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Enhancing Accountability

REPORT

DATE: 23 FEB 2023 THURSDAY

TABLED BY: Leader of Majority Party (Lom) OF
CLERK-AT THE TABLE: Joyce Lemerele

THE AUDITOR-GENERAL

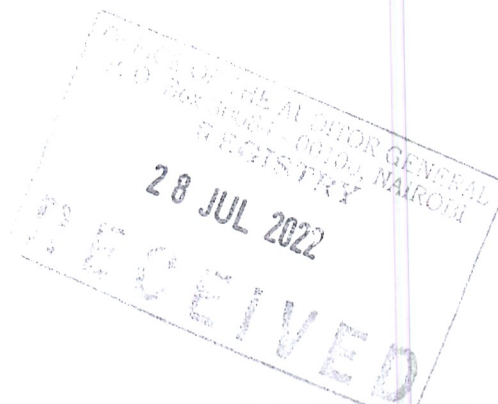
THE NATIONAL ASSEMBLY
PAPER LAYD

DATE: 23 FEB 2023 THURSDAY ON

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KENYA NATIONAL CONVENTION BUREAU

**FOR THE YEAR ENDED
30 JUNE, 2021**



KENYA NATIONAL CONVENTION BUREAU

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING

30TH JUNE 2021

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

Table of Contents

Key KNCB Information and Management.....	ii
The Board of Directors.....	v
The Management Team	xii
Review of Performance for FY 2020/2021	xix
Corporate Governance Statement.....	xx
KNCB structure.....	xxi
The Board.....	xxi
Appointment and Removal of Directors.....	xxii
The roles of the Board of committees.....	xxiii
Management Discussion and Analysis.....	xxviii
Operational and Financial Performance	xxviii
Compliance with statutory Requirements.....	xxviii
Key Project and Investment decision being implemented	xxviii
Financial probity and serious governance issues.....	xxviii
Corporate Social Responsibility Statement.....	xxix
Report of The Directors	xxxiv
Statement of financial performance for the year ended 30 June 2021	1
Statement of Financial Position as at 30 June 2021	2
Statement of Changes in Net Assets for the Year Ended 30 June 2021	3
Statement of Cash Flows for the Year Ended 30 June 2021	4
Statement of Comparison of Budget and Actual Amounts.....	5
Accounting Policy and Notes to The Financial Statements.....	6
Summary of Significant Accounting Policies.....	9
Appendix I: Progress on Follow up of Auditor Recommendations	20
Appendix II: Projects Implemented by the Bureau	20
Appendix III: Inter-Bureau Transfers	20
Appendix IV: Inter-Bureau Transfers	21

Key KNCB Information and Management

(a) Background information

The Kenya National Convention Bureau (KNCB) was gazetted on 16th August 2019 via gazette Notice No. 7263 following cabinet approval of the National Tourism Blueprint 2030. KNCB is a government entity whose mandate is to market Kenya as a meeting, Incentive, conference and events destination. Its strategic role within the Ministry of Tourism & Wildlife is anchored in National Tourism Blue Print (2017).

(b) Principal Activities

The mandate of the Kenya National Convention Bureau as per Kenya Gazette Notice no. 7263 are as follows:

- Undertake mapping and profiling of the status of the MICE sector in Kenya
- Develop and Implement a National Business Tourism Events strategy
- Market and sell Kenya as a business events destination
- Research potential domestic and international events opportunities
- Advise and coordinate the bidding process of MICE events by public and private entities
- Offer expert services and support in site selection process, planning and producing successful events, incentive travels, conventions and exhibitions
- Serve as the focal point for coordination of MICE activities
- Provide leadership in expanding the economic benefits and impact of MICE tourism
- Advise on and promote appropriate MICE tourism infrastructure for destination development
- Coordinate collections and dissemination of relevant MICE tourism information and research, and
- Support the development and delivery of MICE tourism or hospitality education and training programmes

(c) Vision

To position Kenya as Africa's leading authentic MICE destination by 2030.

(d) Mission

To build Africa's most innovative and best performing MICE industry through government and private sector collaboration, resulting in positive economic, social and environmental benefits to Kenya's communities.

(e) Key Management

The Kenya National Convention Bureau day-to-day management is under the following key organs:

- The advisory Board
- National Coordinator

(f) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	National Co-ordinator	Jacinta Nzioka
2.	Business Development and Sales	Muriuki Murithi
3.	Strategy and Research	Hesbon Oyendoh
4.	Industry Relations and Marketing	Josephine Mbela
5.	Procurement	Rodah Cherutich
6.	Finance and Administration	Enoch Chebii

(g) Fiduciary Oversight Arrangements

- Audit and risk committee
- Parliamentary committee

(h) Kenya National Convention Bureau (KNCB)

P.O. Box 18757-00100

Tourism Fund Building-6th Floor ` Valley
Road. Nairobi, Kenya.

(i) KNCB Contacts

E-mail: secretariat@kncb.go.ke

(j)KNCB Banker

Kenya Commercial Bank
Kipande House, Kenyatta Avenue

(k)Independent Auditors

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

(l)Principal Legal Adviser

The Attorney General
State Law Office
Sheria House, Harambee Avenue
P.O Box 4112
City Square 00200
Nairobi, Kenya.

THE BOARD OF DIRECTORS



Hon. Safina Kwekwe Tsungu, CBS, PS Tourism Chairperson

Hon. Safina Kwekwe Tsungu, CBS, is the Principal Secretary State Department of Tourism at the Ministry of Tourism. Hon. Tsungu has served in various organizations and institutions in both civil society and the Public sector. Notably, she served as the Principal Secretary for Gender in the Ministry of Public Service, Youth and Gender. She also worked as the County Executive Committee Member for Trade and Co-operative Development in Kwale County, Action Aid International – Kenya, the East African Community as a legislator in the second East African Legislative Assembly (EALA) and chaired the Parliamentary Standing Committee on Agriculture, Tourism and Natural Resources.

She is a holder of a Master's degree in International Trade Policy and Trade Law from Lund University, Sweden and a Bachelor of Commerce degree from The University of Nairobi.



Mr. Elly Ongei , Alternate CS Treasury, Member

Mr Ongei is the representative of Principal Secretary is the National Treasury and is the former Principal Secretary, State Department of Planning and the Director General Vision 2030 Secretariat. He also served an Assistant Audit Manager, Price Waterhouse in Manchester, United Kingdom, Group Financial Controller Lonrho Hotels, and Finance Director at Safari Park Holdings among others.



**Mr. Said Athman, Tourism Secretary,
Member**

Mr. Said Athman is the Tourism Secretary at the Ministry of Tourism and wildlife. He has a distinguished career in private, public and development sector. Mr. Said previously served as Advisor to the Cabinet Secretary Ministry, Mining Secretary in the Ministry of Mining, Housing Secretary in the Ministry of Housing and Culture Secretary in the Ministry of National Heritage and Culture. He has also served as Chief Executive of the Consortium for the Empowerment and Development of Marginalized Communities (CEDMAC) and Director of Association of the St. John Ambulance in Kenya amongst others.

He holds a Masters in Regional and Urban Planning, University of Nairobi and an Honorary Building Economics degree from University of Nairobi



**Mr Patrick Nyangweso, Representative CEO,
Kenya National Chamber of Commerce,
Member**

Mr. Patrick Nyangweso is the Chief Operating Officer (COO) at Kenya National Chamber of Commerce and Industry (KNCCI). He is holds a Bachelor Degree in Economics, Master's Degree in Project Planning and Management and a PHD student at the University of Nairobi.

Mr. Nyangweso is a highly experienced Project Specialist Manager and has over 20 years of experience in Change Management, Expert in budget implementation and monitoring, expenses control, execution of project work plans, strategic planning, managing project resource allocation, scheduling report timelines, developing M& E plans and tools, building capacity of staff, financial reporting and report writing.

He is a member of KAPC, IEC and KAPM



**Dr. Betty Addero Radier, CEO, Kenya Tourism Board,
Member**

Dr. Betty Addero Radier is the CEO of the Kenya Tourism Board (KTB) and is a Leader in the fields of Entrepreneurship, Marketing Strategy and Operations. She also has over 20 years' experience developing strategies for corporate clients in the advertising industry, technology and telecom sector in key leadership roles.

Dr. Radier holds a PhD Degree in Entrepreneurship and Small Business Development from University of Cape Town South Africa and an MBA Degree in Strategy and Finance from the University of Nairobi. She is also an Adjunct lecturer at Strathmore Business School in Kenya, specializing in Marketing strategy, Entrepreneurship and Owner Manager Program.



**Ambassador Ben Ogutu, Ministry of Foreign Affairs,
Member**

Amb. Ben Ogutu is a consummate diplomat with a wealth of experience and expertise in Conferencing and Multilateralism. He is currently the Director-General of the Directorate of International Conferences and Events (DICE). Prior to this appointment, he served as Special Envoy for TICAD and Director-General, TICAD VI Secretariat. Amb. Ogutu has overseen the preparatory arrangements, management and organization of various international conferences. Amb. Ogutu holds a Bachelor of Arts Degree in Political Science from the University of Nairobi and a Diploma in International Relations and Economic Cooperation from Berlin, Germany.

He also attended an Advanced Diplomatic Training at the Foreign Service Academy in Islamabad, Pakistan and a Certificate Course on Foreign Policy of Kenya at the United States International University, Nairobi.



Mr David K. Mwangi, Ag. CEO Tourism Fund, Member

Mr David Mwangi joined Tourism Fund in the year 2008 as a Management Trainee. Prior to his appointment as the acting Chief Executive, Mr Mwangi has served as the Regional Manager for a period of seven years.

He holds Masters in Business administration (Finance option) from Kenyatta University and a Bachelor's degree in Business & Banking (Egerton University)



Ms. Lucy Karume CEO, KEPSA Member

Lucy serves as the current chairperson of Kenya Tourism Federation. KTF is the leading voice that articulates the needs of tourism and hosts seven other private sector bodies under its umbrella. Lucy represents KEPSA at various local and international platforms as keynote speaker in different fields Lucy is well known and highly respected in the Tourism Sector, and she has served as Chairperson of Kenya Tourism Federation.

She is an MBA graduate in hospitality management, International Management Institute, Luzern Switzerland.



Mr. Michael Mandu, Deputy Director, Ministry of Trade, Member

Mr. Michael Sali Mandu is a committed international civil servant who has a distinguished career in both public and foreign service. He has served in the trade sector and risen through the ranks from entry level to Assistant Directorship, and Head of Bilateral Trade Division, in the Directorate for international Trade. He also served a seven and half year stint in the Foreign Service, as a trade representative at the Kenya High Commission in London. He also served the secretary to the Committee and Taskforce that merged the Export Promotion Council and Brand Kenya Board into the Kenya Export Promotion and Branding Agency.

He holds a Bachelor's Degree in Economics and Administration; a Postgraduate Diploma in Entrepreneurship Development, a certificate in Strategic Leadership Development and currently studying a Master of Business Administration Degree, as well as French.



Ms. Susan M. Ongalo, CEO KTF, Member

Mrs. Ongalo is the Chief Executive Officer at Kenya Tourism Federation (KTF) the umbrella body for the private sector in tourism charged with advocacy for a conducive business environment for the tourism sector.

She has a wealth of work experience, with over 12 years in tourism and hospitality. Mrs. Ongalo is a Public Relations and Business Manager. She also serves on the following committees and boards in the tourism sector: Tourism work permit vetting committee, Tourism Fund and East Africa Tourism Platform (EATP). Mrs. Ongalo is a holder of Bachelors in Leadership & Management in International Relations, Advance Diploma in Public Relations and Champions (Diploma) in Occupational Health from Association of British Travel Agency (ABTA). She is currently pursuing a Master's Degree in Business Corporate Leadership.



**Mr. Kenneth Otula, Commissioner of Sports,
Ministry of Sports,
Member**

Mr. Otula is a Commissioner of Sports at the Ministry of Sports and is passionate about development of sports activities in Kenya. He plays a major role in planning of major sports events in Kenya and international arena. He has also undergone professional training in Leadership Management, Public Ethics and integrity, HIV/AIDS awareness and Internal Audit.

Mr. Otula holds a Degree in Public Administration, Economics and Sociology from Sukhadia University in India and Diploma in Leisure and Recreation.



**Jacinta Nzioka, National Co-ordinator,
Secretary to the Board**

Ms. Nzioka was appointed in October 2019 as the National Coordinator heading the secretariat setting up the Kenya National Convention Bureau as a brand new entity. Under her leadership, KNCEB is working to be the leader in coordinating all the MICE activities in the destination and to position Kenya as a preferred MICE destination, aiming at ranking 2nd in Africa by 2022.

Before her appointment, she had served as the Director of Marketing at the Kenya Tourism Board (KTB) for 6 years where she was charged with the responsibility of leading Kenya's global tourism marketing strategy. In 2016, she was the Acting Chief Executive Officer (CEO) of the KTB for 11 months. With over 20 years' experience in Destination Marketing & Management at the KTB, she has been involved in several projects and initiatives to turn around the sector during previous crises through implementation of global recovery strategies. While at the Tourism Board, Jacinta has overseen implementation of tourism projects in all the source markets having been a Regional Manager for America, Europe and Emerging Markets during this period and has overseen development of a strategy to penetrate the African market and Domestic markets in later years.

THE MANAGEMENT TEAM

Mr. Muriuki Muriithi- Business Development and Sales



Mr. Muriuki Muriithi is responsible for Business Development and sales and has over 14-years' experience in destination marketing (leisure) and product development. He served as an Assistant product development Manager at Kenya Tourism Board before his deployment to Kenya National Convention Bureau.

Mr. Muriuki holds a Bachelor's degree in Mathematics and Computer Science from the Jomo Kenyatta University of Technology and Agriculture.



Mr. Enoch K Chebii - Finance and Administration

Mr. Enoch Chebii is responsible for Finance and Administration. Before deployment to the Bureau, He was Finance and Accounts Manager at Tourism Fund. He has over 20 years' experience in public sector in areas of Finance, Administration and paralegal. He has also been Regional manager, and chairman of Tourism Fund Defined benefits and defined contribution (DB & DC) pension scheme for 15 years.

Mr. Chebii holds Masters in Business Administration (Finance) from Kenyatta University and Bachelor of Commerce (Finance) from catholic University. A certified Public Accountant (K), He has also attended SDG's in public sector course at ESAMI main campus, Arusha, Senior Management course at Kenya School of Government Matuga and Public Prosecution course at Kenya School of Government Kabete.

Ms. Josephine Mbela- Marketing and Industry Relations



Ms. Josephine Mbela is responsible for Marketing and Industry Relations and has over 25 years' experience in Sales and Marketing portfolio. She served as an Assistant Marketing Manager at Kenya Tourism Board before her deployment to Kenya National Convention Bureau.

Ms. Mbela holds a Master of in Business Administration (MBA) in Marketing, Bachelor's Degree in Business Administration (BA)

Marketing from Kenya Methodist University and Diploma in Sales and Marketing from London Chamber of Commerce and Industry.

She also holds a certificate in Strategic Leadership Development Program (SLDP) from Kenya School of Government.

Mr. Hesbon Oyendo- Strategy and Research



Mr. Hesbon Oyendo is responsible for Research and Strategy and has over 10 years' experience in Tourism Strategy, Policy, Product Development and Stakeholder Engagement. He served as a Tourism Officer at the Ministry of Tourism and Wildlife before his deployment to Kenya National Convention Bureau.

Mr. Oyendo holds a Master of Arts degree in Monitoring and Evaluation from Africa Nazarene University and a Bachelor's

of Science degree in Tourism from Moi University. Alongside he has also attended Harbin University of Commerce and Heilongjiang College of Tourism in China for Tourism Development and Tourism Policy courses.

Ms. Rodah Cherutich- Procurement



Ms. Rodah Cherutich currently serves as the Procurement Officer for the Kenya Convention Bureau. She is responsible for procurement activities with nearly over 9 years' experience in purchasing and inventory management. Prior to her Secondment to the Kenya Convention Bureau, she was the Supply Chain Management Officer at Tourism Fund. She holds a bachelor's degree in Business Administration Supply Chain Management option from Kenya Methodist University (KEMU) and an advanced Diploma in Supply Chain Management from the Chartered Institute of Procurement and Supply (CIPS). She is a Member and a Licensed Supplies Practitioner's from Kenya Institute of Supplies Management.

CHAIRPERSON'S STATEMENT



In the past one year, as the novel coronavirus spread, borders closed, and social distancing measures were implemented, at the Ministry of Tourism and Wildlife we tried to look at the potential economic and social implications for the tourism sector. The service sector suffered from closures and lockdowns. But the most worrisome sector was the MICE sector. As things stand now the extraordinary shock to MICE continues. As a country we face an equally unprecedented degree of uncertainty about the timing and pace of the MICE recovery. The question becomes: How soon and how fast? A second critical question is: How will the MICE sector look during the recovery and beyond? As Covid-19 continues to redefine our world, the international tourism sector is finally seeing some promising steps towards recovery. As one of the hardest hit industries in the Covid crisis, operators in the international MICE

industry are looking for new solutions to emerge stronger. In this regard, to the response for the containment of the COVID 19 pandemic in the country, the Kenya Cabinet Secretary for Tourism and Wildlife through a task force developed and launched tourism sector COVID 19 protocols.

These had several goals that included; to instill the institutional operational and hospitality service providers preparedness to align the service provision that meets World Health Organization guidelines and Kenya's Ministry of Health measures aimed at preventing spread of covid-19; to guarantee a safe experience for visitors/guests and service providers; build trust and confidence hence increase and sustain demand for holiday and investment in the destination and finally to implement enabling policies and guidelines which provides a step by step process of a careful reopening and restart of business in the tourism sector. Having said that, to continue expanding the potential of our MICE sector the Kenya government wishes to accelerate the expansion of its business tourism segment, which currently represents between 30% and 34% of visitors into the country. Kenya Convention Bureau has completed the development of the destinations MICE Blueprint which is forecasted to be rolled out in the next 9 years up to 2030. The strategy includes in particular the promotion of Kenya as an international MICE destination and will be put into action by the Kenya Convention Bureau in collaboration with local players.

To continue to spur MICE Kenya Convention Bureau will, in its plan, set a number of strategic initiatives for the improvement and promotion of MICE destinations including continuous support in the development of new MICE venues. To address the policy gap in the MICE development, the Ministry of Tourism and Wildlife has taken this cognizance and recommended the operationalization of Kenya Convention Bureau.

This will certainly strengthen the MICE development in the country. When this comes to fruition it will be equally significant to examine business models and the relevant skills and capabilities of the industry in order for organizations and MICE and Events professionals to emerge stronger from Covid-19. Though we are already witnessing a more digitized approach to event management, hybridization is emerging as a desirable solution for events in the future: As an institution, the Kenya Convention Bureau will have an opportunity to build infrastructure to support this when fully operationalized.

To include, as a destination innovation will be key as business events gradually resume around the world. Industry players will need to adopt a growth mindset, rethink their business offerings, redesign delegate experiences with safety at the core, and reassess how they engage with their teams.



Hon. Safina Kwekwe Tsungu, CBS,

REPORT OF THE NATIONAL COORDINATOR



The Kenya National Convention Bureau (KNCB) is Kenya's newest government agency in tourism, gazetted by Hon. Najib Balala, EGH - Cabinet Secretary Ministry of Tourism and Wildlife in August 2019. Its major mandate is to market Kenya as a preferred Meetings, Incentives, Conventions, and Events (MICE) destination. Although the MICE industry is resilient, the novel coronavirus (COVID-19) seems to be the definitive crisis that will reset any previous gains from a formerly robust tourism industry. However, this has not stopped us from delivering our core mandate to the Republic of Kenya and her citizens. As the pivotal agency for the development of MICE we shall continue to work with our territorial authorities to continue preaching the messages of awareness, communicate with & educate

our people, have plans that are proactive and continue to protect our employees, supply chains, customers, and the public. In our effort to increase the interest of the benefits emanating from MICE, we have continued to carry out sensitization programmes across different destinations within the country. Our sensitization programmes have been carried out in Mombasa and Kisumu cities which are known destinations for leisure travel, mega and medium events. In these programmes, the Kenya Convention Bureau was able to articulate that MICE/Business events are economic, scientific and professional in nature and that it brings benefits that are more than tourism related and as such should be seen in the context of trade, economic and social development, and investment policies. Our major message to the stakeholders during these sensitizations was that Kenya Convention Bureau's priority will be to implement Kenya's Vision2030 strategic growth and His Excellency the President's Big Four Agenda (housing, healthcare, food security and manufacturing). These will be achieved through the conceptualizing and implementing our home grown events strategy as a priority during the on-going pandemic.

To achieve this, Kenya Convention Bureau as a strategic agency will align itself as an enabler of socio-economic catalyst that will establish and strengthen alliances with other relevant organizations such as government, professional, business, academic and special interest groups with shared understanding and objectives, educating them as to the ways in which the MICE sector can impact positively in social and economic uplift Kenya's communities. In another major milestone, this year was the unveiling of the Kenya Convention Bureau Brand Logo. To us, the unveiling of the brand was significant to us. This is because our brand intentions will not only make our events memorable but will also make our clients know what to expect from us. It is a way that we shall distinguish ourselves from our competitors and make it clear that what we offer makes us the best choice for MICE activities. We launched an image that will represent us and our beloved country in terms of MICE development. I wish to inform our stakeholders that our new brand signature will help us stand out from the

crowd. We chose sustainability as our key messaging. This will help us highlight our strengths and assets as a people and as a place towards attaining Sustainable Development Goals 2030. It is about building our country's to maximize on our potential and improve perceptions; not just locally, in how we view ourselves, but nationally and internationally. We launched a brand that has values for respect for diversity, concern for the environment, belief that people can make a difference and concern for the environment and committed to sustainable development. Therefore, going forward, we shall have to model our strategies that leave legacy impacts on the destination. As such we are calling upon all stakeholders and the government that we walk this path together. As I conclude, I wish to recognize and to thank all the MICE community stakeholders for the time they have put aside to meet us when discussing issues that will take this country to the next level in tourism development. We hope that this partnership will take us to greater heights.

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a series of loops and a long horizontal stroke extending to the right.

Jacinta Nzioka- National Coordinator

Review of Performance for Financial Year 2020/2021

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national **government** entity's performance against predetermined objectives.

The Kenya National Convention Bureau has 5 strategic objectives;

1. To contribute to business arrivals at 14% of international visitor arrivals in 2021
2. To enhance and consolidate stakeholder collaboration and bidding for business events and meetings so as to contribute 4% of the total tourism receipts in 2021
3. To attract 30 new association meetings into the destination by end of 2021
4. To attain ICCA ranking of No. 3 in Africa in 2021 for number of associations meetings held in the destination
5. To increase the average, spend by delegates in Kenya by 10% from the current estimate of US\$ 273 per delegate

In the FY 2019/20, The Kenya National Convention Bureau main activities were to lay down the fundamentals of operations i.e. find the office space, source for operational funds, set up departments, seek approval to open and run bank accounts and seek for deployment of officers from other government institutions. In 2020/2021 KNCB started to market Kenya as MICE albeit Covid-19 travel restrictions. It also undertook some activities with various industry players for corporate visibility.

Below are the activities;

No's	Activity	KNCB Role	Remarks
1.	Kenya Space Week Conference	Local Organizing Committee	Postponed due to Covi-19 Pandemic
2.	Africa Development Bank Annual Conference	Local Organizing Committee	Postponed due to Covid-19 Pandemic
3.	Anti-Counterfeit Conference	Local Organizing Committee	Postponed due to Covid-19 Pandemic
4.	AfriCities Summit	Hospitality Organizing Committee Manage Events Risk Management	Postponed to May 2022

5	Romanian Incentive Group Reception	Support the Incentive Travel Operators to Market Kenya as an Incentive Travel Destination	Received 53 Incentive travellers
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Corporate Governance Statement

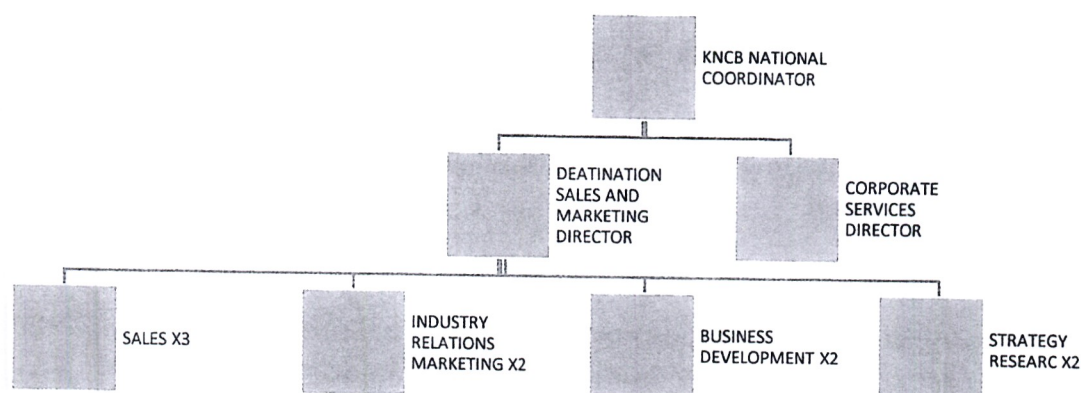
KNCB's successes are built on a foundation of strong and effective corporate governance and the Board of Directors as well as the KNCB Management ensured that this remained a key area of focus during the year. Through the various KNCB board committees as well as the Full Board, we executed the Board's role of providing policy, oversight and strategy to the Bureau and, together with KNCB Management, ensured that corporate governance served as the framework for achieving the organizations' objectives as well as providing the benchmark for measurement of performance and disclosures.

At Kenya National Convention Bureau, we believe that sound and effective corporate governance is fundamental to enhancing our Board of Directors' (the "Board") ability to guide the management of the Kenya National Convention Bureau ("Management") in its efforts to generate long-term value for the country. We uphold standards of corporate governance that reflect applicable legal and regulatory requirements and a thoughtful approach to emerging practices.

The Kenya National Convention Bureau consists of the Advisory Board and Secretariat that implements the directions of the Board.

KNCB structure

The functional organogram approved by the Board, with an immediate staff component of six and ten proposed for the longer term (excluding the National Coordinator and Corporate Services), is as follows:



The Board

The Advisory Board as per the Gazette Notice N0 governs the Kenya National Convention Bureau. 7263. The day-to-day running of the Bureau is vested on the National Coordinator who is the Secretary of the Board. The object and the function of which the organization is established is to;

- a) To provide leadership in marketing and promotion of the destination for business events.
- b) To develop and implement the national business events strategy.
- c) To market and sell Kenya as a business events destination.
- d) To research and qualify potential domestic and international business events opportunities.
- e) To advise and coordinate the bidding process for both public and private entities.
- f) To offer expert services and support to governments, corporates, associations and independent meeting planners in site selection process, planning and producing successful events, incentive travels, conventions and exhibitions.
- g) To serve as the focal point for the coordination of all MICE tourism industry activities

- h) To provide leadership in expanding the economic benefit and impact of MICE tourism.
- i) To advise and promote appropriate MICE tourism infrastructure for destination development
- j) To provide innovative services to improve the effectiveness of the meetings industry
- k) To coordinate the collection & dissemination of relevant MICE tourism information & research
- l) To support the development & delivery of MICE tourism/hospitality education & training programs.

Appointment of Directors

The Board is appointed pursuant to the provisions of Kenya Gazette Notice No. 7263. The Chairperson of the Board and the members are appointed by the Cabinet Secretary, Ministry of Tourism and Wildlife.

Advisory Board Organization and Structure

Principal Secretary, Tourism (Chairperson)

Principal Secretary, Foreign Affairs

Principal Secretary, Finance

Principal Secretary, Trade

Principal Secretary, Sports

Chief Executive Officer, KEPSA

Chief Executive Officer, Chambers of Commerce

Chief Executive Officer, Tourism Fund

Role of Advisory Board

- a) Provide policy guidance and oversight to the Kenya National Convention Bureau
- b) Coordinate actions required by the public and private sector at both levels to resolve matters brought to the Advisory Board by the committee for review and give final endorsement for annual work plans.
- c) Review and approve final budget of Kenya National Convention Bureau

- d) Approve all Kenya National Convention Bureau expenditures in line with the work plans.
- e) Commission the preparations of all major reports including annual progress report, audit report, midterm and end term evaluation report or other researchers that may inform the better execution of its mandate.
- f) Perform any other duties that are necessary or expedient for execution of its term of reference.
- g) Undertake such other task that may be assigned by Cabinet Secretary responsible for tourism.

The roles of the Board of committees

i) Business Development and Marketing Committee (BD&MC)

Current Membership

- 1. Ms. Susan Ongalo Kenya Tourism Federation- Chairperson
- 2. Principal Secretary Ministry of Trade
- 3. Principal Secretary Ministry of Foreign Affairs
- 4. Tourism Secretary
- 5. CEO Kenya Tourism Board
- 6. CEO Kenya Private Sector Alliance
- 7. CEO Kenya National Chamber of Commerce and Industry

Mandate

The mandate of the Business Development and Marketing Committee is to:

- a) Advise the Board on the main strategic priorities of the Bureau;
- b) Review the execution of the performance and operational strategy;
- c) Review the plan and budget and recommend its approval to the Board;
- d) Review and give opinions on major investments, divestments and external growth; acquisition and disposal of assets; and
- e) Carry out any other business directed by the Board relevant to the mandate of the Committee.

ii. Board Finance & Establishment Committee (BF&EC)

Current Membership

1. Mr Patrick Nyangweso- Kenya National Chamber of Commerce and Industry- Chairperson
2. Principal Secretary Ministry of Trade
3. Principal Secretary Ministry of Sports and Culture
4. Principal Secretary National Treasury
5. Tourism Secretary
6. CEO Tourism Fund
7. CEO Kenya Tourism Board

The Committee is empowered to:

- b) Ensure the Bureau has in place and implements Human Resources strategic objectives;
- c) Continually review and formulate Human Resources management policies of the Bureau;
- d) Identify and implement best practices with regard to staff development and retention;
- e) Review and propose an optimal organisational structure including staffing levels; and
- f) Identify and recommend to the Board the recruitment of Director level management staff and thereafter annually evaluate their performance.
- g) Reviews and recommends approval of an annual operating budget;
- h) Regularly reviews financial results;
- i) Oversees the management of financial assets;
- j) Reviews resource mobilization strategy and policies; and
- k) Reviews the funding pipeline and status of grants managed by the Centre.

iii. Board Audit and Risk Committee (BARC)

Current Membership

1. Ms. Lucy Karume Kenya Private Sector Alliance- Chair person
2. Principal Secretary National Treasury

3. Principal Secretary Ministry of Foreign Affairs
4. Principal Secretary Ministry of Sports and Culture
5. CEO Kenya Tourism Federation
6. CEO Tourism Fund

The Board of Directors has delegated to the Board Audit & Risk Committee the authority to undertake the following functions:

- a. To assist the National coordinator in enhancing internal controls in order to improve efficiency, transparency and accountability
- b. To review audit issues raised by both internal and external auditors
- c. To resolve unsettled and unimplemented PAC/PIC recommendations
- d. To enhance communication between management, internal and external auditors and foster an effective internal audit function
- e. To establish and maintain an effective Board risk management process and framework

Board meetings held and the attendance to those meetings by members:

	Full Board	BD&MC	BF&EC	BA&RC
No. of Meetings held				
Attendance				
Hon. Safina K. Tsungu	2			
Amb. Ben Ogutu	1			
Elly Ongei	2		4	1
Michael Mandu	2	2	3	
Keneth Otula	2		3	1
Said Athman	1	2	3	
David K Mwangi	1		2	1
Betty Radier	2	1	2	
Lucy Karume	2	2		1
Patrick Nyangweso	2	2	4	
Susan Ongalo	2	2	0	1

Board Charter

The Kenya Convention Bureau has a board Charter for audit and risk committee whose fundamental responsibility is to ensure that the Bureau has the required resources to achieve its mission and vision with the highest level of honesty, integrity and ethical standards. The current Board constitutes a diverse pool of skills in the areas of business, tourism management and economics, amongst other areas.

Succession Planning

Board succession planning will provide further information on the mix of skills and diversity that the Board seeks to achieve in the membership of the Board. The Board implements term limits for the independent Non-Executive Directors in line with the Gazette notice, the Board Charter and the Board rotation schedule and manages its succession planning with the assistance of the appointing authority, which has prepared a detailed skills matrix for the Board.

Induction and Training

During the Financial Year the Bureau trained the advisory board on A Code of Governance- MWONGOZO. The course was organized by Kenya School of Government. The Code addresses matters of effectiveness of Board, transparency and disclosure, accountability, risk management, internal controls, ethical leadership and good corporate citizenship. It further provides a platform for addressing shareholder rights and obligations and ensuring more effective engagement with stakeholders. More importantly, MWONGOZO will ensure that sustainability, performance and excellence become the hallmark of our entity. The Board also was trained on Procurement Processes and Procedures oversight.

Conflict of Interest

The Advisory Board in future through on boarding and annual directors' questionnaires, the directors will be asked to identify relevant outside business dealings and other companies or entities with which they have relationships. These responses will assist the Board and Management in identifying actual or potential conflict of interest situations in advance. If a director's business or personal relationships present

a material personal interest in a business matter or relationship that conflicts, or appears to conflict, with the interests of the Bureau, the issue will be referred to the Board Chair.

Code of Business Conduct & Ethics

The Bureau is committed to the highest standards of integrity, behaviour and ethics in dealing with all its stakeholders. A formal code of ethics will be availed by the Advisory Board and is fully implemented to guide the Board, management, employees and stakeholders on acceptable behaviour in conducting business. All Board members and employees of the Bureau are expected to avoid activities and financial interests that could undermine their responsibilities to the Bureau. In addition, the Board applies a Conflict of Interest policy. A Director with an actual or potential conflict of interest in relation to a matter before the Board is required to disclose such interest and excuse himself or herself from the Board for discussion relating to the matter in question.

Management Discussion and Analysis

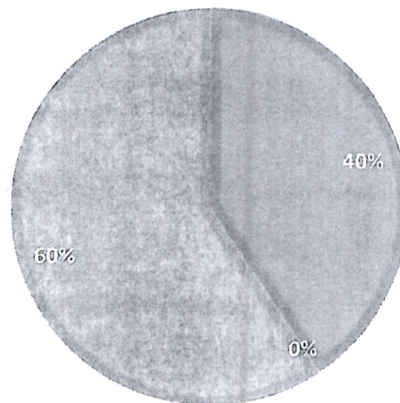
Operational and Financial Performance

The Kenya National Convention Bureau began its operations in October 2019. The advisory board approved budget of Kshd.100Million comprising of Ksh.50Million from Tourism Fund and the remaining Ksh.50Million from Tourism Promotion Fund.

The Financial Year 2020/21 was a challenging fiscal year for KNCB because liquidity challenges because of delay and underperformance by KNCB financier due to effects of Covid-19 pandemic. As a result of these, KNCB received only kshs.40.5 Million only from Tourism Fund and thereby closing the FY with pending Bills worth of Kshs.20 Million.

REVENUES

■ TOURISM FUND ■ TOURISM PROMOTION FUND ■ SHORTFAL



Compliance with statutory Requirements

KNCB complies with all statutory obligations as stipulated deadlines.

Key Project and Investment decision being implemented

KNCB being at its operationalization stage has no major project on implementation.

Financial probity and serious governance issues

There are no issues of financial improbity reported by any board committee. There are no governance issues and no undisclosed conflicts of interest at the Board or top management of the Bureau. KNCB has appointed Ministry of Tourism, internal audit department as internal auditor.

Environment and Sustainability Report

KNCB envisions Kenya as the preferred destination offering diverse innovative and authentic experiences to its visitors. Below is a brief highlight of our achievements in each pillar;

1. Sustainability strategy and profile

The Global Destination Sustainability index aims to promote the sustainable growth of international meeting destinations, highlighting best practices and responsible business tourism. In a world increasingly focused on responsible business and environmental impact, the GDS-Index helps destinations to engage clients with sustainability, align with the UN Sustainable Development Goals and drive the adoption, promotion and recognition of sustainable performance of cities and bureaus in four key areas;

- City environmental strategy and infrastructure
- City social sustainability performance
- Industry supplier support (Restaurants, Hotels and Convention Centres)
- Convention Bureau strategy and initiatives

2. Environmental performance

Four guiding principles of event sustainability were launched that mean taking responsibility and action towards preserving our natural environment, promoting a healthy and supporting a thriving economy.

- Four Principles of event sustainability:
 1. Event organisers and suppliers share responsibility for implementing and communicating sustainable practices to their stakeholders.
 2. Basic environmental practices include; Conservation of resources including water, energy and natural resources, carbon emissions reduction and management, supply chain management and responsible purchasing and Biodiversity preservation.
 3. Basic Social consideration include: Universal human rights, community impacts, Labour practices, respect for culture, Safety and security, Health and well-being.

4. Sustainable events support thriving economic practices through; Collaboration and partnerships, Local support, including small and medium enterprises (SMEs) Stakeholder participation, Equitable economic impact, Transparency, Responsible governance.

The Kenya National Convention Bureau allocated 10% of its annual budget in planting trees as per the Kenya Government directive in the FY 20021/2022. The directive was aimed at achieving a 10% forest cover in the country as well as mitigate soil erosion and climate change.

The Bureau also undertook the exercise to build on its strategy in marketing green meetings and sustainable working environment.

Below are some of the activities



The Principle Secretary Ministry of Tourism and Wildlife, Hon. Safina Kwekwe and National Coordinator, Ms. Jacinta Nzioka planting trees at Base Titanium Company at Kwale County.



The Kenya Convention Bureau Board of Directors and staff planting trees at the Jomo Kenyatta Show ground in Kisumu County. The show grounds will host the Africities Summit in 2022.



Kenya Convention Bureau, Ministry of Tourism, Wildlife, and Kenya Wildlife staff planting trees at Lungalunga boarder post.



The National Co-ordinator leads staff and local community in planting trees at Taita Sanctuary in Taita Taveta County.



Kenya Convention Bureau staff plant trees at Michuki Park in Nairobi County.

3. Employee welfare

All the staff in the FY 2019/20 were on deployment from other Government Agencies to establish the institution and develop all the Human Resource Instruments within the FY 2020/21 is the first year to fill most of the positions for the institution. The new positions will be filled both internally and externally, recruitment is proposed to be phased in two financial years, FY 2021/22 and FY 2022/23.

4. Market place practices

As the lead agency for implementation of the national MICE strategy, KNCB's primary mandate is to

- a) Capitalize on the potential of MICE to impact positively and deliver benefits beyond tourism.
- b) It is important to note that Convention Bureaus do not compete with Private sector and are not responsible for any aspect of organising MICE events.
- c) Destination Stewardship: Building Public-sector coalition between the tourism industry, economic development agencies, academic institutions, civic and non-government organisations.
- d) In line with Business Corporate Social (CSR) responsibility, KNCB contributed Kshs 500,000.00 to support Kaptagat Global sports center in Elgeiyo Marakwet County , an initiative which will boost sports Tourism.

Report of the Directors

The Directors submit their report together with the unaudited financial statements for the year ended June 30, 2021, which show the state of the Kenya National Convention Bureau affairs.

Principal activities

The principal activities of the Kenya National Convention Bureau are as follows:

- Undertake mapping and profiling of the status of the MICE sector in Kenya
- Develop and Implement a National Business Tourism Events strategy
- Market and sell Kenya as a business events destination
- Research potential domestic and international events opportunities
- Advise and coordinate the bidding process of MICE events by public and private entities
- Offer expert services and support in site selection process, planning and producing successful events, incentive travels, conventions and exhibitions
- Serve as the focal point for coordination of MICE activities
- Provide leadership in expanding the economic benefits and impact of MICE tourism
- Advise on and promote appropriate MICE tourism infrastructure for destination development
- Coordinate collections and dissemination of relevant MICE tourism information and research, and
- Support the development and delivery of MICE tourism or hospitality education and training programmes

Results

The results of the Kenya National Convention Bureau for the Financial Year ended June 30, 2021 are set out on page 1 to 5

Directors

The members of the advisory board who served during the year are as indicated under the section on Corporate Governance statement.

Surplus remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The KNCB did not make any surplus during the year (FY 2020/21) and hence no remittance to the Consolidated Fund.

Auditors

The Auditor General is responsible for the statutory audit of the KNCB in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

Statement of Directors' Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act Cap 446 require the Directors to prepare financial statements in respect of the bureau, which give a true and fair view of the state of affairs of the bureau at the end of the financial year and the operating results of the bureau for that year. The Directors are also required to ensure that the bureau keeps proper accounting records which disclose with reasonable accuracy the financial position of the bureau.

The Directors are also responsible for safeguarding the assets of the bureau.

The Directors are responsible for the preparation and presentation of the Kenya National Convention Bureau financial statements, which give a true and fair view of the state of affairs of the bureau for and as at the end of the Financial Year ended on June 30, 2021. 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 bureau;
- (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 bureau;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Kenya National Convention Bureau financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act. The Directors are of the opinion that the Kenya National Convention Bureau financial statements give a true and fair view of the state of bureau's transactions during the financial year ended June 30, 2021, and of the Kenya National Convention Bureau financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the Kenya National Convention Bureau, which have been relied upon in the preparation of the Kenya National Convention Bureau financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Kenya National Convention Bureau financial statements were approved by the Board on 29th September, 2021 and signed on its behalf by:



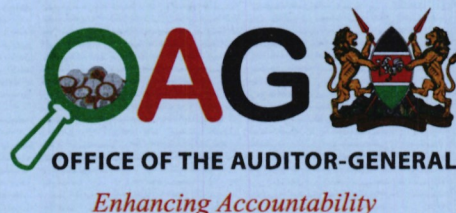
Hon Safina Kwekwe
Chairperson of the Board



Ms Jacinta Nzioka
National Coordinator

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON KENYA NATIONAL CONVENTION BUREAU FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

- A. Report on the 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 Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya National Convention Bureau set out on pages 1 to 20, which comprise of the statement of financial position as at 30 June, 2021, and the statement of financial performance, statement of changes in

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Kenya National Convention Bureau as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do comply with the Public Finance Management Act, 2012 and Gazette Notice No.7263 of 16 August, 2019.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects budgeted and actual revenue totalling to Kshs.100,000,000 and Kshs.40,500,000 respectively resulting in a deficit of Kshs.59,500,000.

The statement further reflects budgeted and actual expenditure of Kshs.100,000,000 and Kshs.52,395,049 respectively resulting in under expenditure of Kshs.47,604,951. The under expenditure related to consultancy, business development, sales, industry relations and marketing, strategy and research and secretariat operations.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2. Unresolved Prior Year Issues

In the audit report of the previous year, several issues were raised in the Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Control, Risk Management and Governance.

However, the Management has not resolved the issues or given any explanations for failure to adhere to the Provisions of the Public Sector Accounting Standards Board and The National Treasury Circular Ref. AG.4/16/2 Vol.3(72) dated 30 June, 2021 on Revised Annual Reporting Template.

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 I confirm that, nothing 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

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 Risk Management Policy

The Bureau has not put in place policies to enhance the control environment including monitoring activities and developing a Risk Management Policy as provided by Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015 that requires the Accounting Officer to ensure that the National Government Entity develops risk management strategies, which include fraud prevention mechanism; and also, a system of risk management and internal control that builds robust business operations.

Failure to develop a Risk Management Policy means that the Bureau does not have a framework for management of risk and may not identify, assess, prevent and mitigate against the risks affecting its operations.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit so as to obtain assurance about whether effective processes and systems of internal control, 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 the Board of Directors

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 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 Bureau's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Bureau or to cease its 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.

The Board of Directors is responsible for overseeing the Bureau's financial reporting process, reviewing the effectiveness of how the 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

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 Bureau'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 Bureau 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 Bureau 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.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 July, 2022

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

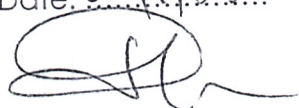
	Notes	2020-2021	2019-2020
		Kshs	Kshs
Revenue from non-exchange transactions			
Tourism Fund Grants		40,500,000	8,000,000
Tourism Promotion Fund		-	-
Revenue from exchange transactions			
Total revenue	6	40,500,000	8,000,000
Expenses			
Employee costs	7	-	67,052
Board Expenses	8	5,712,782	1,260,000
Depreciation and amortization expense	9	336,910	25,606
General Operating expenses	10	8,257,262	744,990
Marketing and PR Expenses	11	37,588,095	12,441,894
Total expenses		51,895,049	14,539,542
Net Deficit for the year		(11,395,049)	(6,539,542)

The notes set out on pages 6 to 21 form an integral part of these Financial Statements

National Coordinator

Jacinta Nzioka

Date: 25/11/22



Head of Finance

Enoch K Chebii

ICPAK No. 5785

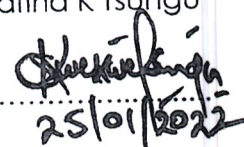
Date: 25/01/2022



Chairperson of the Board

Hon. Safina K Tsungu

Date: 25/01/2022



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2021

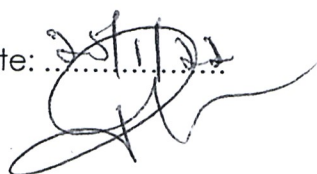
	Notes	2020-2021	2019-2020
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	12	67,150	23,101
Receivables	13	589,600	180,131
Inventories	14	363,822	1,624,967
Total Current Assets		1,020,572	1,828,199
Non-current assets			
Property, plant and equipment	15	1,093,059	1,022,127
Total assets		<u>2,113,631</u>	<u>2,850,326</u>
Liabilities			
Current liabilities			
Trade payables from exchange transactions	16	20,048,222	9,389,868
Total liabilities		20,048,222	9,389,868
Net assets			
Accumulated Deficit		(17,934,591)	(6,539,542)
Total Net Assets And Liabilities		<u>2,113,631</u>	<u>2,850,326</u>

The Financial Statements set out on pages 1 to 21 were signed on behalf of the Board of Directors by:

National Coordinator

Jacinta Nzioka

Date: 25/01/2022



Head of Finance

Enoch K Chebii
ICPAK No. 5785

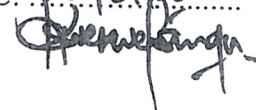
Date: 25/01/2022



Chairperson of the Board

Hon. Safina K Tsungu

Date: 25/01/2022



STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021

	Accumulated Surplus	Total
At July 1, 2020	(6,539,542)	(6,539,542)
Deficit for the Period	(11,395,049)	(11,395,049)
At June 30, 2021	(17,934,591)	(17,934,591)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

STATEMENT OF CASHFLOWS		
	2020-2021	2019/2020
	Kshs	Shs.
Cash flows from operating activities		
Receipts		
Tourism Fund	40,500,000	8,000,000
Total Receipts	40,500,000	8,000,000
Receivables	589,600	-
Employees Costs	-	67,052
Board Remuneration's	5,712,782	1,260,000
General expense	6,200,010	744,990
Marketing and PR programme Expenses	27,429,740	3,052,026
Prepayment	-	180,131
Consumable inventory	615,977	1,624,967
Total Payments	40,048,109	6,929,166
Net cash flows from operating activities	451,891	1,070,834
Cash flows from investing activities	-	-
Purchase of property, plant, equipment and intangible assets	(407,842)	1,047,733
Proceeds from sale of property, plant and Equipment	-	-
Net cash flows used in investing activities	(407,842)	1,047,733
Cash flows from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	44,049	-
Cash and cash equivalents at the beginning of the Year	23,101	-
Cash and cash equivalents at the end of the Year	67,150	23,101

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original bud get	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of Utilization
REVENUES						
Government grants	100,000,000		100,000,000	40,500,000	59,500,000	41%
Total income	100,000,000		100,000,000	40,500,000	59,500,000	41%
EXPENDITURES						
Consultancy - KNCB activation	33,000,000	-	33,000,000	23,476,238	9,523,762	71%
Business Development	9,000,000	1,000,000.00	8,000,000	500,000	7,500,000	6%
Sales	19,000,000	16,000,000.00	3,000,000	1,143,308	1,856,692	38%
Industry Relations and Marketing	19,000,000	(7,000,000.00)	26,000,000	13,033,993	12,966,007	50%
strategy and Research	6,000,000	600,000.00	5,400,000	428,341	4,971,659	8%
secretariat Operations	14,000,000	(10,600,000)	24,600,000	13,813,169	10,786,831	56%
Total expenditure	100,000,000		100,000,000	52,395,049	47,604,951	48%
Deficit for the period				11,395,049	11,395,049	

Budget notes

Revenue

The material variance as seen above is because of non-disbursements of funds expected from Tourism Promotion Fund. In addition, Tourism Fund Grants fall short owing to the low collection as a result of government measures to combat the spread of Covid-19 Pandemic which forced Hotels and restaurant to close hence unable to collect sufficient revenues on levies.

Expenditure

Owing to the shortfall in the expected revenue disbursements from the Tourism Fund and Tourism Promotion Fund where KNCB received 40.5% only. The convention Bureau put on hold some activities.

Accounting Policy and Notes to the Financial Statements

1. General information

The Kenya National Convention Bureau (KNCB) is a Government bureau whose mandate is to market Kenya as a Meeting, Incentive, Convention and Events / Exhibitions (MICE) destination and secure future meetings to Kenya. The bureau was gazette on 16th August 2019 vide Kenyan Gazette Notice No. 7263 Following Cabinet approval and further to the recommendation by both the MICE Task Force (2016) and the Tourism Recovery Task Force (2012). Its strategic role within the Ministry of Tourism and Wildlife is anchored in the Kenya National Tourism Blueprint (2017).

2. Statement of compliance and basis of preparation

The financial statements have been prepared on a historical cost. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the bureau's accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the bureau.

The financial statements have been prepared in accordance with the PFM Act 2012, the State Corporations Act Cap 446 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of new and revised standards

Relevant new standards and amendments to published standards effective for the year ended 30 June 2021.

- i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.

Standard	Effective Date and Impact:
PSAS 41: Financial Instruments	Applicable: 1st January 2022: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of bureau's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between a bureau's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. This doesn't apply to KNCB

PSAS 41: Financial Instruments	Applicable: 1st January 2022: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of bureau's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between a bureau's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. This doesn't apply to KNCB
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Standard	Effective Date and Impact:
IPSAS 42: Social Benefits	Applicable: 1st January 2022 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting bureau provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: (a) The nature of such social benefits provided by the bureau; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the bureau's financial performance, financial position and cash flows. This doesn't apply to KNCB
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2022: a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other Improvements to IPSAS	Applicable: 1st January 2021: a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks

Standard	Effective Date and Impact:
	b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard

ii. Early adoption of standards

None of the new or amended standards were applicable to KNCB in year 2020/21.

4. Summary of Significant Accounting Policies

a) Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the bureau and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income.

Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

1. Interest income

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

b) Budget information

The Kenya National Convention Bureau 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.

c. 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 bureau 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.

Equipment were depreciated at 33.3% per annum. Furniture were acquired at last date of the year.

d. 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:

- Raw materials: purchase cost using the weighted average cost method
- 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 Bureau.

Provisions

Provisions are recognized when the Bureau 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 Bureau 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.

Contingent liabilities

The Bureau 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.

Contingent assets

The Bureau 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 Bureau 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 is recognized in the financial statements of the period in which the change occurs.

Nature and purpose of reserves

The Bureau creates and maintains reserves in terms of specific requirements

Changes in accounting policies and estimates

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

Foreign currency transactions

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

a) Related parties

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

b) 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 is amount held at the Kenya commercial bank at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprest and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

c) Comparative figures

Comparative figures for the period ended June 30, 2020 are included. Kenya National Convention Bureau came into operation during the financial year 2019/2020.

d) 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, 2021.

5. Significant judgments and sources of estimation uncertainty

The preparation of the Bureau'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 as detailed below.

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 Bureau 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 Bureau. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

The condition of the asset based on the assessment of experts employed by the Bureau.
The nature of the asset, its susceptibility and adaptability to changes in technology and processes the nature of the processes in which the asset is deployed

- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. 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.

6. TRANSFERS FROM OTHER GOVERNMENTS

Description	2020-2021	2019-2020
	KShs	KShs
Unconditional grants		
Unconditional grants		-
Other grants		
Total government grants and subsidies		-

TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Bureau sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund. KShs	Total income during the year KShs	2020-2021 KShs
Tourism Fund Grants	40,500,000			40,500,000	40,500,000
Total					40,500,000

7. EMPLOYEE COSTS

	2020-2021	2019-2020
	KShs	KShs
Salaries and wages	-	66,852
Employee related costs-contributions to pensions and medical aids	-	200
Employee costs	-	67,052

8. BOARD EXPENSES

Description	2020-2021	2019-2020
	KShs	KShs
Chairman's Honoraria	-	-
Directors Training	1,065,382	-
Sitting allowances	4,647,400	1,260,000
Total director emoluments	5,712,782	1,260,000

9. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2020-2021	2019-2020
	KShs	KShs
Property, plant and equipment	336,910	25,606
Intangible assets		
Investment property carried at cost		
Total depreciation and amortization	336,910	25,606

10. GENERAL EXPENSES

Description	2020-2021	2019/2020
	KShs	Shs
Conferences and delegations	3,043,920	41,720
Subsistence	2,319,955	100,800
Travel and accommodation	415,461	39,370
Subscription and Membership	275,291	375,581
Postage	9,450	10,010
Courier Services	-	7,730
Printing and stationery	213,883	26,100
consumable stock expense	1,877,122	63,948
Telecommunication	2,000	46,625
Bank Charges	100,181	33,106
Total General Expenses	8,257,262	744,990

11. MARKETING AND PR EXPENSES

Description/Functional Areas	2020-2021	2019-2020
	KShs	KShs
Activation of MICE strategy	23,476,238	
Business Development	-	10,064,003
Industry Relations	12,540,209	1,287,850
Marketing And PR	1,143,308	1,090,041
Research and Strategy	428,341	-
Destination Sales	-	-
Total Marketing and PR programme Expenses	37,588,095	12,441,894

Note: Activation of MICE strategy is separated from Business Development in the year 2020/2021.

12. CASH AND CASH EQUIVALENTS

Description	2020-2021	2019-2020
	KShs	KShs
Current account	17,150	19,351
Petty Cash	50,000	3,750
Total cash and cash equivalents	67,150	23,101

DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

		2020-2021	2019-2020
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank		17,150	19,351
Sub- total		17,150	19,351

13. RECIEVEABLES

Description	2020-2021	2019-2020
	KShs	KShs
Current receivables		
Receivables	589,600	180,131
Total current receivables	589,600	180,131

The receivables of Ksh. 500,000 earmarked for joint Tourism inter-ministerial CSR programme yet to be implemented by the appointed Implementing agency (Tourism Fund).

14. INVENTORIES

Description	2020-2021	2019-2020
	KShs	KShs
a) Office stationery - Operations	363,822	89,967
b) Give-Aways consumables- Marketing	-	1,535,000
Total inventories at the lower of cost and net realizable value	363,822	1,624,967

15. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fittings	Computers	Total
Cost	Shs	Shs	Shs
At 1 st July, 2020	125,000	922,733	1,047,733
Additions	239,700	168,142	407,842
Disposals	-	-	-
At 30 th June 2021	364,700	1,090,875	1,455,575
Depreciation:			
As at 1 st July 2020	-	(25,606)	(25,606)
Depreciation for the year	(24,169)	(312,741)	(336,910)
As at 30 th June, 2021	(24,169)	(338,347)	(362,516)
Net book values As at 30 June 2021	340,531	752,528	1,093,059

16. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	Kshs
Trade payables	20,048,222	9,389,868
Total trade and other payables	20,048,222	9,389,868

Appendix 1: Progress on Follow up of Auditor Recommendations

The Kenya National Convention Bureau reported for the first time for financial year 2019/2020. We are awaiting the report from Office of the Auditor General

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
N/A	N/A	N/A			

Appendix II: Projects Implemented by the Bureau

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							

Appendix III: Inter-Bureau Transfers

The Kenya National Convention Bureau did not receive allocation from The National Treasury in Financial Year 2020/21.

Appendix IV: Recording of Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received:			
	as per bank statement		Nature: Recurrent/Development/Others	Total Amount - KES
Tourism Fund			Recurrent	40,500,000
Tourism Fund			Recurrent	
			Recurrent	
			Recurrent	
Total				40,500,000