	48,341,666
Total			660,099,992	660,099,992	-	-	-	-	660,099,992.

SCHEDULE OF PRIOR YEAR AUDIT ISSUES AND STATUS

NO	ISSUE	STATUS	REMARKS
1	Variance in use of goods and services	Ledgers updated and financial statement amended	Resolved
2	Overstated employees cost	The ledger updated	Resolved
3	Lack of motor vehicle ownership	Log book attached	Resolved
4	Inaccuracies in the statement of cash flows	financial statement amended	resolved
5	Payment made on expired contract	Renewed Contract agreement attached	Resolved
6	Non -implementation of E-procurement	The service is not mapped on IFMIS	Resolved
7	Non adherence to the Data protection ACT 2019	The ICT department has been tasked with data protection exercise	Resolved
8	Understaffing at the Kenya fisheries service	The service has not been allocated budget for staffs recruitment	Not Resolved
9	Lack of strategic plan	Strategic plan is in place approved on 2 nd February 2024	Resolved