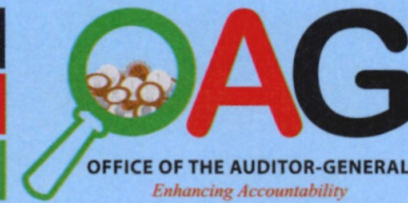


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ON

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

**FOR THE YEAR ENDED
30 JUNE, 2025**

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	11 MAR 2026 DAY. WEDNESDAY
TABLED BY:	LEADER OF MAJORITY PARTY Hon. OWEN BAYA, MP
CLERK-AT THE-TABLE:	J. LOMBELE

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**MINISTRY OF MINING, BLUE ECONOMY AND MARITIME AFFAIRS.
STATE DEPARTMENT FOR THE BLUE ECONOMY AND FISHERIES.
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025**

Transitional International Public Sector Accounting Standards (IPSAS) financial statements

State Department for Blue Economy and Fisheries
Annual Report and Financial Statements for the year ended June 30, 2025.

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1. Acronyms and Definition of Key Terms

A: Acronyms and Abbreviations

AIE	Authority to Incur Expenditure
CFO	Chief Finance Officer
HAU	Head of Accounting Unit
IPSAS	International Public Sector Accounting Standards
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PFM	Public Finance Management
SC	State Corporations
C.E.O	Chief Executive Office
KMFRI	Kenya Marine Fisheries Institute
KFMA	Kenya Fish Marketing Authority
FLTF	Fish Levy Trust Fund
KFIC	Kenya Fishing Industry Corporation
KEMFSED	Kenya Marine Fisheries and Social Economic Development Project
ABDP	Aquaculture Business Development Project
IFAD	International Fund for Agricultural Development

B: Definition of Key Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organisation.

2. Key MDA Information and Management

(a) Background information

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

Vision Statement

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

Mission Statement

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

Mandate

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

Core Values

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

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

Core Functions

- i. Co-ordination of the development of national oceans and blue economy strategy and policy;
- ii. Fisheries and aquaculture policy;
- iii. Co-ordination of the development of policy, legal, regulatory and institutional framework for the fisheries industry and the Blue Economy;
- iv. Drive sustainable transformation and diversification of the ocean's economy by promoting research and innovation;
- v. Increase local participation and investment in the blue economy by promoting through private sector engagement and partnerships;
- vi. fisheries marketing policy;
- vii. Promote fish consumption;
- viii. Development of fisheries;
- ix. Fish quality assurance;
- x. Enhancement of technical co-operation with partner states;

State Department for Blue Economy and Fisheries
Annual Report and Financial Statements for the year ended June 30, 2025.

- xi. Management and licensing of local and foreign fishing trawlers in Kenya waters;
- xii. Overall policy for exploitation of agro-based marine resources;
- xiii. Policy on development of fishing ports and associated infrastructure;
- xiv. Capacity building for Sustainable Exploitation of agro-based marine resources;
- xv. Protection of aquatic ecosystems; and
- xvi. Promotion of Kenya as a centre of Aquaculture, and
- xvii. economic development-oriented fisheries research.

(b) Key Management

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

- The Principal Secretary;
- Administration
- Technical Services
-

(c) Fiduciary Management

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

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

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(d) Fiduciary Oversight Arrangements

a) Audit and Finance Committees

The Ministerial Audit Committee has been active vide Treasury Circular No.16/2005 dated 4th October, 2005 before introduction of PFM Act, 2012. During the Financial Year 2017/18, the PFM Regulations covering the State Departments' Audit Committee was finalised and approved by Parliament for effective application as required.

b) Parliamentary Committee activities

The State Department handled various issues both at the National Assembly and the Senate of Parliament:

**National Assembly – Blue Economy, Irrigation and Water
- Public Accounts Committee (PAC)**

- Statements -
- Petitions -
- Motions -
- Workshops/Seminars -
- Meetings with Departmental Committees -

Senate Agriculture, Livestock and Fisheries Committee

- Statements -
- Petitions -
- Motions -
- Workshops/Seminars -
- Meetings with Departmental Committees -

c) *Development partner oversight activities*

IFAD and The World Bank, provide implementation support missions that occur at least twice a year. An aide-memoire is developed from these missions by both IFAD and World Bank, in agreement with the National Project Coordinating Unit, before being shared with the Kenyan Government through The National Treasury.

(e) Entity Headquarters

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

State Department for Blue Economy and Fisheries
Annual Report and Financial Statements for the year ended June 30, 2025.

Entity Contacts

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

(f) Entity Bankers (All Accounts)

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

(g) Independent Auditors

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

(h) Principal Legal Adviser

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

3. Profile of Cabinet Secretary/Commissioners/Speaker/Chief Justice



Hon. Hassan Ali Joho is a Kenyan politician and he is currently serving as the Cabinet Secretary for Mining, Blue Economy and Maritime Affairs. He was born in a close-knit, hardworking family in Kisauni Sub- County of Mombasa in 1973.

He holds two Bachelor's degrees, in Business Administration from Kampala University and Commerce from Greta University. He is also a holder of various diplomas in Business, Shipping, Logistics, and ICT. He has also completed three executive programs at the Harvard Kennedy School of Government, including "Public Leadership Credential" in July 2022, "Leadership for the 21st Century" in March 2024 and "Negotiation Strategies: Building Agreement Across Borders" in March 2024, underscoring his dedication to continuous personal and professional growth.

Hon. Hassan Ali Joho joined active politics in 2004 and was later elected as a Member of Parliament for Kisauni Constituency in 2007. From 2013 to 2022, he served as the first Governor of Mombasa County where his leadership was instrumental in transforming the County into a key economic hub. His administration focused on inclusive governance, infrastructure development, and improving healthcare and education. His contributions have significantly enhanced the quality of life in the Coast region and established Mombasa as a vital part of Kenya's economic landscape.

He has previously served as an Assistant Minister for Transport, National Organizing Secretary and Deputy Party Leader of the Orange Democratic Movement. His influence extends globally as a member of the International Steering Committee of the Strong Cities Network where he advocates for peace and security. He is also a successful entrepreneur with business interests in shipping, logistics, environmental management and manufacturing. His philanthropic efforts through the Hassan Joho Foundation have led to the establishment of educational institutions and social programs that have continued to benefit the community in the region.

4. Profiles of Accounting Officer and Key Management.

Accounting Officer and Key Management	
	<p>With a Master of Arts in Project Planning and Management from the University of Nairobi and a Bachelor of Science in Information Technology from Jomo Kenyatta University of Agriculture and Technology (JKUAT), Betsy is a resourceful and accomplished public sector leader with over 16 years of extensive experience in governance frameworks, technology implementation, project management, and strategic planning. She has proven expertise in spearheading digital transformation initiatives, fostering operational excellence, and ensuring compliance with regulatory requirements across both the private and public sector.</p> <p>As Principal Secretary, State Department for the Blue Economy and Fisheries, Betsy Muthoni Njagi is passionate about contributing to socio-economic change within the society. Her journey in the Blue Economy sector has been driven by a curiosity to not only contribute to sustainable fisheries and Blue Economy resources but also to contribute to the socio-economic development of her country, Kenya.</p> <p>Betsy has managed to co-ordinate the development of policy, legal, regulatory and institutional framework for the fisheries industry and the blue economy. She has also ensured capacity building for sustainable exploitation of Agro-based Marine resources. Further, she has been at the forefront of advocating for increased local participation and investment in the blue economy through private sector engagement and partnerships.</p> <p>She is deeply committed to innovation, creativity and social impact</p>

5. Statement by the Cabinet Secretary

The State Department for the Blue Economy and Fisheries under the Ministry of Mining, Blue Economy and Maritime Affairs continued to implement the government Bottom up Economic Transformation Agenda and its Strategic Plan (2023-2027) with the goal of ensuring sustainable utilization of fisheries resources in natural water bodies and expanding fish farming through technology development and transfer. The State Department's approved budget for Financial Year 2024/25 was Kshs. 11,857,399,940.00 out of which total payments for the year amounted to Kshs. 11,444,007,029.05 representing absorption of 96 per cent.

The Annual Financial Statements (AFS) provide a detailed assessment of the composition, allocation, and utilisation of funds covering the Financial Year 2023/24. The Annual Financial Statements assess the extent to which targets set were achieved and the underlying reasons for non-achievement of some targets.

1.0 Background

- 1.1 The development of the Blue Economy and Fisheries Value chain is necessary for inclusive economic growth as espoused in the Kenya Kwanza Bottom Up Economic Transformation Agenda;
- 1.2 It is necessary to increase fish production, reduce post-harvest losses, promote value addition, and ensure organized handling, preparation and processing of fish and access to inputs and supporting infrastructure;
- 1.3 To promote aquaculture (fresh water and Marine) by providing requisite facilities and equipment for demonstration and incubation, to facilitate training, research and innovation; and
- 1.4 Finalized the development of the Lake Victoria Spatial Plan. We are also developing the Blue Economy Strategy, the Marine Spatial Plan for the Kenyan part of the Indian Ocean

2.0 Development of Coastal Fisheries and Blue Economy Infrastructure.

Objective: To sustainably manage and develop the Blue Economy resources for enhanced socio-economic benefits to Kenyans

Project Progress:

The State Department has:

- i. Made significant progress in development of landing sites at various locations. Kibuyuni, Gazi and Vanga in Kwale County; Ngomeni and Kichwa Cha Kati in Kilifi County at a total cost of Ksh 163, 840,176;
- ii. Ongoing landing site development of five (5) landing sites in Coast that are at various levels of development as follows: Mwaepe in Kwale County Ksh. 255,239,950.00- 27.7% Complete; Kidongo in Mombasa County Ksh. 175,113,431.31 – 43.7% Complete; Kilifi Central in Kilifi County Ksh. 275,064,765.00 – 36.9% Complete; Kipini in Tana River County Ksh. 151,720,695.00 – 27.2% Complete; and Mukowe in Lamu County Ksh. 239,337,275.00 - 9.43% Complete. The development is expected to be completed by September 2025;and

- iii. Developing Likoni fish Market in Mombasa County; Malindi fish Market in Kilifi County and Kibuyuni Seaweed store in Kwale County at a total cost of Ksh 171,972,696. The progress is as follows: Likoni fish Market in Mombasa County Ksh. 77,515,518.00 - 80% Complete; Malindi fish Market in Kilifi County Ksh. 54,988,150.00 - 65% Complete and Kibuyuni Seaweed store in Kwale County Ksh 39,469,028 – 100% complete.

3.0 Exploitation of Living Resources under Blue Economy Programme

Objective: To increase socio-economic benefits from Kenya's Exclusive Economic Zones and marine aquaculture; fish production from inland bodies; per capita fish consumption; and the diversity of export markets for Kenyan fish and fishery products.

Project Progress: Two fishing vessels were licensed (Ocean Eagle call sign 5ZAAX and RA-HORAKHTY call sign 5ZAAT). This raised the fleet Development to the current number of twenty-one. The total fish landed by the end of the year 2022 was 173.6 thousand Metric Tonnes. The Production was higher due to favourable weather and strengthened compliance and enforcement.

4.0 Promote Aquaculture

Ongoing development of Aquaculture Centres of Excellence at:

- i. Kabonyo Fisheries and Aquaculture Service and Training Centre of Excellence (KFASTCE). cost Ksh. 2 billion - 30% complete, funded by the Government of Hungary;
- ii. The National Mariculture Resource and Training Centre (NAMARET) at Shimoni Kwale County at a cost of KSh. 1.4 billion. Progress to date, KSh. 443,097,346.00 – 37.8% Complete; and NAMARET Hatchery (Kwale County) KSh. 378,190,808.23 - 35% Complete. The centre when completed will comprise, Laboratories, an auditorium holding capacity 400 people and a Hatchery facility to provide quality seed and feed;
- iii. The Laboratories, Auditorium, administrative block will be developed later; and
- iv. National Aquaculture Technologies Innovations Centre Sagana, Kirinyaga County Kshs. 196,195,640.45 - 85% complete

Aquaculture promotion activities under Aquaculture Business Development Programme include:

- i. Supporting 1,635 Households in five (5) riparian Counties of Busia, Siaya, Kisumu, Homa Bay and Migori with 109 cages of 10 meters diameter each. At a cost of Kshs. 359,309,600. The Cages construction and supply Expression of Interest;
- ii. Distributed 12,429 geomembrane pond liners to smallholder aquaculture farmers costing approximately Kshs. 1.6 billion. Predator control kits to 6,543 smallholder aquaculture farmers costing Kshs. 298.9 million;
- iii. Stocked of 57 community dams with about 12.8 million fingerlings & planted fruit trees costing Ksh. 152 million in 15 Counties;
- iv. Distributed 92 fish harvesting nets and 15 digital weighing balances to support farmers in harvesting and weighing the fish before selling at a cost of KES. 5.9 million;

State Department for Blue Economy and Fisheries

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- v. Trained 593 youth champions on Start Improve Your Business (SIYB) model. This is expected to stimulate entrepreneurship among the young people, promote jobs creation and strengthen the existing ones;
- vi. Procured and distributed 105,722 bags of 25Kg fish feeds valued at Ksh. 207.56 million;
- vii. A total of Ksh. 453.39 million Grants to be issued in two phases. Phase 1 Ksh. 124.05 million issued to beneficiaries in 15 Counties;
- viii. The NORAD grant amounting to KES. 122 million will be used to pilot Smart Fish Kiosks in Nyeri County; pilot community dam aquaculture in Migori County. In Vihiga County, the grant will provide fish feeds, fish seeds and predator nets to 450 fish farmers. On 28th January, 2025, KES. 69,760,000 was issued to Vihiga County; and
- ix. Development of 10 Fresh fish markets in Meru, Embu, Tharaka Nithi, Kirinyaga, Nyeri, Kiambu, Kajiado, Machakos Kakamega and Kisii at a cost of KES. 70 million. The markets in Tharaka Nithi, Kakamega, Meru and Nyeri markets have been completed and launched.

5.0 Development of Lake Victoria Fisheries and Blue Economy Infrastructure

- i. The Government has developed landing sites infrastructure at Mulukhoba in Busia County, Sori in Migori County and Luanda K'Otieno in Siaya County. The cost of development was KSh. 400,553,126. Development of 9 fish landing sites in Lake Victoria at a cost of Ksh. 1.5 billion at: Asat and Ogal in Kisumu County; Bumbe in Busia County; Wichlum and Asembo Bay/Kokach in Siaya County; Wakula, Mainuga and Nyadhiwa in Homabay County; Got Kachola in Migori County; and
- ii. The Contract for development of Designs for the 9 landing Sites was awarded and architectural designs development is ongoing.

6.0 Capacity Building for Fisheries and Blue Economy

The State Department has:

- i. Taken significant steps to support the blue economy by providing grants to fund Common Interest Groups (CIGs) The grants cater for their proposals for fishing boats, fishing gears, coral reef restoration and Mariculture among another livelihood support. To date Ksh. 3.2 billion has been awarded benefiting 1,260 CIGs targeting 212,033;
- ii. The 1,260 CIGs have started implementing sub-projects and are at various levels of implementation; and
- iii. Capacity building of fishing communities and fisheries managers is ongoing on various topics that include fisheries governance and conservation/ management of landing sites hygiene; and training of communities in deep sea fishing through coxswain training. To date a total of 24,900 people have been trained.

7.0 Develop deep sea fishing Capacity

Procured and distributed **123** fishing boats to fishing communities. Further twenty-five (25) boats for offshore (deep sea) fishing will be procured at a total cost of Kshs 600 million. The specifications for the boats have been developed in readiness for Tendering.

8.0 Monitoring Control and Surveillance (MCS)

Following the deployment of six (6) Patrol Boats and related equipment worth Kshs. 306 million in coast, Lake Naivasha, Lake Victoria and Lake Turkana Fisheries Monitoring Control and

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Surveillance has been enhanced. Eleven (11) MCS operations have been undertaken to enhance compliance with the Fisheries management and development Act Cap 378.

9.0 Converting Beach Management Units (BMUs) into Cooperatives

The State Department has:

- i. Successfully transformed 150 BMUs into cooperatives through registration, for economic empowerment. Among these, 84 are from the Lake Victoria Region, and 61 BMUs are from the Coast region.

10.0 Develop/Review Policies, Legislations, Guidelines and Standards for Blue Economy

The State Department:

- i. Conducted the second stakeholders' consultative workshop on the Draft National Blue Economy Strategy on 4th and 5th February, 2025;
- ii. Finalized the Kenya Fisheries Policy which was approved by the Cabinet in April 2023;
- iii. Initiated the review process of the National Aquaculture Policy 2011 a draft National Aquaculture Policy 2023-2033 subjected to public stakeholders' participation on and is awaiting consultation with the County Executive Caucus;
- iv. Draft Monitoring Surveillance and Control (MCS) regulations- public participation was done on 21-01-2025; and
- v. Finalized seven (7) Regulations and one (1) Order as follows; Fisheries Management and Development Regulations (Marine Fisheries Regulations, Inland Fisheries Regulations, Recreational Fisheries Regulations, General Fisheries Regulations, Fish Safety and Quality Assurance Regulations, Beach Management Units Regulations, Aquaculture Regulations) and Fish Levy Trust Fund Order. All seven the (7) Regulations and one (1) Order were gazetted on 30th July 2024

9.0 Memorandums of Understanding (MOUs)

The State Department has:

- i. Signed Memorandums of Understanding (MOUs) with Islamic Republic of Iran- 12th July, 2023; Government of Mozambique 10th August, 2023; Government of Seychelles; Government of Norway, 8th October, 2024; Government of Ethiopia, 21st February 2024; Republic of Korea, 4th June, 2024; and Sultanate of Oman, 17th February, 2024.

The State Department is in the process of finalizing Memorandums of Understanding (MOUs) with the Namibia, France, Uganda, Ghana, Iceland, China which have been cleared and are ready for signature.

- i. The MoUs with Somalia, Angola, Indonesia, DRC Congo, Denmark Netherlands and Algeria are awaiting clearance.

The Government of Kenya also signed MOU through Kenya Marine and Fisheries Research Institute (KMFRI) with the Government of Belgium

Implementation Challenges

The key challenges encountered in budget implementation were: inadequate staff and skills for fish quality assurance; inadequate capacity and skills for management of deep sea fisheries; lack of an integrated policy framework for development of the Blue Economy; delays in uploading of development budget in the IFMIS and unpredictability in disbursement of exchequer.

Steps to address the challenges

To address the aforementioned challenges, the State Department took proactive steps by recruiting a dedicated team of 50 highly skilled technical staff members to bolster the capabilities of the technical wing within the State Department. The primary objective behind this strategic move was to effectively tackle the growing concerns related to food security and the intricate management of the entire food supply chain, encompassing not only the production and distribution of fish but also various fish-related products along the comprehensive fish value chain.

The overarching goal of this initiative was to ensure that safe, sufficient, and nutritionally valuable food remains consistently available, accessible, and affordable for all our citizens. By assembling this specialized team of technical experts, the State Department aims to leverage their expertise to enhance our nation's ability to safeguard food security, thereby addressing a fundamental aspect of our citizens' well-being and contributing to the overall prosperity and resilience of our society.

Recommended Way Forward

The following recommendations are important based on the implementation of fisheries programmes and projects:

- i. It is important that planned activities receive adequate funding as scheduled to ensure successful implementation of the same;
- ii. There is need for The National Treasury to ensure timely uploading of development budget to enhance efficiency and effectiveness in implementation of programmes and projects;
- iii. Participatory monitoring and evaluation of programmes and projects including mid-term and terminal review is key to effective delivery of desired outputs and outcomes; and
- iv. It is crucial for the National Treasury to ensure that disbursement of the exchequer is in line with the approved cash flow plans to minimize disruptions and delays in implementation of projects and programmes.

6. Statement by the Accounting Officer

Kenya's Blue Economy Sector is dedicated to sustainably managing, conserving, and developing aquatic and marine resources to enhance socio-economic benefits for its citizens. It encompasses various sectors, including fisheries, aquaculture, tourism, transport, shipbuilding, energy, bio prospecting, and underwater mining.

Abundant Maritime Resources: Kenya boasts significant coastal and maritime resources, with a vast Exclusive Economic Zone (EEZ) covering 142,000 km². Its marine waters are home to substantial tuna stocks, estimated to yield annual revenues of up to \$150 million, with potential links to wealth creation, employment, food security, and manufacturing sectors.

Fisheries Contribution: The fisheries sub-sector plays a vital role in Kenya's economic and social development, directly supporting 500,000 people and indirectly impacting 2 million. Despite fluctuations, its contribution to GDP has generally increased, reaching 0.7% in 2023.

Fish Production and Exports: A total quantity of fish landed increased from 174,027 metric tonnes to 191,439 metric tonnes. Fish production from freshwater sources rose from 108,203 metric tonnes to 119,032 metric tonnes, while fish production from marine sources also increased from 37,992 metric tonnes to 41,791 metric tonnes. The total value of fish produced was Kshs. 40.6 billion.

Key achievements for the State Department the Blue Economy and Fisheries on Flagship Programs:

1. Development of Coastal Fisheries and Blue Economy Infrastructure:

- Objective: Sustainable management and development of Blue Economy resources.
- Achievements (2024/25): Developing Likoni fish Market in Mombasa County; Malindi fish Market in Kilifi County and Kibuyuni Seaweed store in Kwale County at a total cost of Ksh 171,972,696. The progress is as follows: Likoni fish Market in Mombasa County Ksh. 77,515,518.00 - 80% Complete; Malindi fish Market in Kilifi County Ksh. 54,988,150.00 - 65% Complete and Kibuyuni Seaweed store in Kwale County Ksh 39,469,028 – 100% complete.
- Challenges: Policy integration, legislative gaps, and training facility limitations.
- Recommendations: Enhance policies, training facilities, funding, and technology utilization.
- : Enhance stakeholder cooperation and monitoring systems.

3. Exploitation of Living Resources under Blue Economy Programme:

- Objective: Increase socio-economic benefits from EEZ and aquaculture.
- Achievements (2024/25): Licensing of fishing vessels and fingerling stocking.
- Challenges: Capacity and skills, policy framework, funding delays, and natural disasters.
- Recommendations: Adequate funding and timely disbursement.

4. Promote Aquaculture:

- Objective: Enhance incomes and food security in aquaculture.

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- Achievements (2023/2024): Implementation of Aquaculture Business Development Programme at 70%
- Recommendations: Expedite donor processes and disburse funds promptly.

6. Capacity Building for Fisheries and Blue Economy

- Objective: Promote aquaculture technologies and safety.
- Achievements (2023/2024): Taken significant steps to support the blue economy by providing grants to fund Common Interest Groups (CIGs) The grants cater for their proposals for fishing boats, fishing gears, coral reef restoration and Mariculture among another livelihood support. To date Ksh. 3.2 billion has been awarded benefiting 1,260 CIGs targeting 212,033.

7. Develop deep sea fishing capacity

- Achievements (2024/2025): Procured and distributed **123** fishing boats to fishing communities. Further twenty-five (25) boats for offshore (deep sea) fishing will be procured at a total cost of Kshs 600 million

8. Monitoring, Control and Surveillance Programme:

- Objective: Combat illegal fishing.
- Achievements (2024/2025): Establishment of surveillance units and mapping critical habitats.
- Challenges: Equipment shortages and funding for Vessel Monitoring System (VMS).
- Recommendations: Allocate adequate budgets for VMS and train skilled personnel.

9. Converting Beach Management Units (BMUs) into Cooperatives:

Achievements (2024/2025): Transformed 150 BMUs into cooperatives through registration, for economic empowerment

10. Memoranda of Understanding (MOUs)

Achievements (2024/2025): Signed Memorandums of Understanding (MOUs) with Islamic Republic of Iran- 12th July, 2023; Government of Mozambique 10th August, 2023; Government of Seychelles; Government of Norway, 8th October, 2024; Government of Ethiopia, 21st February 2024; Republic of Korea, 4th June, 2024; and Sultanate of Oman, 17th February, 2024.

Emerging issues related to the State Department for Fisheries Aquaculture and the Blue Economy

- i. Insecurity and conflicts at transboundary resources;
- ii. New invasive species in water bodies e.g. Egeria Densa species originating from South America in Lake Victoria; and
- iii. Pests and Diseases

Highlight key risk management strategies

- i. Enhancement of critical skills through recruitment and training especially on the technical staff;
- ii. Succession management at the Top/Senior management levels of technical staff; and

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- iii. Lengthy process and delays in development of necessary policies, legislation and regulations to facilitate sustainable management and development the blue Economy and fisheries

Way forward

To address the above challenges, it is recommended that: -

- i The State Department to recruit the necessary technical staff, develop diverse skills and competencies for management and development of the fisheries and aquaculture;
- ii The State Department to coordinate and fast track the development of relevant policies, legal, regulatory, institutional framework and strategies/plans for fisheries and aquaculture development and management; and
- iii The National Treasury to ensure IFMIS is promptly opened at the start of every Financial Year to facilitate loading of the State Department budget. This is in addition to timely disbursement of the exchequer that is in line with the approved cash flow plans to minimize disruptions and delays in implementation of projects and programmes.



BETSY MUTHONI NJAGI
PRINCIPAL SECRETARY

State Department for Blue Economy and Fisheries
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7. Statement of Performance Against Predetermined Objectives for FY2024/25

Introduction

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

The key development objectives of the State Department for the Blue Economy and Fisheries 2012-2023 plan are to:

- a) Develop/ review policies, plans, strategies, guidelines, legal and institutional framework for fisheries, aquaculture and the blue economy management and development;
- b) Enhance investment in the Blue Economy;
- c) Enhance the capacities for development and management of fisheries, aquaculture and the blue economy; and
- d) Fast track implementation of the Leadership and Integrity Act (LIA) 2012

Progress on the attainment of Strategic Objectives through Performance Contracting

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

MDA Program	Objective	Outcome	Indicator	Performance
Fisheries Development and Management	To sustainably maximize the contribution of fisheries and aquaculture to poverty reduction, food and nutrition security, employment and wealth creation	Increase Food Security and Income	Percentage level of review of the National Oceans and Fisheries Policy 2008	Kenya Fisheries Policy 2023 was finalized and approved by the Cabinet in readiness for implementation.
			Percentage Development of Inland Fisheries Infrastructure	Complete construction of the following landing sites: Mulukhoba, Luanda K’Otieno, Vanga, Kibuyuni, Gazi, and Kichwa Cha Kati
			Level of operationalization of new institutions namely:- Kenya	FLTF has no Board of Trustees, while KFMA and KFIC have Boards of

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			Fisheries Service (KeFs); Fish Levy Trust Fund (FLTF); Kenya Fish Marketing Authority (KFMA); and Kenya Fishing Industries Corporation (KFIC)	Management in place. However, three institutions are yet to recruit their own staff and substantive chief executive officers.
			Number of aquaculture innovation and technologies promoted	The target of three (3) aquaculture innovation and technologies was achieved. These were namely:- the Aquaponics; Recirculating Aquaculture System (RAS); and Cage culture
			Percentage completion of Aquaculture facility at Sagana	95% of the facility was completed. The target was affected by delayed ex-chequer release. The project is on-going
			Number of innovative aquaculture market outlets established	Five (5) innovative aquaculture market outlets were established against a target of ten (10). The below performance was as a result of austerity measures
			Number of Marine Fish Stock Assessments conducted	The target was achieved. Kenya Marine and Fisheries Research Institute (KMFRI) undertook one Marine Fish Stock Assessment Study in the Indian Ocean
General Administration, Planning and Support Services	To provide efficient and effective support services	Efficient and effective support services	Number of monitoring and evaluation reports	Monitored and evaluated; - Fish landing sites in Lake Victoria; Coastal Infrastructure in

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				Kwale and Mombasa; Coastal Infrastructure in Kilifi and Lamu; and conducted Performance Contracts Mid-Term reviews for the State Department and State Corporations for FY 2023/24
			Percentage implementation of National Values and Principles of Governance	The target was achieved 100% as per the score given by the Directorate of National Cohesion and Values
Development and Coordination of the Blue Economy	Create conducive environment for sustainable development of the Blue Economy	Conducive Environment for Sustainable Development of the Blue Economy	Percentage development of coastal fisheries infrastructure	The average completion was on 90.8% on the development of coastal fisheries infrastructure. The target was not achieved due to budget cuts.
			Number of sea-weed farmers supported	323 deep sea fishers were trained
			Percentage completion of marine frame surveys	Marine and Coastal Frame survey was conducted

8. Governance Statement

The State Department for the Blue Economy and Fisheries is responsible for the governance of activities related to the blue economy and fisheries jurisdiction.

1. **Leadership Structure:** The top management of the State Department include: -
 - Cabinet Secretary: Hon Hassan Ali Joho, EGH
 - Principal Secretary: Betsy Muthoni Njagi
2. **Management Committees:** The State Department has two major management committees, namely the Administration Committee and the Technical Committee. The Administration Committee's membership is drawn from the Technical, Planning, Finance, HRM&D, Accounts, Legal, and Procurement Divisions. The Technical Committee's membership is drawn from the Directorate of Blue Economy Development and the Directorate of Fisheries and Aquaculture Development and General Administration. The main role of these committees is to provide an overview of the implementation of the State Department's mandate as stipulated in vide Executive Order No.2 of November, 2023, which established the State Department.
3. **Audit Committee:** The audit committee is responsible for ensuring financial transparency and accountability within the State Department. It is formed in accordance with relevant regulations and consists of qualified individuals from the Internal Audit Unit. The composition of the committee members includes members with expertise in finance, audit, and governance. The committee holds regular meetings to review financial reports and audit findings.
4. **Risk Management, compliance and Conflict of Interest:** The State Department has established robust risk management processes to identify, assess, and mitigate potential risks. Compliance with relevant laws and regulations is a top priority. Conflict of interest policies are in place to ensure that all employees and leaders act in the best interest of the State Department and the public.
5. **Training and Development in Governance:** Key leadership regularly participates in training and development programs related to governance. These programs are designed to enhance their knowledge and skills in effective governance, leadership, and ethical conduct.
6. **Public Participation Activities:** The State Department actively engages with the public through various means, such as public forums, consultations, and surveys, to ensure that their views and concerns are considered in decision-making processes.
7. **Compliance with Laws and Regulations:** The State Department is committed to adhering to all relevant laws and regulations governing the blue economy and fisheries sector. Regular audits and assessments are conducted to ensure compliance.

9. Management Discussion and Analysis

1. Operational and Financial Performance

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

1.1 Operational Performance

- i. **Fisheries Management:** The State Department continued to focus on the sustainable management of fisheries resources. It successfully implemented comprehensive fisheries management plans, resulting in improved stock assessments and the preservation of our marine ecosystems. Our efforts led to a notable reduction in overfishing and a healthier marine environment.
- ii. **Blue Economy Promotion:** The State Department actively promoted the blue economy through various initiatives, including the expansion of maritime transport infrastructure and the facilitation of aquaculture development. These efforts contributed to increased economic activities in coastal regions and enhanced food security through sustainable fisheries practices.
- iii. **Research and Conservation:** The State Department's commitment to ocean conservation remained unwavering. We collaborated with scientific institutions and NGOs to conduct research on marine biodiversity, leading to the establishment of marine protected areas and the conservation of critical habitats.
- iv. **International Cooperation:** The State Department engaged in fruitful international partnerships to address global challenges related to the blue economy. We participated in negotiations for international treaties and agreements, further solidifying our commitment to responsible maritime governance.

1.2 Financial Performance

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

1.2.1 Revenue Generation: Over the past five years, our revenue streams diversified, with increased revenue from fishing licenses, aquaculture permits, and maritime services. This diversification reduced our dependency on a single revenue source, making our finances more resilient.

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

1.2.3 Investment in Infrastructure: The State Department invested in the development and maintenance of critical maritime infrastructure, including ports and fish landing sites, to

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support the growth of the blue economy. These investments were instrumental in facilitating trade and improving the livelihoods of coastal communities.

2.Key Projects and Investments

The State Department initiated several key projects and investments in the last three to five years:

2.1 Maritime Infrastructure Enhancement: The State Department embarked on a multi-year project to upgrade and expand our maritime infrastructure, including the construction of modern ports and the rehabilitation of existing fish landing sites. These projects aimed to enhance trade and increase the efficiency of fisheries-related activities. Funding for these projects primarily came from government allocations, international grants, and loans.

2.2 Aquaculture Development: Recognizing the potential of aquaculture to boost seafood production, we initiated an aquaculture development program. This program involved the establishment of aquaculture zones, provision of technical support to farmers, and promotion of sustainable aquaculture practices. Funding for this program was mainly sourced from government budgets and donor organizations.

2.3 Marine Conservation: The State Department actively pursued marine conservation projects in collaboration with international partners. We established several marine protected areas, conducted research on endangered species, and implemented measures to combat illegal, unreported, and unregulated (IUU) fishing. Funding for these conservation efforts primarily came from international grants and partnerships.

3.Future Developments and Other Relevant Information

Looking ahead, the State Department is committed to advancing its mission through several key developments and initiatives in the coming years:

Climate Change Resilience: With the increasing threats posed by climate change, we are developing strategies to enhance the resilience of our coastal communities and fisheries to climate-related challenges. This includes adaptation and mitigation measures, disaster preparedness, and sustainable fisheries practices.

Technology Integration: The State Department plan to leverage advanced technology, including satellite monitoring and data analytics, to improve fisheries management and combat IUU fishing. This will enhance our ability to enforce regulations and monitor the health of our marine ecosystems.

International Engagement: The State Department will continue to actively engage in international negotiations and collaborations to address global marine issues. We aim to promote sustainable fishing practices, protect marine biodiversity, and ensure responsible maritime governance on the global stage.

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In conclusion, the State Department has made significant progress in the last three to five years, both operationally and financially. The State Department remains committed to the sustainable development of the blue economy, fisheries management, and marine conservation.

10. Environmental and Sustainability Reporting

The State Department contributes towards food and nutrition security and improving both the living standards and incomes of fisher-folks and other stakeholders. In carrying out its mandate of coordinating and facilitating the blue economy development and management, conservation and development of fisheries resources, we have adopted three programmes namely; Fisheries Development and Management; Development and Coordination of the Blue Economy; and General Administration, Planning and Support Services.

Our performances in the three programmes are as outlined below:

a) Sustainability Strategy and Profile –

The blue economy and fisheries sector is currently experiencing several challenges. These include; climate change, pollution, habitat degradation and biodiversity losses, IUU Fishing, post-harvest losses, overfishing and limited skilled human capital to venture into deep sea fishing.

The sector has been allocated resources to develop fish landing sites, fish markets, and aquaculture research centres, training of deep-sea going fishing crew and seaweed farmers.

b) Environmental Performance

Climate change significantly affects blue economy resources and fisheries management through; acidification of the water bodies, changes in sea temperatures and circulation patterns. The frequency and severity of extreme weather conditions, and sea-level rise and associated ecological changes affect barrier islands, beaches, salt marshes, mangrove stands, and flood plains, have the potential of altering the physio-chemical properties of the fish habitats. Consequently, fish breeding, migration and feeding behaviour is directly affected, while indirectly the changes affect growth, mortality and reproduction. This has the potential to limit the realization of development targets in the fisheries subsector.

The correlation between fish production and the climate has necessitated the State Department to initiate several adaptation actions that include; use of climate smart aquaculture technologies, diversification of livelihoods, restoration of fisheries habitat initiatives including coral reef, mangrove forests, seagrass and salt marshes. among other initiatives, in a bid to conserve the environment. The State Department is also fast tracking the climate change mitigation and adaptation measures implementation in line with Kenya Climate Smart Agriculture Strategy 2017-2026; Kenya Climate Smart Agriculture Implementation Framework 2018-2027; National Adaptation Plan 2015-2030; and National Climate Change Action Plan 2023-2027.

c) Employee Welfare

The process of recruitment of staff, both technical and non-technical, for the State Department at entry level and in senior positions falls within the purview of the Public Service Commission of Kenya. The recruitment is thus guided by the guidelines issued by the Commission from time to time. The Authorized Officer of the State Department, in consultation with the Commission, is in charge of promotions of junior and middle-level staff that is carried out in accordance to the guidelines issued by the Commission on delegated authority.

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The recruitment of the Cabinet Secretary and the Principal Secretary usually involves stakeholder engagement during the vetting exercise by the relevant Departmental Committee of the National Assembly.

Of paramount importance during recruitment and promotions is the need to consider gender parity as envisaged in the Constitution of Kenya, 2010 and the Diversity Policy for the Public Service, 2016. The State Department has thus ensured that it does not contravene the aspirations of the Kenyan people during recruitment and promotions.

The performance of the public service is key to the attainment of our development goals. Consequently, the State Department gauges the performance of its staff annually as per the guidelines on Staff Performance Appraisal System in the Public Service, 2016 and the appropriate sanctions and rewards applied where necessary.

With regard to training, we put emphasis on group training in those courses that facilitate upward mobility of our staff to motivate them, build a culture of teamwork and to ensure cost effectiveness. The State Department has also ensured that the working environment is safe.

d) Market Place Practices-

The State Department, being an apolitical organisation that embraces the culture of integrity, is principally charged with the responsibility of reviewing and advising the National Government on all matters relating to fisheries resources. This it does by formulating appropriate policies to ensure that the country makes a paradigm shift from artisanal to commercial fishing while bringing under control the rampant Illegal, Unreported and Unregulated fishing that leads to depletion of fish stocks.

To encourage fair market practices, we are currently implementing a number of projects whose sole objective is to reduce production, storage, distribution and marketing costs. The modernization of fish landing sites in Lake Victoria and in the coastal strip will address the storage challenges that has led to high post-harvest losses thereby increasing the attendant production costs. We are also constructing ultra-modern markets in Kisumu, Mombasa and Kilifi counties to help address marketing challenges in addition to experimenting with digital and online marketing initiatives.

The State Department is aware of the need to ensure that the market, both local and international, has access to quality fish and fish products and is thus constructing modern fish quality laboratories in Mombasa, Kisumu and Nairobi. Besides, we have developed a good working relationship with our suppliers and contractors by settling their bills and certificates when they fall due and this has ensured that we do not carry unnecessary pending bills from one fiscal year to the next.

e) Community Engagements-

Public participation is one of the pillars of the Constitution of Kenya, 2010. The State Department has also not been left behind in seeking the views of the Beach Management Units and the wider

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public in identifying sites for the construction of fish landing sites. Besides, we have initiated and participated in tree-planting exercises in various parts of the country as part of our environment conservation efforts. Furthermore, we have empowered seaweed farmers at the coast by training them in their craft and facilitating small processing facilities so that they can add value to their raw products

11. Statement of Management Responsibilities

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

The Accounting Officer in charge of the *State Department for The Blue Economy and Fisheries* is responsible for the preparation and presentation of the financial statements, which give a true and fair view of the state of affairs as at the end of the financial year (period) ended on June 30, 2025. 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, (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 entity's assets; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the *State Department for The Blue Economy and Fisheries* accepts responsibility for the financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2025, and of the financial position as at that date. The Accounting Officer further confirms the completeness of the accounting records maintained for the MDA, which have been relied upon in the preparation of the MDA's financial statements as well as the adequacy of the system of internal controls.

The Accounting Officer in charge of the *State Department for The Blue Economy and Fisheries* confirms that the MDA has complied fully with applicable Government Regulations and the terms of external financing covenants, and that the funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting

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Officer confirms that the financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The *MDA*'s financial statements were approved on 01/DEC/ 2025 and signed by:



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BETSY MUTHONI NJAGI
PRINCIPAL SECRETARY

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR THE BLUE ECONOMY AND FISHERIES FOR THE YEAR ENDED 30 JUNE, 2025

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

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

Qualified Opinion

I have audited the accompanying transitional International Public Sector Accounting Standards (IPSAS) financial statements of State Department for the Blue Economy and

Fisheries set out on pages 1 to 31, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of State Department for the Blue Economy and Fisheries as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Misclassification of Expenditure

The statement of financial performance reflects an expenditure of Kshs.418,582,347 in respect to use of goods and services. As disclosed in Note 10 to the financial statements, the expenditure includes Kshs.38,472,892 incurred on specialized materials and services. However, payments totalling Kshs.11,250,458 were charged to specialized materials despite the expenditure relating to domestic and foreign travel and subsistence.

In addition, an approval for the reallocations from The National Treasury was not provided for audit. This is contrary to section 43(b) the Public Finance Management Act, 2012, which requires that a request for the reallocation has to be made to The National Treasury explaining the reasons for the reallocation and The National Treasury has to approve the request.

In the circumstances, accuracy, classification and completeness of the expenditure on use of goods and services amounting to Kshs.11,250,457 could not be confirmed.

2. Inaccuracies in Property, Plant and Equipment

The statement of financial position and as disclosed in Note 14 to the financial statements reflects property, plant and equipment valued at Kshs.350,000,000 in respect of work in progress. Review of documents provided revealed that only the works for Kabonyo Fisheries and Aquaculture Service and Training Centre of Excellence was listed in the work in progress schedule. However, the State Department was undertaking several other works which included construction of five (5) landing sites at a total of Kshs.1,096,476,116 and two fish markets in Mombasa and Kilifi Counties costing Kshs.171,972,696, as was similarly disclosed in the statement by the Cabinet Secretary on page ix of the financial statements.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.350,000,000 could not be confirmed.

3. Lack of Land Ownership Documents

As was previously reported, the asset register provided for review indicated that the State Department owned three-hundred ninety-three (393) parcels of land valued at Kshs.8,500,000 as disclosed in Appendix IV to the financial statements. However, ownership documents of the parcels were not provided for audit verification.

In the circumstances, accuracy, completeness and ownership of land valued at Kshs.8,500,000 could not be confirmed

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

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 the effect of the matters 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, various issues were raised under the paragraphs of Report on financial statements and lawfulness and effectiveness in use of public resources. Review of the status during the audit of the State Department in 2024/2025 revealed that seven (7) matters as tabulated below remained unresolved.

	Financial Year	Audit Issue
1	2023/2024	Unsupported Pending Accounts Payable
2	2023/2024	Lack of Land Ownership Documents-Ongoing
3	2023/2024	Budgetary Control and Performance
4	2023/2024	Delays in Implementation of Projects-Kabonyo Regional Fisheries and Modern Tuna Fish Hub at Liwatoni
5	2023/2024	Penalties on Delayed Contractor Claims
6	2023/2024	Non-Compliance with the One-Third of Basic Salary Rule
7	2023/2024	Unimplemented Internal Audit Workplan

Report of the Auditor-General on State Department for the Blue Economy and Fisheries for the year ended 30 June, 2025

Other Information

Management is responsible for the Other Information set out on page iii to xxviii which comprise of Key MDA Information and Management, Profile of Cabinet Secretary, Profile of Accounting Officer and Key Management, Statement by the Cabinet Secretary, Statement by the Accounting Officer, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the State Department for Blue Economy and Fisheries 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 and I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

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 or 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 the Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Incomplete Equipping of Fish Laboratories in Nairobi, Kisumu and Mombasa

The State Department contracted an international contractor to supply and install equipment at fish laboratories in Nairobi, Kisumu and Mombasa on 23 October, 2023. The project was financed by a loan of EUR5,740,824 obtained by the Government of Kenya from Institute de creditor official of the Kingdom of Spain on 6 June, 2014.

Review of documents provided for audit revealed that the project was completed on 13 June, 2024 upon issuance of a final acceptance certificate and a final invoice of

EUR287,047. However, supporting documents including payments made to date and a statement of account for the project were not provided for audit review.

Further, a technical report prepared by the Audit, Risk and Governance Committee of Kenya Fisheries Service (KeFS) Board of Directors on 8 July, 2024, highlighted several incomplete works which included lack of training during and before installation; several equipment which had not been installed; equipment which had been inactive for a long period of time and required to be calibrated; several equipment which lacked accessories; and that the laboratories were not fully operational.

In the circumstances, the value for funds incurred on the project could not be confirmed.

2. Delay in Implementation of Hazard Analysis Critical Control Point in Liwatoni

Management awarded a contract for completion of a compliant Hazard Analysis Critical Control Point (HACCP) for ultra-modern tuna fish hub at Liwatoni, Mombasa County to a local contractor at a cost of Kshs.1,192,979,531 on 4 September, 2024. However, review of implementation of the Project revealed that the initial contract which had been awarded to a local Company at a contract price of Kshs.1,434,559,682, was terminated after the contractor abandoned the site. As at the time of termination, 65% of the works had been executed and an amount of Kshs.702,760,937 paid for certified works.

Further a tender for the remaining works was issued after the those works were remeasured and against the bill of quantities and the tender was awarded to a local contractor at a cost of Kshs.1,192,979,531. However, the new price exceeded the cost of remaining works in the original contract of Kshs.731,798,745 by Kshs.461,180,786 or 63%.

In addition, physical verification conducted in August, 2025 revealed that the works were substantially complete with works on the substructure, walling, roofing, plastering, windows and doors having been fitted. However, the contractor was not on site.

In the circumstances, the delay in project implementation resulted in an increase of project costs and thus, the value for money incurred in the project could not be confirmed.

3. Delayed Implementation of Fish Market at Likoni and Fish Banda at Malindi

During 2018/2019 and 2019/2020 financial years, Management initiated various projects which were supervised by the Ministry of Transport, Infrastructure, Housing and Urban Development and Public Works as the Project Manager. However, on the onset of Covid 19, the Project Manager recommended suspension of the projects to avoid incurring additional costs on pending payments which the contractors were claiming.

Subsequently, the State Department and the Project Manager remeasured the works done whereby site records, progress reports, interim certificates were reviewed followed by physical verification of completed works against the bill of quantities.

Subsequently, on 23 January, 2024, works for completion of a Fish Market in Likoni, Mombasa County and a Fish Banda in Malindi, Kilifi County were retendered and awarded at a cost of Ksh.77,515,518 and Ksh.54,988,150 respectively. However, as at the time of audit in August, 2025, certified works amounting to Kshs.29,709,871 and Kshs.9,121,094 were yet to be paid.

Further, review of status of works at the time of termination revealed construction of a Fish Market in Likoni was at 65% while that of the Fish Banda in Malindi was at 75%. However, completion works were awarded at a cost of Kshs.77,515,518 and Kshs.54,988,150 respectively, which was higher by 85% and 139% of the initial contract costs of Kshs.91,509,585 and Kshs.39,475,433. Management did not provide justification for the high cost of completion despite the works having been substantially executed in the initial contracts.

In the circumstances, value for money incurred in completion of the two projects could not be confirmed.

4. Long Outstanding Contractor Claims

4.1 Installation of Lifts at the National Aquaculture Technology Development and Innovations Transfer Center in Sagana

On 18 November, 2022, Management engaged a local contractor to supply and install two (2) lifts at the National Aquaculture Technology Development and Innovations Transfer Center in Sagana, Kirinyaga County, at a cost of Kshs.18,385,378. The project was to be implemented in twenty-eight (28) weeks ending 29 June, 2023. However, the contractor requested for three (3) subsequent extensions ending 27 June, 2024 which were granted by Management.

Review of documents in respect of implementation of the works revealed that the contractor raised a claim of Kshs.11,739,967 on 22 June, 2023 in respect of the first interim certificate, out of which Kshs.7,000,000 was paid in July, 2024 resulting in an outstanding balance of Kshs.4,739,968. Further, review of progress of the works during the audit revealed that the contractor undertook subsequent works while waiting for the payment. However, the works later stalled due to non-payment of certified works.

In the circumstances, the value for money incurred in the project could not be confirmed.

4.2 Construction of an Access Road and Parking at Sagana Fish Farm

Management engaged a local contractor on 5 October, 2022, to undertake Construction of an access road, parking and associated works at Sagana Fish Farm in Kirinyaga County at a cost of Kshs.60,093,054. The works commenced on 14 November, 2022, and were expected to be completed by 26 June, 2023. However, the contractor subsequently requested for five (5) extensions ending 3 October, 2025 which were granted by Management.

Review of documents in respect of the Project revealed that the contractor raised a claim of Kshs.14,108,595 on 23 February, 2023 in respect of the first interim certificate, out of which, Kshs.9,108,595 was paid on 30 June, 2024 leaving a balance of Kshs.5,000,000 outstanding. Further, review of progress of the works revealed that the contractor undertook subsequent works while waiting for the payment. However, the works later stalled due to non-payment of certified works.

In the circumstances, the value for money incurred in the project could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance 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 State Department's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The ISSAIs requires 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

16 December, 2025

State Department for Blue Economy and Fisheries
Annual Report and Financial Statements for the year ended June 30, 2025.


13. Statement of Financial Performance for the year ended 30 June 2025

	Notes	FY 24/25
		Kshs
Revenue from non-exchange transactions		
Transfers from Exchequer	6	9,982,316,402.00
Transfers from Domestic and Foreign Partners	7	1,366,253,967.25
Administrative Charges	8	96,537,560.60
Total		11,445,107,929.85
Expenses		
Employee costs	9	251,663,491.55
Use of goods and services	10	418,582,347.65
Transfers to other Government Entities	11	10,682,383,741.70
Social Benefits	12	788,322.30
Total expenses		11,353,417,903.20
Net Surplus/Deficit		91,690,026.65

The Financial Statements set out on pages 1 to 5 were signed by:



Betsy Muthoni Njagi
Principal Secretary



Mathews Ouko,
Deputy Accountant
General,
ICPAK M/No...6747....

State Department for Blue Economy and Fisheries
Annual Report and Financial Statements for the year ended June 30, 2025.

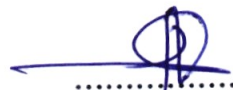
14 Statement of Financial Position as at 30 June 2025

	Notes	FY 24/25	Opening Statement 1 st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	13	65,214,356.50	111,722,519.00
Total Current Assets		65,214,356.50	111,722,519.00
Non-Current Assets			
Property, Plant and Equipment	14	350,000,000.00	-
Total Non- Current Assets		350,000,000.00	-
Total Assets (a)		415,214,356.50	111,722,519.00
Liabilities			
Current Liabilities			
Trade and Other Payables	15	259,410,874.15	206,669,778.00
Refundable Deposits	16	64,113,455.70	61,606,266.00
Total Current Liabilities		323,524,329.85	268,276,044.00
Total Liabilities (b)		323,524,329.85	268,276,044.00
Net Assets (a-b)		91,690,026.65	(156,553,525.00)
Represented by:			
Reserves		-	-
Accumulated Surplus		91,690,026.65	(156,553,525.00)
Net Assets		91,690,026.65	(156,553,525.00)

The financial statements set out on pages 1 to 5 were signed by:

.....

Betsy Muthoni Njagi
Principal Secretary

.....

Mathews Ouko,
Deputy Accountant General,
ICPAK M/No...6747....

State Department for Blue Economy and Fisheries
Annual Report and Financial Statements for the year ended June 30, 2025.

15 Statement of Changes in Net Assets for the year ended 30 June 2025

	Accumulated Surplus	Reserves	Capital Fund	Total
Fund balance as at 30th June 2024	50,116,253	-	-	50,116,253
Adjustments				
Recognition of Assets and Liabilities				
As at July 1, 2024	50,116,253			50,116,253
Return to Exchequer	(50,116,253)			(50,116,253)
Surplus/ deficit for the year	91,690,026.65			91,690,026.65
Capital funds received in the year				
As at June 30, 2025	91,690,026.65	-	-	91,690,026.65

State Department for Blue Economy and Fisheries
Annual Report and Financial Statements for the year ended June 30, 2025.

16. Statement of Cash Flows for the year ended 30 June 2025

		<i>Insert Current FY</i>
	Notes	Kshs
Cash flows from operating activities		
Receipts		
Transfers from exchequers	6	9,982,316,402.00
Other income	7	1,366,253,967.25
Other income (AIAs)	8	96,537,560.60
Total receipts		11,445,107,929.85
Payments		
Employee costs	9	251,663,491.55
Use of goods and services	10	159,171,473.50
Transfers to other Government Entities	11	10,682,383,741.70
Social Benefits	12	788,322.30
Total payments		11,094,007,029.05
Net cash flows from/(used in) operating activities		351,100,900.80
Cash flows from investing activities		
Purchase of PPE	14	(350,000,000.00)
Net cash flows from/(used in) investing activities		350,000,000.00
Cash flows from financing activities		
Return to Exchequer		(50,116,253.00)
Increase in retention Money	16	2,507,189.70
Net cash flows from financing Activities		(47,609,063.30)
Net increase/(decrease) in cash & Cash equivalents		(46,508,162.50)
Cash and cash equivalents at 1 July	13	111,722,519.00
Cash and cash equivalents at 30 June		65,214,356.50

State Department for Blue Economy and Fisheries
Annual Report and Financial Statements for the year ended June 30, 2025.

17. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025

Recurrent and Development Combined

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Exchequer releases	11,201,725,869.00	(944,071,409.00)	10,257,654,460.00	9,982,316,402.00	275,338,058.00	97.30%
Proceeds from foreign borrowings	725,000,000.00	756,745,480.00	1,481,745,480.00	1,366,253,967.25	115,491,512.75	92.21%
Miscellaneous receipts	70,000,000.00	48,000,000.00	118,000,000.00	96,537,561.40	21,462,438.60	81.81%
Total Receipts	11,996,725,869.00	(139,325,929.00)	11,857,399,940.00	11,445,107,930.65	412,292,009.35	96.40%
Payments						
Compensation of employees	261,600,000.00	(5,000,000.00)	256,600,000.00	251,663,491.55	4,936,508.45	98.04%
Use of goods and services	505,591,494.00	(324,825,357.00)	180,766,137.00	159,171,473.50	21,594,663.50	86.43%
Transfers to other government entities	8,743,930,000.00	1,303,315,480.00	10,047,245,480.00	9,782,383,741.70	264,861,738.30	97.29%
Social security benefits	788,323.00	-	788,323.00	788,322.30	0.70	99.99%
Acquisition of assets	2,484,816,052.00	(1,112,816,052.00)	1,372,000,000.00	1,250,000,000	122,000,000.00	90.24%
Total Payments	11,996,725,869.00	(139,325,929.00)	11,857,399,940.00	11,444,007,029.05	413,392,910.95	96.38%
Surplus						

State Department for Blue Economy and Fisheries
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- *The under collection in the miscellaneous receipts was due to under collection of Appropriations in Aid by Kenya Marine Fisheries and Research Institute and Kenya Fishing Industries Corporation.*
- *The underutilization of the budget under use of goods and services was due to lack of timely funding by the exchequer leading to the unfunded items becoming pending bills to be considered in the subsequent year.*

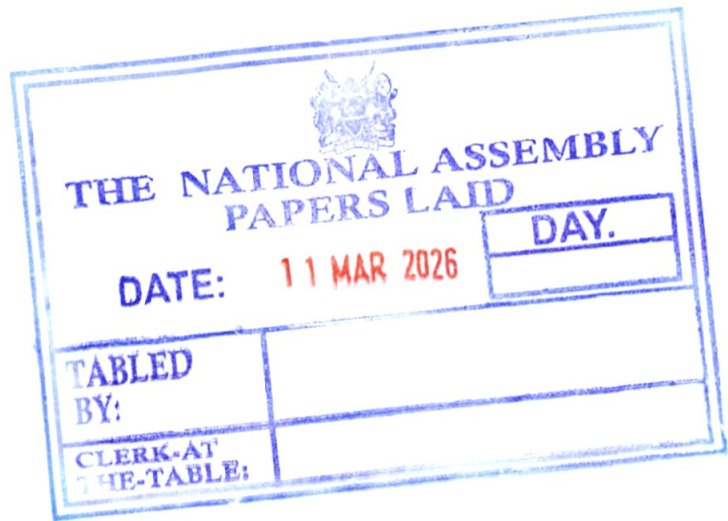
The entity financial statements were approved on 01/DEC 2025 and signed by:


.....

Betsy Muthoni Njagi
Principal Secretary


.....

Mathews Ouko,
Deputy Accountant General,
ICPAK M/No...6747....



State Department for Blue Economy and Fisheries
Annual Report and Financial Statements for the year ended June 30, 2025.

Budget Execution by Programmes and Sub-Programmes for FY 2024/2025

Programme/Sub-programme	Original Budget	Actual on comparable basis	Budget utilization difference
	2024/25	2024/25	
	Kshs	Kshs	Kshs
Fisheries Development and Management 0111000000	10,532,211,446	10,258,968,383.15	273,243,063.10
Fisheries policy strategy and capacity building 0111010000	1,165,243,744	1,148,630,479.70	16,613,264.30
Aquaculture Development 0111020000	2,656,680,142	2,529,003,716.10	127,676,425.9
Management and Development of capture fisheries 0111030000	54,842,080.25	51,303,608.70	3,538,471.55
Marine and fisheries research 0111050000	6,655,445,480.00	6,530,030,578.65	125,414,901.35
General administration planning and support Services 0117000000	245,879,841.00	229,187,020.40	16,692,820.60
General administration planning and support Services 0117000000	245,879,841.00	229,187,020.40	16,692,820.60
Development and coordination of the Blue Economy 0118000000	1,079,308,653.00	955,564,625.50	123,744,027.50
Blue economy policy strategy and coordination 0118040000	57,308,653.00	55,564,625.50	1,744,027.50
Promotion of Kenya as a center for AGRO Base Blue 0118050000	1,022,000,000.00	900,000,000.00	122,000,000.00
TOTAL	11,857,399,940.00	11,522,238,540.00	413,679,911.20

18. Notes to the Financial Statements

1. Establishment

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

2. Statement of Compliance and Basis of Reporting

Statement of compliance

These financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS).

For the purpose of these financial statements, the state department has been categorized as a Schedule 1 national government MDA in line with Section 4 of the Public Finance Management Act, 2012 read together with Regulation 211 (2) of the Public Finance Management (National Government) Regulations, 2015. Schedule 1 national government entities include Ministries, Departments, Agencies, constitutional institutions and independent offices. MDAs are reporting entities whose primary objective is to provide policy and coordination of government services.

The use of public resources by MDAs is primarily governed by Chapter 12 of the Constitution, the relevant Appropriation Act, the Public Finance Management Act, of 2012, and the Public Procurement and Disposal Act, of 2015.

These financial statements were authorized for issue by the Accounting Officer.

Reporting period

The reporting period for these financial statements is for the period ended 30th June 2025.

Basis of preparation

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

Notes to the financial statements

Critical accounting judgements

IPSAS requires accounting judgements to be made in determining accounting policies that impact the presentation of these financial statements. The most critical of these judgements, and their impact, are:

Recognition of revenue

A revenue is an increase in the net financial position, other than increases arising from ownership contributions. Revenue is required to be measured when the event occurs and when recognition criteria (probable inflow of resources and ability to reliably measure their value) are met. Judgment is required to determine if these criteria are met, particularly where limited evidence is available at the time the revenue is earned.

Recognition of non-exchange expenses and liabilities

A liability is a present obligation of *MDA* for an outflow of resources that results from a past event. Expenses (and other liabilities) are recognized when there is a present obligation (legal or constructive) as a result of a past event. An outflow of resources embodying economic benefits will probably be required to settle the obligation and a reliable estimate of the obligation can be made. Judgment is required in assessing each of these conditions, and therefore reporting if an expense and a present obligation should be reported.

The *MDA* pursues a number of policy targets and outcomes. However, the commitment to these targets and outcomes, generally, do not of themselves constitute a present obligation unless the *MDA* is clear on the cost it intends to incur, when payment will be made, and to whom and as a consequence has raised a valid expectation. As a consequence, liabilities are not reported for costs associated with the *MDA* policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of the *MDAs* future actions, expenses (and other related liabilities) are recognized for that policy.

Purpose and nature of financial instruments

Judgment is required in determining whether financial assets (including investment in securities and advances) and financial liabilities are held for trading or to provide a return through interest and principal transactions. Depending on that judgment, financial instruments will be reported at fair value or on an amortized cost basis.

Climate change obligations

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario of 143 MtCO₂eq. *MDAs* commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

Physical assets

An asset is a resource presently controlled by the MDA as a result of a past event. The primary reason for holding property, plant and equipment and other assets is for their service potential rather than their ability to generate cash flows. Because of the types of services provided, a significant proportion of assets used by public sector entities including roads, national parks, heritage buildings etc are specialized in nature. There may be a limited market for such assets and so judgement is required on measurement. Judgment is also required whether assets are held for commercial purposes or public benefit purposes.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

The MDA did not early – adopt any new or amended standards in the financial year.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The MDA 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 MDA and the fair value of the asset can be measured reliably.

ii) Revenue from exchange transactions

Rendering of services

The MDA 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)

b) Budget information

The original budget for FY 2024/25 was approved by the National Assembly on 30th June 2024. 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 MDA upon receiving the respective approvals in order to conclude the final budget. Accordingly, the MDA recorded additional appropriations of 139,325,929.00 on the 2024/25 budget following the governing body's approval. The MDA'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 actuals as per the statement of cash flows has been presented under section xxx of these financial statements.

c) 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. 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

d) 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 MDA 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.

e) Right of use asset

The right-of-use assets comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the MDA incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IPSAS 21 or IPSAS 26. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the MDA expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

Notes to the Financial Statements (Continued)

f) Tangible Natural Resources

The MDA recognises a tangible natural resource recognized if, and only if: It is probable that service potential associated with the natural resource will flow to the MDA; the MDA controls the tangible natural resource as a result of past events; and the tangible natural resource can be measured reliably. Where this criterion is not met, the MDA discloses the tangible natural resource in the notes to the financial statements. Where a tangible natural resource is recognized as an asset as the result of an event that is not a transaction in an orderly market, including non-exchange transactions, the asset shall be measured initially at its deemed cost. An MDA shall apply IPSAS 46, Measurement, when measuring the deemed cost of such a recognized tangible natural resource. A recognized tangible natural resource acquired through an exchange transaction shall be measured at its cost. Historical cost model is applied after initial recognition less any depreciation and impairment losses.

g) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the MDA. 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 MDA 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 MDA 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.

Notes to the Financial Statements (Continued)

h) 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.

i) Research and development costs

The MDA expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the MDA 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.

j) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The MDA does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).*

A financial instrument is any contract that gives rise to a financial asset of one MDA and a financial liability or equity instrument of another MDA. At initial recognition, the MDA measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

a) Financial assets

Classification of financial assets

The MDA classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the MDA's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an MDA has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the MDA classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Notes to the Financial Statements (Continued)

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the MDA manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The MDA assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The MDA recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

b) Financial liabilities

Classification

The MDA classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

Notes to the Financial Statements (Continued)

k) 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 *MDA*.

l) Provisions

Provisions are recognized when the *MDA* 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 *MDA* 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)

m) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The MDA recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the MDA will incur in fulfilling the present obligations represented by the liability.

n) Contingent liabilities

The MDA 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.

o) Contingent assets

The MDA 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 MDA 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.

p) Nature and purpose of reserves

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

q) Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

r) Employee benefits

Retirement benefit plans

The *MDA* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an *MDA* pays fixed contributions into a separate *MDA* (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.

s) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

t) 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.

u) Related parties

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

v) Service concession arrangements

The *MDA* 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 *MDA* 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 *MDA* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

w) 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.

x) Comparative figures

In preparing these financial statements, the *MDA* has elected to apply paragraph 79 of IPSAS 33, which allows for the election by an *MDA* to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position and an opening statement of financial position as at the time of first-time adoption of the accrual basis of accounting.

y) 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, 20xx.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the MDA'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 MDA 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 MDA. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

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 MDA.
- 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 40.

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.

State Department for Blue Economy and Fisheries
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Notes to the Financial Statements (Continued)

6. Transfers from Exchequer

Nature of transfer	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Total transfers Period ended June 2025
	Kshs	Kshs	Kshs
Recurrent	2,842,324,188.15	-	2,842,324,188.15
Development	7,139,992,213.85	-	7,139,992,213.85
Total	9,982,316,402.00	-	9,982,316,402.00

7. Transfers from Domestic and Foreign Partners

Description	FY 24/25
	Kshs
Direct Payments	1,366,253,967.25
Total	1,366,253,967.25

8. Other Incomes

Description	FY 24/25
	Kshs
Sale of non-market establishment	-
Administrative fees and charges	96,537,560.60
Other incomes not specified elsewhere	-
Total other income	96,537,560.60

9. Employee Costs

Description	FY 24/25
	Kshs
Basic salaries of permanent employees	157,242,539.85
Personal allowances – part of salary	94,420,951.70
Employee costs	251,663,491.55

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Notes to the Financial Statements (Continued)

10. Use of Goods and Services

Description	FY 24/25
	Kshs
Utilities, supplies and services	333,255.30
Communication, supplies and services	2,560,228.50
Domestic travel and subsistence	38,223,866.50
Foreign travel and subsistence	0
Printing, advertising, and information supplies & services	76,500.00
Rentals of produced assets	24,429,600.00
Training expenses	5,658,614.00
Hospitality supplies and services	13,793,935.40
Specialized materials and services	38,472,892.00
Office and general supplies and services	6,928,814.50
Fuel Oil and Lubricants	4,535,266.00
Routine maintenance – vehicles and other transport equipment	3,381,510.90
Routine maintenance – other assets	2,033,780.00
Other operating expenses	18,743,210.40
Accrued payables	259,410,874.15
Total	418,582,347.65

11. Transfers to Other Government Entities

Description	FY 24/25
	Kshs
Transfers to national govt entities- SAGAs & SC	2,526,137,560.60
Transfer to other Central Government entities	900,000,000.00
Transfers to Projects	7,256,246,181.10
Total	10,682,383,741.70

12. Social Benefits

Description	FY 24/25
	Kshs
Government Pension and Retirement Benefits	788,322.30
Total social benefit expenses	788,322.30

Notes to the Financial Statements (Continued)

13. Cash and Cash Equivalents

Description	<i>FY 24/25</i>	<i>Opening statement 1st July 2024</i>
	Kshs	Kshs
Recurrent Account	1,100,900.80	8,540
Development Account	-	50,107,713
Deposits Account	64,113,455.70	61,606,266
Total	65,214,356.50	111,722,519

13 (a) Detailed Analysis of the Cash and Cash Equivalents

		<i>FY 24/25</i>	<i>Opening statement 1st July 2024</i>
Financial Institution	Account number	Kshs	Kshs
Recurrent Account		1,100,900.80	8,540
<i>CBK001</i>	1000384077		
Development Accounts		-	50,107,713
<i>CBK002</i>	100038408		
Deposits Accounts		64,113,455.70	61,606,266
	100038409		
Grand Total		65,214,356.50	111,722,519

State Department for Blue Economy and Fisheries
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Notes to the Financial Statements (Continued)

14. Property, Plant, and Equipment

	Work in progress	Total
Depreciation Rate		
Cost	Kshs	Kshs
Opening Bal as 1st July 2025	-	
Additions(W.I.P)	350,000,000	350,000,000
As at Jun 2025	350,000,000	350,000,000
Net Book Values		
Opening Bal as at 1st July 2024	-	-
As at June 30th, 2025	350,000,000	350,000,000

The Working In Progress relates to the ongoing construction of Kabonyo Fisheries & Aquaculture Training Centre.

State Department for Blue Economy and Fisheries
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Notes to the Financial Statements (Continued)
15. Trade and Other Payables

Description	<i>FY 24/25</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Trade payables	259,410,874.15	206,669,777.80
Total trade and other payables	259,410,874.15	206,669,777.80

15 a)

Description	<i>FY 24/25</i>
	Kshs
Opening Statement 1st July 2024	206,669,777.80
Amounts paid during the year	(30,465,332.15)
Additions through out the year	83,206,428.50
Total trade and other payables as at 30th Jun 2025	259,410,874.15

State Department for Blue Economy and Fisheries
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Notes to the Financial Statements (Continued)

16. Refundable Deposits and Prepayments

Description	<i>FY 24/25</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Other deposits	64,113,455.70	61,606,266
Total deposits	64,113,455.70	61,606,266

17. Events after the Reporting Period

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

18. Ultimate And Holding MDA

The MDA ultimate parent is the Government of Kenya.

19. Currency

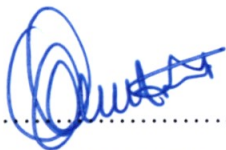
The financial statements are presented in Kenya Shillings (Kshs) and is rounded off to the nearest shilling.

19. 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)
OAG/EM&BE/SDBEF/2023/2024/(32)	Lack of land ownership documents	Processing of ownership documents for parcel of lands owned by the State Department is ongoing. Committee appointed by the Accounting Officer to pursue this matter as evidenced by appointment letter and committee reports.	Not Resolved	Currently an ongoing process.



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BETSY MUTHONI NJAGI
PRINCIPAL SECRETARY

DATE: 01/Dec/2025

State Department for Blue Economy and Fisheries
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Appendix II: Projects implemented by State Department for Blue Economy and Fisheries

Ref	Project Name	Principal activity of the project	Accounting Officer	Project consolidated in these financial statements(yes/no)
1	KENYA MARINE FISHERIES AND SOCIAL ECONOMIC DEVOPMENT PROJECT (KEMFSED)	To improve management of priority fisheries and mariculture and strengthen access to complementary livelihoods in coastal communities	PS State Department for Fisheries, Aquaculture and the Blue Economy	NO
2	Aquaculture Business Development Project (ABDP)	Enhancing value addition in aquaculture value chain	PS State Department for Fisheries, Aquaculture and the Blue Economy	NO

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Appendix III: List of SAGAs and SCs

Ref	SC, SAGA or Public Fund's name	Principal activity of entity	Accounting Officer	Amount transferred during the year	Inter- entity reconciliations done?(yes/no)
1	Kenya Marine Fisheries Research Institute (KMFRI)	Research	Director General-KMFRI	1,442,000,000	Yes
2	Kenya Fisheries Service (KeFS)	Management of Kenya Fisheries and Aquaculture resources	Director General – KeFS	832,110,000	Yes
3	Fish Levy Trust Fund (FLTF)	Build Capacity for Fisheries to achieve the best accepted standards	Ag. C.E.O-FLTF	12,000,000	Yes
4	Kenya Fish Marketing Authority (KFMA)	To market Kenyan Fish and Fisheries products.	Ag. C.E.O-KFMA	70,690,000	Yes
5	Kenya Fishing Industries Corporation (KFIC)	Exploitation of fisheries resources in the Kenya fishery waters and high seas by promoting establishment and efficiency of businesses engaged in fishing related activities.	Ag. C.E.O-KFIC	72,799,999	Yes

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Appendix IV: Fixed Asset Register (Cash Basis Accounting)

Asset class	Historical Cost b/f (Kshs)	Additions during the period (Kshs)	Disposals during the period (Kshs)	Historical Cost c/f (Kshs)
Land	8,500,000.00			8,500,000.00
Buildings and structures	1,417,738,822.00			1,417,738,822.00
Transport equipment	3,067,312,602.00			3,067,312,602.00
Office equipment, furniture and fittings	14,208,663.00			14,208,663.00
ICT Equipment	5,104,120.00			5,104,120.00
Other Machinery and Equipment	199,225,353.00			199,225,353.00
Biological assets	137,499,998.00			137,499,998.00
Construction and Civil Works	236,713,663.40			236,713,663.40
Heritage and cultural assets				
Intangible assets	2,968,575,160.00			2,968,575,160.00
Work in Progress	350,000,000.00	350,000,000.00		350,000,000.00
Total	8,054,878,381.40	350,000,000.00		8,404,878,381.00

The asset register is based on the previous mode of reporting under cash basis. The state department is still in the process of transitioning fully to accrual based accounting.

