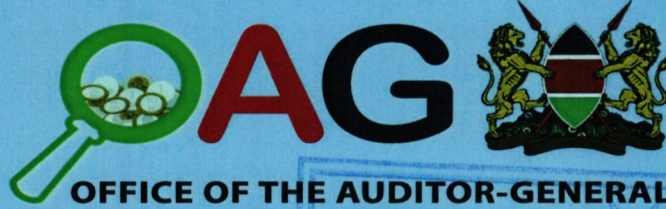


REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
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REPORT

OF

THE AUDITOR-GENERAL

ON

STATE DEPARTMENT FOR TOURISM

FOR THE YEAR ENDED
30 JUNE, 2020




MINISTRY OF TOURISM AND WILDLIFE
STATE DEPARTMENT FOR TOURISM, VOTE 1202

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020

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

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	09 JUN 2021 DAY Wednesday
TABLED BY:	Lom (Hon. Amos Kimani)
CLERK IN CHARGE:	Hadiya Ahmed

STATE DEPARTMENT FOR TOURISM
Reports and Financial Statements
For the year ended June 30, 2020

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STATE DEPARTMENT FOR TOURISM

Reports and Financial Statements

For the year ended June 30, 2020

KEY STATE DEPARTMENT FOR TOURISM INFORMATION AND MANAGEMENT

(a) Background information

The State Department for Tourism was formed by the Executive Order No. 1 of 2018 (Revised). At Cabinet level, the State Department is represented by the Cabinet Secretary for Tourism, who is responsible for the general policy and strategic direction of the State Department. The Vision of the State Department for Tourism is to make Kenya “To be the preferred tourism destination of choice” while the Mission is “To develop, manage and market sustainable tourism in Kenya”. The mandate of the State Department for Tourism is Tourism Policy and Standards, Development, Promotion and Marketing of Tourism, Tourism Research and Monitoring, Protection of Tourism and Regulation, Tourism Financing and Tourism Training.

(b) Key Management

The State Department for Tourism day-to-day management is under the following key organs:

- Senior Management Committee
- Ministerial Human Resource Advisory Committee

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30TH June, 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Hon. Safina Kwekwe Tsongu, CBS
2.	Tourism Secretary	Said Athman
3.	Director of Administration	David Jakaiti
4.	Chief Finance Officer	Peter Chemwile
5.	Head of Accounting Unit	Richard Mwangi
6.	Chief Economist	Richard Mwarema

(d) Fiduciary Oversight Arrangements

- Audit Committee
- Budget Implementation Committee
- Parliamentary Accounts Committee

(e) State Department for Tourism Headquarters

NSSF Building, Block A
15th Floor, Eastern Wing
Kenyatta Avenue
P.O. Box 30027
GPO 00100
Nairobi, Kenya

STATE DEPARTMENT FOR TOURISM
Reports and Financial Statements
For the year ended June 30, 2020

Contacts

Telephone: (254) 20 315001-6
E-mail: ps@tourism.go.ke
Website: www.tourism.go.ke

(f) State Department for Tourism Bankers

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

(g) Independent Auditors

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

(h) Principal Legal Adviser

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

STATE DEPARTMENT FOR TOURISM

Reports and Financial Statements

For the year ended June 30, 2020

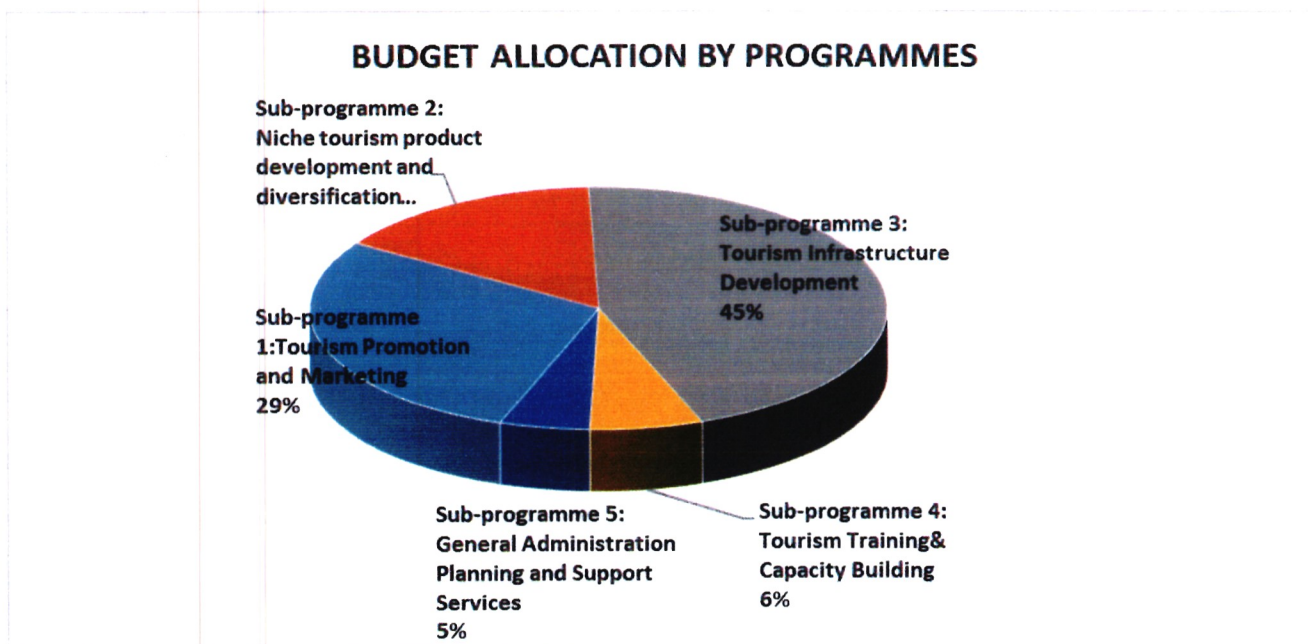
FORWARD BY THE CABINET SECRETARY

The Tourism sector is an important social economic sectors in Kenya and among the eight top priority sectors identified in the Third Medium term Plan 2018-2022 of the Kenya Vision 2030 with high potential of spurring double-digit economic growth and development. The sector is estimated to account for about 10% of the country's GDP, 9% of the total employment, and is a leading foreign exchange earner having generated KShs163.6 billion tourism receipts in 2019. The sector is also a strategic enabler to the government's Big Four Agenda, contributes to realization of the Sustainable Development Goals (SDGs) eight (8) on decent jobs and economic growth as well as aspiration 1 and 5 of Africa's Agenda 2063 development blueprint.

Tourism has a multiplier effect through the inter-sectoral linkages and has the potential to spur investment and growth in the entire economy. The Kenya Vision 2030 recognizes the importance of the sector and envisages Kenya to be among the leading long haul tourist destinations in the world, offering a high-end diverse and distinctive visitor experience.

Budget Performance against actual.

The total revised estimates for the State Department for Tourism in the 2019-2020 Financial year was Kshs. 8.849 Billion of which Kshs. 7.438 Billion was Recurrent and Kshs. 1.411 Billion being Development. Of this amount, KShs 6.701 was A.I.A to Semi-Autonomous Government Agencies (SAGAs) in the state department while the net allocation was KShs 2.148. Figure 1 below shows the percentage share of revised net budgetary allocation to each sub-programme.



The State department's actual net expenditure amounted to Kshs. 2.126 Billion translating to an absorption rate of 98.9%.

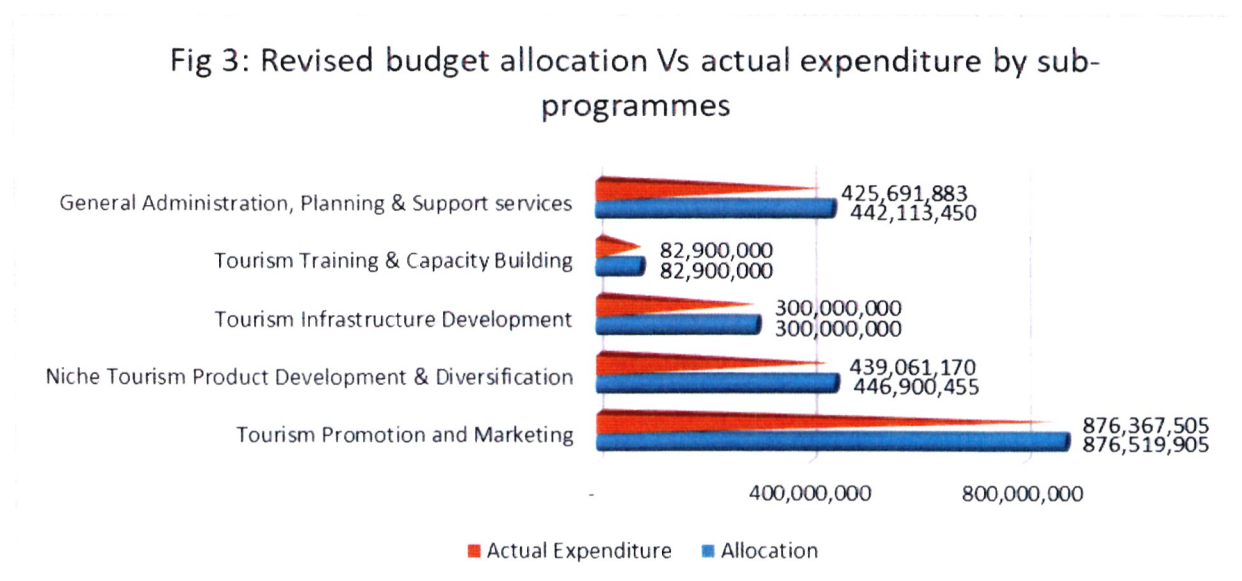
STATE DEPARTMENT FOR TOURISM
Reports and Financial Statements
For the year ended June 30, 2020

The performance of the budget against actual amounts based on economic classification is provided in table 1 below. The bulk of the State department’s budget and expenditure is on transfer to government agencies.

Table1: Budget performance against actual amounts based on Economic Classification

		REVISED BUDGET FY 2019/2020	ACTUAL EXPENDITURE FY 2019/2020
CODE	RECURRENT EXPENDITURE		
2100000	Compensation to Employees	202,502,119	201,191,922
2200000	Use of Goods and Services	335,453,442	316,342,045
2700000	Social Benefits	1,961,349	1,789,372
2600000	Current Transfers to Govt. Agencies	996,400,000	996,400,000
3100000	Acquisition of Non- Financial Assets	1,116,900	1,110,670
		1,537,433,810	1,516,834,009
	CAPITAL EXPENDITURE		
3100000	Acquisition of Non-Financial Assets	186,000,000	184,184,509
2600000	Capital Grants to Govt. Agencies	425,000,000	425,000,000
		611,000,000	609,184,509

Figure 3 below present’s comparison between revised budgetary allocation versus the actual expenditure by sub- programmes.



The general administration, planning and support services had an utilization rate of 96.29% and its expenditures consists of compensation to employees, use of good and services, Meru National Park Access road and Open Space Office Modelling projects. Both Tourism training & Capacity building and Tourism Infrastructure development are wholly transfers to SAGAs hence the 100%

STATE DEPARTMENT FOR TOURISM

Reports and Financial Statements

For the year ended June 30, 2020

utilization. Niche Tourism product development and diversification which relates to Mama Ngina Waterfront, Ushanga Kenya Initiative and the technical department had an utilization rate of 98.25%. Tourism Promotion and marketing comprise of transfers to SAGAs and the state department's tourism promotion registered utilization rates of 99.98%.

Key Achievements

The growth momentum experienced in 2018 was sustained throughout 2019 where Tourism earnings grew by 3.9 per cent from KShs 157.4 billion in 2018 to KShs 163.6 billion in 2019. Similarly, number of international visitor arrivals increased by 0.4 per cent to 2.035 Million in 2019, albeit a slower growth compared to a 14.0 per cent rise in 2018. This growth was attributed to robust and sustained marketing efforts such as global online consumer campaigns, joint marketing trade campaigns with travel trade, destination profiling events for global PR Campaigns, and launch of new inspiring brand ; positive developments in the aviation Sector such as resumption of direct flights and increase in frequency of chartered flights, political stability, stable and sustained security situation and improved ease of doing business and investor confidence ranking (Kenya Ranked 56 position in 2019).

On the domestic front, Bed-nights by Kenyans grew by 5.7 percent to a high of 4.818 million in 2019 as a result of domestic tourism promotion campaign themed “TembeaKenyaNaMimi” through TV, digital platforms, radio encouraging Kenyans to tour their country and share their experiences through various platforms, improved infrastructure to and around tourism hotspots as well as and opportunities for early bookings.

Besides tourism promotion and marketing, the state department continued with product and infrastructure development projects. The development of Mama Ngina waterfront was completed and is undergoing the defect period pending issuance of certificate of practical completion. The construction of Ronald Ngala Utalii College is ongoing and the project completion rate stands at 55.14%. The Ministry also settled outstanding certificates for the Meru National Park Access road which is at 75.8% completion rate as well as the Open Space Office Modelling and Security System Fitting (55% completion rate). On improving the Meetings, Incentives, Conventions and Exhibitions (MICE) capacity, the state department initiated the development of the KICC Prefab at KICC's Comesa ground. Other notable achievements include operationalization of the Tourism Promotion Fund, mapping & profiling of bead industry in Marsabit county, training of 335 women on beads work and capacity building capacity of seven Ushanga cooperatives.

Emerging issues and Challenges

However, the outbreak of COVID-19 pandemic shocked and destabilized the tourism sector and obliterated the gains made. The world-wide restriction on air travel and resultant closure of Kenya's airspace and borders to passenger traffic, and restrictions of movement in the coastal region and Nairobi metropolis drastically impacted on the tourism sector with massive cancellation of bookings, loss of foreign exchange, loss of business/incomes and loss of jobs/livelihoods to

STATE DEPARTMENT FOR TOURISM
Reports and Financial Statements
For the year ended June 30, 2020

Kenyans. Total tourist arrivals for the first quarter of 2020 was 389,590 while in the second quarter, the arrivals mainly comprised of returning Kenyans and truck drivers on transit through our borders.

Besides the Covid-19 pandemic, the state department experienced a number of challenges ranging from inadequate funding, withdrawal of funds allocated to development projects, environmental challenges land use conflict, unplanned development and degradation of natural and wildlife resource, over-dependency on nature-based products and hindrances to domestic tourism development such as low awareness levels, negative perceptions about tourism being for the rich and foreign, and indifferent treatment of local tourists by service providers among others.

Recommendation and way forward

To cushion and mitigate the sector from the adverse effect of Covid-19, the State Department implemented a raft of measures which included setting up a tourism (COVID-19) crisis recovery task force (think tank), developed protocol for management of restaurants and eateries and hotel accommodation, developed Post Covid-19 Tourism Recovery Strategy and established the National Tourism Crisis Steering Committee and Tourism Crisis Response committee. In restoring travelers' confidence and to stimulate demand, sector developed and is implementing Magical Kenya Tourism and Travel health and safety protocols. The protocols seek to mitigate the effects of the disruptions caused by Covid-19 in business and people's livelihoods by ensuring operational and staff preparedness, ensure safe tourist experience, rebuild trust and confidence, implement enabling services and integrate innovation. These efforts are bearing fruits since Kenya has been awarded the "Safer Tourism Seal" by Rebuilding Travel umbrella, a global pro-tourism industry group which comprise of tourism boards, ministers of tourism, professional associations, industry stakeholders, researchers, academics as well as travelers. The award comes just after 'Safe Travels' Stamp endorsements by WTTC.

The State department is also reviewing the National Tourism Policy to take into account the emerging issues and dynamics in the tourism industry as well as disaster/crisis management. The review will also takes into account the strategic issues brought forth in the National Tourism Blueprint and is expected to culminate in the review of the tourism legal and institutional framework.

Hon. Najib Balala, EGH
CABINET SECRETARY
MINISTRY OF TOURISM

STATE DEPARTMENT FOR TOURISM**Reports and Financial Statements****For the year ended June 30, 2020****STATEMENT OF PERFORMANCE AGAINST MDA'S PREDETRMINED OBJECTIVES**

The key development objectives of the State Department for Tourism are to:

- Increase tourism arrivals from 1.44 million visitors in 2017 to 2.5 million by 2022;
- Increase in tourism earnings from Kshs. 119.9 billion in 2017 to Kshs. 175 billion by 2022;
- Increase in bed-nights by domestic tourists from 3.6 million in 2017 to 6.5 million in 2022.

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and 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
Tourism Development and promotion	To increase tourism arrivals from 1.44 million visitors in 2017 to 2.5 million by 2022	Increased tourism sector contribution to the Gross Domestic Product (GDP)	% increase in number of Tourist arrivals	International visitor arrivals increased by 0.4 per cent from 2.027 in 2018 to 2.035 Million in 2019
	Increase in tourism earnings from Kshs. 119.9 billion in 2017 to Kshs. 175 billion by 2022		% increase in Tourism Earnings (KShs)	Tourism earnings grew by 3.9 per cent from KShs 157.4 billion in 2018 to KShs 163.6 billion in 2019
	To increase in bed-nights by domestic tourists from 3.6 million in 2017 to 6.5 million in 2022		% increase in Bed-nights by Kenyans	Bed-nights by Kenyans increased by 5.7% from 4.56 million in 2018 to 4.82 million in 2019.

STATE DEPARTMENT FOR TOURISM
Reports and Financial Statements
For the year ended June 30, 2020

STATEMENT OF STATE DEPARTMENT FOR TOURISM MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

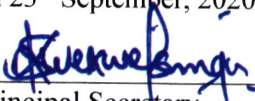
The Accounting Officer in charge of the State Department for Tourism is responsible for the preparation and presentation of the State Department for Tourism's financial statements, which give a true and fair view of the state of affairs of the State Department for Tourism for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the State Department for Tourism; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the State Department for Tourism; (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 Tourism accepts responsibility for the State Department for Tourism's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the State Department for Tourism's financial statements give a true and fair view of the state of State Department for Tourism's transactions during the financial year ended June 30, 2020, and of the State Department's financial position as at that date. The Accounting Officer charge of the State Department for Tourism further confirms the completeness of the accounting records maintained for the State Department for Tourism, which have been relied upon in the preparation of the State Department for Tourism's financial statements as well as the adequacy of the systems of internal financial control.

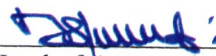
The Accounting Officer in charge of the State Department for Tourism confirms that the State Department for Tourism has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the State Department's funds received during the year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

Approval of the financial statements

The State Department for Tourism's financial statements were approved and signed by the Accounting Officer on 23rd September, 2020.


Principal Secretary

Name: Hon. Safina Kwekwe Tsungu, CBS


Head of Accounting Unit

Name: Richard Mwangi
ICPAK Member No: 3949

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR TOURISM FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the State Department for Tourism set out on pages 1 to 21, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation-recurrent and development combined 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 financial statements present fairly, in all material respects, the financial position of the State Department for Tourism as at 30 June, 2020 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Presentation of Financial Statements - Follow Up Issues

Note 17 to the financial statements on progress on follow up of prior years' auditor's recommendations has not been updated to include the status of audit issues raised in financial years 2017/2018 and 2018/2019. The reporting and disclosure requirements prescribed by the Public Sector Accounting Standards Board have therefore not been met.

2.0 Cash and Cash Equivalents

2.1 Unreconciled Cash and Cash Equivalents Balance

The statement of assets and liabilities reflects a cash and cash equivalents balance of Kshs.157,621,413. However, the balance differs with the amount of Kshs.656,487,652 reflected in the supporting Trial Balance occasioning a difference of Kshs.498,866,239 which was not reconciled.

2.2 Deposits Account

The bank reconciliation statement for deposits accounts reflects payments in bank statement not in cash book of Kshs.5,125,837 as at 30 June, 2020. However, the

supporting schedule and the dates when the reconciling items were subsequently cleared were not provided for audit review. Further, the deposits account balance of Kshs.157,517,473 reflected in the financial statements differ with the deposits cash book balance of Kshs.151,877,286 resulting to an unexplained balance of Kshs.5,640,187.

Under the circumstances, the accuracy of cash and cash equivalents balance of Kshs.157,621,413 as at 30 June, 2020 could not be ascertained.

3.0 Pending Bills

3.1 Unsupported Pending Bills

As disclosed under Annex 1 to the financial statements, the State Department had pending bills totalling Kshs.193,492,683 as at 30 June, 2020. Management has not explained why the bills were not settled during the year when they occurred. Failure to settle bills during the year to which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

3.2 Wasteful Expenditure and Non-Disclosure of Pending Bills

As previously reported, the Ministry of Tourism in 2015/2016 made a payment of Kshs.150 million to a local law firm in respect of a pending bill from the former Ministry of Trade, Industrialization and Tourism. The payment was in respect of an initial bill of Kshs.12 million payable to a media firm but which was in contention as the firm continued to render the services after the contract period for advertising services by the firm had expired in June, 2004. The Attorney-General vide letter Ref. A.G/CIR/3016/04 in 2006 observed that the Ministry was obligated to settle the claim since the Ministry agreed to participate in the disputed third phase of the Programme. As at 17 June, 2010 the bill had accumulated to Kshs.52,606,872 being outstanding amount plus 3% interest since 2004. In August 2011, the Attorney General advised the then Ministry of Trade, Industrialization and Tourism to pay the contractual amount but negotiate the interest payable even though there was no formal contract for Phase II but this advice was not adhered to.

The firm went to court for non-payment and by the judgement dated 24 July, 2012 ruled in their favour, the firm was awarded Kshs.110,061,691, being the initial Kshs.12 million plus 26% interest since April, 2004. Part payment of Kshs.65 million was made in July, 2013 as interest continued to accumulate. As at December 2016, the outstanding bill had accumulated to Kshs.210 million.

It was noted that there was lack of diligence on the side of the then Ministry officials in allowing the company to continue offering the services without a valid contract and also negligence in not adhering to the professional advice by the Attorney-General to pay the outstanding amount and negotiate the interest payable in 2011. Had this advice been followed, this could have saved the Government the accumulated interest of Kshs.198 million.

In the 2017/2018 financial year, a further payment of Kshs.70 million was made. By the end of 2017/2018 financial year, the Ministry had paid a total of Kshs.285 million against Kshs.210 million accumulated balance as at December, 2016. Thereafter the Ministry received an estimation statement from the Attorney-General instructing

the Ministry to pay a further amount of Kshs.62 million arising from the accrued interest which had further increased to Kshs.74 million as at 30 June, 2020. The amount has not been disclosed as a pending bill in the financial statements.

Consequently, there is a risk of further loss of public funds through accumulated interest and penalties with continued delay in payment.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the State Department for Tourism Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAIs 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. I have determined that there are no Key Audit Matters to communicate in my report.

Other Matter

1.0 Budgetary Control and Performance

The summary statement of appropriation-recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.8,849,239,810 and Kshs.6,420,260,067 respectively, resulting to an under-funding of Kshs.2,428,979,743 or 27% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.8,849,239,810 and Kshs.6,419,524,424 respectively, resulting to an under-expenditure of Kshs.2,249,715,386 which occurred mainly under transfers to other government units. The under-funding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

2.0 Late Exchequer Releases

The State Department for Tourism received Exchequer releases from The National Treasury totalling Kshs.2,126,754,160 for the year under review, However, Exchequer releases totalling Kshs.294,983,890.45 were received in the month of June as tabulated below:

Date Funds Received	Amount Received Kshs.	Type
04/06/2020	111,655,520	Recurrent
25/06/2020	15,806,289	Recurrent
26/06/2020	96,932,486	Recurrent
03/07/2020	65,446,096	Recurrent
30/06/2020	5,143,500	Development
Total	294,983,891	

The delay in Exchequer release may have resulted in low absorption of the budget thus negatively affecting timely implementation of the programmes of the State Department and provision of services to the public.

3.0 Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2020. Management has not provided reasons for the delay in resolving the prior year audit issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Office Lease Agreements and Partitioning of Tourism Trust Fund Building

On 11 October, 2017, the State Department engaged a contractor to carry out partitioning of offices works at the Tourism Trust Fund Building at a contract sum of Kshs.138,500,657. The letter of notification of award of the contract dated 28 August, 2017 stated that the contract would be signed not later than 30 days from the date of the letter. However, the contract was signed on 11 October, 2017 and no explanation was provided for the delay. Further, the State Department paid the contractor an amount of Kshs.24,000,000 on 14 May, 2020 even though the performance bond of Kshs.6,925,033 had expired on 07 February, 2020.

In addition, although the State Department also occupied offices at NSSF building and Utalii House, the lease agreements were not provided for audit and the terms of occupation could not therefore be confirmed.

Under the circumstances, it was not possible to confirm that the resources of the State Department were used in an effective, efficient, economical and transparent manner as required under Section 68(1) of the Public Finance Management Act, 2012.

2.0 Repair and Rehabilitation of Farm Murera Gate Road

The contract was awarded for Repair and Rehabilitation of 26 kilometers of road. However, the scope of the works was changed to construction of 11 kilometers under unclear circumstances.

The contract was awarded on 22 March, 2017 and commenced on 21 May, 2017 for a contract period of twelve (12) months with a completion date of 31 May, 2018. Thereafter, the contractor was awarded 146 days extension thereby revising the

completion date to 24 October, 2018. However, an audit review of the status in October, 2020 revealed that there was no valid performance security in place and works were still ongoing although no evidence was provided that the employer had approved a second extension of time or started charging liquidated damages in accordance with conditions of contract. Continued delay in completing the project denies the employer intended benefits from use of the road and consequently, until the project is completed, value for money spent cannot be realized.

Further, it was also observed that some certificates were paid beyond the stipulated time such as Certificate No.4 signed on 21 June, 2018 paid on 24 December, 2019 and Certificate No.3 signed on 14 February, 2018 and paid on 24 January, 2019. The delays exposed the State Department to additional costs in form of interest on delayed payments.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of an Audit Committee

Section 73(5) of the Public Finance Management Act, 2012 provides that every national government entity shall establish an Audit Committee whose composition and functions shall be as prescribed by the Regulations. However, as previously reported, the State Department did not have an Audit Committee. In the absence of a functioning Audit Committee, monitoring and review of the effectiveness of the internal audit process, review of internal controls, risk management systems and financial statements among other functions of an Audit Committee did not take place which may have hindered good corporate governance at the State Department.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the State Department financial reporting process, reviewing the effectiveness of how the entity 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 of the Financial Statements

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources

are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the State Department's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the State Department to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the State Department to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

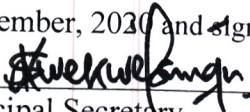
24 May, 2021

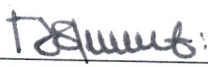
STATE DEPARTMENT FOR TOURISM
Reports and Financial Statements
For the year ended June 30, 2020

STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019- 2020	2018-2019
		Kshs	Kshs
RECEIPTS			
Tax Revenues	1	3,655,932,488	-
Transfers from National Treasury	2	2,126,754,160	1,878,291,800
Other Revenues	4	637,573,419	1,886,618,031
TOTAL REVENUES		6,420,260,067	3,764,909,831
PAYMENTS			
Compensation of Employees	5	201,191,922	139,151,620
Use of goods and services	6	316,342,045	268,227,206
Transfers to Other Government Units	7	5,694,905,907	2,939,741,231
Other grants and transfers	8	20,000,000	15,000,000
Social Security Benefits	9	1,789,372	1,321,254
Acquisition of Assets	10	185,295,179	385,488,005
TOTAL PAYMENTS		6,419,524,424	3,748,929,316
SURPLUS/DEFICIT		735,642	15,980,515

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The State Department for Tourism financial statements were approved on 23rd September, 2020 and signed by:


Principal Secretary
Name: Hon. Safina Kwekwe Tsungu, CBS


Head of Accounting Unit
Name: Richard Mwangi
ICPAK Member No: 3949

STATE DEPARTMENT FOR TOURISM

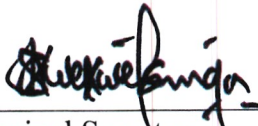
Reports and Financial Statements

For the year ended June 30, 2020

STATEMENT OF ASSETS AND LIABILITIES

	Note	2019- 2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	11	157,621,413	158,460,405
Cash Balances		-	-
Total Cash And Cash Equivalents		157,621,413	158,460,405
Accounts Receivables - Outstanding Imprest and Clearance Accounts	12	567,334	209,323
TOTAL FINANCIAL ASSETS		158,188,747	158,669,728
LESS: FINANCIAL LIABILITIES			
Accounts Payables - Deposits	13	157,868,916	142,689,214
NET FINANCIAL ASSETS		319,831	15,980,515
REPRESENTED BY			
Fund balance b/fwd	14	15,980,515	-
Prior year adjustments	15	(16,396,327)	
Surplus/Defict for the year		735,642	15,980,515
NET FINANCIAL POSSITION		319,831	15,980,515

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The State Department for Tourism financial statements were approved on 23rd September, 2020 and signed by:



Principal Secretary
Hon. Safina Kwekwe Tsungu, CBS



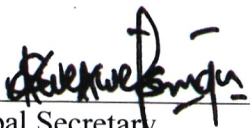
Head of Accounting Unit
Name: Richard Mwangi
ICPAK Member No: 3949

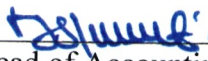
STATE DEPARTMENT FOR TOURISM
Reports and Financial Statements
For the year ended June 30, 2020

STATEMENT OF CASH FLOWS

	Note	2019- 2020	2018-2019
		Kshs	Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Tax Revenues	1	3,655,932,488	-
Transfers from National Treasury	2	2,126,754,160	1,878,291,800
Other Revenues	4	637,573,419	1,886,618,031
		6,420,260,067	3,764,909,831
Payments for operating expenses			
Compensation of Employees	5	201,191,922	139,151,620
Use of goods and services	6	316,342,045	268,227,206
Transfers to Other Government Units	7	5,694,905,907	2,939,741,231
Other grants and transfers	8	20,000,000	15,000,000
Social Security Benefits	9	1,789,372	1,321,254
		6,234,229,245	3,363,441,311
Adjusted for:			
Prior Year Adjustments	15	(16,396,327)	
Decrease/(Increase) in Accounts receivable: (outstanding imprest)		(358,011)	(209,323)
Increase/(Decrease) in Accounts Payable: (deposits and retention)		15,179,703	142,689,214
		184,456,187	543,948,411
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	10	(185,295,179)	(385,488,005)
Net cash flows from Investing Activities		(185,295,179)	(385,488,005)
CASHFLOW FROM BORROWING ACTIVITIES			
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT			
		(838,992)	158,460,405
Cash and cash equivalent at BEGINNING of the year		158,460,405	-
Cash and cash equivalent at END of the year		157,621,413	158,460,405

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The State Department for Tourism financial statements were approved on 23rd September, 2020 and signed by:


Principal Secretary
Name: Hon. Safina Kwekwe Tsungu, CBS


Head of Accounting Unit
Name: Richard Mwangi
ICPAK Member No: 3949

**STATE DEPARTMENT FOR TOURISM
 Reports and Financial Statements
 For the year ended June 30, 2020**

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

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020

REPORTS AND FINANCIAL STATEMENTS

MINISTRY OF TOURISM AND WILDLIFE
STATE DEPARTMENT FOR TOURISM, VOTE 1202

RECEIVED
01 FEB 2021
REGISTRY
OFFICE OF THE AUDITOR GENERAL
P. O. Box 30634 00100, NAIROBI

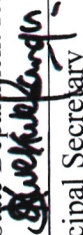


SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Code	Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget	Notes
		a	b	c=a+b	d	e=c-d	f=d/c %	
	RECEIPTS							
AIA	Tax Receipts	1,830,500,000	3,095,306,000	4,925,806,000	3,655,932,488	1,269,873,512	74%	1
	Exchequer releases	3,259,928,800	(1,111,494,990)	2,148,433,810	2,126,754,160	21,679,650	99%	
	Transfers from Other Government Entities	0	800,000,000	800,000,000	0	800,000,000	0%	2
AIA	Other Receipts	477,500,000	497,500,000	975,000,000	637,573,419	337,426,581	65%	3
	Total Receipts	5,567,928,800	3,281,311,010	8,849,239,810	6,420,260,067	2,428,979,743	73%	
	PAYMENTS							
21	Compensation of Employees	96,194,700	106,307,419	202,502,119	201,191,922	1,310,197	99%	
22	Use of goods and services	353,662,600	(18,209,158)	335,453,442	316,342,045	19,111,397	94%	
263	Transfers to Other Government Units	3,762,200,000	3,540,006,000	7,302,206,000	5,694,905,907	1,607,300,093	78%	4
261/2/4	Other grants and transfers	10,000,000	10,000,000	20,000,000	20,000,000	0	100%	
27	Social Security Benefits	0	1,961,349	1,961,349	1,789,372	171,977	91%	
31	Acquisition of Assets	489,023,996	498,092,904	987,116,900	185,295,179	801,821,721	19%	5
	Grand Total	4,711,081,296	4,138,158,514	8,849,239,810	6,419,524,424	2,429,715,386	73%	
	Surplus/Deficit	856,847,504	(856,847,504)	0	735,642	(735,642)		

Notes:

- 1) The 26% under-collection of Tax receipts was due to effect of COVID-19 in the Tourism Sector. There was under collection of Catering Levy due to closure of hotels
 - 2) The 0% transfer from Other Government Entities was due to non-implementation of projects which were approved late in the Financial Year
 - 3) The 35% under-collection of Other Receipts was due to effect of COVID-19 in the Tourism Sector. Sagas were not able to meet their AIA targets.
 - 4) The 22% under-utilisation of Transfers to Other Government Units was due to under collection of AIA
 - 5) The non implementation of KICC Prefab and Development of Naivasha Waterfront projects resulted in the 81% underutilization of Acquisition of Assets.
- The State Department for Tourism financial statements were approved on 23rd September, 2020 and signed by:


Principal Secretary

Name: Hon. Safina Kwekwe Tsungu, CBS


Head of Accounting Unit

Name: Richard Mwangi
ICPAK Member No: 3949

Reports and Financial Statements
For the year ended June 30, 2020

SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Code	Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=d-c	% of Utilisation Difference to Final Budget f=d/c %	Notes
	RECEIPTS							
	Tax Receipts	1,830,500,000	3,095,306,000	4,925,806,000	3,655,932,488	1,269,873,512	74%	1
	Exchequer releases	1,729,928,800	(192,494,990)	1,537,433,810	1,517,569,650	19,864,160	99%	
	Other Receipts	477,500,000	497,500,000	975,000,000	637,573,419	337,426,581	65%	2
	Total Receipts	4,037,928,800	3,400,311,010	7,438,239,810	5,811,075,557	1,627,164,253	78%	
	PAYMENTS							
21	Compensation of Employees	96,194,700	106,307,419	202,502,119	201,191,922	1,310,197	99%	
22	Use of goods and services	353,662,600	(18,209,158)	335,453,442	316,342,045	19,111,397	94%	
263	Transfers to Other Government Units	2,712,200,000	4,165,006,000	6,877,206,000	5,269,905,907	1,607,300,093	77%	3
261/2/4	Other grants and transfers	10,000,000	10,000,000	20,000,000	20,000,000	0	100%	
27	Social Security Benefits		1,961,349	1,961,349	1,789,372	171,977	91%	
31	Acquisition of Assets	9,023,996	(7,907,096)	1,116,900	1,110,670	6,230	99%	
	Grand Total	3,181,081,296	4,257,158,514	7,438,239,810	5,810,339,915	1,627,899,895	78%	
	Surplus/Deficit	856,847,504	(856,847,504)	0	735,641	(735,641)		

Notes

- 1) The 26% under-collection of Tax receipts was due to effect of COVID-19 in the Tourism Sector. There was under collection of Catering Levy due to closure of hotels
- 2) The 35% under-collection of Other Receipts was due to effect of COVID-19 in the Tourism Sector. Sagas were not able to meet their AIA targets.
- 3) The 23% under-utilisation of Transfers to Other Government Units was due to under collection of AIA.

The State Department for Tourism financial statements were approved on 23rd September 2020 and signed by:



Principal Secretary

Name: Hon. Safina Kwekwe Tsungu, CBS



Head of Accounting Unit

Name: Richard Mwangi

ICPAK Member No: 3949

SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Code	Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %	Notes
	RECEIPTS							
	Exchequer releases	1,530,000,000	(919,000,000)	611,000,000	609,184,510	1,815,490	100%	
	Transfers from Other Government Entities		800,000,000	800,000,000	0	800,000,000	0%	1
	Total Receipts	1,530,000,000	(119,000,000)	1,411,000,000	609,184,510	801,815,490	43%	
	Payments							
263	Transfers to Other Government Units	1,050,000,000	(625,000,000)	425,000,000	425,000,000	0	100%	
31	Acquisition of Assets	480,000,000	506,000,000	986,000,000	184,184,509	801,815,491	19%	2
	Grand Total	1,530,000,000	(119,000,000)	1,411,000,000	609,184,509	801,815,491	43%	
	Surplus/Deficit	0	0	0	1	(1)		

- 1) The 0% transfer from Other Government Entities was due to non-implementation of projects which were approved late in the Financial Year.
2) The non implementation of KICC Prefab and Development of Naivasha Waterfront projects resulted in the 81% underutilization of Acquisition of Assets.

The State Department for Tourism financial statements were approved on 23rd September, 2020 and signed by:


Principal Secretary

Name: Hon. Safina Kwekwe Tsungu, CBS



Head of Accounting Unit

Name: Richard Mwangi

ICPAK Member No: 3949

**Reports and Financial Statements
For the year ended June 30, 2020**

BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020 Kshs	Kshs	2019/2020 Kshs	2019/2020 Kshs	Kshs
Tourism Development and Promotion	6,862,924,227	1,986,315,583	8,849,239,810	6,419,902,225	2,429,715,386
Sub-programme 1: Tourism Promotion and Marketing	1,261,800,000	1,271,525,905	2,533,325,905	2,446,365,927	86,959,978
Sub-programme 2: Niche tourism product development and diversification	591,625,924	758,274,531	1,349,900,455	487,553,780	862,346,675
Sub-programme 3: Tourism Infrastructure Development	3,961,000,000	0	3,961,000,000	2,691,126,488	1,269,873,512
Sub-programme 4: Tourism Training & Capacity Building	562,900,000	0	562,900,000	364,383,080	198,516,920
Sub-programme 5: General Administration Planning and Support Services	485,598,303	(43,484,853)	442,113,450	430,095,149	12,018,301
TOTAL	6,862,924,227	1,986,315,583	8,849,239,810	6,419,524,424	

STATE DEPARTMENT FOR TOURISM

Reports and Financial Statements

For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting State Department for Tourism

The financial statements are for the State Department for Tourism. The financial statements encompass the reporting State Department for Tourism as specified under section 81 of the PFM Act 2012 and also comprise of the following development projects implemented by the State Department for Tourism:

- i. Mama Ngina Beach Management
- ii. Repair & Rehabilitation of Farm Murera Gate Road
- iii. Open Space Office Modelling and Security System Fitting

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

• Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

• Transfers from the Exchequer

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

• Other receipts

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

STATE DEPARTMENT FOR TOURISM
Reports and Financial Statements
For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES

b) Recognition of payments

The State Department for Tourism recognises all payments when the event occurs, and the related cash has been paid out by the State Department for Tourism.

• **Compensation of Employees**

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

• **Use of Goods and Services**

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

• **Acquisition of Fixed Assets**

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

A fixed asset register is maintained by each public State Department for Tourism and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

5. In-kind contributions

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

6. Third Party Payments

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

7. 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.

Restriction on Cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2020, this amounted to Kshs 157,517,473.05 compared to Kshs 141,561,057.90 in prior period as indicated on note 13.

STATE DEPARTMENT FOR TOURISM
Reports and Financial Statements
For the year ended June 30, 2020

There were no other restrictions on cash during the year.

SIGNIFICANT ACCOUNTING POLICIES

8. Accounts Receivable

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

9. Accounts Payable

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

10. Pending Bills

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 1st July 2019 to 30th June 2020 as required by Law and there were two supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

Government Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-State Department for Tourism transfers.

12. Comparative Figures

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

STATE DEPARTMENT FOR TOURISM
Reports and Financial Statements
For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES

13. 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 30th June 2020.

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 16 explaining the nature and amounts.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

STATE DEPARTMENT FOR TOURISM
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NOTES TO THE FINANCIAL STATEMENTS

1 TAX REVENUES

	2019- 2020	2018-2019
	Kshs	Kshs
Taxes on Goods and Services	3,655,932,488	
TOTAL	3,655,932,488	-

This is from Catering Levy (TF) and Air Passenger Service Charge (TPF) collected as AIA.

2 EXCHEQUER RELEASES

Description	2019- 2020	2018-2019
	Kshs	Kshs
Total Exchequer Releases for quarter 1	280,666,936	
Total Exchequer Releases for quarter 2	615,779,665.10	327,200,000
Total Exchequer Releases for quarter 3	756,176,514	803,300,000
Total Exchequer Releases for quarter 4	474,131,045	747,791,800
TOTAL	2,126,754,160	1,878,291,800

The state department received 99% of budgeted exchequer

3 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2019- 2020	2018-2019
	Kshs	Kshs
Transfers from Central government entities		
TOTAL	-	-

The State department had a budget of Ksh.800,000,000 to be funded by the Tourism promotion fund. This funding was not received due to non-implementation of projects.

4 OTHER REVENUES

	2019- 2020	2018-2019
	Kshs	Kshs
Sales of Market Establishments		1,000,000,000
Receipts from Administrative Fees and Charges - Collected as AIA	637,573,419	886,618,031
TOTAL	637,573,419	1,886,618,031

STATE DEPARTMENT FOR TOURISM
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 COMPENSATION OF EMPLOYEES

	2019- 2020	2018-2019
	Kshs	Kshs
Basic salaries of permanent employees	132,815,522	88,772,462
Personal allowances paid as part of salary	68,376,400	50,379,158
TOTAL	201,191,922	139,151,620

6 USE OF GOODS AND SERVICES

	2019- 2020	2018-2019
	Kshs	Kshs
Communication, supplies and services	6,669,335	7,135,378
Domestic travel and subsistence	58,269,319	38,603,550
Foreign travel and subsistence	28,624,910	36,329,909
Printing, advertising and information supplies & services	9,479,849	10,302,095
Rentals of produced assets	34,655,480	45,681,619
Training expenses	9,244,378	12,812,345
Hospitality supplies and services	55,129,267	36,041,741
Specialised materials and services	49,667,094	20,630,790
Office and general supplies and services	16,480,477	21,360,180
Other operating expenses	21,397,650	13,513,804
Routine maintenance – vehicles and other transport equipment	7,181,502	6,718,995
Routine maintenance – other assets	5,738,837	8,406,587
Fuel Oil and Lubricants	13,803,949	10,690,214
TOTAL	316,342,045	268,227,206

STATE DEPARTMENT FOR TOURISM**Reports and Financial Statements****For the year ended June 30, 2020****NOTES TO THE FINANCIAL STATEMENTS (Continued)****7 GRANTS AND TRANSFERS TO OTHER GOVERNMENT ENTITIES**

Description	2019- 2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities (SCOA Codes 2630100, 2630200, 2640400, 2640500, 2649900, 2820100, 2820200, 2820300)	5,694,905,907	2,939,741,231
See attached list		
TOTAL	5,694,905,907	2,939,741,231

The above transfers were made to the following self-reporting entities in the year:

Description	Recurrent	Development	A-I-A	2019-2020
	Kshs	Kshs	Kshs	Kshs
Transfers to SAGAs and SCs				
Tourism Regulatory Authority	196,300,000		168,211,934	364,511,934
Bomas of Kenya	195,700,000		51,050,317	246,750,317
Kenya Utalii College	62,900,000		281,483,080	344,383,080
Kenya Tourism Board	254,400,000	125,000,000	132,828,088	512,228,088
Tourism Fund		300,000,000	2,391,126,488	2,691,126,488
Brand Kenya Board	140,000,000		4,000,000	144,000,000
Tourism Research Institute	127,100,000			127,100,000
Tourism Promotion Fund			1,264,806,000	1,264,806,000
TOTAL	976,400,000	425,000,000	4,293,505,907	5,694,905,907

We have confirmed these amounts with the recipient entities and attached these confirmations as an Appendix to this financial statements

8 OTHER GRANTS AND TRANSFERS

	2019- 2020	2018-2019
	Kshs	Kshs
Scholarships and other educational benefits	20,000,000	15,000,000
Total	20,000,000	15,000,000

Scholarships were provided to Kenya Utalii College.

Transfer of Other Grants and Transfers was done together with Grants and Transfers to Other Government Entities in Note 7.

STATE DEPARTMENT FOR TOURISM
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 SOCIAL SECURITY BENEFITS

	2019- 2020	2018-2019
	Kshs	Kshs
Government pension and retirement benefits	1,789,372	1,321,254
TOTAL	1,789,372	1,321,254

This relates to payments of gratuity to employees on contract at the end of their contracts.

10 ACQUISITION OF ASSETS

	2019- 2020	2018-2019
	Kshs	Kshs
Non Financial Assets		
Construction of Roads	40,184,567	19,288,303
Overhaul and Refurbishment of Construction and Civil Works	143,999,942	356,734,853
Purchase of Office Furniture and General Equipment	1,110,670	9,464,850
Sub Total	185,295,179	385,488,005
Financial Assets		
Sub Total	-	-
TOTAL	185,295,179	385,488,005

11: BANK ACCOUNTS

Name of Bank, Account No. & currency	Indicate whether recurrent, Development, deposit e.t.c	2019- 2020	2018-2019
		Kshs	Kshs
Central Bank of Kenya, 1000395548 Recurrent Kes- State Dept for Tourism	Rec	103,938.50	14,622,503
Central Bank of Kenya, 1000395637 Development Kes – State Dept for Tourism	Dev	1.05	2,276,844.70
Central Bank of Kenya, 1000395699 Deposits Kes – State Dept for Tourism	Dep	157,517,473.05	141,561,057.90
Central Bank of Kenya, 1000395753CBK165 Kes – State Dept for Tourism	CBK 165		
Total		157,621,413	158,460,405

STATE DEPARTMENT FOR TOURISM

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12: ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

<i>Description</i>	2019- 2020	2018-2019
	Kshs	Kshs
Government Imprests	527,300	104,800
Salary advances	40,034	90,690
Clearance accounts		13,833
TOTAL	567,334	209,323

A breakdown of the outstanding imprest below

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Stephen Owino Odhiambo	05-DEC-2019	46,500	0.00	46,500
Joseph Mugambi Kimani	20-NOV-2019	74,100	0.00	74,100
Joseph Mugambi Kimani	24-JAN-2020	33,900	0.00	33,900
Lilian Moraa Nyamweya	21-MAY2020	44,800	0.00	44,800
Anthony Muli	05-MAR-2020	313,000	0.00	313,000
Japhet Mutea Mberia	25-OCT-2019	15,000	0.00	15,000
Total		527,300		527,300

A breakdown of salary advance is as below

Officer's Name	Payroll No.	ID/PP No.	Balance
Omurunga Opuka Aswani	1987102362	10043786	1,726
Ephantus Ng'ang'a Chege	1987110844	7172346	15,920
Elizabeth Achieng Obong'o	1988085694	8537329	14,888
Josphat Peter Adayi	1997034707	7348718	7,500
Total			40,034

13. ACCOUNTS PAYABLE

	2019- 2020	2018-2019
	Kshs	Kshs
Deposits	157,517,473.05	141,561,057.90
Third party payables	351,443	1,090,256
A.I.A due Exchequer		37,900
TOTAL	157,868,916	142,689,214

Deposits relates to 10%retentions from ongoing projects.

Third party payables relates to unpaid deductions due to unavailable bank details. **Annex 2**

STATE DEPARTMENT FOR TOURISM
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For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. FUND BALANCE BROUGHT FORWARD

	2019- 2020	2018-2019
	Kshs	Kshs
Bank accounts	158,460,405	
Receivables - Outstanding Imprests	209,323	
Payables - Deposits	(142,689,214)	
TOTAL	15,980,515	-

15. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	142,689,214	-16,396,326.60	126,292,887.00
	142,689,213.60	-16,396,326.60	126,292,887.00

The adjustment relates to amounts surrendered back to the exchequer. Kshs. 14,119,481.90 was surrendered from the recurrent account and Kshs. 2,276,844.70 from the development account.

17. PROGRESS ON FOLLOW UP OF PRIOR YEARS AUDITOR'S RECOMMENDATIONS

The following is the Financial Year 2016/2017 summary of issues raised by the external auditor, and management comments that were provided to Parliamentary Account Committee. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe
491 – Cash and Cash equivalents	<p>The cash and cash equivalents balance comprises of cash held at the Central Bank of Kenya under the recurrent, development and deposits accounts all amounting to Kshs.45,101,844 as at 30 June 2017. However, the reconciled closing balances as per the financial statements and the manual cashbook that was availed for audit review did not agree with the balances disclosed in the IFMIS system generated cashbook.</p> <p>In the circumstances, the two sets of accounting records were not reconciled and the accuracy and completeness of cash and cash equivalents balance of Kshs.45,101,844 as at 30 June 2017 could not be ascertained.</p>	<p>It is true that reconciled closing balances as per the Financial Statements and the manual cash book availed for audit review did not agree with the balances disclosed in the IFMIS system generated cash book.</p> <p>The balances shown in the IFMIS generated cash cook are not reconciled due to system challenges with the cash management module. These challenges include;</p> <ul style="list-style-type: none"> i) Missing online bank statements ii) Creation of system acquired liabilities iii) Missing transitions when bank statements are loaded. <p>The IFMIS department has continued to address these challenges with aim of reconciling these differences.</p> <p>The balances in the Financial Statements are fully supported by Certificate of Balances and Bank reconciliation statements as at 30th June, 2017</p>		Resolved	

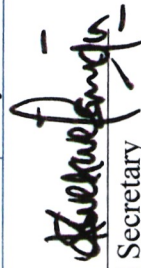
STATE DEPARTMENT FOR TOURISM
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe
<p>492 – Acquisition of Assets – Tourism Recovery</p>	<p>During the year under review, the Ministry spent an amount of Kshs.1,042,214,337 under expenditure Item acquisition of assets (tourism recovery) sub- item; research, studies, project preparation, design and supervision. A scrutiny of the expenditure revealed that an amount of Kshs.206,569,933 was incurred on items not related to tourism recovery. Further most of the expenditure were recurrent in nature rather than development (acquisition of assets) as ought to have been the case. Consequently, it is not possible to confirm validity of funds amounting to Kshs.206,569,933.</p>	<p>The Accounting Officer submitted that it was true that an amount of Ksh.206,569,933 was incurred on items not related to tourism recovery. It was also true that some of the expenditure were recurrent in nature rather than development. The pending bills for State Department for Commerce and Tourism for the Financial Year 2015/2016 had to be settled as a first charge from existing budget since the Recurrent budget did not have sufficient funds to settle all the pending bills. This was as per Treasury Circular No.18/2016. Most of the expenditure incurred in payment of the pending bills was related to tourism recovery as it was for payment for quarterly communication services. The other pending bills were capital in nature thus paid from acquisition of assets.</p>		Resolved	

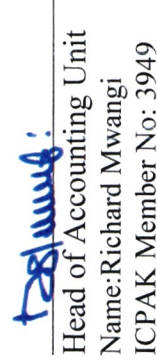
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe
493 – Wasteful Expenditure on payment of a Pending Bill	<p>The Ministry made a payment of Kshs.150 million to a local law firm in respect of pending bill from the former Ministry of Trade. Available information indicates that the payment was in respect of an initial bill of Kshs.12 million payable to Tele News Africa and Atlantic Region but which was in contention as the contract for advertising services by the firm had expired in June in 2004 but the firm continued to render the service. The Attorney General vide letter Ref. A.G/CIR/3016/04 in 2006 observed that the Ministry was obligated to settle the claim since the Ministry agreed to participate in disputed third phase of the programme. Consequently, there is risk of further loss of public funds through continued accumulated interest and penalties occasioned by the Ministry's officials. Further the Ministry should fast track on settlement of this issue to avoid further interest and penalties.</p>	<p>It is true that the payments to Tele News Africa and Atlantic Region have delayed. However in an endeavor to expeditiously clear this bill, the ministry undertook a payment of Kshs.150 million in June, 2017 to curb the accrual of interest, based on advice from the solicitor General vide his letter to the Principal Secretary dated 17th January, 2017 Ref:AG/GC/MOC/124/12.</p>	Lilian Moraa	Not Resolved	

STATE DEPARTMENT FOR TOURISM
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe
494 – Pending Bills	<p>Bills amounting to Kshs.24,162,162 relating to 2016/2017 were not settled during the year but were instead carried forward to 2017/2018 financial year. Failure to settle the bills in the year to which they relate adversely affects the following year's provision to which they have to be charged. Had the bills been paid and the expenditure charged to the financial statements of 2016/2017, the carried forward bills would not have caused budgetary strain to 2017/2018 financial year given that there was budgetary provision for the year under review.</p>	<p>It is true that bills amounting to Ksh.24,162,162 relating to 2016/2017 were carried forward to 2017/2018 Financial Year.</p> <p>The bills were processed through IFMIS and a request for funding was made to the exchequer. The funding received from the exchequer was not sufficient to pay all the bills. Some of the bills had been transmitted through Internet banking but failed to go through due to beneficiary accounts issues. Thus these bills were carried forward to 2017/2018.</p>		Resolved	



Principal Secretary
 Name: Hon. Safina Kwekwe Tsungu, CBS



Head of Accounting Unit
 Name: Richard Mwangi
 ICPAK Member No: 3949

STATE DEPARTMENT FOR TOURISM
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019/2020	Comments
	A	B	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4. Flolizz Contractors Limited	198,799,982.20	27/04/2017	102,284,737.25	96,515,244.95	51,779,148.75	
5. Suhufi Agencies Limited	433,929,098.00	18/10/2018	416,966,664.2	16,962,433.80	11,795,411.00	
6. Resjos Enterprises Limited	138,500,657.60	16/04/2018	24,000,000.00	114,500,657.60	48,740,395.98	
7. Richardson Company	-	-	-	-	1,479,955.88	
Sub-Total					113,794,911.61	
Supply of goods						
8. Jejob Trading Company Limited	667,500.00	30/05/2020	-	-	667,500.00	
9. Riset Investment Company Limited	372,000.00	30/05/2020	-	-	372,000.00	
10. Credos Supplies Limited	962,000.00	30/05/2020	-	-	962,000.00	
11. Lonaco Agencies	1,350,000.00	31/05/2020	-	-	1,350,000.00	
Sub-Total					3,351,500.00	
Supply of services						
12. Attic Tours & Travel Limited	40,500.00	19/05/2020	-	-	40,500.00	
13. Attic Tours & Travel Limited	39,600.00	24/02/2020	-	-	39,600.00	
14. Telkom Kenya Limited	-	03/11/2017	-	-	2,149,841.78	
15. African Touch Safaris Limited	58,940.00	24/06/2020	-	-	58,940.00	
16. African Touch Safaris Limited	27,990.00	24/06/2020	-	-	27,990.00	
17. Tondwe Africa Group Limited	29,400.00	15/04/2020	-	-	29,400.00	
18. Tele News Africa & The Atlantic Region	12,000,000.00	-	-	-	74,000,000.00	
Sub-Total					76,346,271.78	
Grand Total					193,492,683.39	

STATE DEPARTMENT FOR TOURISM
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ANNEX 2 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
		a	b	c	d=a-c		
Amounts due to Third Parties							
1.							
2.							
3.							
	Sub-Total						
Others (specify)							
4.	Salary deductions:						
	AFYA SACCO				32,725.00		
	WCPS				79,759.40		
	MLWASA				12,550.00		
	CS HOUSING FUND				32,000.00		
	3% COMMISSION				194,408.95		
5.							
6.							
	Sub-Total				351,443.35		
	Grand Total				351,443.35		

ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/2019	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) 2019/2020
Land	-	-	-	-	-
Buildings and structures	-	-	-	-	-
Transport equipment	20,698,780	-	-	-	20,698,780
Office equipment, furniture and fittings	11,219,350	1,110,670	-	-	12,330,020
ICT Equipment	19,536,750	3,400,000 (From MoICT)	-	-	22,936,750
Infrastructure Assets- Roads, Rails	62,100,170.40	64,184,567	-	-	126,284,737
Heritage and cultural assets	356,734,853	119,999,942.	-	-	476,734,795
Total	470,289,903	188,695,179	-	-	658,985,082.40

STATE DEPARTMENT FOR TOURISM
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ANNEX 4 – LIST OF PROJECTS IMPLEMENTED BY THE STATE DEPARTMENT FOR TOURISM

Ref	Project Name	Principal activity of the project	Accounting Officer	Project consolidated in these financial statements(yes/no)
1	Mama Ngina Waterfront	Rehabilitation/ Reconstruction into a Modern Waterfront Facility	Hon. Safina Kwekwe Tsungu, CBS	Yes
2	Open Space Office Modelling and Security System Fitting	Open Space Office Modelling and Security System Fitting	Hon. Safina Kwekwe Tsungu, CBS	Yes
3	Repair & Rehabilitation of Farm Murera Gate Road	Rehabilitation of Access Road to Meru national park	Hon. Safina Kwekwe Tsungu, CBS	Yes

STATE DEPARTMENT FOR TOURISM

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ANNEX 5- LIST OF SCs, SAGAs AND PUBLIC FUNDS UNDER THE STATE DEPARTMENT FOR TOURISM

Ref	SC, SAGA or Public Fund's name	Principal activity of State Department for Tourism	Accounting Officer	Amount transferred during the year	Inter- Ministry reconciliations done?(yes/no)
1	Tourism Regulatory Authority	Regulatory	Hon. Safina Kwekwe Tsungu, CBS	196,300,000.00	YES
2	Bomas Of Kenya	Cultural activities	Hon. Safina Kwekwe Tsungu, CBS	195,700,000.00	YES
3	Kenya Utalii College	Training	Hon. Safina Kwekwe Tsungu, CBS	62,900,000.00	YES
4	Kenya Tourism Board	Promotional	Hon. Safina Kwekwe Tsungu, CBS	379,400,000.00	YES
5	Tourism Fund	Financing	Hon. Safina Kwekwe Tsungu, CBS	300,000,000.00	YES
6	Tourism Research Institute	Research	Hon. Safina Kwekwe Tsungu, CBS	127,100,000.00	YES
7	Brand Kenya Board	Branding	Hon. Safina Kwekwe Tsungu, CBS	140,000,000.00	YES
TOTAL				1,401,400,000.00	

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ANNEX 6- REPORTS GENERATED FROM IFMIS

The following financial Reports Generated from IFMIS should be generated and attached as appendices to these financial statements.

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