

REPUBLIC OF KENYA



PARLIAMENT
OF KENYA
LIBRARY

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 01 APR 2026 DAY: WED

TABLED BY: Hon. Naomi waqo
Deputy majority whip

CLERK: Mado miniam

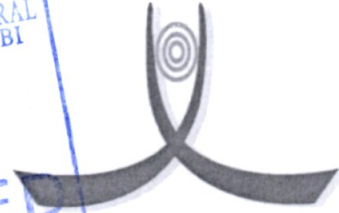
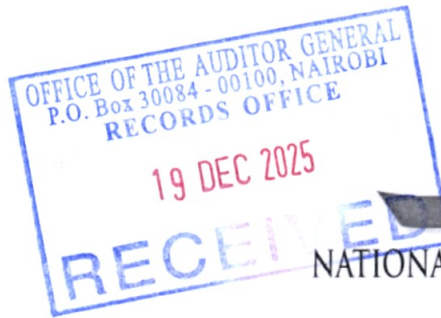
OF

THE AUDITOR-GENERAL

ON

NATIONAL MUSEUMS OF KENYA

FOR THE YEAR ENDED
30 JUNE, 2025



NATIONAL MUSEUMS OF KENYA

WHERE HERITAGE LIVES ON

NATIONAL MUSEUMS OF KENYA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

Table of Contents.....	Pag
1. Acronyms, Abbreviations and Glossary of Terms.....	iv
2. Key Entity Information and Management.....	v
3. The Board of Directors.....	xii
4. Key Management Team.....	xx
5. Chairman’s Statement.....	xxiv
6. Report of the Chief Executive Officer.....	xxvi
7. Statement of Performance against Predetermined Objectives for FY 2024/2025.....	xxxii
8. Cooperate Governance Statement.....	xlv
9. Environmental and Sustainability Reporting.....	lx
10. Report of the Directors.....	lxv
11. Statement of Directors Responsibilities.....	lxvi
12. Report of the Independent Auditor for the Financial Statements of the National Museums of Kenya...ixviii.	
13. Statement of Financial Performance for the year ended 30 June 2025.....	
14. Statement of Financial Position as at 30 June 2025.....	2
15. Statement of Changes in net Assets for the year ended 30 June 2025.....	
16. Statement of Cashflows for the year ended 30 June 2025.....	4
17. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025.....	5
18. Notes to the Financial Statements.....	6

1. Acronyms, Abbreviations and Glossary of Terms

a) Acronyms and Abbreviations

DG	Director General
NMK	National Museums of Kenya
DAHR	Director Administration and Human Resource
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
FY	Financial Year

a) Glossary of Terms

b)

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

c) Background information

The National Museums of Kenya (NMK) is a State Corporation established by an Act of Parliament, National Museums and Heritage Act (CAP 216) domiciled and incorporated in Kenya. The establishment, functions and powers of the body corporate as stipulated in the Act. The entity is domiciled in Kenya and has station in Coastal, Central and Western regions. The stations generate internal revenue from gate entry fees, hire of facilities which is utilised for operations and management.

d) Principal Activities

The principal activities of National Museums of Kenya are:

- i. Identification and documentation of national and world heritage sites, national heritage monuments including collections therein, taxonomy of plants and animals of national importance, hotspots- ecosystems, historical and ethnographical materials of national importance, archaeological and paleontological objects, ethno-biology (indigenous and traditional knowledge) of national importance and intangible heritage of national importance.
- ii. Repository of reference collections of plants and animals of national, regional and international importance including DNA reference library, living collections of plants and animals, collections within national monuments, historical and ethnographical reference collections and those of national importance, archaeological and paleontological things, ethno-biology (indigenous and traditional knowledge)-Intangible Heritage of national importance.
- iii. Protect and conserve heritage sites of national and world importance, national monuments including collections therein, historical and ethnographical collections of national importance, archaeological and paleontological things, indigenous and traditional knowledge, plants and animals of national importance.
- iv. Transmit knowledge on taxonomy of plants and animals of national importance, hotspots-ecosystems, heritage site national and world heritage, national monuments including collections therein, historical and ethnographical collections of national importance, archaeological and paleontological things, ethno-biology (indigenous and traditional knowledge) of national importance through publications, public programmes and national exhibitions.

- v. Research on taxonomy of plants and animals of national importance, hotspots- ecosystems, heritage sites national and world heritage, national monuments including collections therein, historical and ethnographical of national importance, archaeological and paleontological things, ethno-biology (indigenous and traditional knowledge) of national importance, behavioural sciences, Swahili language and connection to ancient and historical.
- vi. International obligations: scientific authority and focal point for biological conventions (e.g. CITES, RAMSAR, Convention on Migratory species, CBD-specific thematic areas, IPBES). Management Authority – e.g. UNESCO World Heritage Convention, 1972 and heritage management development services.

Our Mission

To promote conservation and sustainable utilization of national heritage through generation, documentation and dissemination of research and collection management knowledge, information and innovations.

Our Vision

To be a global leader in heritage research and management.

Our Mandate

NMK derives its mandate from Museums and Heritage Act 2006, which spells out its objectives and functions as follows:

- Serve as the national repositories for things of scientific, cultural, technological and human interest;
- Serve as the place where research and dissemination of knowledge in all fields of scientific, cultural, technological and human interest is undertaken;
- Identify, protect, conserve and transmit the cultural and natural heritage of Kenya; and
- Promote cultural resources in the context of social and economic development.

e) Key Management

The *Entity's* day-to-day management is under the following key organs:

No.	Designations	Name
1.	Chairman Board of Directors	Mr. Edwin Jacob Abonyo
2.	Board Member	Mr. John Ndiritu Mwangi
3.	Board Member	Dr Ivan Kiprop Lagat
4.	Board Member	Mr. Stephen Lesoron Gambare
5.	Board Member	Mr. Christopher Kiprop Aubrey Foot.
6.	Board Member	Mr. Adhan Nuri Berhe
7.	Board Member	Ms. Yasmin Hussein Hassan
8.	Board Member	Ms Stellah Nyambura Kangethe
9.	Board Member	Dr. Reuben Koima Kenei
10.	Board Member	Mr. John Odek Odek
11.	Board Member	Prof. Paul Nduati Ndegwa
12.	Accounting officer/ DG	Prof. Mary Wanjiku Gikungu
13.	Ag. Director Administration and Human Resource	Ms. Ann Nanjala Mutoro
14.	Director National Repository and Research	Dr. Taita Terer
15.	Director Antiquities, Sites and Monuments	Dr. Fredrick Kyalo Manthi

f) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No.	Designations	Name
1.	Director General	Prof. Mary Wanjiku Gikungu
2.	Corporation Secretary and Head of Legal Services	Ms. Mitrine Wakhungu
3.	Head of Finance and Accounts	Mr. Geoffrey Namachanja
4.	Head of Procurement	Mr. Mwania Mutinda

Key Entity Information and Management (continued)

g) Fiduciary Oversight Arrangements

Board Committees

The Board has three standing committees, which meet regularly under the terms of reference set by the Board. In addition, there are two ad hoc committees; one for conducting interviews of senior staff and the other is on Rules and Regulations of the Heritage Act.

3. Audit Committee

This committee reviews the integrity of financial statements and financial performance, compliance with accounting standards and maintaining of oversight on internal control systems. The Director General, Director Administration and Human Resources and Financial Controller may attend meetings of the committee on invitation.

4. Finance and Establishment committee

This committee is responsible for Monitoring and appraising the performance of senior management, review of all human resources policies, finances, budget and institutional (physical and infrastructural development).

5. Research Committee

This committee deliberates on all matters pertaining to Research policy and Management.

6. Ad hoc Committees

There is an Ad hoc committee, which is the interview panel. This committee deals with interviews for recruitment of the senior staff.

There is an Ad hoc committee on the National Art Gallery of Kenya project.

(a) Entity Headquarters

National Museums of Kenya Headquarters

Museums Hill Road

P.O. Box 40658-00100

Nairobi, KENYA

(b) Entity Contacts

Telephone: (254) 3742161/4

E-mail: info@museums.or.ke

Website: www.museums.or.ke

(c) Entity Bankers

1. Kenya Commercial Bank

Sarit Centre, Westlands Branch

P.O. Box 14959

Nairobi, Kenya

2. Standard Chartered Bank of Kenya

Westlands Branch

P.O. Box 14438

Nairobi, Kenya.

3. **Other Banks**

Co- Operative Bank

University Way Branch

P.O. Box. 48231-00100

Nairobi, Kenya

(d) Independent Auditor

Auditor-General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(e) Principal Legal Adviser

The Attorney General

State Law Office and Department of Justice


Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

3. The Board of Directors

Ref.	Directors	Details
1.		<p>Chairman Board of Directors</p> <p>Mr. Edwin Jacob Abonyo, Chairman of National Museums of Kenya Board of Directors, born on 1st November, 1959. Currently serving his 1st Term as on 13th July 2022 and chairs the full board of Directors meeting.</p> <p>He also served as a member in the State Cooperation Advisory Committee (SCAC), Managing Director Sender Services Company Limited, Fort Farm Limited, Senior Manager at Sasini Tea Company- Sotik, General Manager at Unitea Ltd, Unieximp Ltd, General Warehouse Mombasa and Field Manager – Alternating Africa Highlands Produce Company Ltd, Kericho.</p> <p>He also has community responsibility as Board of Governance for Archbishop Okoth Ochoria High School and St. Augustine’s R.C Secondary School in Koru and Kandege, Fort Ternan respectively.</p>

2.



Board Member

Mr. John Ndiritu Mwangi, born on 20th October, 1965. PhD in Economics ongoing at the University of Nairobi. Holds an MSc in Entrepreneurship from JKUAT and Masters in Competition Law and Economic Regulation, Kings College_ University of London. Studied BA Economics from Kenyatta University.

A Career administrator with vast experience in public administration, corporate governance, economic policies, competition and consumer protection policies, trade policies under ACFTA, COMESA, EAC & UNCTAD, Entrepreneurship with key focus on enterprise growth and SME policies & governance, project management, international trade and investment treaties negotiations.

Currently, he is a Chief Economist in the National Treasury Directorate of Economic Affairs and the Secretary_ Competition Authority Tribunal.

Appointed to the NMK Board on 14th October 2015 as alternate to the Principal Secretary of The National Treasury.

He served on Finance and Establishment; and Audit and Risk Committees of the Board of Directors during the year.

3.



Board Member- Alternate to Principal Secretary State Department of Culture, the Arts and Heritage, Ministry Gender, Culture, the Arts and Heritage



Dr. Kiprop Lagat was born on 31st July 1970. He holds a PhD in Anthropology and a Master's Degree in Museology from the University of East Anglia, United Kingdom. His PhD thesis was on the memorialization of the 1998 Nairobi terror attack on the United States of America embassy in Nairobi. He attained his Bachelor's degree in Anthropology from the University of Nairobi in 1994.


He is currently the Director of Culture in the Ministry of Gender, Culture, the Arts and Heritage.

He has over 25 years of experience in the heritage sector and has participated in numerous projects focused on the research, documentation, preservation and curation of cultural practices and their associated heritage collections. He has previously worked as the Assistant Director in charge of the Nairobi National Museum and as a Principal Research Scientist in the Department of Cultural Heritage at the National Museums of Kenya.


Appointed to the NMK Board on 25th September, 2023 and serving his 1st Term as a board Member alternate to the Principal Secretary State Department for Culture, the Arts and Heritage.



He served on the Finance and Establishment and Research Committees of the Board during the


		year.
4.		<p>Board Member</p> <p>Mr. Stephen Lesoron Gambare was born on 1/9/1974. He holds Master of Science, GIS Natural Resources Management (2006) Norwegian University of Life Science; Bachelor of Science Tourism from Moi University (1998) He is a Consultant with interests in Natural Resource Management, Climate Change, Sustainable Agriculture and Social Justice.</p> <p>Appointment to the NMK Board 8th December, 2023. Gazette Notice No. 16779 Kenya Gazette dated 8th December, 2023 and serving his 1st Term as a board Member.</p> <p>He served on the Strategy, Business Development and Enterprise and Research Committees of the Board of Directors during the year.</p>
5.		<p>Board Member</p> <p>Mr. Christopher Kiprop Aubrey Foot was born on 15/04/1971. He holds Masters of Conservation Leadership from University of Cambridge (UK), A BSC in Environmental Biology from St. Andrews University (UK) as well as various UK legal qualifications. He practiced as a UK barrister before returning to Kenya to practice Law before transitioning into business.</p> <p>Commercially, he has a track record in helping</p>

		<p>establish and operate successful businesses in agriculture, media, tourism and property development.</p> <p>Appointed to the NMK Board on 15th March, 2024 and serving his 1st Term as a board Member.</p> <p>He served on the Strategy, Business Development and Enterprise and Research Committees of the Board of Directors during the year.</p>
6.		<p>Board Member</p> <p>Mr. Adhan Nuri Berhe was born on 10/06/1972. He holds a Master’s Degree in Project planning and management from the University of Nairobi and a Bachelor’s degree in Wildlife Management from Moi.</p> <p>He has vast knowledge in natural resource and environmental management, Project planning and good governance, security and conflict management, budget management and cost controls among others.</p> <p>He has also served as a chairman County Public Service Board for Tana River County Government and board member Kenya Marine Fisheries and Research Institute (KEMFRI)</p> <p>Appointed to the NMK Board on 9th May 2024 and serving his 1st Term as a board Member.</p>

7.		<p>Board Member</p> <p>Ms. Yasmin Hussein Hassan was born on 18/10/1989. She holds a Master of Science in Procurement and Logistics from Jomo Kenya University of Agriculture and Technology and a Bachelor’s degree in Commerce the University of Nairobi. She is also a chartered member of the Chartered Institute of Procurement and Supply with wealth of knowledge in Supply Chain Management.</p> <p>Appointment to the NMK Board on 28th September,2023 and serving her 1st Term as a board Member.</p> <p>She served on the Finance and Establishment and research Committee of the Board of Directors during the year.</p>
8.		<p>Board Member</p> <p>Ms Stellah Nyambura Kangethe was born on 16/12/1997. She holds a Bachelor’s degree in International Relations and Diplomacy, offering extensive experience in research, community engagement, and stakeholder coordination. Proven expertise as a Community Liaison Officer for the Thwake Dam Project under the Ministry of Water. She has contributed to impactful NGO initiatives as a Research Team Leader and Assistant with organizations such as Consilient, WERK, and Education Development Trust, focusing on girl-child education and women empowerment. Skilled in research methodologies, data analysis, documentation,</p>

		<p>and fostering collaborative environments. She is passionate about delivering sustainable solutions and driving positive change in diverse communities.</p> <p>Appointed to the NMK Board on 29th November, 2024 and serving her 1st Term as a board Member.</p> <p>She served on the Audit and Risk; and Strategy, Business Development and Enterprise Committees of the Board of Directors during the year.</p>
9.		<p>Board Member</p> <p>Dr. Reuben Koima Kenei was born on 1/01/1972. He holds a PhD in Educational Administration and a Master’s Degree in Educational Administration and Planning from the University of Nairobi. He attained his Bachelor’s degree in Education from the University of Nairobi in 2007. He is currently a Lecturer and Head of Department Educational Management and Curriculum Studies Mt. Kenya University, Kisii Campus.</p> <p>Appointed to the NMK Board on 22nd November, 2024 and serving his 1st Term as a board Member.</p> <p>He served on the Finance and Establishment; and Research Committee of the Board of Directors during the year.</p>

<p>10.</p>		<p>Board Member</p> <p>Mr. Odek Odek was born on 3rd January, 1998. He was appointed to the NMK Board on 17th February, 2025.</p> <p>He holds a Bachelor’s degree in business Administration. He has experience in public sector operations having previously served as a Board Member at Kenya Utalii College. He previously worked with the County Government of Homa Bay. He is also a champion of People Living With Disabilities drawn from his service as a Champion Manager for People Living With Disabilities at Mathare Social Justice Centre.</p> <p>Appointment to the NMK Board on 14th February 2025 and serving his 1st Term as a board Member.</p> <p>He served on the Finance and Establishment and Strategy, Business Development and Enterprise Committee of the Board of Directors during the year.</p>
<p>11.</p>		<p>Board Member</p> <p>Paul Nduati Ndegwa born on 16th May, 1963. He was appointed to the NMK Board on 28th February, 2025.</p> <p>He is a professor of Entomology and a researcher at the University of Nairobi with over 30 years of research and teaching experience at both bachelors and graduate level. He has a strong record of graduate students’ supervision at Masters and PhD levels. He is a dedicated scientist, with skills in diverse aspects of</p>

		<p>scientific research. He has been involved in collaborative research at both local and international level and is widely published. Prof. Paul N. Ndegwa was formerly the Director, School of Biological Sciences at the University of Nairobi, a position he held for six years. He is presently interested in chemical ecology and pest/vector management, arthropod biodiversity and its conservation, and the use AI in entomology.</p> <p>Appointment to the NMK Board on 28th February 2025 and serving his 1st Term as a board Member.</p> <p>He served on the Research; and Audit and Risk Committees of the Board of Directors during the year.</p>
12.		<p>Prof. Mary Gikungu holds a PhD in Natural Science and Mathematics (University of Bonn, Germany), M.Sc. in Conservation Biology (University of Nairobi) and B.Sc. in Botany and Zoology (University of Nairobi). She has published over 40 papers in peer-reviewed journals. She is a renowned Bee Specialist and a Conservation Biologist with wide experience in ecosystem services, climate change, environmental health and food security.</p> <p>She is a Lead Author (LA) in Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES), member of Platform for Agricultural Research (PAR) –under FAO and a Mentor in African Women in Agricultural</p>

		<p>Research and Development (AWARD). In addition, she has been a Council Member of Kibabii University.</p> <p>The Director General is the Secretary to the Board of Directors, chairs and supervises the Directors Executive Team (D.E.T)</p>
--	--	---


4. Key Management Team

No.	Management	Details
1.		<p>Prof. Mary Gikungu holds a PhD in Natural Science and Mathematics (University of Bonn, Germany), M.Sc. in Conservation Biology (University of Nairobi) and B.Sc. in Botany and Zoology (University of Nairobi).</p> <p>The Director General chairs and supervises the Directors Executive Team (D.E.T) and A.I.E holder.</p>
2.		<p>Ms. Ann Nanjala Mutoro holds Master of Business Administration-Human Resource management (Daystar University), Bachelor of Science-Business Administration (United States International University-Africa), Higher National Diploma in Human Resource Management (Institute of Human Resource Management).</p> <p>She is a member of the Institute of Human Resource Management.</p> <p>The Ag. Director Administration and Human Resource responsible for human capital, planning, recruitment, development, performance management, reward and wellness. Also responsible for harmonious employee relations, management of all organizations' logistics, fleet and facilities.</p>
3.		<p>Dr. Fredrick Kyalo Manthi (EBS) obtained his PhD</p>



from the University of Cape Town, South Africa, in 2006. He is currently the Director, Antiquities Sites and Monuments thus oversees operations in all sites, monuments and museums across the country., and also a Senior Research Scientist in the Department of Earth Sciences at the National Museums of Kenya. His research centres on the study of Plio-Pleistocene mammalian faunas and their importance to understanding palaeoenvironments during the course of early hominin evolution. Since 2003, Dr. Manthi has directed extensive palaeontological research/field work in particularly the Lake Turkana Basin in northern Kenya.

Currently, Dr. Manthi is leading paleontological investigations at Lomekwi, a Pliocene site to the west of Lake Turkana in northern Kenya. Lomekwi is famous for the discovery of the Pliocene hominin, *Kenyanthropus platyops* which is dated at 3.4 million years old. The work at Lomekwi aims at collecting more remains of this hominin taxa with a view to contributing to the debate surrounding the evolution of the australopiths, and whether or not there is any affinity between *K. platyops* and members of the genus *Australopithecus*. Dr. Manthi is also leading paleontological investigations at Natodomeri, a Middle Pleistocene site located near the Kenya-Ethiopia-South Sudan border. Because of the dearth in sediments dated to this time period, the Natodomeri sites hold great potential for contributing to our understanding of the emergence of early *Homo sapiens*.

4.		<p>Dr. Taita Terer holds a PhD in Science (Vrije University Brussel), MSc Ecological Marine Management (Vrije University Brussel), and Bachelor of Environmental Science (Kenyatta University).</p> <p>Dr. Terer has expertise in aquatic ecology spanning over 20 years with special focus on plant population genetics, traditional knowledge, ecosystem services and sustainable utilization of biodiversity. He is keen in bridging the gap in understanding of nature, science and people nexus Author of over 50 publication including peer reviewed journal articles, book chapters and video documentaries. He is Lead Author (LA) in Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES) He has promoted sustainable use of biodiversity as livelihood options by local people such as a butterfly breeding and bee keeping program (Kipepeo) in Kilifi. National Focal Point coordinator for Convention on Biological Diversity and implements other conventions such as RAMSAR. He has served as Manager Centre for Biodiversity (2015-2024) charged with coordination of biodiversity inventories, assessment and monitoring in Kenya including enriching repository collections at NMK. He has implemented research projects on values of nature to agricultural landscapes, climate change resilience, and developed conservation framework for water towers.</p> <p>Dr. Terer is currently the Director National Repository and Research (DNRR) with responsibility to oversee natural and cultural heritage research, preservation of</p>
----	--	---

		<p>prehistory and contemporary fauna, flora and cultural artifact collections.</p>
<p>5.</p>		<p>Ms. Metrine Wakhungu is a certified secretary and a member of the Institute of Certified Public Secretaries of Kenya(ICPSK),an advocate of the High Court of Kenya and member of the Law Society of Kenya admitted to the Kenyan bar in 2004. She holds a Master of Laws Degree (LL.M), (specialty in Law Governance and Democracy) and Bachelor of Laws Degree (LL.B.), both from the University of Nairobi.</p> <p>She also holds a postgraduate diploma in Law from the Kenya School of Law, a Diploma in Human Resources Management from the Kenya Institute of Management. She is the legal advisor to the NMK Board of Directors and management and responsible for Board secretariat services.</p>
<p>6.</p>		<p>Mr. Geoffrey Namachanja is a graduate of Business Management (Finance Option) and holds a Bachelor of Business Management (Accounting option) from Moi University, Certified Public Accountant of Kenya and a member of Institute of Certified Public Accountants of Kenya. Certified Trainer of Trainers by Centre for Parliamentary Studies and Training (CPST).</p> <p>He is the Financial Controller.</p>

5. Chairman's Statement

It gives me great pleasure to present the Chairman's Report for the financial year ended 30th June 2025. The past year has been marked by resilience, determination, and notable progress, even in the face of global and local challenges. We have once again demonstrated the strength of our organization and the unwavering commitment of our management.

First and foremost, I would like to extend my deepest appreciation to all our board members for your strategic guidance, continued trust, loyalty, and engagement. Your support forms the cornerstone of everything we do, and it is your confidence in our vision that propels us forward. In addition, the management and employees for their critical roles they carried out despite the many challenges.

The National Museums of Kenya (NMK) receives grants from the Government of Kenya for both recurrent and development budgets through the parent Ministry of Gender, Culture, the Arts and Children Services while generates the internal revenue for its operations and maintenance. During the year, the organization experienced budgetary cuts affecting personnel emoluments, resulting in delays in remitting third-party deductions. Consequently, a portion of its Appropriation-in-Aid (AIA) was utilized to partially settle these outstanding third-party obligations. The use of its Appropriation-in-Aid (AIA) limited the organization's ability to meet its obligations as they fall due, leading to an increase in outstanding bills during the year under review.

In the fiscal year 2024/2025, the organization did not receive development grant support from the National Treasury. I respectfully appeal for the organization's consideration in future allocations, given its core mandate and vital role in heritage management—an area that faces numerous challenges requiring comprehensive financial support.

Operationally, the organization has taken significant strides in enhancing efficiency and embracing technology. We successfully launched two key initiatives aimed at improving financial reporting, efficiency and accuracy. These programs have already begun to yield positive feedback and measurable results.

This year has been marked by significant accomplishments that reflect our strong commitment to advancing strategic objectives and improving operational efficiency.

Implementation of Human Resource Information System: We made significant milestone onboarded and implemented the HRIS to ease processing of employee payroll. The implementation of the system has streamlined our processes and reinforced our commitment to best practices and ethical standards.

Enterprise Resource Planning: A major transformation for the organization was the successful initiation of implementation of the enterprise resource planning system to harmonize the organizations processes and procedures to improve our operational capabilities whose progress is at advanced stage. This system will optimize workflows, enhance data accuracy, and provide us with more robust analytical tools. This advancement represents a significant leap forward in our technological infrastructure, positioning us to better meet stakeholder needs and drive future growth.

Rehabilitation and renovations of our Sites: There were various stations undergoing renovations. Those completed include Gedi Museums, Hyrax Hill Pre-Historic Site and therefore they should be handed over to allow visitations by the public to enable us generate more revenue from the visitors. Despite these achievements, the year was not without its challenges. The economic volatility, rising inflation, and budgetary cuts disruptions presented hurdles for our organization. Nevertheless, our teams rose to the occasion, managed to follow up supplementary budgets process and partially preserved our financial stability.

Looking ahead, we remain committed to our core values: integrity, inclusivity, and innovation. As we continue to pursue growth and transformation, I encourage all members to remain actively engaged. Your input and feedback are vital as we shape the future together.

In conclusion, I thank all staff, volunteers, stakeholders, and partners for their contributions throughout the year. We have every reason to look to the future with optimism, and I am confident that together, we will continue to achieve new milestones.


Mr. Edwin Jacob Abonyo

Chairman Board of Directors

Date: 18th December 2025

6. Report of the Director General

National Museums of Kenya (NMK) is a multidisciplinary state corporation entrusted with the management of cultural & natural heritage in Kenya. The state corporation manages 21 Sites and Monuments and offers technical support in 400 gazetted sites and monuments across the Country. NMK is also the National Focal Point of UNESCO' Convention on National Protection and International Protection of the Cultural and Natural Heritage (UNESCO Convention 1972). Currently, Kenya has eight (8) Sites inscribed as World Heritage Sites including Fort Jesus, Lamu Old Town, Sacred Mijikenda Kaya Forests, and Thimlich Ohinga for cultural heritage, and the Kenya Lake System in the Great Rift Valley, Lake Turkana National Parks, and Mount Kenya National Park/Natural Forest for natural heritage. The most recent addition is the Historic Town and Archaeological Site of Gedi.

NMK has continued to experience financial challenges mainly occasioned by budget cuts by the National Treasury resulting in gaps in shortfall in operations that requires an immediate intervention from the government. NMK has internally generated funds which still cannot finance the deficit gap. As at 30th June 2024, NMK internal generated revenue stood at Kshs. 378,477,598 against annual budgeted revenue of Kshs. 483,233,260. The budget cuts resulted in personnel and emoluments deficit of Kshs 48,873,184.

Owing to the financial challenges, the Annual Work plan for the 2024/2025 FY was not fully implemented. During 2024/2025 FY, National Museums of Kenya (NMK) implemented its annual work plan. During this period, the following milestones were achieved as illustrated below.

The national repository for natural and cultural heritage enhanced in the reporting period. To enhance the national repository for natural and cultural heritage, NMK focused on increasing physical and virtual collections storage capacities, acquiring new collections, enhancing access to repositories and strengthening partnerships. Within this period, 11,147 voucher specimens, objects, and artefacts were collected, with 8,976 items added to the collections. In terms of safeguarding national collections, curation efforts were made, maintaining 10 million and repairing 87,809 collections. Similarly, access to NMK's repositories was improved. 54,978 records were updated and 62,052 collections were digitized. This was partly achieved as result of conducting 72 field expeditions to monitor and collect natural and cultural data.

In terms of dissemination, a number of research publications were released leading to increased NMK outreach performance. The specific indicators under dissemination included release of 129 publications, organizing and implementing the 8th NMK Science expo; participation in 242 workshops, seminars and conferences; engagement with farmers in Kilifi County through the Kipepeo program, where 372 farmers were trained in ecological honey production, resulting in 5,282.25 litres of honey production; training of 358 farmers on value

addition; planting of 4,636 indigenous tree seedlings; setting up 8 Fruit tree nursery and gardens in 5 schools Kilifi County and recruitment of two markets (Poland and Switzerland) for butterfly and honey exports. Similarly, to boost funding, NMK drafted 71 proposals to seek financial support for research.

NMK continued to strengthen the conservation of Natural and cultural heritage for posterity. During the period under review, NMK implemented measures to protect sites and monuments and disseminate cultural information. Key achievements included completion of Yohana Owalo Mausoleum construction and digitization of the Mombasa Ship Wreck Store at Fort Jesus, including over 7,000 associated collections. Furthermore, regular monitoring and condition assessment of collections, sites and monuments were conducted. 63 exhibitions were held and 150 public and educational programs were delivered to disseminate cultural information. The Management Plan for Thimlich Ohinga World Heritage Site was also developed. More engagements with communities was achieved through co-hosting of 5 Cultural Festivals including The Maa, Lamu, Abasuba, Ping Luo and Ocean festivals during the year.

Sustainable commercialization of natural and cultural heritage has been increased. During the period under review, consultative meetings with counties, local communities and other key stakeholders to prioritise intellectual assets were held; feasibility studies on commercial viability of IK assets and development of product specific business plans was conducted; sensitisation sessions to create awareness on commercial viability of the prioritised IK assets was carried out; Indigenous Knowledge Information Management System (IKMS) was commissioned; Feasibility study on the economic value and policy options for developing and promoting a national dress premised on a mosaic of traditional attires of the Kenyan people was undertaken; contraceptive, anti-diabetic and anti-prostate cancer herbal products from THPs were acquired; chemical composition of candidate contraceptive, anti-diabetic and anti-prostate cancer herbal products was analysed and proof-of-concept scientific studies were undertaken. IN addition, candidate contraceptive, anti-diabetic and/or anti-prostate cancer herbal products were formulated, validated and standardised for clinical trial. chemical composition of candidate natural COVID-19 products were analysed; preliminary test to determine capacity of at least one active herbal formulation against COVID-19 was carried out; 762 casts and 49 moulds for natural and cultural heritage were produced; 78 MSMEs were empowered to produce and market quality natural and cultural products and 6 partnerships were established with local communities and collaborative agreements signed.

Finally, NMK has enhanced the institutional capacity to deliver on mandate as evidenced in the following three areas. The service charter was customised into both English and Kiswahili audio versions as well as translation into sign language uploaded in the NMK website. Secondly, Risk Management Policy and training of 31 departmental risk management champions has been implemented. Staff from the Finance and ICT departments received training on the ERP system. In addition, all statutory reports were prepared and submitted in accordance with regulatory requirements. Additionally, progress reports on governing legal framework enactment and National Museums and Heritage Act 2006 revision were prepared.

Moving forward, we look forward to a better future and continued support and dedication of staff and management as well as the Board of Directors for their stewardship.



Prof. Mary Gikungu

DIRECTOR GENERAL

Date: 18th December 2025

7. Statement of Performance against Predetermined Objectives for FY 2024/2025

National Museums of Kenya has five (5) key strategic pillars and five (5) strategic objectives within its Strategic Plan.

The strategic objectives include:

1. To enhance the national repository for natural and cultural heritage
2. Increase the research outputs and the publications produced
3. To conserve natural and cultural heritage for posterity
4. To increase sustainable commercialization of natural and cultural heritage
5. To increase institutional capacity to deliver on NMK's mandate

The strategic pillars are as follows:

- i. Pillar 1: Management of the National Repository
- ii. Pillar 2: Innovative Research and Dissemination
- iii. Pillar 3: Heritage Conservation and Management
- iv. Pillar 4: Harnessing Heritage for Economic Development
- v. Pillar 5: Institutional Capacity

NMK develops its annual work plans based on the above 5 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. NMK achieved its performance targets set for the FY 2024/2025 period for its 5 strategic pillars as indicated in the table below:

NMK's Strategic Pillars and Objectives

Strategic Pillar	Objectives	Key Performance Indicators	Key Activities	Achievements
Pillar 1: Management of the National Repository	To Enhance the National Repository for Natural and Cultural Heritage	No. of voucher specimen/ objects /artefacts collected	Collect voucher specimen/objects/ artefacts acquired during field trips	31,345 collections were deposited at NMK
		No. of new specimens/ artefacts/	Acquire new specimens/ artefacts/	20,133 new specimens/ artefacts/publications were acquired

National Museums of Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

Strategic Pillar	Objectives	Key Performance Indicators	Key Activities	Achievements
		publications	publications	
		No. of collections curated	Curate national collections	Curated 70,649 collections
		No. of pest control exercises	Undertake pest control in the collection	One (1) pest control exercise was carried out
		No. of specimens repaired	Repair broken specimens	25,703 specimens were repaired
		No. of snail farmers	Promote snail farming and value addition	Promotion of snail farming and value addition not done
		No. of integrated prawn and fish farmers	Establish integrated prawn and fish farming	Integrated prawn and fish farming were not done
		No. of exhibitions rehabilitated	Rehabilitate permanent exhibitions	One (1) exhibition at Fort Jesus was rehabilitated
		No. of records updated	Value addition (curation) of databases	51,774 databases records were updated
		No. of MoUs	Develop MOUs with government agencies, counties, NGOs, private agencies, research, and education institutions	Two (2) MOUs were developed

Strategic Pillar	Objectives	Key Performance Indicators	Key Activities	Achievements
		No. of MoUs reviewed	Review MOUs with government agencies, counties, NGOs, private agencies, research, and education institutions	Two (2) MOUs were reviewed
Pillar 2: Innovative Research and Dissemination	Increase the Research Outputs and the Publications Produced	No. of research and ethical review committee meetings held	Establish and operationalize research and ethical review committee	Research and ethical review committee was established and operationalized. The committee held 6 meetings during the financial year.
		No. of field expeditions	Conduct field expeditions to monitor and collect natural and cultural data	113 field expeditions to monitor and collect natural and cultural data was conducted
		No. of records	Input data into NMK information repository	254
		No. of publications	Publish research outputs	96 publications were published
		No. of trade fairs participated in	Participate in Nairobi International Trade Fair	Participated in Nairobi International Trade Fair
		No. of scientific conferences held	Hold NMK scientific	NMK scientific conference was held from 3rd - 5th June

Strategic Pillar	Objectives	Key Performance Indicators	Key Activities	Achievements
			conference	2024
		No. of workshops, seminars, and conferences	Participate in workshops, seminars, and conferences	Participated in 266 workshops, seminars and conferences
		No. of insect farms established	Promote insects farming in counties	Insect farming promotion was not done
		No. of farmers trained	Train farmers to transition to ecologically honey production	255 farmers were trained in ecologically honey production
		No. of litres of honey produced	Up-scale Kipepeo honey production value chain	4,659.5 litres of honey were produced
		No. of farmers trained	Train farmers on honey value addition	255 farmers were trained in honey value addition
		No. of markets recruited	Recruit markets for butterfly and honey export	Recruited two (2) markets for butterfly and honey export
		No. of schools with fruit tree nurseries and gardens	Set up fruit tree nurseries and garden in schools in Kilifi	Fruit tree nurseries and gardens were not set
		No. of indigenous tree seedlings	Establish indigenous tree nurseries for Kaya	Indigenous tree nurseries for Kaya Forest were not established

Strategic Pillar	Objectives	Key Performance Indicators	Key Activities	Achievements
			Forests	
		No. of apiaries established	Promote meliponiculture and apiculture farming	Activities for the promotion of meliponiculture and apiculture farming were not implemented
		No. of farms established	Promote mushroom farming in counties	Established eight (8) mushroom farms
		No. of farmers trained	Promote underutilized/neglected indigenous foods	222 farmers were trained in underutilized/neglected indigenous foods
		No. of proposals	Write proposals for funding	51 proposals for funding were written
		No. of committees established and operationalized	Establish and operationalise resource mobilisation committee	Resource mobilisation committee was established and operationalized
Pillar 3: Heritage Conservation and Management	To Conserve Natural and Cultural Heritage for Posterity	No. of sites and monuments rehabilitated	Rehabilitate sites and monuments	Eight (8) sites i.e., Maktau, Wajir, Gede, Fort Jesus, Olorgesailie, Meru, Rabai Heritage Site and Kabarnet were rehabilitated
		No. of entrepreneurship spaces created	Create spaces for heritage-based entrepreneurship in sites and	One (1) entrepreneurship space in sites and monuments were created with Musyoki Arts and

Strategic Pillar	Objectives	Key Performance Indicators	Key Activities	Achievements
			monuments in partnership with partners	Collection, Daniel Kioko Sculptures, Roka Bags and Coco craft
		No. of sites or monuments gazetted	Gazette sites and monuments	12 sites were submitted for gazettelement
		No. of Part Development Plans	Acquire Part Development Plans for NMK lands	PDPs were not acquired but application was done to physical planner on the Malindi Complex and Portuguese Chapel.
		Title deeds acquired	Acquire title deeds for NMK properties, sites, and monuments	Submitted 4 sites (Takwa ruins, Ras Kitao, CFCU Building and Vasco Da Gama pillar). Request for funding for survey and title deeds processing but funds were not available
		No. of exhibitions held	Hold exhibitions	23 exhibitions were held
		No. of public/ education programs	Hold public/ education programs	97 public/education programs were held
		No. of reports	Map out cultural festivals to co-host	One (1) cultural festival to co-host was mapped
		No. of cultural festivals	Co-host cultural festivals	One (1) cultural festival was co-hosted

Strategic Pillar	Objectives	Key Performance Indicators	Key Activities	Achievements
		No. of strategies developed	Develop climate mainstreaming strategy for culture and heritage sector	Climate change mainstreaming strategy was developed
Pillar 4: Harnessing Heritage for Economic Development	To Increase Sustainable Commercialisation of Natural and Cultural Heritage	No. of IK-holders/ local community elders, county government technical officers and young champions	Train IK-holders/local community elders, county government technical officers, young champions on documentation and digitisation of indigenous knowledge intellectual assets	673 Indigenous knowledge holders, county government technical officers and young champions were trained on documentation and digitisation of indigenous knowledge intellectual assets
		No. of county IK digital registers established and linked to the National Repository	Establish county IK digital registers and link them to the national repository	Eight (8) county indigenous knowledge digital registers (Kilifi, Tharaka Nithi, Garissa, Kakamega, Kericho, Marsabit, Siaya, Vihiga and Turkana) were established and linked to national digital repository
		No. of Indigenous Knowledge Innovation banks	Establish Indigenous Knowledge Innovation bank	One (1) Indigenous Knowledge Innovation bank was established

Strategic Pillar	Objectives	Key Performance Indicators	Key Activities	Achievements
		No. of agreements prepared and signed	Prepare and sign agreements between Indigenous Knowledge holders and users to access IK intellectual assets for documentation and digitization	Eight (8) agreements between Indigenous Knowledge holders and users to access indigenous knowledge intellectual assets for documentation and digitization were prepared and signed
		No. of consultative meetings held	Hold consultative meetings with counties, local communities and other key stakeholders to prioritise intellectual assets	Six (6) consultative meetings were held with counties, local communities and other stakeholders to prioritize intellectual assets
		No. of contraceptive, anti-diabetic and anti-prostate cancer herbal products acquired	Acquire contraceptive, anti-diabetic and anti-prostate cancer herbal products from traditional health practitioners (THPs)	19 herbal products were acquired from THPs
		No. of candidate <i>Abrus precatorius</i>	Analyse chemical compositions of candidate natural	Two (2) active components of candidate natural contraceptives for testing

Strategic Pillar	Objectives	Key Performance Indicators	Key Activities	Achievements
		(locally known as Mturi turi) analysed	contraceptives	were identified
		No. of preliminary tests	Carry out preliminary tests on candidate natural contraceptives	One (1) preliminary test on candidate <i>Abrus precatorius</i> was carried out
		No. of community meetings	Feedback to communities on laboratory findings on <i>Abrus precatorius</i> (locally known as Mturi turi) and respiratory infections including COVID-19	11 feedback meetings were held to communicate laboratory findings on candidate natural contraceptives
		No. of African Indigenous Vegetables and Indigenous Wild Fruits producers empowered and linked to markets	Empower and link African Indigenous Vegetable and Indigenous Wild Fruit producers and link them to the market	6,600 African Indigenous Vegetable and Indigenous Wild Fruit producers were empowered through training
		No. of monitoring & evaluation surveys undertaken	Undertake Monitoring & Evaluation surveys for projects and prepare reports	Two (2) monitoring and evaluation surveys for NPI programs were undertaken and reports prepared

Strategic Pillar	Objectives	Key Performance Indicators	Key Activities	Achievements
		No. of casts produced	Produce casts	163 casts were produced
		No. of new moulds produced	Produce new moulds	84 new moulds were produced
		No. of casts repaired	Repair casts in museum exhibitions	Two (2) casts were repaired
		No. of merchandise produced	Develop, design and produce merchandise	395 merchandize were developed, designed and produced
Pillar 5: Institutional Capacity	To Increase Institutional Capacity to Deliver on NMK's Mandate	No. of training needs and skills gap analysis	Undertake training needs and skills gap analysis	Training needs assessment was carried out
		No. of staff trainings undertaken	Undertake staff trainings as per identified skill gaps	Four (4) trainings were carried out
		No. of reviewed policies	Review existing policies	One (1) policy was developed
		No. of policies developed	Develop identified policies	Five (5) policies were developed
		No. of review reports	Review organization structure	Organizational structure was reviewed
		No. of review reports	Review human resource management instruments	Human Resource Management Instruments were reviewed, approved by the Board and forwarded to SCAC by the Cabinet Secretary

Strategic Pillar	Objectives	Key Performance Indicators	Key Activities	Achievements
		No. of NMK stations visited	Conduct Familiarization Trips for journalists from various media houses	Four (4) familiarization trips were conducted
		No. of sensitization fora held	Sensitise customers/users on NMK's products and services	Two (2) sensitization forums were held
		No. of internal auditors trained	Train internal auditors	Trained five (5) internal auditors
		No. of Finance policies and procedures	Develop Finance policy and procedures	Finance policy and procedures were developed
		% automation	Automate revenue collection	60%
		% staff trained	Train Finance staff on E-citizen platform	70% of the finance staff were trained on E-citizen platform
		No. of reports prepared and submitted	Prepare and submit financial reports	Four (4) quarterly financial reports were prepared and submitted
		% completion of the renovation	Renovate Kenyatta House in Maralal	Kenyatta House in Maralal was not renovated due to lack of funds
		% renovation completed	Renovate Kenyatta Houses in Lodwar	Kenyatta Houses in Lodwar was not renovated due to lack of funds

Strategic Pillar	Objectives	Key Performance Indicators	Key Activities	Achievements
		No. of CCTV surveillance systems	Acquire and install CCTV surveillance system at the NMK headquarters, Nairobi Gallery and Karen Blixen	CCTV surveillance systems were not installed due to lack of funds
		No. of Signages designed and installed	Design and install signages at identified NMK sites and monuments	Four (4) signages were designed and installed
		No. of digital marketing campaigns	Undertake digital marketing campaigns	60 digital marketing campaigns were undertaken
		No. of quarterly & annual reports	Implement 2023-2027 strategic plan	2023-2027 strategic plan was implemented and quarterly and annual implementation reports generated
		No. of annual work plans	Develop annual work plans	2023/2024 FY annual work plan was developed
		No. of performance contracts	Develop performance contracts	2023/2024 FY performance contract was developed
		No. of quarterly and annual reports	Prepare reports on implementation of the performance contracts	Four (4) quarterly reports and one (1) annual report were prepared

Strategic Pillar	Objectives	Key Performance Indicators	Key Activities	Achievements
		No. of M&E framework developed and implemented	Develop and implement M&E framework	M&E framework was not developed
		No. of Risk Management Framework	Develop Risk Management Framework	Public Sector Accounting Standards Board (PSASB) was engaged to guide on the process and also conduct training for the Champions, Management and Board. Planning Department staff were sensitized PSASB on expected training deliverables
		No. of Risk management policy and strategy developed	Develop Risk management policy and strategy	Risk management policy and strategy were not developed. To be undertaken once targeted NMK stakeholders undergo training and the framework developed
		No. of reports prepared and submitted	Report on implementation of NMK MTEF programs/projects	Four (4) quarterly MTEF programs/projects reports were prepared and submitted
		Quarterly status/progress reports	Align and revise the National Museums and Heritage Act No. 6 of 2006 to the	Quarterly follow-ups were made with the Ministry on enactment of The Heritage and Museums Bill, 2023 into

Strategic Pillar	Objectives	Key Performance Indicators	Key Activities	Achievements
			Constitution of Kenya 2010	law
		Proportion of contracts reviewed and/or drafted	Contracts review and drafting	All contracts requiring review and/or drafting during the quarter were reviewed and drafted
		Proportion of matters requiring legal input addressed	Legal opinions	Matters requiring legal input were addressed during the financial year
		No. of annual legal audit on statutory compliance report	Undertake annual legal audit on statutory compliance	Legal audit on statutory compliance was undertaken

NMK monitors the progress towards achievement of the Strategic Plan (2023-2027) through:

- i. Preparation of annual implementation plans for the period 2024-2025 by all offices and directorates
- ii. Translation of the annual implementation plans into annual performance contracts and annual monitoring plan
- iii. Development and issuance of progress reports at all levels

In addition, NMK undertakes rigorous and independent evaluation of completed and/or ongoing activities to determine the relevance and fulfilment of strategic objectives, development efficiency, effectiveness, impact and sustainability. The evaluation of the strategic plan shall be undertaken at the end of June in each financial year.

8. Corporate Governance Statement

Corporate Governance at National Museums of Kenya (NMK) is anchored on the Constitution of Kenya, 2010, the National Museums and Heritage Act Cap 216 Laws of Kenya, the State Corporations Act and other relevant legislation and regulations, the Mwongozo Code of Governance for State Corporations, institutional policies and Government Circulars issued from time to time. A Board Charter is in place to govern the Board.

i). Appointment of Board members, process of appointment and removal of directors, the size, diversity, and demographics of the Board, existence of the board charter

Appointment of Board members provided for under the National Museums and Heritage Act Cap 216 Laws of Kenya (hereinafter the Act). Section 6 (1) of the Act provides for thirteen (13) Board members and a Director General who is an Ex-Officio member. Currently there are eleven Board Members from different counties; two members are female while nine are male.

The Act provides for appointment of the Chairman by the Cabinet Secretary in consultation with the President. The Act further mandates the Cabinet Secretary Ministry of Gender, Culture and Children Services to appoint Board members pursuant to section 6 (1) while termination of appointment is governed by section 8 of the Act. There is a Board Charter in place as a governance tool to guide the Board operations.

ii). Roles and functions of the Board

The National Museums and Heritage Act No. 6 of 2006 designates the NMK Board of Directors as the governing body of NMK. In addition, the Board exercises fundamental roles and functions as outlined under the Mwongozo Code of Governance for State Corporations “Mwongozo” as a Code of Best Practice as well as the Board Charter. In line with “Mwongozo”, the Board:

Exercises their role collectively; determines the organization’s mission, vision, purpose and core values; sets and oversee the overall strategy and approve significant policies of the organization; ensures that the strategy is aligned with the purpose of the organization and the legitimate interests and expectations of its shareholders and other stakeholders; ensures that the strategy of the organization is aligned to the long-term goals of the organization on sustainability so as not to compromise the ability of future generations to meet their own needs; approves the organization structure; approve the annual budget of the organization; monitors the organization’s performance and ensure sustainability; enhances the corporate image of the organization; ensures availability of adequate resources for the achievement of the organization’s objectives; hires the Chief Executive Officer/Director General for NMK and approves the

appointment of senior management staff at Grade NM2 and NM3. The Board also ensures effective communication with stakeholders.

iii). Board induction, training and development

During the Financial year 2024-2025, new Board Members underwent induction in March, 2025. In October 2024, Board members attended training, the Board development workshop offered by the Institute of Certified Public Secretaries of Kenya (ICS) in conjunction with the State Corporations Advisory Committee. In addition, in May 2025 members of the Audit and Risk committee attended a sensitization workshop convened by the Ministry of National Treasury and Economic Planning.

iv). Board and members' performance

In line with “Mwongozo”, the Board is scheduled to conduct self-evaluation for financial year 2024-2025 on 15th August 2025 to be overseen by officials from the State Corporations Advisory Committee. Board self-evaluation is an internal tool to assist the Board to improve on its performance and that of NMK by instituting appropriate remedial strategies.

v). Number of Board meetings held and the attendance to those meetings by members

During the financial year 2024-2025 National Museums of Kenya Board of Directors a total of seven (7) board meetings were held. All Board members attended the meetings as required. In all Board and Board Committee meetings, the Board Members sign the attendance register which informs their facilitation of allowances. Among the main topics discussed in the meetings were budgets and financial reports, performance contract reports, institutional policies, human resource matters, development projects, internal audit reports and reports on the core mandate of heritage research, resource mobilization and other strategic issues.

Board Meetings Members Attendance Financial Year 1st July 2024 to 30th June 2025

1.	23 rd August 2024	<p><u>Members Present</u></p> <p>1. Mr. Edwin Jacob Abonyo - Chairman</p> <p>2. Dr. Eric Thomas Ogwora -Member</p> <p>3. Mr. Omar Osogo - Member</p> <p>4. Mr. Stephen Lesoron Gambare - Member</p> <p>5. Adhen Nuri Berhe - Member</p> <p>6. Yasmin Hussein Hassan - Member</p> <p>7. Mr. Anthony Wainaina Kamau - Member</p> <p>8. Christopher K.A. Foot - Member</p> <p>9. Dr. Ivan Kiprop Lagat -Alternate to Principal Secretary State Department of Culture and Heritage</p> <p>10. Prof. Mary Gikungu - Director General</p>
----	---------------------------------	--

		<p><u>Absent with apology</u></p> <p>Mr. John Nderitu Mwangi - Alternate to the PS National Treasury</p>
2.	27 th September 2024	<p><u>Members Present</u></p> <ol style="list-style-type: none"> 1) Mr. Edwin Jacob Abonyo - Chairman 2) PS Umami Bashir - Principal Secretary State Department of Culture the Arts and Heritage 3) Dr. Ivan Kiprop Lagat -Alternate to Principal Secretary State Department of Culture, the Arts and Heritage 4) Dr. Eric Thomas Ogwora -Member 5) Mr. Omar Osogo - Member 6) Mr. Stephen Lesoron Gambare - Member 7) Adhen Nuri Berhe - Member 8) Yasmin Hussein Hassan - Member 9) Christopher K.A. Foot - Member 10) Mr. Anthony Wainaina Kamau - Member 11) Mr. John Nderitu Mwangi- Alternate to the PS National Treasury 12) Prof. Mary Gikungu -Director General & Ex-officio Member
3.	5 th December 2024	<p><u>Members present</u></p> <ol style="list-style-type: none"> 1. Mr. Edwin Jacob Abonyo - Chairman 2. Mr. Stephen Lesoron Gambare - Member 3. Adhan Nuri Berhe - Member 4. Yasmin Hussein Hassan - Member 5. Christopher K.A. Foot - Member 6. Mr. John Nderitu Mwangi - Alternate to the PS National Treasury 7. Dr. Ivan Kiprop Lagat -Alternate to Principal Secretary State Department of Culture, the Arts and Heritage 8. Dr. Reuben Koima Kenei - Member 9. Stellah Nyambura Kangethe - Member 10. Prof. Mary Gikungu -Director General & Ex-officio Member

4.	7 th January 2025	<p><u>Members Present</u></p> <ol style="list-style-type: none"> 1) Mr. Edwin Jacob Abonyo - Chairman 2) Mr. Stephen Lesoron Gambare - Member 3) Adhan Nuri Berhe - Member 4) Yasmin Hussein Hassan - Member 5) Mr. John Nderitu Mwangi - Alternate to the PS National Treasury 6) Dr Ivan Kiprop Lagat -Alternate to Principal Secretary State Department of Culture, the Arts and Heritage 7) Dr Reuben Koima Kenei - Member 8) Stellah Nyambura Kangethe - Member 9) Prof. Mary Gikungu -Director General & Ex-officio Member <p><u>Apology</u></p> <p>Christopher K.A. Foot - Member</p>
5.	28 th January 2025 Special Board meeting	<p><u>Members Present</u></p> <ol style="list-style-type: none"> 1) Mr. Edwin Jacob Abonyo - Chairman 2) Mr. Stephen Lesoron Gambare - Member 3) Adhan Nuri Berhe - Member 4) Yasmin Hussein Hassan - Member 5) Christopher K.A. Foot - Member 6) Mr. John Nderitu Mwangi - Alternate to the PS National Treasury 7) Dr. Ivan Kiprop Lagat -Alternate to Principal Secretary State Department of Culture, the Arts and Heritage 8) Dr. Reuben Koima Kenei - Member 9) Stellah Nyambura Kangethe - Member 10) Prof. Mary Gikungu -Director General & Ex-officio Member
6.	26 th March 2025	<p><u>Members Present</u></p> <ol style="list-style-type: none"> 1) Mr. Edwin Jacob Abonyo - Chairman 2) Mr. Stephen Lesoron Gambare - Member 3) Adhan Nuri Berhe - Member 4) Christopher K.A. Foot - Member 5) Dr. Ivan Kiprop Lagat -Alternate to Principal Secretary State

		<p style="text-align: right;">Department of Culture, the Arts and Heritage</p> <p>6) Dr. Reuben Koima Kenei - Member</p> <p>7) Ms. Stellah Nyambura Kangethe - Member</p> <p>8) Mr. Odek Odek John - Member</p> <p>9) Prof. Paul Nduati Ndegwa - Member</p> <p>10) Prof. Mary Gikungu - Director General & Ex-officio Member</p> <p><u>Absent with Apology</u></p> <p>Yasmin Hussein Hassan - Member</p> <p>Mr. John Nderitu Mwangi - Alternate to the PS National Treasury</p>
7.	26 th June, 2025	<p><u>Members Present</u></p> <p>1) Mr. Edwin Jacob Abonyo - Chairman</p> <p>2) Mr. Stephen Lesoron Gambare - Member</p> <p>3) Adhan Nuri Berhe - Member</p> <p>4) Christopher K.A. Foot - Member</p> <p>5) Yasmin Hussein Hassan - Member</p> <p>6) Mr. John Nderitu Mwangi - Alternate to the PS National Treasury</p> <p>7) Dr. Ivan Kiprop Lagat -Alternate to Principal Secretary State</p> <p style="text-align: right;">Department of Culture, the Arts and Heritage</p> <p>8) Dr. Reuben Koima Kenei - Member</p> <p>9) Ms. Stellah Nyambura Kangethe - Member</p> <p>10) Mr. Odek Odek John - Member</p> <p>11) Prof. Paul Nduati Ndegwa - Member</p> <p>12) Prof. Mary Gikungu - Director General</p>

vi). Succession plan

Appointment of the Board Chairman and Board members is provided for under section 6 of the National Museums and Heritage Act No. 6 of 2006 where the appointing Authority is the President and the Cabinet Secretary for the line Ministry of Gender, Culture, and Children services respectively. Their removal is also provided for under Section 8 of the Act. Whenever there is a vacancy in an appointive Board position, the vacancy is filled by the appointing Authority by appointment through the Kenya Gazette and letters of appointment.

vii). Policy to manage conflicts of interest

On matters of conflict of interest, the Board is governed by the Mwongozo Code of Governance as well as the Board Charter. The Corporation Secretary is mandated to record members disclosure on conflict of interest in the minutes of the relevant meeting. The conflict of interest register was made available at all Board and committee meetings for members to sign as appropriate.

viii). Board remuneration

Board members were paid allowances in line with the relevant Government of Kenya circulars and guidelines.

Circulars Ref. no. OP/SCAC.9/21.2Vol.1 (164), OP/SCAC.9/21/2A and OP/CAB.9/ 1A dated 28th April 2015, 7th December, 2009 and 11th March 2020 provides guidelines on accommodation and subsistence; lunch and reimbursement of mileage allowances of up to Kshs.18,200 per day, where lunch is not provided Kshs. 2,000 and mileage reimbursement claim capped at 1800cc engine capacity of a vehicle respectively.

ix). Ethics and conduct

The NMK Board is committed to adhere to good corporate governance by embracing the principles of good corporate governance including observing high standards of ethical and moral behaviour; acting in the best interests of the National Museums of Kenya and upholding their fiduciary responsibilities and duty of care; acting honestly and in good faith to create a culture built on principles of integrity; and ensuring accountability and transparency of processes.

The Board maintains a conflict of interest register which is available at every Board and Board committee meeting. Declaration of conflict of interest is a standing agenda for every Board meeting where Board members declare their interest and noting their respective position in the conflict of interest register and signing accordingly.

x). Governance Audit

Mwongozo requires Governance Audit to be conducted by a member regulated by the Institute of Certified Public Secretaries of Kenya (ICPSK) and accredited for that purpose. The Board looks forward to undertake Governance Audit once the list of accredited governance auditors with the requisite guidelines are published in the Kenya Gazette.

xi). Communication policy

The institution has in place a social media Policy approved by the Board in year 2017. The Board will endeavour to put in place an overarching communication policy.

xii). Terms of Reference of Committees

There are four Board committees with Terms of Reference summarized as follows:

Finance and Establishment Committee (F&E): The Finance and Establishment Committee of the Board is responsible for reviewing and making recommendations to the Board on issues pertaining to oversight on all aspects of financial management, human resource, procurement and performance contract and any other matters that fall under its purview or as directed by the Board from time to time.

The Finance and Establishment (F&E) Committee plays a crucial oversight role in NMK's financial and human resource management. Its responsibilities include reviewing annual budgets, financial statements, quarterly financial and performance reports, and financial performance against plans. The Committee evaluates major capital expenditure proposals, monitors their implementation, and oversees procurement and disposal plans. It also supports the Board in HR oversight by advising on HR policies, terms of service, succession planning, staff grading requests, and compliance with legal and regulatory frameworks. Additionally, the Committee reviews financial implications of reports from other committees and handles tasks delegated by the Board.

Strategy, Business Development and Enterprise Board (SBDE): The SBDE committee is responsible for assisting the Board in fulfilling its oversight responsibilities relating to the mid to long-term strategy for NMK including strategy on: resource mobilization; business development; enterprise; Information, Communication Technology and other mandate assigned by the Board.

The Strategy, Business Development and Enterprise (SBDE) Committee supports the NMK Board by providing oversight and strategic direction in key areas such as strategic planning, resource mobilization, business development, and commercialization. It reviews and advises on business process re-engineering, strategic investments, innovation, and technology strategies, including ICT governance. The Committee also promotes partnerships and collaborations, guides NMK Enterprises initiatives, and oversees the use of institutional assets, facilities, and land for revenue generation. Additionally, it drives organizational resilience and performance strategies, oversees special projects, liaises on institutional policies and legislative development, and undertakes any other responsibilities assigned by the Board.

Research Committee: The role of the Research Committee is to assist the Board to oversight research issues including development of the research strategy, scope of research areas relevant to NMK; policy

guidelines and procedures to manage the research portfolio of NMK; promoting Research and innovation activities; and advising on the protection of sites, monuments and artifacts other mandate assigned by the Board.

The Research Committee supports the NMK Board by guiding the development of the organization's research strategy and defining relevant research areas. It formulates policy guidelines for managing NMK's research and consultancy activities, and advises the Board and the Cabinet Secretary on research-related matters, including international conventions and the protection of sites, monuments, and artefacts. The Committee also oversees the planning, monitoring, and evaluation of research outputs, collaborates with regulatory bodies to vet and inspect research, and recommends legislative or policy reviews when necessary. It performs any additional duties assigned by the Board.

Audit and Risk Committee: The Audit and Risk Committee is responsible providing independent expert assessment of the activities of top management, the quality of risk management, financial reporting and financial management. It's roles include to: obtain assurance from management that all financial and non-financial internal control and risk management functions are operating effectively and reliably; provide an independent review of an entity's reporting functions to ensure integrity of financial reports; monitor effectiveness of the entity's performance management and performance information; provide strong and effective oversight of an entity's internal audit function; provide effective liaison and facilitate communication between management and external audit; provide oversight of the implementation of accepted audit recommendations; and ensure the entity effectively monitors compliance with legislative and regulatory requirements and promotes a culture committed to lawful and ethical behaviour.

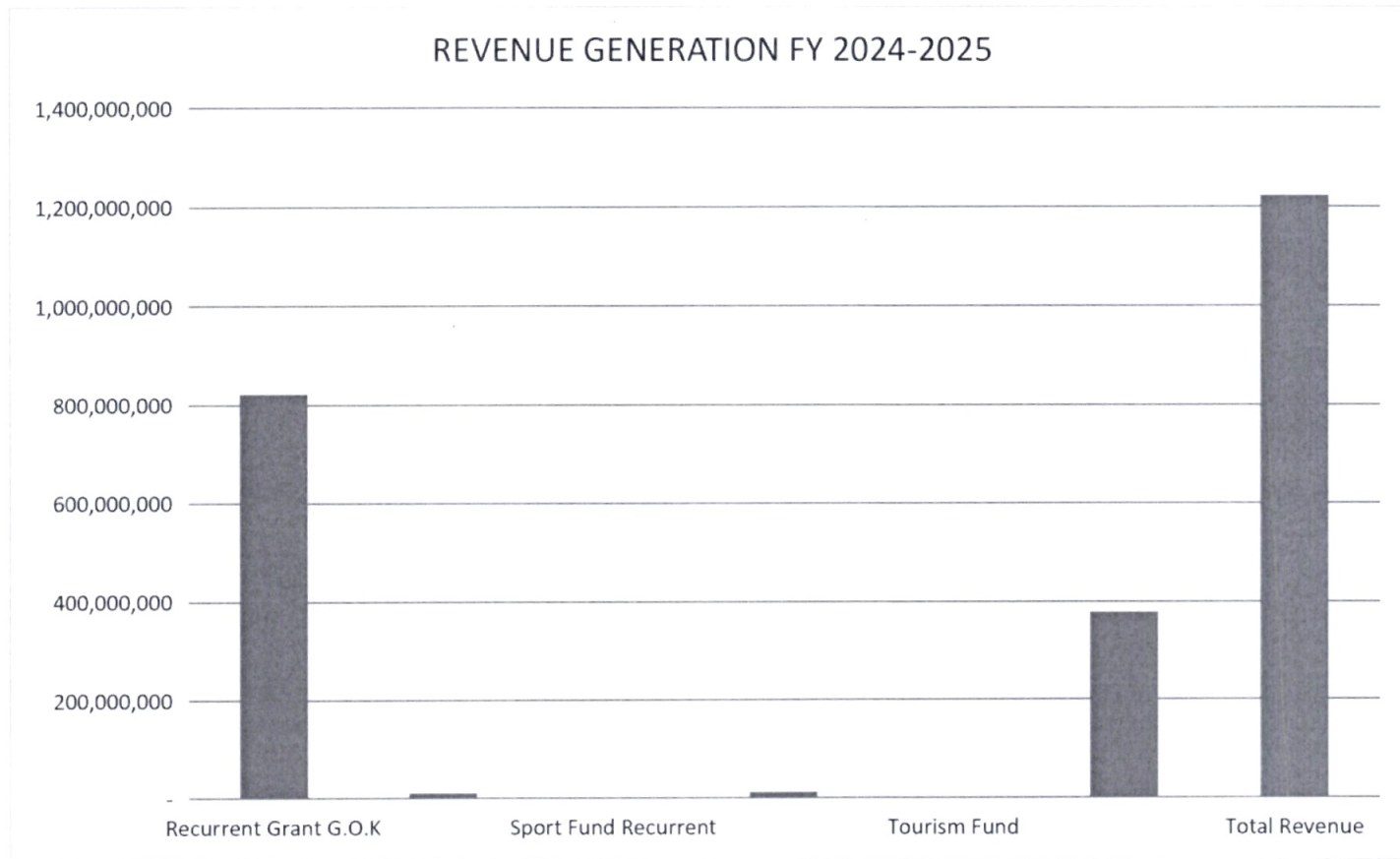
The Audit Committee of the NMK Board is responsible for overseeing the institution's internal audit function, ensuring it has sufficient resources and authority to operate effectively. Reporting directly to the Committee, the internal audit department supports its role in evaluating risk management processes, reviewing and approving the Internal Audit Charter, and assessing the adequacy of internal controls. The Committee independently reviews financial statements to uphold transparency, monitors the internal audit office's effectiveness, reviews audit plans and key findings, and ensures management addresses audit recommendations. It also engages with external auditors on audit issues and communicates its actions and recommendations to the Board, while carrying out any additional audit-related duties assigned by the Board.

xiii). Policy on related party transactions

The various laws and institutional policies in place govern various aspects of operations on matters including human resources, finance, procurement, and research among others. In addition, the institution is also governed by government policies issued from time to time.

a) THE ENTITY’S OPERATIONAL AND FINANCIAL PERFORMANCE

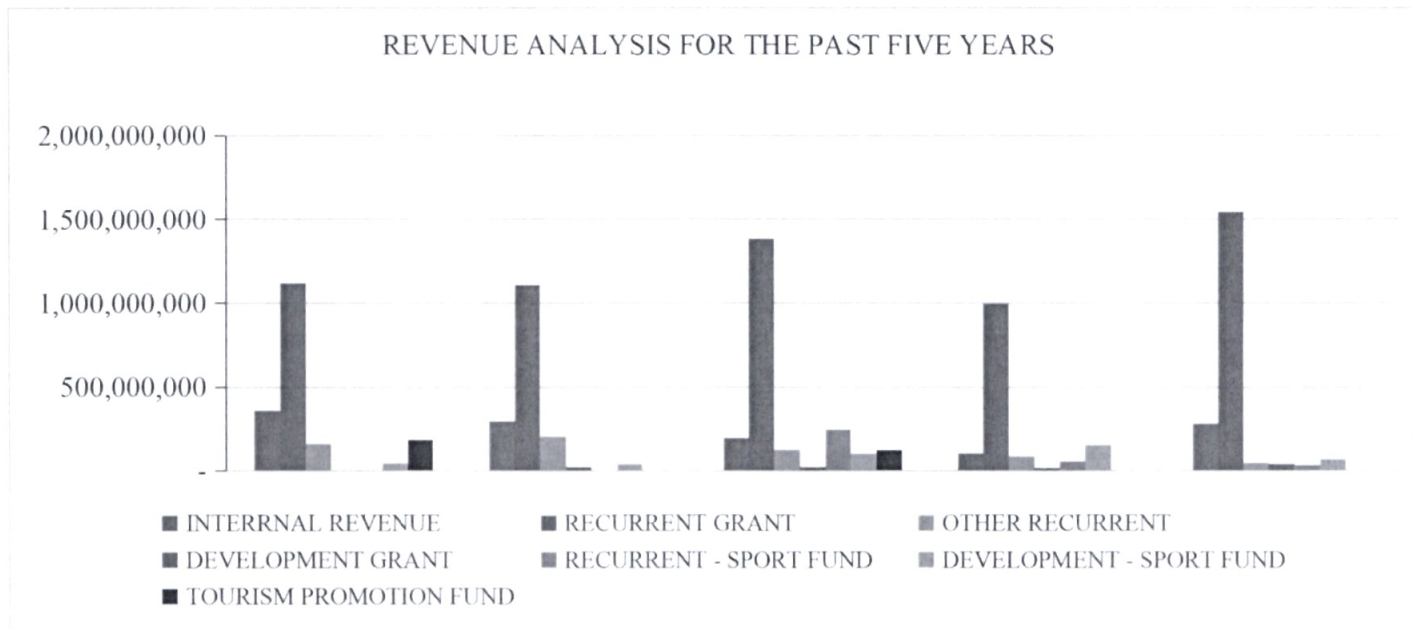
The National Museums of Kenya internally generated revenue for twelve months stood at Kshs. 378,477,598 ,Government of Kenya Recurrent and development grants of Kshs.821,637,883 and Kshs. 9,961,051 respectively and Kshs. 11,494,922 from Sports, Arts & Social Development Fund. The Management noted that the organization heavily relies on revenue from non-exchange transactions, which caters for its personnel emoluments and operation and maintenance. The operational and financial performance of the organisation for the year under review and last five-year period as indicated in the table/charts below.



REVENUE ANALYSIS FOR THE PAST FIVE YEARS

FINANCIALS YEARS	2023/2024 Kshs	2022/2023 Kshs	2021/2022 Kshs	2020/2021 Kshs	2019/2020 Kshs
Internal Revenue	361,067,061	295,953,197	193,925,399	102,277,855	280,793,995
Recurrent Grant	1,118,010,000	1,106,790,000	1,384,010,000	996,210,000	1,544,200,000
Other Recurrent	160,200,640	201,420,000	124,000,000	84,000,000	48,500,000
Development Grant	-	18,523,600	19,100,000	15,300,000	41,000,000
Recurrent - Sport Fund	-	-	244,696,554	54,037,592	31,541,746
Development - Sport Fund	42,717,105	38,790,233	101,509,747	154,027,100	64,133,600
Tourism Promotion Fund	183,284,311	-	124,789,414	-	-
TOTAL	1,865,279,117	1,661,477,030	2,192,031,114	1,405,852,547	2,010,169,341

• **ORGANIZATIONAL OUTLOOK FROM JULY 2019- JUNE 2024**



b) Entity's key projects

The NMK during the year had ongoing projects as explained below:

Renovation of Prehistoric sites.

This will entail renovation of various sites and monuments that urgently need serious repairs and maintenance such as Gede Building Complex, Vasco Da Gama Pillar and Maktau. The works are ongoing most of which are at advanced completion stages.

c) Entity's compliance with statutory requirements

The NMK Management has over the years 5 years managed to comply to the statutory requirements except for the amendments made on filing of PAYE in May, 2023 for the years 2016 to 2023. The arrears amounting to Kshs. 5,605,224 which relates to principal amount of Kshs 14.25 accumulated penalties of Kshs. 5,321,835 and accrued interest of Kshs. 283,375. National Social Security Fund (N.S.S.F) arrears amounting to Kshs.155,214,718 which relates to accrued interest and penalties. Pension arrears relating to accumulated interest accrued amounting to Kshs. 421,533,687.

d) Major risks facing the organization

The Board is ultimately accountable for the NMK risk management process and system of internal control. In terms of a mandate by the Board, the Audit Committee monitors the risk management process and systems of internal control of the NMK. The Board oversees the activities of the Audit Committee, the NMK internal and external auditors.

The objective of risk management in NMK is to establish an integrated and effective risk management framework where important risks are identified, quantified and managed. The NMK risk management process that is implemented across the NMK supports the risk management process across all the three directorate operating platforms. The NMK priority risk items, together with key measures taken to mitigate these risks, are listed in the table.

RISK ANALYSIS			
	Risk	Description of Risk	Mitigation of Risk
Compliance risks	Legal and regulatory compliance	Failure to comply with laws and regulations may result in fines, prosecution or damage to reputation.	Legal department in the different operating platform support operational management and monitor regulatory developments and, where necessary obtain expert legal advice for the effective implementation of compliance initiatives.
	Legal and regulatory compliance	Failure to comply with laws and regulations may result in fines, prosecution or damage to reputation.	Legal department in the different operating platform support operational management and monitor regulatory developments and, where necessary, obtain expert legal advice for the effective implementation of compliance initiatives.
	Legal and regulatory compliance	Failure to comply with laws and regulations may result in fines, prosecution or damage to reputation.	Legal department in the different operating platforms support operational management and monitor regulatory developments and, where necessary, obtain expert legal advice for the effective implementation of compliance initiatives.
	Confidentiality	Unauthorized access and sharing of confidential Museum	Policies and procedures are in place
Human resources risks	Availability, recruitment and retention of skilled	There is a shortage of Skilled labour, particularly a shortage of qualified and experienced researchers.	The employment, recruitment and retention strategies are in place.
	Availability and support staff	The availability of skilled support staff, are critical to the Services rendered by the National Museums of Kenya	<ul style="list-style-type: none"> - Support staff recruitment and strategies in place. - Monitoring of staff satisfaction, movement and staffs' profiles.

RISK ANALYSIS			
	Risk	Description of Risk	Mitigation of Risk
	Regulatory risk	The risk of a change in laws and regulations applicable to the National Museums of Kenya.	- NMK has implemented proactive engagement with relevant bodies and stakeholders.
	Availability and cost of Capital, financing And liquidity risk	The cost and availability of capital for strategic expansion and/or the renovations of existing sites and monuments has been affected by reduced government funding and less internally generated revenue to cater for operation and maintenance.	- Long-term planning of capital requirements and cash flow forecasting. - Monitoring of cash-generating capacity within the NMK - Proactive and long-term agreements with relevant organizations.
Credit and Market risks	Power of funders, tariff and fee risks	The risk relating to the impact on tariffs and fees Resulting from the shift of the relative negotiating power towards funders away from service providers in the healthcare industry.	Proactive monitoring and negotiation by NMK engagement with the National Treasury.
	Credit risk	The organization's credit risk is primarily attributable to its other receivables and bank balances.	- Internal control systems in place - Treasury policy.

RISK ANALYSIS			
	Risk	Description of Risk	Mitigation of Risk
		The amounts of receivables presented in the statement of financial position, estimated by the organization's management based on prior experience and their assessment of the current economic environment.	
Physical and Operational Risks	Service failures	The risk relates to incidents of poor service or failure to respond effectively to complaints.	<ul style="list-style-type: none"> - Customer satisfaction surveys. - Complaints monitoring. - Quality management systems.
	Fire and allied perils	Fire and allied perils causing damage or business Interruption.	<ul style="list-style-type: none"> - All departments have plans to deal with disasters and employ extensive fire-fighting and detection systems, and have comprehensive maintenance processes to reduce the risk. - Comprehensive insurance to deal with financial impact of potential disasters is in place except for collections.
Business Continuity Risks	Health related risks such as pandemics and related perils	Risk of loss of revenue as a result of closure of galleries.	<ul style="list-style-type: none"> - Exploring other ways of generating revenue and looking for bail out from the government.

e) Material arrears in statutory and other financial obligations

The organization has major non-compliance statutory issues that may expose it to potential contingent liabilities as illustrated below.

Description	Principal	Penalties	Interest	Total Amount
National Social Security Fund Arrears	-	-	155,214,718	155,214,718
Pension Arrears	-	-	421,533,687	421,533,687
Pay as You Earn	14	5,321,835	283,375	5,605,224
Total	14	5,321,835	577,031,780	582,353,629

9.Environmental and Sustainability Reporting

i) Sustainability strategy and profile

The National Museums of Kenya (NMK) will require a projected total budget of about Kshs 17,550,000,000 over the next two years to implement the planned development programmes and activities in the NMK's Strategic Plan (2023-2027). These resources are anticipated that 50%, (Kshs 8,800,000,000), 30% (Kshs.5,300,000,000) and 20% (Kshs.3,500,000,000) will come from external sources, internally generated and the exchequer respectively. Mobilizing external resources will require appropriate collaboration and linkage with industry players. The resource mobilization will be enhanced through the following key strategies:

- a) Ensuring that seventy percent (70%) of the total income is generated from internal and external sources with exchequer providing 30%.
- b) Operationalizing Cost Centres within the directorates of NMK
- c) Establish a Museum Entrepreneurship Development and Marketing Centre for coordinating product development, commercialization and marketing in collaboration with industry players.
- d) Develop a legal framework for establishing and operationalising the Endowment Fund for enhancing resource mobilization.
- e) Bid for ring fencing of resource for its conservation and heritage management with The National Treasury.

Globally, natural and cultural heritage are increasingly threatened with destruction not only by the traditional causes of decay, but also by changing social and economic conditions which aggravate the situation with ever more formidable phenomena of damage or destruction. African nations face the challenge to develop and implement strategies that effectively address the need for balancing heritage conservation and other development needs. Convention parties to UNESCO therefore seek to effectively manage existing properties by recognising, documenting and formalising traditional management systems and fully incorporating them into existing management mechanisms. The challenges for Sub-Saharan Africa to build on its limited archaeological heritage and realize economic benefit from sustainable development of these important assets is largely due to lack of expertise and available experience.

The top management especially the accounting officer should make reference to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

ii) Environmental performance

The NMK is committed to protection and enhancement of the local and global environment, health and safety in natural and cultural heritage research and collection management. NMK as an institution, its institutes, centers, staff and stakeholders are expected to consciously think about their role in managing Environmental health and safety (EHS) issues and act in ways consistent with:

- i. Reduction of negative social and environmental risks
- ii. Conservation and prudent utilization of resources
- iii. Respect for biodiversity and natural systems.

Here is an outline of some of the many successes achieved:

- i. **EHS committee:** NMK has established EHS committee, which has promoted environment, health and safety inspections and undertaken awareness and education. Such as raising awareness about benefits of using protective materials in the laboratories where chemicals and reagents are used in research, collections management and exhibitions.
- ii. **Energy efficiency:** Ensuring energy efficiency and conservation throughout our operations is important, as it impacts both our greenhouse gas (GHG) footprint and our cost structure. NMK has appropriately replaced incandescent bulbs with energy saving bulbs.
- iii. **Water conservation:** Our operations are not relatively water intensive but as national/ global water consumption has increased at a fast pace we work to use water carefully and responsibly in our operations. Primary water uses include mainly sanitation and employee consumption. NMK is constantly investing in water conservation by having timed taps, checking water leakages as routine measures to minimize water wastage.
- iv. **Tree planting:** NMK has endeavored to invest to support seedling production at the Nairobi Botanic Garden and through funded projects at community sites. Additionally, NMK has participated in tree planting exercises involving staff and management.
- v. **Biodiversity conservation:** NMK has a long track record of supporting biodiversity research projects. Additionally, NMK has been a key and relevant lead agency in multi-agency committees for Environmental matters in accordance with the Environmental management and coordination (Amendment) Act, 2015, championing for biodiversity conservation.
- vi. **Climate strategy:** NMK incorporate climate change considerations into all aspects of our business strategy. Among the climate change considerations are events can threaten business continuity. We

are continually refining our disaster response plans and we recently constructed the sea wall to protect the Fort Jesus Museum.

- vii. Environmental audits:** Environmental audits are undertaken as per the regulatory standards and sound environmental practice.
- viii. Stakeholder engagement:** NMK has a systematic approach to stakeholder engagement. Every two years, NMK runs open days/scientific conferences to share the research activities and findings with key stakeholders which range from research partners, NGOs, community groups, government agencies, research institutions and scientific academies. This engagement has been essential in aiding NMK stay abreast of current trends, perspectives and policy matters that affect our service customers and collaborators.
- ix. Physical structures:** NMK has provided for adequate signage and visitor information within the Museum compound.
- x. Dust management:** NMK has provided for well paved roads and car parks limiting dust emissions from vehicles within the compound.

iii) Employee welfare

The policies guiding the hiring process are borrowed from the Public Service Commission-Human Resource Policies and Procedures Manual for the Public Service, May, 2016 and the NMK Terms and Conditions of Service and Procedures Manual.

Recruitment is undertaken on the basis of fair competition and merit; representation of Kenya's diverse communities; adequate and equal opportunities to all gender, youth, members of all ethnic groups, persons with disabilities and minorities.

All vacant positions are filled in competitively through advertisements, followed by interviews conducted by relevant committees.

Policies are reviewed after every five (5) years.

Efforts made in:

- a) Improving skills and managing careers; mentoring, training and development of staff, job rotation, staff attend seminars and workshops relevant to their areas of specialization.
- b) Staff Performance Appraisal- done annually

c) Reward systems-award of salary bonus

It is the policy of the National Museums of Kenya to enforce appropriate measures to control and monitor health and safety procedures to ensure a safe and healthy working environment for all employees, and those who may be affected by our undertakings. The Health Safety and Environment (HSE) Committee has the ultimate responsibility for health and safety in the organization, and the protection of its environment.

The National Museums of Kenya is committed to protection and enhancement of the local and global environment, health and safety in in natural and cultural heritage research and collection management, National Museums of Kenya as an organization, its institute and Centre's, staff and stakeholders are expected to consciously THINK about their role in managing EHS issues and ACT in ways consistent with the following fundamental principles:

- a) (Reduction) Commitment to reduction of negative social and environmental risks,
- b) Conservation and prudent utilization of resources and
- c) Respect for biodiversity and natural systems.

iv) Market place practices-

a) Responsible competition practice:

The National Museums of Kenya is believing in inclusivity and stakeholder engagement. For this reason, the National Museums of Kenya engages regularly with stakeholders in Education as well as those in the Tourism sector as they represent the largest client groups visiting the Museums.

All Museum gate fees are gazette, and are very competitive in the market. They ensure that majority of Kenyans can afford to visit a Museum that is near them.

we are now accepting mobile money, e-citizen and card payment only at our sites. This has greatly increased accountability at our various ticketing offices around the country.

b) Responsible Supply Chain and Supplier relations:

The National Museums of Kenya ensures that the Finance Team, the Procurement Team and the Accounting Officer are working together. All procurement must be approved by the Accounting Officer who is the Director General. The Director General will only approve procurement of items she is sure NMK can afford to pay for.

c) Responsible marketing and advertisement:

One of the largest consumer groups at the National Museums of Kenya are schools. NMK therefore has to be extremely careful in the language used in the adverts, and the placement of the adverts. We are also careful of the type of sponsors we seek for events targeting children. We are careful to not to target the children directly, but to go through their guardians; teachers and parents. Our advertising is sensitive to the diverse nature of Kenya's population.

d) Product stewardship:

NMK is in constant communication with target group leads like Schools, and Tour Operators who bring feedback from their clients; the student, teachers and tourists. This has allowed us to ensure that all visitor feedback is taken seriously and addressed with urgency. There are also Visitor Books whose content is analyzed by the Public Relations Department, and an internal committee assesses the feedback.

10. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Organizations affairs.

Results

The results of the Organizations for the year ended June 30, 2025 are set out on page 1 to 4.

Board of Directors

The members of the Board of Directors who served during the year are as shown on page xii to xvii.

Surplus remission

In accordance with Regulation 219(2) of the Public Financial Management (National Government) Regulations, the organization did not make any surplus during the year (FY 2025 Kshs. Nil) and hence no remittance to the Consolidated Fund.

Auditors

The Auditor General is responsible for the statutory audit of the organization in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015, which empowers the Auditor General to nominate other auditors to carry out the audit on his behalf.

By Order of the Board

Name: *Prof. Mary Gikungu* Signature: *Mary Gikungu* Date: *18/12/2025*
Corporation Secretary/ Secretary to the Board

11. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 23 of the National Museums and Heritage Act of 2006, requires the Directors to prepare financial statements. The financial statements should give a true and fair view of the state of affairs of the National Museums of Kenya at the end of the financial year/period and the operating results of the Organization for that year/period. The Directors are also required to ensure that the Organization keeps proper accounting records, which disclose with reasonable accuracy the financial position of the organization. The Directors are also responsible for safeguarding the assets of the National Museums of Kenya.

The Directors are responsible for the preparation and presentation of the organization's financial statements, which give a true and fair view of the state of affairs of the organization for and as at the end of the financial year ended on June 30, 2025.

This responsibility includes:

- i. Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- ii. Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity;
- iii. Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- iv. Safeguarding the assets of the organization;
- v. Selecting and applying appropriate accounting policies; and
- vi. Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the organizations 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 and the State Corporations Act. The Directors are of the opinion that the organization's financial statements give a true and fair view of the state of organization's transactions during the financial year ended June 30, 2025 and of the organization's financial position as at that date. The Directors further

confirm the completeness of the accounting records maintained for the organization, that have been relied upon in the preparation of the organization 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 organization 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 Organization's financial statements approved by the Board on 18th December 2025 and signed on its behalf by:



Mr Edwin Abonyo
Chairman of the Board



Prof. Mary Gikungu
Director General

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 NATIONAL MUSEUMS OF KENYA FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the financial statements of National Museums of Kenya set out on pages 1 to 58, which comprise the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other

explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Museums of Kenya as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the National Museums and Heritage Act, 2006 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Expenditure

The statement of financial performance reflects general expenses amount of Kshs.520,993,853 as disclosed in Note 10 to the financial statements which includes an amount of Kshs.137,557,396 in respect of office and other expenses amount which further includes an expenditure amount of Kshs.38,085,040. However, supporting document including quotations, tender opening and evaluation committee minutes, professional opinion, delivery notes, stores ledgers were not provided for audit.

In the circumstances, the accuracy and completeness of the expenditure amount of Kshs.38,085,040 could not be confirmed.

2. Unsupported Income

The statement of financial performance reflects other income amount of Kshs.378,477,598 as disclosed in Note 5 to the financial statements. However, the collections were not supported by receipts, description of items sold, price, quantity of items sold and ledger. Further, documents provided for audit revealed that lease agreements for three (3) properties and equipment had expired but had not been renewed. However, the tenants continued to occupy and use the leased assets without a valid agreement.

In the circumstances, the accuracy and completeness of other income amount of Kshs.378,477,598 could not be confirmed.

3. Unsupported Cash Withdrawal

The statement of financial position reflects cash and cash equivalent balance of Kshs.85,307,984 as disclosed in Note 11 to the financial statements includes a balance of Kshs.43,007,576 in respect to cash withdrawals. Review of documents provided revealed that the cash withdrawals were paid to various employees on various dates and were recorded as imprests in an imprest register. However, approved request showing reasons for the withdrawal, program of activities, work tickets, back to office reports, schedule showing how the cash was spent and other relevant documents were not provided for audit review.

In the circumstances, the accuracy and completeness of the cash withdrawals totalling Kshs.43,007,576 could not be confirmed.

4. Unsupported Receivable from Exchange Transactions

The statement of financial position reflects receivable from exchange transactions balance of Kshs.14,659,017 as disclosed in Note 12a to the financial statements. However, supporting documents such as ledger, approved request, bills/invoices, delivery notes and stores ledgers were not provided for audit review.

In the circumstances, the existence, accuracy and completeness of receivables from exchange transactions balance of Kshs.14,659,017 could not be confirmed.

5. Unsupported Receivable from Non - Exchange Transactions

The statement of financial position reflects receivable from non - exchange transactions balance of Kshs.357,942,726 as disclosed in Note 12b to the financial statements includes a balance of Kshs.287,372,149 in respect of staff debtors which was not supported by ledger, imprest register, details of debts, date employee was supposed to repay the debts, approved requests.

In the circumstances, the existence, accuracy and completeness of receivables from non - exchange transactions balance of Kshs.387,372,149 could not be determined.

6. Unsupported Work in Progress

The statement of financial position and as disclosed in Note 14 to the financial statements reflects property, plant and equipment net book value of Kshs.31,792,087,450 which includes a balance of Kshs.674,684,613 in respect of work in progress. that was not supported by certified work done, bills of quantities showing details of work done and interim payment certificates were not provided for audit review.

Physical verification carried out in the month of November, 2025 revealed that the construction of ticketing booth and installation at Fort Jesus and erection of signboard along the road from airport to Fort Jesus appear to have stalled and had not been completed despite the contract period having elapsed long time ago.

Further, signed contract, bid documents, progress reports, certificate of work done were not provided for audit review

In the circumstances, accuracy and completeness of work in progress could not be confirmed.

7. Non-Disclosure of Intangible Assets

Documents provided and physical verification carried out in November, 2025 revealed that Museums had software of unknown value such as, ERP Systems, Brahms-GBIF systems, IPT-Integrated Publishing Tool Kit, Sun Systems e-board system and IKMS (Indigenous Knowledge Management Systems). However, the intangible assets were not valued and included in the financial statements.

Further, review of documents provided revealed that Museums entered into contract with a local contractor for supply, installation, configuration and customization, testing, commissioning and maintenance of an enterprise resource planning (ERP) on 14 June, 2023 at a cost of Kshs.41,887,600. The cost of the ERP was not reflected in the statement of financial position as intangible assets.

Further, during the year under review an amount of Kshs.17,620,400 was paid to the supplier of ERP, however, the amount was recorded as expense in the financial statements.

In the circumstances, the accuracy and completeness of the financial statement could not be confirmed.

8. Unsupported Deferred Development Grants

The statement of financial position reflects deferred development grant balance of Kshs.276,994,057 as disclosed in Note 17 to the financial statements. However, supporting documents such as ledger, projects work plan, project descriptions, project agreement containing, terms and condition of projects implemented, project progress reports, procurement documents for each project implemented, contract document for all projects implemented, payment vouchers, payment certificates and project completion certificates for completed projects were not provided for audit review.

In the circumstances, the existence, accuracy and completeness of grant amount of Kshs.276,994,057 could not be confirmed.

9. Unsupported Project Deposits

The statement of financial position reflects project deposits balance of Kshs.26,432,333 as disclosed in Note 18 to the financial statements. The Kshs.26,432,333 includes receipts and expenditure amounts of Kshs.245,005,034 and Kshs.255,026,016 respectively. However, supporting documents including ledgers, projects work plan, project descriptions, project agreement containing, terms and condition of projects implemented, project progress reports, procurement documents for each project implemented, contract document for all projects implemented, payment vouchers, payment certificates and project completion certificates for completed projects were not provided for audit review.

In the circumstances, the existence, accuracy and completeness of project deposits amount of Kshs.26,432,333 could not be confirmed.

10. Irregular Procurement of Security Services

The statement of financial performance reflects general expenses amount of Kshs.520,993,853 which as disclosed in Note 10 to the financial statements includes Kshs.137,557,396 in respect to office and other expenses. Review of documents provided revealed that Management awarded a contract to supplier for provision of security guarding and related services for two (2) years at sum of Kshs.51,951,400 per year. However, tender evaluation committee minutes containing technical and financial stages for each evaluator, professional opinion and 5% performance security for winning bidder were not provided for audit review.

Further, the contract was varied by an amount of Kshs.4,559,000 from Kshs.51,951,400 to Kshs.56,510,400. As at 30 June 2025, an amount of Kshs.58,864,300 had been paid resulting to overpayment Kshs.2,353,900. Review of procurement plan and budget revealed that the service had not been budget for.

Further, written agreement, and approved variations request were not provided for audit review contrary to Clause 15.9.1 of the bid documents which provides that no variation in to the terms of the contract shall be made except by written amendments signed by the parties.

In the circumstances, accuracy and completeness of varied amount of Kshs.56,510,400 could not be confirmed. Further, Management was in breach of the law.

11. Unreconciled Cash and Cash Equivalent

The statement of financial position reflects bank overdraft balance of Kshs.41,067,322 as disclosed in Note 16 to the financial statements which includes balances of Kshs.711,066 and Kshs.40,356,255 in respect of recurrent and development bank accounts respectively. However, bank certificate balances reflect balances of Kshs.131,943 and Kshs.1,066,638 respectively however, no reconciliation was provided for audit review. Further, authority from the National Treasury, Parent Ministry and the Board of Directors was not provided for audit review.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.1,775,269,378 and Kshs.1,636,483,627 respectively, resulting to a revenue shortfall of Kshs.138,785,751 or 7.8% of the budget.

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

My opinion is not modified in respect of this matter.

Other Information

Management is responsible for the Other Information set out on page iii to xxxi which comprises of Key Entity Information and Management, Board of Directors, Key Management Team, Chairman's Report, Report of The Executive Director, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Under Payment of House Allowance

The statement of financial performance reflects employee costs amount of Kshs.924,856,002 as disclosed in Note 6 to the financial statements, which includes an amount of Kshs.726,006,671 paid as salaries to various employees. However, review of allowance paid against rates recommended by Paragraph 2 of Salaries and Remuneration Commission circular number SRC/TS/ADM/CIR/1/13 Vol. III(126) dated: 10 December, 2014 revealed that several employee's house allowances were under paid by an amount of Kshs.2,048,602 during the year under review.

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

2. Deduction of More than Two Thirds from Employee's Earnings

The statement of financial performance reflects employee costs amount of Kshs.924,856,002 as disclosed in Note 6 to the financial statements. Review of payroll

records revealed that in the month of June, 2025, deductions on salaries of one hundred and thirty-four (134) officers were more than two thirds of their basic salaries contrary to Section 19 (1) of the Employment Act, 2007 which provides that the total amount of all deductions that may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of such wages.

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

14. Non-Compliance with Employee Cost Threshold

The statement of financial performance reflects total revenue amount of Kshs.1,491,022,998 and employee costs amount of Kshs.924,856,002. However, the employee costs represent 62% of the total revenue contrary to Regulation 26 (1) (a) of the Public Finance Management (National Government) Regulations, 2015 which provides that National Government's expenditure on the compensation of employees (including benefits and allowances) shall not exceed 35 percent of the total revenue.

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

15. Irregular Composition of Board Committee Membership

The statement of financial performance reflects employee costs amount of Kshs.924,856,002 as disclosed in Note 6 to the financial statements. Documents provided for audit review revealed that Museums has eleven (11) Members serving as Board of Directors. However, all Committees of the Board had five (5) Members which is more than a third of the full Board or four (4) Members contrary to Paragraph 4 of Office of the President No. OP/CAB.9/1A of 11 March, 2020 which stipulates that the number of Members to any Committees should be no more than one third (1/3) of the full Board to obviate the risk of a Committee conducting its business within the framework of a full Board;

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

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

REPORT ON THE 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 effects of 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 governance were not effective.

Basis for Conclusion

1. Incomplete Assets Register

The statement of financial position reflects a property, plant and equipment balance of Kshs.31,792,087,450 as disclosed in Note 14 to the financial statements. However, inspection carried out in December 2024 revealed that several assets were not tagged. Further assets register provided did not include for most assets. date of purchase, asset number, value, condition, location serial numbers if any, and asset description was not provided for audit review. This is contrary to Regulation 139(1) and (2) of the Public Finance Management (National Government) Regulations, 2015 which provides that accounting Officer shall ensure control exist to eliminate theft, security threats, losses, wastage, misuse and their movement and conditions of assets can be tracked

2. Lack of Risk Management Policy and Disaster Recovery Plan

The Museums' Management has not put in place a risk management policy, strategies and risk register to mitigate against risk. It was therefore not clear how risk exposure was managed. This is in contravention of Regulation 165 of the Public Finance Management (National Governments) Regulations, 2015 which requires the Accounting Officer to ensure that the National Government entity develops risk management strategies, which include fraud prevention mechanism; and the National Government entity develops a system of risk management and internal control that builds robust business operations. Further, Museums did not have a disaster recovery and business continuity plans required for identifying, preventing, and mitigating against disasters and ensuring that its operations are not interrupted. This is contrary to provisions of Regulations 165 of the Public Finance Management (National Governments) Regulations, 2015.

In the circumstances, the existence of an effective risk management could not be confirmed.

3. Lack of Effective Internal Audit

During the period under review, Museums had an internal audit unit. However, approved audit charter, internal audit work plan, audit report, Internal Audit Strategic Plan and reports on action taken by management on recommendations in Internal Auditor's reports were not provided for audit review. contrary to Section 73(3) of the Public Finance Management Act, 2012 which provides that the internal audit shall review the governance mechanisms, transparency and accountability of finances and assets, conduct risk-based value-for-money and systems audit, verify existence and safety of assets, provide assurance that policies and procedures are followed and evaluate adequacy and reliability of information available for management decision

In the circumstances, it is not possible to determine the effectiveness of the internal audit

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit

evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and 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 controls as the 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 Organization 's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance

with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi




19 December, 2025

NATIONAL MUSEUMS OF KENYA
Annual Report and Financial Statements
for the year ended June 30, 2025.

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

Description	Note	Period ended	Period ended
		30 June 2025	30 June 2024
		KShs	KShs
Revenue From Non-Exchange Transactions			
Transfers from governments-Recurrent	3(a)	821,637,883	1,118,010,000
Transfers from governments-Development	17(a)	35,881,501	-
Project Income	4	255,026,016	399,727,057
Total Revenue from non-exchange transactions		1,112,545,400	1,517,737,057
Revenue from Exchange Transactions			
Other Incomes	5	378,477,598	361,067,061
Total revenue from exchange transaction		378,477,598	361,067,061
Total Revenue		1,491,022,998	1,878,804,118
Expenses			
Employee costs	6	924,856,002	1,194,412,122
Depreciation	7	49,460,372	58,804,536
Repairs and maintenance	8	29,123,265	18,816,260
Board of Directors Expenses.	9	25,148,923	32,502,432
General expenses	10	520,993,853	677,431,766
Total Expenses		1,549,582,415	1,981,967,116
Surplus/(Deficit) for the Period		(58,559,417)	(103,162,998)

The notes set out on pages 7 to 33 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 4 were signed on behalf of the Board of Directors by:

		
.....
Name: Prof. Mary Gikungu	Name: Geoffrey Namachanja	Name: Edwin Abonyo
Director General	Financial Controller	Chairman of the Board
	ICPAK M/No: 7763	
Date 18/12/2025	Date	Date 18/12/2025

NATIONAL MUSEUMS OF KENYA
Annual Report and Financial Statements
for the year ended June 30, 2025.

14. Statement of Financial Position as at 30 June 2025

Description	Notes	Period ended 30 June 2025	Period ended 30 June 2024
Assets		Kshs	Kshs
Current Assets			
Cash and cash equivalents	11	85,307,984	189,751,908
Receivables from exchange transactions	12(a)	14,715,017	12,651,535
Receivables from non- exchange transactions	12(b)	357,942,726	354,370,107
Inventories	13	660,913	682,599
Total Current Assets		458,626,640	557,456,149
Non-current Assets			
Property, plant and equipment	14	31,792,087,450	31,760,554,837
Total Assets		32,250,714,090	32,318,010,986
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	15	416,017,338	441,375,629
Bank Overdraft	16	41,067,322	-
Total Current Liabilities		457,084,660	441,375,629
Non-current Liabilities			
Deferred Development Grant	17	275,994,057	366,550,772
Project Deposits	18	26,432,333	36,453,315
Total non-current Liabilities		302,426,390	403,004,087
Total Liabilities		759,511,050	844,379,716
Net Assets		31,491,203,040	31,473,631,270
Represented By:			
Capital reserves		3,930,257,688	3,854,126,501
Revaluation reserves		27,826,066,978	27,826,066,978
Accumulated surplus/(deficit)		(265,121,626)	(206,562,209)
Net Assets		31,491,203,040	31,473,631,270

The Financial Statement set out on pages 1 to 4 were signed on behalf of the Board of Directors by:

Name: Prof. Mary Gikungu



Director General

Date 18/12/2025

Name: Geoffrey

Namachanja 

Financial Controller

ICPAK MNO.: 7763

Date 18/12/2025

Name: Edwin Abonyo



Chairman of the Board

Date 18/12/2025

NATIONAL MUSEUMS OF KENYA
Annual Report and Financial Statements
for the year ended June 30, 2025.

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

Description	Capital Reserve	Revenue Reserves	Revaluation Reserve	Total Kshs.
Balance as at 1st July 2023	3,744,556,375	(103,399,211)	14,635,150	3,655,792,314
Capitalized government grant	109,570,126	-	-	109,570,126
Total comprehensive income for the year	-	(103,162,998)	-	(103,162,998)
Revaluation gain	-	-	27,811,431,828	27,811,431,828
Balance as at 30th June 2024	3,854,126,501	(206,562,209)	27,826,066,978	31,473,631,270
Balance as at 1st July 2024	3,854,126,501	(206,562,209)	27,826,066,978	31,473,631,270
Capitalized government grant	76,131,187	-	-	76,131,187
Total comprehensive income for the year	-	(58,559,417)	-	(58,559,417)
Balance as at 30th June 2025	3,930,257,688	(265,121,626)	27,826,066,978	31,491,203,040

NATIONAL MUSEUMS OF KENYA
Annual Report and Financial Statements
for the year ended June 30, 2025.

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

Description	Notes	Period ended 30 June 2025	Period ended 30 June 2024
		KShs	KShs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities		844,485,506	1,023,925,833
Project income		255,026,016	399,727,057
Other income		375,080,083	359,411,466
Total receipts		1,474,591,605	1,783,064,356
Payments			
Employee costs		1,008,634,474	1,058,798,494
Repairs and maintenance		29,123,265	18,816,260
Board expenses		25,148,923	32,502,432
General expenses		487,638,195	757,451,834
Total payments		1,550,544,857	1,867,569,020
Net cash flows from operating activities	22	(75,953,252)	(84,504,664)
Cash flows from investing activities			
Purchase of property, plant and equipment		(80,992,985)	(121,642,439)
Net cash flows from investing activities		(80,992,985)	(121,642,439)
Cash flows from financing activities			
Development grant from GOK		21,455,973	226,001,416
Project deposits		(10,020,982)	(119,816,376)
Net cash flows from financing Activities		11,434,991	106,185,040
Net increase/(decrease) in cash & Cash equivalents		(145,511,246)	(99,962,063)
Cash and cash equivalents at 1 July 2024	11	189,751,908	289,713,971
Cash and cash equivalents at 30 June 2025	11	44,240,662	189,751,908

NATIONAL MUSEUMS OF KENYA
Annual Report and Financial Statements
for the year ended June 30, 2025.

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
	A	B	C=(a + b)	D	e=(c-d)	F=d/c*100
Revenue						
Recurrent Grant	798,337,884	23,300,000	821,637,884	821,637,884	-	100%
Development Grant	-	10,000,000	10,000,000	9,961,051	-	99%
Sports Fund-Development	-	-	-	11,494,922	-	100%
Other Recurrent	160,200,640	-	160,200,643	160,200,643	-	100%
Other incomes:						
Internally Revenue	300,000,000	183,233,260	483,233,260	378,477,598	104,755,662	79%
Project Revenue	-	-	300,197,591	255,026,016	45,171,575	85%
Total income	1,258,538,524		1,775,269,378	1,636,798,114		
Expenses						
Employees Costs	859,977,885	11,013,431	870,991,316	924,856,002	(53,864,686)	106%
Depreciation	35,789,568	13,670,804	49,460,372	49,460,372	-	100%
Repairs & Maintenance	28,541,716	-	28,541,718	29,123,265	(581,547)	102%
Board of Directors expenses	17,508,835	6,652,828	24,161,663	25,148,923	(987,260)	104%
General Expenses	316,720,520	475,393,789	792,114,309	520,441,053	271,673,256	66%
Development Expenses (GOK)	-	-	10,000,000	552,800	9,447,200	6%
Development Expenses Sports Fund	-	-	-	11,494,922	-	100%
Total expenditure	1,258,538,524	-	1,775,269,378	1,561,077,337		
Surplus/ (Deficit) for the period				75,720,777		

1. The financial statements reflect material difference between the budget and actual amounts.

The internal revenue target as approved in the revised budget estimates was not surpassed due to less numbers of visitors that gradually decreased during the year, anticipated revised gate entry fees not gazetted while project revenue was due to decline in donor funding.

Repair and maintenance had slightly more activities carried out during the year than budgeted.

In relation to Board Expenses, the expenditure exceeded approved budget as a result of extra meetings during the year.

The general expenses did not exceed the ceiling due to less activities carried out during the year as a result of decline in donor funding affecting recurrent research activities under the expenditure item.

Development expenses(GoK) had less activities since only logistics were done during the period under review.

2. Changes from original budget are a consequence of government variations through normal budgetary process for both recurrent and development grants. Subsequently, a number of other factors that affect our internal revenue generation also results to alterations in budget to enable the organization to continue with its operations with minimal interruptions.

18. Notes to the Financial Statements

1. General Information

National Museums of Kenya is established by and derives its authority and accountability from National Museums and Heritage Act. The entity wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is establishment of National Museums and the identification, protection, conservation and transmission of the cultural and natural heritage of Kenya

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, financial instruments at fair value and actuarially determined liabilities at their present value. 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 Organization's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the National Museums of Kenya . The cash flow statement is prepared using direct method.

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

NATIONAL MUSEUMS OF KENYA
Annual Report and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.

There were no new and amended standards issued in the financial year.

Standard	Effective date and impact:
IPSAS 43	<p>Applicable: 1st January 2025:</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <i>The standard has not affected the NMK's accounting since there were no disposals during the year.</i></p>
IPSAS 45: Property Plant and Equipment	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and</p>

NATIONAL MUSEUMS OF KENYA
Annual Report and Financial Statements
for the year ended June 30, 2025.

Standard	Effective date and impact:
	illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.

Standard	Effective Date and Impact:
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider</p>

NATIONAL MUSEUMS OF KENYA
Annual Report and Financial Statements
for the year ended June 30, 2025.

Standard	Effective Date and Impact:
	shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50:	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. Disclosures that identify and explain the amounts in the entity’s financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year 2024/2025.

Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from 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 entity and can be measured reliably.

Government Grants

- i. Recurrent government grant credited to the Statement of Financial Performance based on the payment made by the government of Kenya.
- ii. Development grant is credited to the Statement of Financial Performance based on the amount spent. The unspent amount is deferred until spent.

Project income

These are funds earmarked for specific projects mostly dealing with Research in particular areas. The projects funds are credited to a deposit Account when received and only transfer the amount spent each month to income. In this case, income and expenditure are always the same. The balance remains in the respective deposit account.

a) Taxation

The National Museums of Kenya adheres to taxation laws through timely filing of its tax obligations. VAT and excise duty are exempted on case by case-on application to the National Treasury and Kenya Revenue Authority.

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services to the public through gate admissions.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably.

Interest income

Interest income is accrued using the negotiated rate.

Rental income

Rental income arising from operating leases on investment properties is accounted for upon realization.

b) Budget information

The original budget for the Current FY was approved by the National Assembly on 11th June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations of Kshs.127,000,000 on the 2025 budget following the governing body's approval.

c) Property, Plant and Equipment

Property, Plant and Equipment is stated at historical cost less accumulated depreciation. The assets are not depreciated in the year of purchase. Depreciation is calculated on the reducing balance basis to write down the cost of each asset to its residual value over its estimated useful life using the following rates:

- Motor Vehicles 25%
- Equipment and furniture 12.5%
- Computers 25%
- Buildings 1%

d) Exhibits and Collections

As a policy, no value has been placed on exhibits, study collection and fixtures. Museum Exhibits have no commercial value, and the study collection is priceless.

e) Purchase of Animals

Purchase of animals for exhibitions are expensed in the financial performance statement at the time of purchase.

f) Financial Instruments

(i) Financial Assets

Initial recognition and measurement

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the organization commits to purchase or sell the asset.

The National Museums of Kenya financial assets include cash and short-term deposits; trade and other receivables.

Derecognition

The organization derecognizes a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when; The rights to receive cash flows from the asset have expired or is waived, the organization has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either: (a) the organization has transferred substantially all the risks and rewards of the asset; or (b) the organization has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(ii) Financial Liabilities

Initial Recognition and Measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit as appropriate. The National Museums of Kenya determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of borrowings, plus directly attributable transaction costs.

The organization's financial liabilities include trade and other payables, bank overdrafts, financial guarantee contracts.

g) Employee Benefits

(i) Short Term

NMK has employees who carries out day-to-day operations and are entitled to salaries and allowance. The organization recognises these salaries and allowances as expenses, which are charged to financial performance statement.

(ii) Retirement Benefits

NMK operates a defined contribution staff Retirement Benefit Scheme for its employees. The Scheme is administered by Insurance Company of East Africa and is funded by contribution from both NMK and the employees. It also pays gratuity to staff on contract. NMK's contribution is charged to the financial performance statement in the year to which they relate. NMK also contributes to a statutory defined scheme; the National Social Security Fund (NSSF) contributions are determined by local statute and are currently vary according to basic salary per employee per month.

h) Nature and Purpose of Reserves

(a) Capital Reserve

The organization creates and maintains reserves in terms of specific requirements. National Museums of Kenya has capital reserves and revaluation reserves. Reserves are monies budgeted, collected and set aside for replacement or deferred maintenance to the capital improvements. Boards establish reserve accounts for the future replacement or deferred maintenance of the common areas.

Reserve funds enable the organization to maintain the common areas with a reduced risk of special assessments and minimize the impact of financial challenges. The fund establishes and preserves reserves for a strong financial position to meet future expenditures and reduce the potential for reduction in property values.

(b) Revenue Reserve

A reserve, which is created out of the revenue profit, is called revenue reserve. Revenue profit is earned in the normal course of the business. Revenue reserve refers to the undistributed revenue profit. It is created for strengthening the financial position, replacing depreciable assets, redeeming liabilities and conducting research and development functions.

(c) Revaluation Reserve

A revaluation reserve is an increase in the value of fixed assets. Asset revaluation reserve is an accounting concept and represents a reassessment of the value of a capital asset as at a particular date. The reserve is considered a category of the equity of the entity. An asset is originally recorded in the accounts at its cost and depreciated periodically over its estimated useful life as a measure of the amount of the assets value consumed in that period. In practice, the actual useful life of an asset can be miscalculated or an event can cause a change to the useful life. Consequently, assets occasionally need to be revalued in order to reflect a closer approximation to their "worth" in the accounts. When the asset is

NATIONAL MUSEUMS OF KENYA
Annual Report and Financial Statements
for the year ended June 30, 2025.

revalued, the offsetting entry (in a double entry accounting system) would be made either to the profit or loss accounts or to the equity of the entity.

i) Branches

The regional stations reports are incorporated in these financial statements.

j) Translation of Foreign Currency

Translations in foreign currencies during the year are converted into Kenya Shillings at rates ruling at the transaction dates. Assets and liabilities, which are expressed in foreign currency, are translated into “Kenya Shillings” at rates ruling at the date in the financial position statement. The resulting difference from the conversion and translation are dealt with in the financial performance statement in year, which they arise.

k) Research and Development

Research and Development expenses are expensed through Financial Performance statement in the year are incurred.

l) Budget Information

The annual budget for the period 2024/2025 was prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the entity. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

m) Related Parties

The National Museums of Kenya regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the organization, or vice versa. Members of key Management are regarded as related parties and comprise the Directors Executive Team.

n) Comparative Figures

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

q) Provisions

Provisions are recognized when the organization 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.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

r) Cash and Cash Equivalents

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

s) Inventories

Inventory is measured at the lower of cost and net realizable value.

t) Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Entity'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.

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 Entity 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 Entity. Such changes are reflected in the assumptions when they occur.

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:

- i. The condition of the asset based on the assessment of experts employed by the Entity
- ii. The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- iii. The nature of the processes in which the asset is deployed
- iv. Availability of funding to replace the asset
- v. Changes in the market in relation to the asset

u) 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, 2025.

NATIONAL MUSEUMS OF KENYA
Annual Report and Financial Statements
for the year ended June 30, 2025.

3. Transfers from Other Government entities

Description	2024-2025	2023-2024
	KShs	KShs
Unconditional grants		
Operational Grant -Recurrent	821,637,883	1,118,010,000
-Development	9,961,051	-
Sports, Arts & Social Development Fund – Recurrent	-	-
- Development	11,494,922	42,717,105
Tourism Fund	-	183,284,311
Total	843,093,856	1,344,011,416

The operational recurrent grant is to cater for employee costs while the development grant is for capital projects.

3(a) Transfers from Other Government entities

Description	2024-2025	2023-2024
	KShs	KShs
Operational Grant -Recurrent	821,637,883	1,118,010,000
Add: prior year grant receivable	94,084,167	-
Less: receivable for the year	(71,236,544)	(94,084,167)
Total	844,485,506	1,023,925,833

Transfers from Ministries, Departments and Agencies (MDAs)

Name of The Entity Sending the Grant	Amount recognized to Statement of Financial performance.	Amount deferred under deferred income.	Amount recognised in capital fund.	Total transfers (Current FY)	FY 2024-2025
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Ministry of Gender, The Arts and Children Services	821,637,883	-	-	821,637,883	821,637,883
Ministry of Gender, The Arts and Children Services	160,200,643	-	-	160,200,643	160,200,643

NATIONAL MUSEUMS OF KENYA
Annual Report and Financial Statements
for the year ended June 30, 2025.

Ministry of Gender, The Arts and Children Services	552,800	9,408,251	-	9,961,051	9,961,051
Ministry of Youth, Sports and The Arts	-	-	11,494,222	11,494,922	11,494,922
Total	982,391,326	9,408,251	11,494,222	1,003,294,499	1,003,294,499

4. Project Income

Details	2024-2025	2023-2024
	KShs	KShs
Project Income HQ	250,986,610	385,921,531
Project Admin Income	4,039,406	13,805,526
Total	255,026,016	399,727,057

5. Other Incomes

	2024-2025	2023-2024
Admission fee	317,987,286	294,330,253
Rental income	17,622,823	18,547,535
Sale of publication and artefacts	19,414,918	17,095,643
Sale of soft drinks	376,769	1,085,079
Sale of casts	5,022,246	4,756,568
Sundry income	18,053,556	25,251,983
Total	378,477,598	361,067,061

5(a)

	2024-2025	2023-2024
Total other incomes	378,477,598	361,067,061
Add: prior year trade receivables	12,651,535	10,995,940
Less: trade receivables for the year	(16,049,050)	(12,651,535)
Total	375,080,083	359,411,466

6. Employee Costs

	2024-2025	2023-2024
Salaries	726,006,671	943,644,350
Gratuity and pensions	130,395,088	165,260,689

NATIONAL MUSEUMS OF KENYA
Annual Report and Financial Statements
for the year ended June 30, 2025.

Medical	40,502,463	49,034,551
Training	25,781,327	30,693,695
Staff welfare and uniforms	2,170,453	5,778,837
Total	924,856,002	1,194,412,122

6(a)

	2024-2025	2023-2024
Total Employee costs	924,856,002	1,194,412,122
Less: prior year staff debtors	(260,285,940)	(287,406,460)
Add: staff debtors for the year	287,372,149	260,285,940
Add: Third party payment prior year	44,665,146	57,871,403
Less: Third-party payment for the year	(48,873,184)	(44,665,146)
Add: Other payables prior year	296,596,182	174,896,817
Less: Other payables for the year	(235,695,881)	(296,596,182)
Total	1,008,634,474	1,058,798,494

7. Depreciation

PPE (note 14)	49,460,372	58,804,536
Total	49,460,372	58,804,536

8. Repair and Maintenance

Details	2024-2025	2023-2024
	KShs	KShs
Vehicle expenses- Maintenance/spares	6,287,777	9,050,209
Equipment repairs and maintenance	15,255,927	6,758,818
Maintenance of buildings	3,916,250	1,051,342
Maintenance of monuments	3,648,311	1,927,791
Cage maintenance	15,000	28,100
Total	29,123,265	18,816,260

NATIONAL MUSEUMS OF KENYA
Annual Report and Financial Statements
for the year ended June 30, 2025.

9. Board of Directors Expenses

	2024-2025	2023-2024
Lunch	590,120	728,000
Phone expenses	84,000	84,000
Insurance	1,705,381	1,401,386
Sitting allowance	7,949,200	8,800,000
Accommodation/Per diem	7,680,400	11,260,110
Airfare fare	678,115	2,416,504
Car Hire	602,000	479,000
Board meeting expenses	2,014,636	1,616,301
Mileage	2,885,071	4,757,131
Honoraria for Chairman	960,000	960,000
Total	25,148,923	32,502,432

10. General Expenses

Administrative costs	33,796,566	50,527,752
Transport and travel	201,653,832	272,719,209
Contracted professional Services	44,550,038	47,546,198
Office and other expenses	137,557,396	155,272,738
Advertising and publicity	1,736,330	1,566,559
Telephone and postage	6,912,524	7,601,285
Electricity and water	24,055,279	27,347,822
Purchases and other direct inputs	70,731,888	114,850,203
Total	520,993,853	677,431,766

10(a)

	2024-2025	2023-2024
Total General expenses	520,993,853	677,431,766
Less: prior year inventory	(682,599)	(768,134)
Add: Inventory for the year	660,913	682,599
Add: prior year Trade payables	98,776,301	178,881,904
Less: trade payables for the year	(132,110,273)	(98,776,301)
Total	487,638,195	757,451,834

11. Cash and Cash Equivalent

	2024-2025	2023-2024
Bank	85,288,374	189,711,508
Others (cash at hand) and in transit	19,610	40,400
Sub Total	85,307,984	189,751,908
Bank Overdraft (note 16)	(41,067,322)	-
Total cash and cash equivalents	44,240,662	189,751,908

NATIONAL MUSEUMS OF KENYA
Annual Report and Financial Statements
for the year ended June 30, 2025.

Detail Analysis of the cash and cash Equivalents		2024-2025	2023-2024
Financial Institution	Account Number	Kshs	Kshs
a) Current Account			
Nairobi Museum, HQs, SCB	0108035107801	513,639	743,301
Recurrent HQs, SCB	0108035107900	-	742,404
Development HQs, KCB	1106829379	-	2,858,120
Salaries	01080-337464-00	113,256	1,040,510
Commercial HQs	01080-354365-00	1,625,297	1,081,360
Fund A/C	01080-345937-00	1,857,746	2,761,595
Project HQs	01080-351078-00	6,110,470	3,021,884
Lodwar	1107592267	326,335	207,521
Karen Blixen Savings	01520-929447-00	977,380	533,980
Dollar HQs (Kshs equivalent)	87080-351079-00	4,547,663	4,196,098
Karen Blixen Recurrent	01020-448886-00	305,963	324,837
Natural Products Industry HQs	01080-351079-01	50,031,347	16,036,219
Sports, Arts & Social Development Fund A/C	1104778343	2,261,509	2,001,851
National Museums of Kenya – NAGOK	1141174387800	8,914,702	47,200
Fort Jesus KCB Treasury	1106548876	9,275	2,435,273
Fort Jesus Project	1106548809	80,144	10,170,354
Gede Ruins- KCB Malindi	1108000584	1,395,171	590,069
Lamu KCB	1104778173	26,436	2,614
Lamu Projects	1104778505	60,134	5,412,592
Meru SCB	0102063108500	2,118	27,556
Kapenguria	1106216474	108,959	101,640
Baringo	1103642324	1,096	435
Kisumu	0102055059500	979	416
Narok	1107720796	6,018,755	135,373,679
Kitale	0102036056900	-	-
Sub-Total		85,288,374	189,711,508
BANK OVERDRAFT			
ACCOUNT			
Recurrent HQs	0108035107900	711,066	-
Development HQs, KCB	1106829379	40,356,256	-
Total		41,067,322	-
b) Others (cash in hand)			
Lamu museum-Takwa Ruins		19,200	31,300
Karen Blixen		410	9,100
Sub-Total		19,610	40,400

NATIONAL MUSEUMS OF KENYA
Annual Report and Financial Statements
for the year ended June 30, 2025.

12.Receivables

	2024-2025	2023-2024
	Kshs	Kshs.
(a) Receivables from Exchange Transactions		
Trade Receivables	11,321,525	10,888,990
Prepayments	3,335,107	370,127
Deposits	1,392,418	1,392,418
Total	16,049,050	12,651,535
(b) Receivables from Non- Exchange Transactions		
Staff Debtors	287,372,149	260,285,940
GOK Grant	71,236,544	94,084,167
Total	358,608,693	354,370,107

13.Inventories

	2024-2025	2023-2024
Publications	398,745	398,290
Crafts	237,486	251,706
Soft Drinks	24,682	32,603
Total inventories at the lower of cost and net realizable value	660,913	682,599

NATIONAL MUSEUMS OF KENYA
Annual Report and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

14. Property, Plant and Equipment

	PROPERTY		PLANT AND EQUIPMENT				TOTAL
	LAND	BUILDINGS	WORK IN PROGRESS	FURNITUR E	COMPUTER S	VEHICLES	
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
COST/ VALUATION							
As at 1st July, 2023	-	-	1,109,411,204	379,824,667	134,297,307	169,160,823	4,550,907,027
Additions during the year	-	-	109,570,126	5,836,547	6,235,766	-	121,642,439
Completed works during the year	-	544,296,717	(544,296,717)	-	-	-	-
Adjustment on Accum. Dep		(193,434,854)	-	-	-	-	(193,434,854)
Revaluation gain	27,560,372,555	251,059,273	-	-	-	-	27,811,431,828
As at 30th June 2024	29,135,500,000	1,785,006,717	674,684,613	385,661,214	140,533,073	169,160,823	32,290,546,440
DEPRECIATION							
As at 1st July 2023	-	193,434,854	-	243,890,881	88,037,503	139,258,683	664,621,921
Adjustment on Accum. Dep		(193,434,854)	-	-	-	-	(193,434,854)
Charge for the Year	-	24,814,200	-	16,282,516	10,232,284	7,475,536	58,804,536
As at 30th June,2024	-	24,814,200	-	260,173,397	98,269,787	146,734,219	529,991,603
COST/ VALUATION							
As at 1st July, 2024	29,135,500,000	1,785,006,717	674,684,613	385,661,214	140,533,073	169,160,823	32,290,546,440
Adjustments	-	13,659,953	(13,659,953)	-	-	-	-
Additions during the year	-	-	76,131,187	1,639,260	3,222,538	-	80,992,985
As at 30th June 2025	29,135,500,000	1,798,666,670	737,155,847	387,300,474	143,755,611	169,160,823	32,371,539,425
DEPRECIATION							
As at 1st July 2024	-	24,814,200	-	260,173,397	98,269,787	146,734,219	529,991,603
Charge for the Year	-	17,601,924	-	15,685,976	10,565,820	5,606,652	49,460,372
As at 30th June 2025	-	42,416,124	-	275,859,373	108,835,607	152,340,871	579,451,975
NET BOOK VALUES							
As at 30th June 2025	29,135,500,000	1,756,250,546	737,155,847	111,441,101	34,920,004	16,819,952	31,792,087,450
NET BOOK VALUES							
As at 30th June, 2024	29,135,500,000	1,760,192,517	674,684,613	125,487,817	42,263,286	22,426,604	31,760,554,837

NATIONAL MUSEUMS OF KENYA
Annual Report and Financial Statements
for the year ended June 30, 2025.

15. Trade and other Payables from Exchange Transactions

	2024-2025	2023-2024
	Kshs	Kshs
Trade payables	132,110,273	98,776,301
Payments received in advance	1,338,000	1,338,000
Third party payments	48,873,184	44,665,146
Other payables	235,695,881	296,596,182
Total	418,017,338	441,375,629

16. Bank overdraft

Details	2024-2025	2023-2024
	Kshs	Kshs
Bank overdrafts	41,067,322	-
Total	41,067,322	-

17. Deferred Development Grant

Details	2024-2025	2023-2024
	Kshs	Kshs
National government	275,994,057	366,550,772
Total	275,994,057	366,550,772

Deferred grant relates to income received in advance whose services have not yet been rendered.

17(a)

Details	2024-2025	2023-2024
	Kshs	Kshs
Balance b/f	366,550,772	250,119,482
G.O.K development Grant received during the year	21,455,973	226,001,416
Transfer to Capital fund	(76,131,187)	(109,570,126)
Transfer to Income statement	(35,881,501)	-
Balance c/f	275,994,057	366,550,772

NATIONAL MUSEUMS OF KENYA
Annual Report and Financial Statements
for the year ended June 30, 2025.

18. Project Deposits

Details	2024-2025	2023-2024
	Kshs	Kshs
Opening balance	36,453,315	156,269,691
Add receipts during the year	245,005,034	279,910,681
Total Deposits	281,458,349	436,180,372
Less expenditure (note 4)	255,026,016	399,727,057
Balance c/f	26,432,333	36,453,315

Project revenue is donor funds used for research activities carried out by NMK scientists.

19. Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs.	Kshs.	Kshs.
Land	29,135,500,000	-	29,135,500,000
Buildings	1,798,666,670	42,416,124	1,756,250,546
Motor Vehicles, Including Motorcycles	169,160,823	152,340,871	16,819,952
Computers and Related Equipment	143,755,611	108,835,607	34,920,004
Office Equipment, Furniture, And Fittings	387,300,474	275,859,373	111,441,101
Total	31,634,383,578	579,451,975	31,054,931,603

20. Trade and Other Payables

Description	2024/ 2025		2023/2024	
	Kshs.		Kshs.	
Trade payables	132,110,273		98,776,301	
Payments received in advance	1,338,000		1,338,000	
Third-party payments	48,873,184		44,665,146	
Other payables	235,695,881		296,596,182	
Total trade and other payables	418,017,338		441,375,629	
Ageing analysis: (Trade and other payables)	Current FY	% of	Comparative	% of

NATIONAL MUSEUMS OF KENYA
Annual Report and Financial Statements
for the year ended June 30, 2025.

		the	FY	the
		Total		Total
Under one year	356,968,973	85%	356,976,135	81%
1-2 years	15,391,366	4%	11,482,675	3%
2-3 years	21,667,810	5%	14,857,729	3%
Over 3 years	23,989,189	6%	58,059,090	13%
Total	418,017,338		441,375,629	

21. Refundable Deposits and Prepayments from Customers

Description	2024/2025		2023/2024	
	Kshs.		Kshs.	
Prepayments	3,335,107		370,127	
Other deposits	1,392,418		1,392,418	
Total deposits	4,727,525		1,762,545	
Ageing analysis: (Refundable deposits)	Current FY	% of the Total	Comparative FY	% of the Total
Under 1 year	2,964,980	63%	-	-
Over 3 years	1,762,545	37%	1,762,545	100%
Total	4,727,525		1,762,545	

22. Cash Generated from Operations

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Surplus/Deficit for the year before tax	(58,559,417)		(103,162,998)	
Adjusted for:				
Depreciation	49,460,372		58,804,536	
Working capital adjustments	(9,099,045)		(44,358,462)	
Increase in inventory	21,686		85,535	
Increase in receivables	(7,636,101)		(68,619,242)	
Increase in payables	(23,358,291)		28,387,505	
Development expenditure	(35,881,501)		-	
Net cash flow from operating activities	(75,953,252)		(84,504,664)	

Financial Risk Management

NATIONAL MUSEUMS OF KENYA
Annual Report and Financial Statements
for the year ended June 30, 2025.

The organizations activities expose it to a variety of financial risks including credit risk, liquidity risks, interest rate and the effects of changes in foreign currency rates. The National Museums of Kenya's overall risk management programme focuses on unpredictability of changes in the operating environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Entity's financial risk management objectives and policies are detailed below:

Notes to the Financial Statements (Continued)

i) Credit risk

The organization's credit risk is primarily attributable to its other receivables and bank balances. The amounts of receivables presented in the statement of financial position, estimated by the organization's management based on prior experience and their assessment of the current economic environment.

The credit risk on receivables is limited because the organization does not rely on them. The credit risk on liquid funds with financial institutions is also low, because the counter parties are banks with high credit ratings.

The amount that best represents the organization's maximum exposure to credit risk as at 30 June 2025 is as follows:

	Fully Performing	Past Due	Total
	Kshs.	Kshs.	Kshs.
Bank Balances	44,240,662	-	44,240,662
Trade Receivables	16,049,050	-	16,049,050
Staff Debtors	287,372,149	-	287,372,149
Total	347,661,861		347,661,861

The amount that best represents the Centre's maximum exposure to credit risk as at 30 June 2024 is as follows:

	Fully Performing	Past Due	Total
	Kshs.	Kshs.	Kshs.
Bank Balances	189,751,908	-	189,751,908
Trade Receivables	12,651,535	-	12,651,535
Staff Debtors	260,285,940	-	260,285,940
Total	462,689,383		462,689,383

NATIONAL MUSEUMS OF KENYA
Annual Report and Financial Statements
for the year ended June 30, 2025.

Financial Risk Management

The organizations activities expose it to a variety of financial risks including credit risk, liquidity risks, interest rate and the effects of changes in foreign currency rates. The National Museums of Kenya’s overall risk management programme focuses on unpredictability of changes in the operating environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

Interest Rate Risk

The interest rate risk exposure arises mainly from interest rate movements on the company’s cash balances.

At 30 June 2025, if the interest rates on the bank balances had decreased/increased by 5 percentage points with all other variables held constant, the impact on surplus for the year would have been Kshs2,212,033 (2024: Sh. 9,487,595) higher/lower.

There has been no change to the company’s exposure to interest rate or the manner in which it manages and measures the risk.

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

Description	Total Amount	Fully performing	Past Due	Impaired
	Kshs.	Kshs.	Kshs.	Kshs.
As at 30th June 2025				
Receivables from exchange transactions	16,049,050	16,049,050	-	-
Receivables from non-exchange transactions	358,608,693	358,608,693	-	-
Bank balances	44,240,662	44,240,662	-	-
Total	418,898,405	418,898,405	-	-
As at 30 June 2024				
Receivables from exchange transactions	12,651,535	12,651,535	-	-
Receivables from non-exchange transactions	354,370,107	354,370,107	-	-
Bank balances	189,751,908	189,751,908	-	-
Total	556,773,550	556,773,550	-	-

NATIONAL MUSEUMS OF KENYA
Annual Report and Financial Statements
for the year ended June 30, 2025.

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Organization's directors, who have built an appropriate liquidity risk management framework for the management of the Organization's short, medium and long-term funding and liquidity management requirements. The Organization manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

The table below shows the maturity analysis of the financial liabilities that affect liquidity:

As at 30 June 2025

	Less than 1 Year	Over 1 Year	Impaired	Total
	Kshs.	Kshs.	Kshs.	Kshs.
Payables	356,968,973	61,048,365	-	418,017,338
Payables	-			
Total	356,968,973	61,048,365	-	418,017,338

As at 30 June 2024

	Less than 1 Year	Over 1 Year	Impaired	Total
	Kshs.	Kshs.	Kshs.	Kshs.
Payables	15,714,807	83,061,494		98,776,301
Payables				
Total	15,714,807	83,061,494		98,776,301

NATIONAL MUSEUMS OF KENYA
Annual Report and Financial Statements
for the year ended June 30, 2025.

iii) Market risk

The *Entity* has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

iv) Capital Risk Management

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

	2024– 2025	2023 – 2024
	Kshs.	Kshs.
Revaluation Reserve	27,826,066,978	27,826,066,978
Retained earnings	(265,121,626)	(206,562,209)
Capital Reserve	3,930,257,688	3,854,126,501
Total funds	31,549,762,457	31,473,631,270
Total borrowings	-	-
Less: Cash and bank balances	44,240,662	189,751,908
Net debt (Excess cash and cash equivalents)	(44,240,662)	(189,751,908)
Gearing	100%	100%

23. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the Organization include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel and Board of directors.

Government of Kenya

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

Other related parties include:

- i) The Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of directors.

24. Events after the Reporting Period

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

25. Ultimate and Holding Entity

The Entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Gender, Culture, The Arts and Heritage. Its ultimate parent is the Government of Kenya.

26. Currency

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

27. Revaluation of Land and Buildings under IPSAS 17

International Public Sector Accounting Standards (IPSAS) provides guidance on the accounting treatment of property, plant, and equipment (PPE), including land and buildings, primarily through IPSAS 17.

The management during the Financial Year 2022/2023, sought support from the Ministry of Lands to have its land and buildings with ownership documents valued which they accepted and carried out the exercise. The management had 45 parcels of land with ownership documents out of which only

NATIONAL MUSEUMS OF KENYA
Annual Report and Financial Statements
for the year ended June 30, 2025.

43 parcels of land were valued with exception of Heroes square and Uhuru gardens which were under the custody of Kenya Defence Forces at the time of the exercise.

The exercise was carried out and completed in March 2023. The land and buildings with ownership documents was valued at Kshs. 29,135,500,000 and Kshs.1,240,710,000 respectively amounting to Kshs.30,376,210,000 at prevailing market rates.

The management has disclosed in its financial statements the assets at fair value as at the date of revaluation less any subsequent accumulated depreciation. After revaluation, the new value is used to calculate depreciation, based on the asset's estimated useful life. The management estimates useful life of 50 years for buildings. The increase in value has been credited to a revaluation reserve in the statement of changes in net assets while the revalued amounts are reflected in the statement of financial position under non-current assets.

The revaluation of land and buildings has enhanced transparency and provided a more accurate picture of an entity's financial position, ensuring compliance with IPSAS and enabling better decision-making.

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

28. Appendices

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

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

Reference No. on the external audit report	Issue/Observations from Auditor	Management comments	Status (Resolved/Not Resolved)	Timeframe
2021/2022				
1. Unsupported and undisclosed Property, Plant and Equipment Balance	The statement of financial position reflects property, plant and equipment balance of Kshs. 3,800,925,071 which, as disclosed in Note 14 to the financial statements, includes an amount of Kshs.1,575,127,445 In respect of land which has however, not been valued since 1990. As previously reported, the National Museums of Kenya has one hundred and fifty (150) parcels of land spread across the Country, out of which only forty-three (43) parcels had title deeds and the remaining 107 parcels had no ownership documents. Further, the property, plant and equipment net book value of Kshs.3,800,925,071 includes heritage assets whose value could not be verified due to lack of a fixed assets register.	Revaluation was done in the FY 2022/2023 as supported by extract of the Valuation report of land and buildings and summary schedule for land and buildings with ownership documents (43 no.) are available for verification. The management would like also to confirm that the value of property, plant and equipment does not include heritage assets. The management would develop an inventory of the heritage assets that have future economic benefits to have full disclosure in its financial statement in future as per IPSAS 17.	Resolved	30/06/2024
2. Unsupported Employee	The statement of financial performance reflects employee cost of Kshs. 1,325,411,277 which as disclosed in	The supporting documents and corresponding payment vouchers are with the Ethics and Anti-Corruption	Not Resolved	30/06/2025

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

Costs Balance	Note 6 to the financial statements, includes salaries totaling Kshs. 1,050,678,625. However, supporting documents by way of payroll summaries and corresponding payment vouchers were not provided for audit. In the circumstances, the accuracy and validity of the employee costs of Kshs. 1,325,411,277 could not be confirmed.	(EACC)and will be provided once returned to the organization.		
3.Unsupported Bank Overdraft Balance	The statement of financial position and as disclosed in Note 16 to the financial statements, reflects a bank overdraft balance of Kshs. 114,846,330 which was however, not supported by way of Board minutes approving the overdraft, bank confirmation certificates, bank reconciliation statements and cash book extracts. In the circumstances, the completeness, accuracy, validity and the fair statement of the bank overdraft balance of Kshs. 114,846,330 could not be confirmed.	The ledger figures for populating the annual accounts had an overdraft as a result of previous unreconciled amount due to system crash. The bank confirmation certificates, bank reconciliation certificates and cash book extracts as at 30 th June 2024 are available for verification.	Resolved	30/06/2024
Other Matters				
1.Budgetary Control and Performance	The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.1,687,110,000 and Kshs.2,551,363,059 respectively resulting to an over performance by Kshs.864,253,059 or 51% of the approved budget. Similarly,	51% overperformance by Kshs. 864,253,059 a) Received Kshs. 346,206,300 from the Sports, Arts and Social Development Fund i.e. Kshs. 202,974,500 for NPI on 30 th June, 2022. b) Received Kshs. 124,789,414 from Tourism Fund on 29 th June, 2022.	Resolved	30 th June 2024

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

	<p>Management expended an amount of Kshs. 1,898,607,728 against an approved budget of Kshs.1,506,787,225, resulting to an over-expenditure of Kshs. 391,820,503 or 26% of the budget. The over-collection indicate that Management may have under-budgeted for revenue and did not consider all variables likely to affect it. Further, no approval for the over-expenditure was provided for review.</p>	<p>c) Project Income Kshs. 351,058,455 and d) Internal revenue of Kshs.42,198,890. While the 26% over expenditure of Kshs. 391,820,503 was due to; a) Paid pension Kshs,56,688,860 to clear outstanding principal amount. b) Project expenses of Kshs.343,142,729. c) Repair and maintenance of Kshs. 90,483 and d) under spent on board expenses by Kshs. 8,101,569.</p>		
<p>2.Long Outstanding Trade and Other Payables</p>	<p>The statement of financial position reflects trade and other payables from exchange transactions balance of Kshs. 394,526,698 which, as disclosed in Note 15 to the financial statements, includes an amount of Kshs.163,062,003 in respect of trade payables. However, a review of the documents supporting the trade payables balance revealed outstanding bills amounting of Kshs. 19,604,940 which has been outstanding for more than one year with some balances dating as far back as the financial year 2014/2015. No explanation was given as to why the bills were not cleared during the year in which they fall due despite the Corporation reporting a positive cash and cash equivalent balance of Kshs. 543,842,736 as at the end of the financial year.</p>	<p>The corporation reported a cash and cash equivalent balance of Kshs. 543,842,736 and could not clear trade payables balance of Kshs. 19,604,940.</p> <p>The management would like to state that major composition of the cash and cash equivalent is for specific research project activity. This is as supported by the extract of bank schedule from the audited financial statement used for intended purpose. The outstanding bills of Kshs. 19.604,940 dating back to 2014/2015 was mainly recurrent expenditure in nature incurred over the years.</p>	<p>Resolved</p>	<p>30th June 2024</p>

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

	Management is at risk of being sued for breach of contractual terms.			
Unsolved Prior Year Matters				
Lawfulness and effectiveness in use of public resources.	In the audit report of the previous year, a number of paragraphs were raised. However, Management has not resolved and disclosed all the prior year matters as provided by the Public Sector Accounting Standards Board's financial reporting templates. Management has not provided satisfactory explanation for the delay in resolving the issues.	The management has since followed up the issues disclosed in prior years and provided responses to them as submitted in the year 2023/2024 to the Public Investment Committee of Parliament.	Resolved	30 th June 2025
1.Delay in Completion of Ablution Blocks at Fort Jesus Museum	Review of documents revealed that Management awarded a contract for the construction of a sea wall at Fort Jesus at a contract sum of Kshs. 266,022,710 which included an amount of Kshs. 11,514,020 for construction of two (@) ablution blocks. The project commenced on 03 September 2020 with expected completion date of 03 March 2021 which was revised to 15 March 2022. However, physical verification of the project in the month of February, 2023 revealed that only the construction of one on the ablution blocks was underway, while the construction of the other block was yet to start despite the lapse of the extended completion date. In the circumstances, value for money	The management would like to confirm that the project was completed and site handed over back to the client.	Resolved	30 th June 2024

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

	may not be realized from the expenditure already incurred on the construction of the ablution blocks.			
2.Delay in completion of Njuri Ncheke Shrine	<p>Review of documents revealed that Management awarded a contract for the construction of Njuri Ncheke Shrine at a contract sum of Kshs. 58,976,000 on 05 June 2020 for 48 weeks ending on 04 June 2021. By the end of the year under review, an amount of Kshs.39,560,475 or 67% of the contract sum had been paid to the Contractor. However, physical verification in the month of February, 2023 revealed that the Project had stalled at lintel level and the contractor had abandoned the site. No explanation was given for the delay in the completion of the Project.</p> <p>In the circumstances, value for money may not be realized from the expenditure of Kshs.39,560,475 incurred on the Project.</p>	<p>The management would like to clarify that the observation referred to as Njuri Ncheke Shrine is for the Meru Cultural Centre. The works done up to the lintel level, change of roof design led the contractor to request for approval of variation of contract sum which was not granted by NMK. The contractor left the site. However, the Meru County has initiated communication to have the project completed.</p>	Not yet resolved	30 th June 2025
3.Poor Workmanship at Tom Mboya Mausoleum	<p>Review of documents revealed that Management awarded a contract for the construction of Tom Mboya Mausoleum at a contract sum of Kshs.45,457,740 on 28 May, 2018 for a duration of 16 weeks ending on 27 September, 2018. By the end of the period under review, an amount of Kshs. 28,962,227 had been paid. However, physical verification of the project in the month of February,</p>	<p>The water and electricity connections were done by the family at their cost. The mechanical works for water connection is not yet to be done due to lack of access to the lake. The management to enter into negotiation with the land owner and enter into a written agreement for provision of access.</p>	Not yet resolved	30 th June 2025

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

	<p>2023 revealed that the ablution block was not functional, manhole covers and sunk while the ceiling had collapsed. Further, water and electricity had not been connected to the building, while the pit latrine was of poor workmanship. In addition, the solar powered lights installed were not functioning and as a result, no revenue was being generated from the project.</p> <p>In the circumstances, value for money may not be realized from the expenditure of Kshs. 28,962,227 already incurred on the project.</p>			
2022/2023				
1.Unsupported and Undisclosed Property, Plant and Equipment	<p>As previously reported, the statement of financial position reflects property, plant and equipment balance of Kshs.3,886,285,106 as disclosed in Note 14 to the financial statements. Included in the balance is land with net book value of Kshs. 1,575,127,445 which has not been valued since 1990. The National Museums of Kenya has one hundred and fifty (150) parcels of land spread across the Country, out of which only forty-three (43) parcels had title deeds and the remaining 107 parcels have no ownership documents.</p> <p>Further, property, plant and equipment net book value of Kshs. 3,886,285,106 includes heritage assets whose value</p>	<p>The management confirms that it has several parcels of land without title deeds wish to state as follows:</p> <p>i) Revaluation was done in the FY 2022/2023 as supported by extract of the Valuation report of land and buildings and summary schedule for land and buildings with ownership documents (43 no.) is available for verification.</p> <p>ii) The management would like to confirm that the value of property, plant and equipment does not include heritage assets. The management would develop an inventory of the heritage assets that have future economic benefits to have full disclosure in its financial statement in future as per IPSAS 17.</p>	Partially resolved.	30 th June 2025

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

	<p>could not be verified due to lack of fixed assets register. The Museums has not disclosed the heritage assets that have future economic benefits or service potential other than their current heritage value, and those heritage assets whose future economic benefit or service potential is limited to their heritage characteristics.</p> <p>In the circumstances, the accuracy and ownership of property, plant and equipment balance of Kshs. 3,886,285,106 as at 30th June, 2023 could not be confirmed.</p>	<p>Currently there is no universal standardized guidelines on assessment of economic value for heritage assets. However, they help generate revenue for the organization. The management is consulting with relevant organizations including UNESCO with a view to establish valuation criteria of heritage assets.</p>																				
<p>2.Variance Between Financial Statement Amounts and Supporting Schedules</p>	<p>The statement of financial performance reflects amounts that differed with the supporting schedules as detailed below:</p> <table border="1" data-bbox="271 877 801 1404"> <thead> <tr> <th>Description</th> <th>Financial Statement (Kshs.)</th> <th>Supporting Schedules (Kshs)</th> </tr> </thead> <tbody> <tr> <td>Other Incomes</td> <td>295,953,197</td> <td>296,010</td> </tr> <tr> <td>Transfers from Government -Recurrent</td> <td>1,106,790,000</td> <td>1,107,600</td> </tr> <tr> <td>Project Income</td> <td>452,917,988</td> <td>-</td> </tr> <tr> <td>Repairs/Maintenance</td> <td>28,865,813</td> <td>19,111,000</td> </tr> <tr> <td>Remuneration</td> <td>15,864,680</td> <td>15,871,000</td> </tr> </tbody> </table>	Description	Financial Statement (Kshs.)	Supporting Schedules (Kshs)	Other Incomes	295,953,197	296,010	Transfers from Government -Recurrent	1,106,790,000	1,107,600	Project Income	452,917,988	-	Repairs/Maintenance	28,865,813	19,111,000	Remuneration	15,864,680	15,871,000	<p>The management in its revised financial statement 2022/2023 reconciled the differences and correct figures recorded as per schedules available for verification. The management confirms that the reconciliations were done and the correct amount is as per audited accounts 2022-2023.</p>	<p>Resolved</p>	<p>30th June 2024</p>
Description	Financial Statement (Kshs.)	Supporting Schedules (Kshs)																				
Other Incomes	295,953,197	296,010																				
Transfers from Government -Recurrent	1,106,790,000	1,107,600																				
Project Income	452,917,988	-																				
Repairs/Maintenance	28,865,813	19,111,000																				
Remuneration	15,864,680	15,871,000																				

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

	<table border="1"> <tr> <td>n Directors</td> <td></td> <td></td> </tr> <tr> <td>General Expenses</td> <td>629,073,897</td> <td>416,554</td> </tr> </table>	n Directors			General Expenses	629,073,897	416,554			
n Directors										
General Expenses	629,073,897	416,554								
	<p>No reconciliation has been provided by Management. In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.</p>									
3.Unsupported Staff Costs	<p>As disclosed in Note 6 to the financial statements, the statement of financial performance reflects employees' costs amount of Kshs.1,240,418,116. The amount includes expenditure on salaries amounting to Kshs. 972,803,798 and gratuity and pension of Kshs.142,65,356 all totaling Kshs.1,115,069,154 which was processed through a payroll controlled by the vendor. Management had no access to due to a system error. Further, the amount includes payments of Kshs.4,870,763 made to casuals through imprest issued to staff that were not supported by casual employee payroll or expenditure returns. In the circumstances, the accuracy and completeness of employee cost of Kshs.1,240,418,116 could not be confirmed.</p>	<p>The management-initiated process to have the vendor unlock the payroll system. The documents availed revealed an expenditure of Kshs.4,870,763 paid to staff in form of imprests. The supporting documents for the imprests surrenders are available for audit verification. Further, Management paid field guides in cash and not through bank accounts as these are persons engaged in the field research from the communities where the research is being conducted. The management to develop a standard engagement forms for use by researchers.</p>	Not yet resolved	30 th June 2025						
4.Long Outstanding Trade	<p>The statement of financial position reflects trade receivables from exchange transactions balance of Kshs.10,995,940</p>	<p>The management confirms that it had engaged a debt collector as at the time of the audit who had managed to collect Kshs.</p>	Not yet resolved and still on going.	30 th June 2025						

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

Receivables- Rent Debtors	<p>which, as disclosed in Note 12a to the financial statements includes in the reported balance are debts owed by tenants to museums buildings amounting to Ksh.8,877,341 which have been outstanding for more than three (3) years as per the aging analysis and efforts to recover the debts have not been successful. In the circumstances, the recoverability of the debts is in doubt.</p>	<p>5,800,814 whose schedule is available for verification.</p>											
5. Inaccuracies in Cash and Cash Equivalents	<p>The statement of financial position reflects cash and cash equivalents balance of Kshs. 299,447,752 as disclosed in Note 11 to the financial statements. However, review of the bank reconciliation statements for the month of June, 2023 for eight bank accounts revealed that the cash book balances differed with the financial statement balances as detailed below:</p> <table border="1" data-bbox="277 1031 795 1398"> <thead> <tr> <th data-bbox="277 1031 439 1251">Excel</th> <th data-bbox="445 1031 566 1251">Reconciled cash Book Balance (Kshs.)</th> <th data-bbox="573 1031 795 1251">Amounts as per Financial Statement (Note 11) (Kshs)</th> </tr> </thead> <tbody> <tr> <td data-bbox="277 1256 439 1326">Fort Jesus Project</td> <td data-bbox="445 1256 566 1326">1,287,762</td> <td data-bbox="573 1256 795 1326">16,646,017</td> </tr> <tr> <td data-bbox="277 1331 439 1398">Fort Jesus</td> <td data-bbox="445 1331 566 1398">6,210.40</td> <td data-bbox="573 1331 795 1398">4,286,751</td> </tr> </tbody> </table>	Excel	Reconciled cash Book Balance (Kshs.)	Amounts as per Financial Statement (Note 11) (Kshs)	Fort Jesus Project	1,287,762	16,646,017	Fort Jesus	6,210.40	4,286,751	<p>The cashbook balance for Narok Maa, Natural products, Salaries and dollar accounts have been reconciled to the ledger while Fort Jesus both project and recurrent reconciliations still on going. The bank confirmation certificates, bank reconciliation certificates and cash book extracts as at 30th June 2024 are available for verification. The Predict account was transferred to another State Agency.</p>	<p>Resolved</p>	<p>30th June 2024</p>
Excel	Reconciled cash Book Balance (Kshs.)	Amounts as per Financial Statement (Note 11) (Kshs)											
Fort Jesus Project	1,287,762	16,646,017											
Fort Jesus	6,210.40	4,286,751											

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

	<table border="1"> <tr> <td>Development Hqs</td> <td>1,760,956</td> <td>2,047,826</td> </tr> <tr> <td>Narok</td> <td>343,539</td> <td>61,301</td> </tr> <tr> <td>IPR-Predict</td> <td>23,114,718</td> <td>74,822,467</td> </tr> <tr> <td>Natural Products</td> <td>135,193,494</td> <td>106,843,312</td> </tr> <tr> <td>Salaries</td> <td>2,704,155</td> <td>9,704,156</td> </tr> <tr> <td>Dollar Hqs</td> <td>(3,135,357.75)</td> <td>699,362</td> </tr> </table>	Development Hqs	1,760,956	2,047,826	Narok	343,539	61,301	IPR-Predict	23,114,718	74,822,467	Natural Products	135,193,494	106,843,312	Salaries	2,704,155	9,704,156	Dollar Hqs	(3,135,357.75)	699,362				
Development Hqs	1,760,956	2,047,826																					
Narok	343,539	61,301																					
IPR-Predict	23,114,718	74,822,467																					
Natural Products	135,193,494	106,843,312																					
Salaries	2,704,155	9,704,156																					
Dollar Hqs	(3,135,357.75)	699,362																					
<p>6.Unsupported Staff Debtors</p>	<p>In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs. 299,447,752 as at 30 June, 2023 could not be confirmed.</p> <p>The statement of financial position reflects receivables from non-exchange transactions balance of Kshs.287,406,460 in respect of staff debtors and as disclosed in Note 12b to the financial statements. However, the supporting schedule reflects an amount of Kshs. 21,386,297 resulting to unreconciled variance of Kshs. 266,020,163.</p> <p>In the circumstances, the accuracy and completeness of receivables from non-exchange transactions balance of Kshs.287,406,460 could not be</p>	<p>The management has availed the schedules for the staff debtors for verification to confirm the accuracy and completeness of the receivables.</p>	<p>Resolved</p>	<p>30th June 2024</p>																			

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

	confirmed.			
7.Unsupported Accumulated Surplus	<p>The statement of financial position reflects a debit accumulated surplus balance of Kshs.95,807,085. However, the balance has been changed from the prior year balance of Ksh.414,131,697 resulting to unreconciled variance of Ksh.509,938,782.</p> <p>In circumstances, the accuracy and completeness of the debit accumulated surplus balance of Kshs. 95,807,085 could not be confirmed.</p>	<p>The financial performance is not dependent on the prior year balances. Refer to the audited report on the statement of financial performance on page number one.</p>	Resolved	30 th June 2024
8.Inaccuracies in the Statement of Cash Flows.	<p>The statement of financial position reflects opening bank balance of Kshs. 543,842,736 whereas the statement of cash flow reflects Kshs.428,996,406 resulting to an unreconciled balance of Kshs.114,846,330. Further, the statement of financial position items with a cash inflow or outflow changes have also not been reflected in the statement of cash flows.</p> <p>In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.</p>	<p>The figures are as explained in note number 11 in the audited report on cash and cash equivalent.</p>	Resolved	30 th June 2024

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

Emphasis of Matter	The statement of comparison of budget and actual amounts reflects budgeted receipts of Kshs. 1,665,523,833 against actual receipts of Kshs.2,114,395,018 resulting in under-funding of Kshs.448,871,185 or 127% of the budget. Similarly, the Museums actual expenditure of Kshs. 1,995,890,632 against approved budget of Kshs.1,718,743,833 resulting in over-expenditure of Kshs.277,146,799 or 116% of the approved budget. However, Management did not provide approval for the over-expenditure by the Board of Directors.	The management would like to state that over expenditure is a s a result of donor funded projects which management has not been making budgetary provisions hence provisions will be included in future budgets going forward.	Resolved	30 th June 2024
Other Matters				
1.Pending and active Court Cases	The Former Director General and four others including three employees of the National Museums and a private individual have been arraigned before the Anti-Corruption Court following investigations relating to employees' costs processed through the payroll between the year 2016 and 2022. The Ethics and Anti-Corruption Commission has two cases that are active relating to the National Museums of Kenya. i. Case No. HCACECS/E027/2023 of 02 October, 2023 (EACC Vs 4 Others	The management has not made any provisions by way of contingent liability since all are former employees.	Resolved	30 th June 2024

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

	<p>on misappropriation of Kshs. 468,390,241; and</p> <p>ii. Case No. MCAC/E011/2024 filed on 16 August, 2024 (Republic Vs 8 Others)</p> <p>However, Management has not recognized or made any provision by way of contingent liability to cushion the Corporation in the event the staff win and lay a counter-claim against the Museum.</p>			
2.Unresolved Prior Year Matters.	<p>In the previous audit report, several issues were raised under the Report of Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, the Management has not resolved most of the issues or given any explanation for delay to resolve the issues.</p>	<p>The management has resolved several issues raised in previous audit reports submitted to the Parliamentary Public Investment Committee in the year June 2024.</p>	Resolved	30 th June 2025
Lawfulness and effectiveness in use of public resources	<p>As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.</p>			

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

	<p>1. unauthorized Bank Overdraft The statement of financial position reflects a bank overdraft of Kshs. 9,733,781 as disclosed at Note 16 to the financial statements. However, there was no Board authorization to overdraw the account contrary to Section 28(4) and (5) of the Public Finance Management Act, 2012 which states that an Accounting Officer for a national government entity shall not cause a bank account of the entity to be overdrawn beyond the limit authorized by The National Treasury or a Board of a national government entity, if any. In the circumstances, Management was in breach of the law.</p>	<p>There was no bank overdraft. However, there was an overdraft in the ledger. Reconciliations have been done and no overdraft between the cash book and system ledger as at 30th June 2024.</p>	<p>Resolved</p>	<p>30th June 2024</p>
	<p>2. Cash Procurement imprests. The statement of financial performance reflects general expenses amount of Kshs. 629,073,897 out of which Kshs. 3,534,286 incurred on cash procurement of services were over and above the threshold matrix for low value procurements as required by Regulation 92(a) of the Public and Asset Disposal Regulations, 2020. Further, the amount includes Kshs.242,449,032 incurred on transport and travel costs out of which imprest of Kshs.2,332,480 issued to the Natural Product Industry Project accountants</p>	<p>The cumulative amount of Kshs. 3,534,286 entail various activities ranging from car wash, minor repairs while in the field, vehicle service by in house mechanics whom management relies on to repair and maintain the vehicles. The management is committed to adhere to procurement laws by contracting dealers of framework agreements in subsequent financial years. The Management has put in place mechanisms to ensure imprest are recovered and or accounted promptly going forward as it addresses the historical issues.</p>	<p>Resolved</p>	<p>30th June 2025</p>

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

	during the month of June, 2023 was adequately supported. Further, it was noted that officers were holding more than one imprest. In the circumstances, Management was in breach of the law.			
	3. Irregular Transfer of Funds from Salary Account The statement of financial performance reflects employees' costs of Kshs.1,240,418,116. It was noted that the Management transferred Kshs.93,469,394 from the salaries account to the other accounts contrary to Regulation 48(1) of the Public Finance Management (National Government) Regulations, 2015 which states that for purposes of section 43 (3) of the Act, Accounting Officers, may authorize reallocation of the funds within programmes or sub-wage expenditure or from capital to recurrent expenditure. In the circumstances, Management was in breach of the law.	The Management borrowed funds temporarily from other accounts to cater for personnel costs caused by delays by exchequer release. Hence the transfer of funds from wage to non-wage expenditure is a refund of the borrowed funds upon receipt of the exchequer.	Resolved	30 th June 2025
4. Status of	4.1 Delay in Completion of Gate and Renovation of Administration Block at Gede. The contract for the construction of gate and renovation of administration block at Gede was awarded to a local contractor at a contract sum of Kshs. 33,309,622 on 24 August, 2022. The	The project had stalled at the time of the audit due to delayed reimbursement of the contractors' certificate. However, the issue was resolved and the project is ongoing and near completion.	Resolved	2024/2025

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

<p>Implementation of Projects</p>	<p>completion date was February, 2023 which was later revised to June, 2023. Site visit in the month of March, 2024 revealed that the project had stalled and the contractor was not on site. In the circumstances, value for money may not be realized from the expenditure of Kshs. 9,200,000 so far incurred on the project.</p>			
	<p>4.2 Development of Tourist Visitor Safety Facilities. A contract for the construction of tourism safety facilities at world war one heritage monument at Maktau was awarded at a contract sum of Kshs.68,497,794 on 13 June, 2022. Site visit to the project in the month of March, 2024 revealed that the contractor was not on site but research activities which were part of the contract were still on-going as; I. Research, collection, documentation and restoration of World War One Heritage Monument. II. Collection of artefacts, exhibition development, design and installation of World War One Heritage exhibition with audio-visuals and educational programmes. III. Development of marketing and promotional materials of World War One Heritage Monument.</p>	<p>The project is complete as per available documentation for verification.</p>	<p>Resolved</p>	<p>2024/2025</p>

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

<p>In the circumstances, the regularity and value for the money may not be realized from the expenditure of Kshs.53,238,504 already incurred on the project.</p>			
<p>4.3 Poor Workmanship at Vasco Da Gama Pillar. Management awarded a contract for the construction of sea wall and concrete repair works at Vasco Da Gama Pillar at contract sun of Kshs.59,349,325eing phase 1 which had been fully paid as at 30 June, 2023. Site visit in March, 2024 revealed that there was no access for vehicles to the pillar but a narrow walk way. Further, the sea wall had collapsed a sign of poor workmanship making the place not safe for visitors. In addition, there seem to be no ownership documents for the area which has signs of encroachment. In the Circumstances, the regularity and value for money may not be realized from the expenditure incurred on the Project.</p>	<p>The is no provision for the motor vehicles accesses to the pillar, except narrow walkway in between private property. The management will assess the corrective measures to be undertaken to enhance safety for the visitors. The NMK has letter of allotment and in the process of acquiring the title deed.</p>	<p>Not yet resolved</p>	<p>30th June 2025</p>
<p>4.4 Delay in Completion of Njuri Ncheke Shrine. Management awarded a contract for the construction of Njuri Ncheke Shrine in Meru town (Tender No. NMK/T/NNS/19/2020 of 05 June 2020) at a contract sum of 58,976,00 on 05</p>	<p>The management would like to clarify that the observation referred for Njuri Ncheke Shrine is for the Meru Cultural Centre. The works done up to the lintel level, change of roof design led the contractor to request for approval of variation of contract sum which was not granted by</p>	<p>Not yet resolved</p>	<p>30th June 2025</p>

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

	<p>June, 2020 for a period of 48 weeks ending on 04 June, 2021. During the year under review, an amount of Kshs. 39,560,475 or 67% of the contract sum had been paid to the contractor. However, physical verification in the month of March, 2024 revealed that the project has stalled and the site abandoned. No explanation was given for the delay in the completion of the Project.</p> <p>In the circumstances, value for money may not be realized from the expenditure of Kshs. 39,560,475 incurred on the project.</p>	<p>NMK. The contractor left the site. The certificates for work done and paid are as attached.</p>		
<p>Effectiveness of internal controls, risk management and governance</p>	<p>As required by Section 7 (1) (a) of the Republic Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.</p>			
	<p>Lack of Staff Tokens Policy. A memo dated 22 November, 2022 to the Acting Director General from the Coordinator, Natural Product Industry NPI Flagship Project; State, a token of appreciation for contributing for the</p>	<p>Staff tokens are paid to staff who provide support to the project implementation during the year. The management is working to have a clause on staff token in the research policy.</p>	<p>Not yet resolved</p>	<p>30th June 2025</p>

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

	<p>successful implementation of various project activities of the (NPI) Programme during the 2022-2023 financial year. However, payments of Kshs. 1,279,000 were made to eighty-two (82) staff (ranging from Kshs. 5,000 and Kshs. 100,000 during the year under review without the existence of approved staff token policy. Further, the amounts paid were not included in the approve budget and Management did not indicate the procedure applied or followed in payment of the staff tokens to staff members.</p> <p>In the circumstances, the effectiveness of internal controls on Natural Product Industry Project procedures could not be confirmed.</p>			
2023/2024	Basis for qualified opinion			
1.Unsupported and Undisclosed Property, Plant and Equipment Balance	<p>The statement of financial position reflects property, plant and equipment balance of Kshs.31,760,554,837 which as disclosed in Note 14 to the financial statements, includes an amount of Kshs. 1,575,127,445 in respect of land which has however, not been valued since 1990. As previously reported, the National Museums of Kenya has one hundred and fifty (150) parcels of land</p>	<p>The NMK Management would like to confirm that during the Financial Year 2024/2025 engagement the State Department of Physical Planning to assist in title deed ownership. The managed to cover 33 parcels of land along the coastal strip. Part Development Plans Developed, and the advertisement in Kenya Gazette and Dailies Newspaper done as required by law and thereafter they will be signed.</p>	<p>Not yet resolved. However, there is work in progress for the acquisition of title deeds and update of the asset register.</p>	<p>30th June 2028</p>

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

	<p>spread across the Country, out of which only forty-three (43) parcels had title deed AND THE REMAINING 107 PARCELS HAD NO OWNERSHIP DOCUMENTS. Further, the property, plant and equipment net book value of Kshs.31,760,554,837 includes heritage assets whose value could not be verified due to lack of a fixed assets register.</p> <p>Management has not disclosed the heritage assets that have future economic benefits or service potential other than their current heritage value and those heritage characteristics. In addition, no disclosure have been made on other heritage assets such as the measurements basis, method used, gross carrying amount and accumulated depreciation at the end of the year.</p>	<p>Then survey will be done and finally issuance of title deeds.</p> <p>The Asset register during the FY 2024-2025 is being updated for ease of reference</p> <p>The management would like to confirm that the value of property, plant and equipment does not include heritage assets. The management would develop an inventory of the heritage assets that have future economic benefits to have full disclosure in its financial statement in future as per IPSAS 17.</p>		
<p>2.Inaccuracies in the Cash and Cash Equivalent</p>	<p>The statement of financial position and Note 11 to the financial statements reflects cash and cash equivalents balance of Kshs.189,751,908. However. Review of the bank reconciliation statements for the month of June, 2024 revealed the existence of erroneous receipts totaling Kshs. 1,688,000 whose details was not provided for audit.</p> <p>In the circumstances, the completeness and accuracy of the cash and cash</p>	<p>The erroneous payment of Kshs. 1,688,000 was as a result of payment made in December 2016 to a wrong account of Kshs. 12,000,000 where the organization managed to recover Kshs. 10,312,000 in January 2017 as per attached court decree and bank reconciliation. See Annex III.</p>	<p>Not yet resolved</p>	<p>30th June 2026</p>

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

	equivalents balance of Kshs. 189,751,908 could not be confirmed.			
3.Unsupported Trade and Other Payables from Exchange Transactions	<p>The statement of financial position and Note 15 to the financial statements reflects trade and other payables from exchange transactions balance of Kshs. 441,375,629. However, the balance was not supported with relevant documents such as local purchase orders, local service orders, invoices, supplier agreements, payment vouchers, supplier statement of accounts and reconciliation statements.</p> <p>In the circumstances, the completeness and accuracy of the trade and other payables from exchange transactions balance of Kshs.441,375,629 could not be confirmed.</p>	The payment vouchers for trade payables with all relevant supporting documents and third-party payments, receipts for payments received in advance and schedules for other payables were availed and are available for further verification.	Resolved	30 th June 2025
4.Understated Project Deposits	<p>The statement of financial position and note 18 to the financial statement reflects project deposits balance of Kshs.36,453,315. However, review of cashbook for project accounts revealed that grants and donations totaling Kshs.39,046,900 were not recorded as receipts in the project cash book.</p> <p>In the circumstances, the accuracy and completeness of project deposits of Kshs.36,453,315 could not be</p>	The amount totaling to Kshs. 39,046,900 had been recorded in the cashbook.	Not yet resolved	30 th June 2025

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

	confirmed.			
5.Unsupported Motor Vehicle Repairs and Maintenance Expenditure	<p>The statement of financial performance and Note 8 to the financial statements reflect repairs and maintenance amount of Kshs.18,816,260. Included in the amount is expenditure totaling Kshs.997,392 which was paid for repairs and maintenance of motor vehicles. However, summary of work tickets issued and returned and pre and post inspection reports were not provided for audit.</p> <p>In circumstances, the accuracy and completeness of the expenditure of Kshs.997,392 could not be confirmed.</p>	The management will initiate internal pre and post inspection reports on all repairs for the Motor vehicles.	Not resolved	30 th June 2026
Emphasis of matter				
1.Budgetary Control and Performance	<p>The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.2,545,738,473 and Kshs.2,265,005,534 respectively, resulting to a revenue shortfall of Kshs.280,732,939 or 11% of the budget. Similarly, the Organization spent an amount of Kshs. 2,065,047,332 against the actual receipts of Kshs.2,265,005,534 resulting to an</p>	<p>During the year under review, the organization experienced a budgetary cut of Kshs. 130,000,000. There was an allocation to a directorate that was delinked from the organization, and Kshs. 118,800,000 was transferred accordingly. Additionally, there was a revenue shortfall of Kshs.38,932,939. These financial constraints collectively had a negative impact on the organization's service delivery.</p>	Resolved	30 th June 2025

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

	<p>under expenditure of Kshs.199,958,202 or 10% the approved budget.</p> <p>The under-funding and under performance affected the planned activities and may have impacted negatively on service delivery to the public.</p>			
2.Contingent Liability	<p>The former Director General and four other employees of the National Museums of Kenya and a private individual have been arraigned before the Anti-Corruption Court following investigations relating to employees' costs processed through the payroll between the year 2016 and 2022. However, Management has not recognized or made any provision by a way of contingent liability to cushion the Organization in event the staff win and lay a counter-claim against the Organization. The issue was pending in court and the outcome had not been determined.</p>	<p>The management has not made any provisions by way of contingent liability since all the 4 are former employees.</p>	Resolved	30 th June 2025
Basis for Conclusion				
1.Nugatory Payment of Avoidable Penalties due to Unremitted	<p>The statement of financial performance and Note 6 to the financial statements reflects employees' costs amount of Kshs.1,194,412,122. Included in the amount was Kshs.18,326,285 which was</p>	<p>The NMK Management has over the years 5 years managed to comply to the statutory requirements except for the amendments made on filing of PAYE in May, 2023 for the years 2016 to 2023. The arrears as at</p>	Not yet resolved as management entered into a payment plan with Kenya Revenue Authority on the	30 th June 2026

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

<p>Taxes</p>	<p>paid as penalties for non-remittance of Pay As You Earn (PAYE) tax to Kenya Revenue Authority. Further, review of documents revealed that PAYE totaling Kshs.683,702,583 was outstanding as at 30 June 2024 accumulating more penalties and interests.</p> <p>In the circumstances, the value for money realized from the expenditure of Kshs.18,326,285 could not be confirmed.</p>	<p>30th June 2024 amounted to Kshs.28,432,473.78 which relates to principal amount of Kshs 14.25 accumulated penalties of Kshs. 27,128,839 and accrued interest of Kshs. 1,303,620.43.</p>	<p>payment of the arrears</p>	
<p>2.Non-Compliance with the One-Third of Basis Salary Rule</p>	<p>During the year under review, twenty-five (25) employees earned a net salary which was less than one-third of their basic salary. This was contrary to the provisions which states that Public Officers shall not over-commit their salaries beyond two-thirds of their basic salaries and Heads of Human Resource Units should ensure compliance.</p> <p>In the circumstances, Management was in breach of the Human Resource Policies and Procedure Manual</p>	<p>The management has migrated its payroll to Human Resource Integrated System (HRIS) to help address a third rule as required by the provisions of Section C.1(3) of the Human Resource Policies and Procedures Manual for the Public Service, 2016.</p>	<p>Not yet resolved</p>	<p>30th June 2026</p>
<p>3.Irregular Procurement of Hardware Materials</p>	<p>The statement of financial performance and Note 10 to the financial statements reflects general expenses of Kshs.667,431,766. Included in the expenditure is amounts totaling Kshs.13,648,344 which was not supported with procurement documents</p>	<p>The supporting documents were availed and are available for verification to confirm the expenditure of Kshs. 13,648,344.</p>	<p>Resolved</p>	<p>30th June 2025</p>

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

	<p>such as user requisitions, local purchase orders, delivery notes, contracts agreements, stores records, and issuing records.</p> <p>In the circumstances, the regularity of the expenditure of Kshs.13,648,344 could not be confirmed.</p>			
Basis for Conclusion				
Board Meeting Exceeding Approved Limit	<p>Review of documents revealed that the Board of Directors held a total of thirty-two (32) full board and committee meetings against the approved maximum number of twenty-three (23) meetings, resulting to an excess of nine (9) meetings which were not authorized by the Ministry of Gender, Culture, the Arts and Heritage. This was contrary to Public Service Circular OP/CAB.9/1A of 11 March, 2020 on guidelines for the Management of State Corporations which stipulates that any excess meeting by the board must be approved by the parent Ministry.</p> <p>In the circumstances, the effectiveness of governance system could not be confirmed.</p>	<p>The management has adhered to capping of meetings going forward as these extra meetings were a result of governance issues the organization was going through during the year under review.</p>	Resolved	30 th June 2025

M. M. Mwangi

Director General

Date: 18th December 2025



NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

Appendix II: Projects implemented by National Museums of Kenya

Projects implemented by the State Corporation/ SAGA Funded by development partners and/ or the Government.

Status of Projects completion

SN	Project	Total Project Cost	Total Expended To date	Completion % to date	Budget	Actual	Sources of Funds
1.	Construction of Interpretation Centre, Boundary Wall, Ablution Block and Education Hall at Wajir Museum, Wajir County	49,299,181.00	49,299,181.00	100%	50,000,000.00	49,299,181.00	Tourism Promotion Fund
2.	Construction of Ticket Booth, Signage and Development of Exhibitions at Fort Jesus World Heritage Site; Mombasa County	38,985,130.00	26,685,543.00	80%	40,000,000.00	26,685,543.00	Tourism Promotion Fund
3.	Construction of Prophet Yohana Owalo Mausoleum	35,328,700.00	31,795,838.00	100%	40,000,000.00	31,795,838	Tourism Promotion Fund
4.	Nairobi National Museum (NNM) Boundary Wall along Michuki Park, Nairobi County	6,241,050.00	1,386,390.00	60%	5,000,000.00	1,386,390.00	Tourism Promotion Fund
5.	Rehabilitation Works at Hyrax Hill Prehistoric Site; Nakuru County	22, 513,531	17,811,136.45	95%	25,000,000.00	17,811,136.45	Tourism Promotion Fund

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

6.	Rehabilitation Works at Kariandusi Prehistoric Site; Nakuru County	23,850,609.00	4,666,222.35	60%	25,000,000.00	4,666,222.35	Tourism Promotion Fund
7.	Development of Tourist/ Visitor Safety Facilities at World War One Heritage Monuments at Maktau; Taita-Taveta County	68,497,794.00	66,914,916.40	92%	68,497,794.00	66,914,916.40	Tourism Promotion Fund
8.	Rehabilitation of Ged Complex at Gede Ruins, Kilifi County	33,309,622.72	20,792,217.70	100%	35,200,000.00	20,792,217.70	Sports, Arts and Social Development Fund

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

Appendix 1: INTER-ENTITY TRANSFERS

ENTITY NAME: NATIONAL MUSEUMS OF KENYA				
Break down of Transfers from the State Department of Culture and Heritage FY 2024/2025				
a. Recurrent Grants				
	Bank Statement Date	Amount (Kshs)	Indicate the FY to Which the Amounts Relate	
Ministry of Gender, The Arts and Children Services	13.08.2024	57,886,490.35	2024/2025	
Ministry of Gender, The Arts and Children Services.	12.09.2024	57,886,490.35	2024/2025	
Ministry of Gender, The Arts and Children Services	09.10.2024	57,886,490.35	2024/2025	
Ministry of Gender, The Arts and Children Services.	06.11.2024	57,886,490.35	2024/2025	
Ministry of Gender, The Arts and Children Services	03.12.2024	57,886,490.35	2024/2025	
Ministry of Gender, The Arts and Children Services.	02.01.2025	57,886,490.35	2024/2025	
Ministry of Gender, The Arts and Children Services	10.02.2025	57,886,490.35	2024/2025	
Ministry of Gender, The Arts and Children Services.	12.02.2025	57,886,490.35	2024/2025	
Ministry of Gender, The Arts and Children Services	08.04.2025	57,886,490.35	2024/2025	
Ministry of Gender, The Arts and Children Services.	29.04.2025	127,000,000.00	2024/2025	
Ministry of Gender, The Arts and Children Services.	05.05.2025	57,886,490.00	2024/2025	
Ministry of Gender, The Arts and Children Services	10.06.2025	57,886,490.00	2024/2025	

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

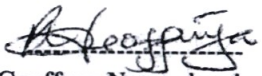
Ministry of Gender, The Arts and Children Services.	01.07.2025	57,886,490.00	2024/2025
Total		821,637,883.15	
b. Other Recurrent Grants			
Natural Product Industry			
Ministry of Gender, The Arts and Children Services	06.11.2024	40,050,160.75	2024/2025
Ministry of Gender, The Arts and Children Services.	04.12.2024	26,700,107.30	2024/2025
Ministry of Gender, The Arts and Children Services	02.01.2025	13,350,053.00	2024/2025
Ministry of Gender, The Arts and Children Services.	10.02.2025	13,350,053.70	2024/2025
Ministry of Gender, The Arts and Children Services	12.03.2025	13,350,053.70	2024/2025
Ministry of Gender, The Arts and Children Services.	08.04.2025	13,350,053.70	2024/2025
Ministry of Gender, The Arts and Children Services.	02.05.2025	13,350,053.60	2024/2025
Ministry of Gender, The Arts and Children Services	10.06.2025	13,350,053.50	2024/2025
Ministry of Gender, The Arts and Children Services.	01.07.2025	13,350,054.00	2024/2025
Total		160,200,643.25	

NOTES: The above amounts have been communicated to and reconciled with the Parent Ministry

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

Financial Controller
National Museums of Kenya

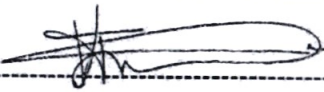
Sign


CPA Geoffrey Namachanja

Date: 25th August 2025

Head of Accounting Unit
State Department of Culture and Heritage

Sign


CPA Jason Gitonga

Date: 25th August 2025

NATIONAL MUSEUMS OF KENYA
Annual Reports and Financial Statements
For the Year Ended June 30, 2025

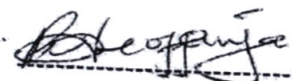
Appendix 2: INTER- ENTITY TRANSFERS

ENTITY NAME: NATIONAL MUSEUMS OF KENYA			
Break down of Transfers from the State Department for Sports. FY 24/25			
Development Grants	Bank Statement Date	Amount (Kshs)	Indicate the FY to Which the Amou
Sports Arts and Social Development Fund	27.08.2024	3,493,019	2024/2025
Sports Arts and Social Development Fund	16.12.2024	8,001,903	2024/2025
Total		11,494,922	

The above amounts have been communicated to and reconciled with the Sports Arts and Social Development Fund

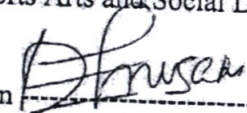
Financial Controller
National Museums of Kenya

Sign


CPA Geoffrey Namachanja
Date: 25th August 2025

Head of Accounting Unit
Sports Arts and Social Development Fund

Sign


CPA David Musau
Date: 25th August 2025