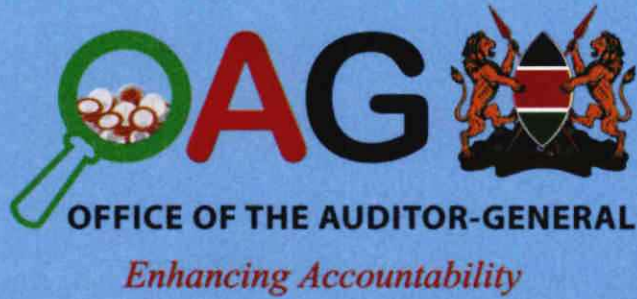


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# REPORT

OF

# THE AUDITOR-GENERAL

ON

# ROAD MAINTENANCE LEVY FUND

FOR THE YEAR ENDED  
30 JUNE, 2024

THE NATIONAL ASSEMBLY PAPERS LAD	
DATE:	00 MAR 2025 Thursday
FILED BY:	Deputy Majority Party Whip Hon. Naomi Wago, MP
CLERK AT TABLE:	A. Shibuko



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**KENYA WILDLIFE SERVICE  
(KWS)**

**Annual Report and Financial Statements  
For Road Maintenance Levy Fund  
For The Financial Year Ended  
30<sup>th</sup> June 2024**

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

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## 1. ACRONYMS AND GLOSSARY OF TERMS

APRP	Annual Public Roads Programme
ARWP	Annual Roads Work Plan
CSR	Corporate Social Responsibility
DG	Director General
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
ETB	Emulsion Treated Base
HDM-4	Highway Development and Management Tool
HELB	Higher Education Loans Board
KRB	Kenya Roads Board
IPSAS	International Public Sector Accounting Standards
KRA	Kenya Revenue Authority
KWS	Kenya Wildlife Service
LEA	Law Enforcement Academy
NHIF	National Health Insurance Fund
NITA	National Industrial Training Authority
NSSF	National Social Security Fund
PBC	Performance Based Contracting
PFM	Public Finance Management
R2000	Roads2000 Strategy
RICS	Road Inventory and Condition Survey
RMLF	Roads Maintenance Levy Fund
RSIP	Roads Sector Investment Programme
WCMA	Wildlife Conservation and Management Act

## 2. KEY ENTITY INFORMATION & MANAGEMENT

### (a) Background Information

Kenya Wildlife Service (KWS) was established by the Wildlife Conservation and Management Act, 1989 (now repealed and replaced by Wildlife Conservation and Management Act, 2013) and subsequent miscellaneous amendments. The overall mandate of KWS is to conserve and manage wildlife in Kenya and to enforce related laws and regulations. It has a sole jurisdiction over national parks and supervises other wildlife management areas, including national reserves, private sanctuaries and conservancies, and all conservation and management activities outside protected areas.

#### Our Vision

To conserve Kenya's wildlife and its habitats for posterity.

#### Our Mission

To sustainably manage Kenya's wildlife and its habitats for the benefits of nature and humanity.

#### Corporate Values

KWS has adopted four main corporate values, which serve as guiding principles in the provision of quality and acceptable services to our customers. These values include;

- i. Passion
- ii. Professionalism
- iii. Innovation
- iv. Quality

### (b) Principal Activities

The principal activity of KWS is to sustainably conserve, manage and enhance Kenya's wildlife and its habitats, and provides a wide range of public uses in collaboration with stakeholders. In pursuit of this commitment, the strategy is anchored on three pillars;

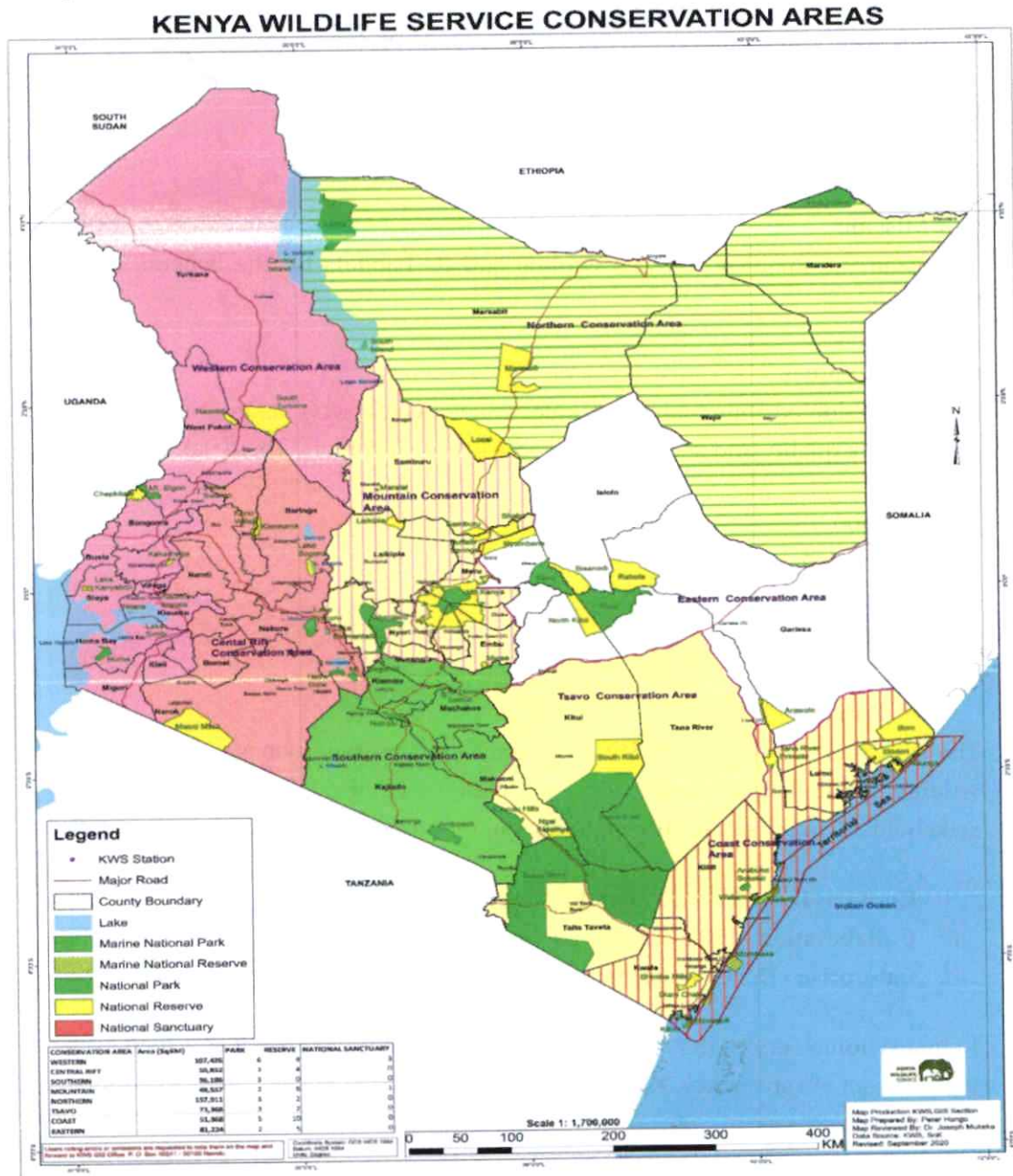
- i. **Conservation** - Commitment to conservation leadership
- ii. **Collaboration** - Enhance partnerships with stakeholders
- iii. **Enterprise** - Develop mechanisms for financial sustainability

Kenya Wildlife Service (KWS) continuously implement the project as a road's agency under the KRB Act. As an agency, KWS is allocated 1% of roads management levy funds.

**Area of operation**

The Service operates 22 National Parks, 28 National Reserves, 4 Marine National Parks, 6 Marine National Reserves and 5 National Sanctuaries. KWS is divided into 8 conservation areas (Western conservation, Central Rift conservation, Southern conservation, Mountain conservation, Northern conservation, Tsavo conservation, Coast conservation, and Eastern conservation), Main headquarters and two semi-autonomous institutions; Airwing, and Law Enforcement Academy-LEA (Manyani) for ease of administration.

The figure below shows the location of these conservation areas



### **(c) Key Management**

The day-to-day management of the Service is entrusted to the Director General who is the Secretary to the Board and Chief Executive Officer of the Service. The Director General is assisted by a management team of Directors and Deputy Directors. The Service is classified as a State Corporation under PC 3A.

### **(d) Fiduciary Management**

KWS is managed by an eleven (11) member Board of Trustees, comprising of five (5) Government representatives, six (6) independent members, and the Director General who is the Secretary to the Board and Chief Executive Officer of the Service.

The appointment and the terms of the current membership of the Board of Trustees are as shown below;

### **Board of Trustees**

The Trustees of Kenya Wildlife Service Board as at the date of this report are as follows:

Lt. Gen. (Rtd) Walter Raria Koipaton	Board Chairman	Appointed on December 23, 2022
Dr. Hellen Gichohi	Board Member	Appointed on September 22, 2023
Mr. Thomas Silvester	Board Member	Appointed on September 22, 2023
Mr. Francis Chachu Ganya	Board Member	Appointed on March 13, 2024
Mr. Peter Fredrick Moll	Board Member	Appointed on March 10, 2023
Ms. Silvia Museiya	Principal Secretary, State Department for Wildlife	
Mr. Paul Kiagu	Rep. Principal Secretary, the National Treasury & Planning	
Ms. Mercy Maina	Rep. Principal Secretary, Ministry of Devolution	
Ms. Rosemary Kuraru	Rep. Inspector General, Kenya Police Service	
Mr. James Mungai Warui	Ag. Inspectorate of State Corporation	
Mr. Daniel Gichimu Wambugu	Rep. Attorney General	
Prof. Erustus Kanga, PhD, EBS, HSC.	CEO/Board Secretary	Appointed on December 1, 2022

### **Corporation Secretary**

M/s. Benta Musima  
P. O. Box 40241- 00100

**NAIROBI**

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

No.	Designation	Name
1.	Director General	Prof. Erustus Kanga, PhD, EBS, HSC
2.	Director Wildlife and Community Service	Prof. Charles Musyoki
3.	Ag. Director Planning, Partnership and Enterprise	Capt. Michael Nicholson
4.	Ag. Deputy Director Infrastructure Management	Eng. Bernard Mbede
5.	Ag. Director Legal Services	Ms. Benta Musima
6.	Ag. Director Wildlife & Community Service	Mr. Dickson Ritan
7.	Ag. Director Internal Audit & Risk Management	CPA Davies K. Keitany
8.	Deputy Director Accounts	CPA Peter Mathenge
9.	Principal Superintending Engineer (Roads)	Eng. Micah Aiyabei
10.	Kenya Roads Board Liaison Officer	Eng. Christopher Gichuki

#### **(e) Fiduciary Oversight Arrangements**

The Board of Trustees of KWS is responsible for the governance of the Service and is accountable to the Government of Kenya in ensuring that it complies with the various laws while maintaining high ethical standards and corporate governance. Accordingly, the Board attaches very high importance to the generally accepted corporate governance practices and has embraced the internationally developed principles and code of best practice of good corporate governance including the Mwongozo and Code of Conduct.

#### **Board of Trustees**

The roles and functions of the Chairman and the Director General are distinct and their respective responsibilities clearly defined within the Wildlife Conservation and Management Act 2013.

The Board defines the policy guidelines for effective management of the Service. Except for direction and guidance on general policy, the Board delegates authority of its day-to-day business to the Management through the Director General.

#### **Board Meetings**

The Board holds meetings on a regular basis while special meetings are called when it is deemed necessary.

#### **Committees of the Board**

The Board has set up four key Committees to facilitate efficient decision making of the Board in discharging its duties and responsibilities.

### **Board Finance and Administration Committee**

The Committee has responsibilities for oversight in financial and human capital management.

These responsibilities include -

- a) Policies that maintain and improve the financial sustainability and integrity
- b) Review and recommend a long-term financial plan for the Service
- c) Review and recommend an annual operating budget and annual capital budget consistent with the long-term financial plan and financial policies
- d) Review the financial aspects of major proposed transactions, new programs, projects and services, as well as proposals to discontinue the same and making recommendations to the board
- e) Review and approve financial statements for release to external auditors
- f) Review and approve opening and closing of bank accounts.
- g) Monitor the financial performance of the Service as a whole against approved budgets and long-term trends
- h) Requiring and monitoring corrective actions to bring the organization into compliance with laws, policies and applicable financial principles.
- i) Review of human resource policies.
- j) Deliberation of staff matters.

### **Board Conservation Committee**

This Committee has responsibilities for oversight in Wildlife Conservation and Management. These responsibilities include; -

- a) Review and advice the Board on the development of Protected Area Management Plans, species strategies and conservation policies.
- b) Provide oversight of the organization's programs, projects and activities relating to conservation.
- c) Ensure that programs related to conservation are informed by best practice and leading-edge thinking, incorporating scientific, economic and social trends.
- d) Evaluate and review conservation programs and activities.
- e) Identify and submit risks, including legal, financial and reputational risks, relating to conservation to the Board Audit and Risk Committee.

The Committee also has responsibilities for oversight in mitigation of human wildlife conflict and compensation to communities. These include:

- a) Facilitate mobilization of requisite resources necessary for the department to carry out its mandate as spelt out in sec 7(n) of the WCM Act 2013 which states that "the service shall promote and undertake extension service programs intended to enhance wildlife conservation, education and training".
- b) Provide strategic policy direction to facilitate effective conservation education and awareness programs to enhance wildlife conservation and management.
- c) To determine incentives required for communities to foster effective Collaborative

management of wildlife within a specified conservation area.

- d) Addressing human / wildlife conflicts in targeted conservation areas.
- e) Resources required for community mobilization to advocate for and support the development and implementation of enabling policy and Legal environment for wildlife conservation.
- f) Facilitate establishment of the wildlife compensation scheme Sec 24 (b) of WCMA 2013

#### **Board Audit and Risk Committee**

This Committee has responsibilities for oversight in audit and risk matters of the Service. These include:

- a) Approving the internal audit charter.
- b) Reviewing of audit reports.
- c) Approving the risk based internal audit plan.
- d) Approving the internal audit budget and resource plans.
- e) Entity wide risk management processes
- f) Receiving communications on the internal audit activity's performance relative to its plan and other matters

#### **Board Enterprise Committee**

This Committee has the responsibility of developing sustainable enterprises for the Service for the Service's financial sustainability. These include:

- a) Building a brand, this will be done through exploring options for building and leveraging a new and distinct brand for KWS's protected area assets and its related products and services;
- b) Optimizing Traditional Sources of Revenue in order to increase both the revenue and related margin contribution of traditional tourism related revenues for KWS.
- c) Building New Sources of Revenue with a goal to diversify and increase sources of both wider funding and commercially generated revenues for KWS.
- d) To develop a clear strategic framework, disciplined business planning, considering Public-Private partnerships, optimal delegation and optimizing the use of technology.

**(f) KWS is an implementing Agency of RMLF. KWS Information details are as follows:**

**Registered office,**  
KWS Complex  
Lang'ata Road  
P.O. Box 40241 GPO 00100  
**Nairobi, Kenya**

**(g) KWS Contacts**

Tel: +254(20) 2379407/08/09

Email: kws@kws.go.ke

Website: www.kws.go.ke

**(h) Project information**

Project Start Date:	FY 2003-2004
Project End Date:	Continuous
Project Manager:	Eng. Benard Mbeda
Project Sponsor:	The Kenya Roads Board (KRB)

**(i) Project overview**

The project is under the supervision of the Ministry of Transport and Infrastructure. The strategic objectives of the project are to maintain, rehabilitate and develop such categories of roads within the jurisdiction of Kenya Wildlife Service (KWS) as shall be specified in the notice of designation.

**(j) Projects Banker**

Standard Chartered Bank Kenya Ltd

P.O. Box 30003

Langata Branch

GPO 00100

NAIROBI

**(k) Independent Auditors**

Auditor General

Office of Auditor General

Anniversary Towers, University Way

P.O. Box 30084 GPO 00100

Nairobi, Kenya

**(l) Principal Legal Advisor**

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112 City Square 00200

Nairobi, Kenya

3. THE BOARD OF TRUSTEES

<b>PROFILE</b>	
 <p><b>Lt. Gen. (Rtd) Walter Raria Koipaton;</b>  <b>MGH, CBS, OGW “ndc” (K) ‘psc’(TZ)</b></p> <p><b>Chair, Board of Trustees</b></p>	<p>Lieutenant General (Rtd) Walter Raria Koipaton was appointed Chairman of Kenya Wildlife Service Board of Trustees on 20th December, 2022 by HE President Dr. William Ruto.</p> <p>Lt. Gen. (Rtd) Koipaton served as the Commander of the Kenya Army following his promotion and appointment on 13 July, 2018. He was enlisted into the Kenya Defence Forces as an Officer Cadet on 14 May, 1982 and Commissioned as an Officer on 14 April, 1983.</p> <p>Lt. Gen. (Rtd) Koipaton holds a Diploma in International Relations from the University of Nairobi, a Bachelor of Science in Peace and Conflict Studies from the African Nazarene University and a Masters of Arts in Strategic Security Studies from the National Defence University, Washington, USA.</p>
 <p><b>Ms. Rosemary Kararu</b>  <b>Representative: The Inspector General</b>  <b>National Police Service</b></p>	<p>Ms Rosemary Kuraru is a Senior Assistant Inspector General of police and represents the Inspector General of the National Police Service in KWS BoT. Rosemary is an alumnus of the prestigious National Defence College of Kenya. She holds an MBA (International Relations &amp; Diplomacy) from the University of Nairobi, a Bachelor of Science in Counselling Psychology from Mt. Kenya University and a Higher Diploma in Psychological Counselling from Kenya Methodist University.</p> <p>Rosemary has attended Corporate Governance Training (2022), Trustee Development Training in Kenya (2021), State Corporations Advisory Committee (SCAC) Training (2017), Senior Mission Leadership Course at the International Peace Support Training Centre (IPSTC, 2017), Strategic Leadership Development Programme (SLDP, 2016), and Senior Management Course (SMC, 2014) at the Kenya School of Government.</p>



**Mr. Thomas Silvester**  
Trustee

Thomas Silvester is an entrepreneur, rancher, and tourism operator with a degree in Agriculture from the University of Edinburgh. Since 1992, he has been working on a large-scale tourism, ranching and conservation project in Northern Kenya. He founded Loisaba in 1998, and has been responsible for creating a successful, internationally recognized wildlife conservancy.

As Loisaba's CEO, he oversees a labor force of over 400, between two and three thousand herds of livestock, security, wildlife conservation, maintenance of infrastructure and the implementation of new projects contributing to research, conservation and revenue. He also provides support to neighboring communities through provision of health and education programs, livelihood support, grazing plans for their livestock and security services.

Through his position as vice chairman of the Laikipia Conservancies Association, Tom supports landscape level conservation, and engages with government on policy development. He also sits on the Executive Committee of the Agricultural Employees Association, and is a Board of Governors member of Laikipia North Technical and Vocational College.



**Ms. Mercy Maina**  
Representative: State Department of  
Devolution

Ms Mercy Muthoni Maina works in the State Department for Devolution and represents the Principal Secretary State Department for Devolution in the BoT. She is a Bachelor of Commerce graduate (Accounts and Auditing) and has Masters in Business Administration (Finance) among other short term courses in her career path. Currently, she is an Assistant Director, Policy and Research.

She has 26 years' wealth of experience in Public Service specializing in Public Policy, Local Governance and Finance.



**Hon. Francis Chachu Ganya**  
Trustee

Hon. Francis Chachu Ganya is a former Member of Parliament for North Horr constituency in Marsabit County where he was elected for three consecutive terms from 2008- 2022. He holds a Master's Degree in Public Administration from George Mason University Virginia, USA with a focus on Environmental Policy and Management, a Post Graduate Diploma in Non-Profit Management from the same university, and Bachelor of Arts from St. Lawrence University New York, USA.

He has worked as a Director Northern Range Lands Trust, Executive Director for Pastoralist Integrated Support Programme, Project Researcher for Management Systems International, and United States Forest Service where he served as Wilderness & Back Country Ranger.



**Mr. Daniel Gichimu Wambugu**  
Trustee

Daniel Gichimu Wambugu is a seasoned commercial and transactional advocate of the High Court of Kenya with experience in negotiating, analyzing, interpreting, and resolving complex commercial and financial transactions. He serves as a Senior State Counsel in the Executive Office of the Hon. Attorney General, where he oversees Cabinet affairs and provides strategic legal advice on a wide range of governmental matters.

He served as a Senior State Counsel in the Department of Justice where he provided legal advice on public procurement, government contracts, public-private partnerships, and infrastructure projects. His legal career began in the Office of the Attorney General, where he gained experience in anti-corruption, ethics, integrity, and civil litigation.

Daniel's dedication to public service is further demonstrated by his alternate directorships in key state corporations, including the National Youth Service and the Kenya Wildlife Service, where he represents the Hon. Attorney General on the respective boards. His academic credentials include a Bachelor of Laws from Kenyatta University and a Diploma in Advocate Training from the Kenya School of Law.



**Mr. Peter Moll**  
**Trustee**

Peter Moll is the chairman, (CEO) and founder of world leaders of today (Stand Up Shout Out) based in 39 counties and Lead Coordinator for APAC youth based in 20 plus African Countries.

He was ranked top 35 under 35 in the national award youth of the year, 2020. He serves as an honorary warden of KWS for the southern conservation area besides being a Nairobi National Park Management Committee Board member.

He is an astute conservationist with 11 years' experience and has accomplished many feats, including being the youth representative for UN World Wildlife Day, 2020 at the United Nations headquarters in New York and was part of the Kenyan delegation to Geneva Switzerland for the CITES COP 18 representing the youth among other achievements.



**FA Paul Munene Kiagu**  
**Representative: Principal Secretary,**  
**The National Treasury**

Paul Kiagu is a graduate from Kenyatta University with B.A Economics and Masters in Applied Economics (Finance). He is also a Certified Investment and Financial Analyst with the Institute of Certified Investment and Financial Analysts (ICIFA). He is a member of Economists Society of Kenya (ESK) and the Institute of Certified Investment and Financial Analysts (ICIFA).

He works at the National Treasury as an Economist /Financial Analyst dealing with approvals of State Corporations requests, Analysis of Budgets, Financial Reports and GOK on-lend loans to State Corporations. He is also involved in the Implementation of Public Finance Management Reforms (PFMR).

He represents the National Treasury in the Public Investment Committee (PIC) in Parliament on policy matters relating to Government Investments and Public Enterprises.

He has a wide range of experience in various Boards of State Corporations having represented the Cabinet Secretary from 2012.



**Ms. Hellen Gichohi**  
**Trustee**

Helen Gichohi is the immediate past Ambassador for Conservation in Africa for Fauna and Flora International where she serves on a part time basis until December 2023. She joined FFI from Equity Group Foundation where she had served as managing director from 2012 to 2017. Prior to that, she spent 11 years with the African Wildlife Foundation (AWF), where she served the first AWF President from 2007 to 2012.

She joined as the first director of the African Heartlands Program in 2001 rising to become the Vice President for Programs in February 2002. She led the expansion of AWF's program in Africa as well as the move of the organization's headquarters from Washington, DC to Nairobi. Before joining AWF Helen served as the managing director of the African Conservation Centre. Helen has received numerous honors, including three presidential awards, the Order of Grand Warrior and two Moran of the Order of Burning Spear for her distinguished service to conservation and development in Kenya.

She holds a doctorate in ecology from the University of Leicester in the UK, a Master of Science in Biology of Conservation from the University of Nairobi, and a Bachelor of Science in Zoology from Kenyatta University.



**Prof. Erustus Kanga, PhD, EBS, HSC.  
Director General**

Prof. Erustus Kanga is the Director General of Kenya Wildlife Service (KWS). He has over 20 years' experience in biodiversity conservation, climate change vulnerability assessment and mapping, bio-enterprises, and community livelihood support.

He has a long trajectory in biodiversity conservation, including (five) 5 years of service as the Secretary for Wildlife at the Ministry of Tourism, Wildlife & Heritage, and 16 years of extensive work experience with the Kenya Wildlife Service, where he was responsible for Biodiversity Research and Monitoring across the Protected Areas.

He holds a PhD in Natural Resources Conservation from the University of Groningen in the Netherlands in the year 2011. He has authored over 30 publications, and is driven by the passion to work towards the core purpose of biodiversity conservation.



**Ms. Benta Musima  
Ag. Corporation Secretary**



Ms. Benta Musima is currently finalizing her Masters in Law with the University of East London, she holds a postgraduate Diploma in Law from the Kenya School of Law, a Bachelor's degree in Law (Hons) from Uganda Christian University. She is a Certified Public Secretary, a certified professional mediator and a member of the Chartered Institute of Arbitrators, Kenya.

She has five (5) years' experience in the Service

**4. MANAGEMENT TEAM**

 <p><b>Prof. Erustus Kanga, PhD, EBS, HSC.</b>  <b>Director General</b></p>	<p>Prof. Erustus Kanga is the Director General of Kenya Wildlife Service (KWS). He has over 20 years' experience in biodiversity conservation, climate change vulnerability assessment and mapping, bio-enterprises and community livelihood support.</p> <p>He has a long trajectory in biodiversity conservation, including (five) 5 years of service as the Secretary for Wildlife at the Ministry of Tourism, Wildlife &amp; Heritage, and 16 years of extensive work experience with the Kenya Wildlife Service, where he was responsible for Biodiversity Research and Monitoring across the Protected Areas.</p> <p>He holds a PhD in Natural Resources Conservation from the University of Groningen in the Netherlands in the year 2011. He has authored over 30 publications, and is driven by the passion to work towards the core purpose of biodiversity conservation.</p>
 <p><b>Prof. Charles Musyoki, PhD, OGW</b>  <b>Director Parks and Reserves</b></p>	<p>Prof. Charles Musyoki is the Director Wildlife and Community Service. He holds a Bachelor of Science (Hons) degree in Wildlife Management and a Master of Philosophy degree in Wildlife Management both from Moi University; a Doctor of Philosophy degree from Kyoto, Japan. He is currently pursuing an Executive Master of Business Administration at the Management University of Africa.</p> <p>He is a member of the IUCN Antelope Specialist Group, the Technical Advisory Group for the Raptors MoU and the African Lion Working Group. He has authored and co-authored a number of publications of wildlife research and conservation that include a book on</p>

	<p>human-wildlife conflict in Kenya. He is a Research Professor of Kyoto University.</p> <p>He has over twenty five (25) years' experience in research and wildlife conservation.</p>
 <p><b>Capt. Michael Nicholson</b>  <b>Director Planning, Partnership and Enterprise</b></p>	<p><b>Capt. Michael Nicholson</b> is the Director Planning, Partnership, and Enterprise Directorate. He holds an FAA Airline Transport Pilot License (ATPL) and has a wealth of experience in both private sector aviation management and public service.</p> <p>In addition to his aviation expertise, Capt. Nicholson has valuable experience in the Oil and Gas exploration industry. Throughout his career, he has consistently demonstrated strong leadership and management skills across diverse sectors, making significant contributions to the success and growth of the organizations he has been part of.</p>
 <p><b>Mr. Dickson Ritan</b>  <b>Deputy Director Security</b></p>	<p>Mr. Dickson Ritan is the Deputy Director Wildlife Protection Division. He has served the Service for 24 years in various capacities.</p> <p>He holds a Msc. degree in Wildlife Ecology and Conservation from University of Florida – Gainesville (USA), a degree in B.ED (Science - Botany and Zoology) from Kenyatta University and a Paramilitary training at Kenya Wildlife Service Law Enforcement Academy (KWS-LEA) 2001</p>

 <p><b>Eng. Benard Ochieng Mbeda</b>  <b>Deputy Director Infrastructure and Facilities Management</b></p>	<p>Eng. Benard O. Mbeda holds a Bachelor of Science degree in Civil/Structural Engineering from JKUAT, a Bachelor of Industrial Technology (Industrial Plant and Building Services Engineering) from Egerton University and a Master of Business Administration (Executive) in Strategic Management from Moi University.</p> <p>He is a member of the Engineers Board of Kenya (EBK) and Institution of Engineers of Kenya (IEK), with 25 years of experience in engineering design, construction and projects management.</p>
 <p><b>CPA Peter Mathenge</b>  <b>Deputy Director Finance &amp; Accounts</b></p>	<p>Mr. Peter Mathenge holds a Master of Business Administration (Projects Management) from Kenyatta University, a Bachelor of Commerce (Accounting) degree from Catholic University, and a graduate of SLDP from Kenya School of Government.</p> <p>He is a Certified Public Accountant of Kenya (CPA-K) and Member of the Institute of Certified Public Accountants of Kenya (ICPAK)</p> <p>He has over twenty (20) years' experience in the Service.</p>
 <p><b>Ms. Benta Musima</b>  <b>Ag. Corporation Secretary</b></p>	<p>Ms. Benta Musima is currently finalizing her Masters in Law with the University of East London, she holds a postgraduate Diploma in Law from the Kenya School of Law, a Bachelor's degree in Law (Hons) from Uganda Christian University. She is a Certified Public Secretary, a certified professional mediator and a member of the Chartered Institute of Arbitrators, Kenya. She has five (5) years' experience in the Service</p>



**CPA Davies K. Keitany**  
**Director Internal Audit & Risk Management**

Davies K. Keitany, CPA (K), CISA, CRMA, CGAP, MBA, is the Acting Director of Internal Audit & Risk Management.

With over 20 years of experience in corporate governance, risk management, internal controls, corporate budgeting, financial management and compliance with regulatory standards, He plays a critical role in providing assurance on internal controls and in the development of risk mitigation frameworks.

He holds a Bachelor of Commerce degree (Finance) and an MBA in Operations Management. He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK), ISACA and the Institute of Internal Auditors.

## 5. CHAIRMAN'S STATEMENT



I am honoured to present the Kenya Wildlife Service (KWS) annual report and financial statements for the year ending 30<sup>th</sup> June 2024 for the Roads Maintenance Levy Fund (RMLF). KWS remains steadfast in its mission to conserve and manage wildlife across our magnificent nation.

The Kenya Roads Board Act 1999, No. 7 of 1999, and the Kenya Roads Act of 2007, recognize KWS as an implementing Road Agency. As per the KRB Act, 1% of the Roads

Maintenance Levy Fund (RMLF) is allocated to KWS in respect of roads in national parks and reserves. In the past years, KWS has allocated the funds in the maintenance and rehabilitation of the classified road network (Class A,B,C,D,E,F,G) which carry majority of the tourist traffic. The classified network within national parks and reserves is estimated at 6,500 kms. However, the Service is only able to maintain approximately 2,500 kms each financial year under the Annual Roads Work Programme (ARWP) which is submitted to KRB for approval. The remaining classified and unclassified road network is periodically factored into the Workplan to enhance security operations and to enrich the game drive experiences by enhancing access to wildlife areas.

In FY 2023/24, the Ministry of Roads and Transport, through Kenya Roads Board (KRB) disseminated Road Inventory and Condition Survey (RICS) findings to the Road Agencies. As per the RICS 2023 results, the country's road network has grown from 161,821.49 kms in 2018 to 239,121.74 kms in 2023. The road network in good condition increased from 17.26% to 20.10% whereas the road network in poor condition reduced from 38.29% to 32.50%. This signifies concerted efforts in road development and maintenance by the Government of the Republic of Kenya, the Ministry of Roads and Transport, County Governments, Road Agencies and other stakeholders in the roads sub-sector.

As per the RICS 2023, a total of 9,676.17 kms was mapped in national parks and reserves. 48.5% and 33.8% of the road network mapped is to earth and gravel surface respectively. Given that a fairly large proportion of the network is to gravel standards, gravel along the major park roads is continuously being lost due to traffic and environmental factors hence

the need to routinely undertake spot re-graveling and graveling operations to maintain the roads in motorable state in a bid to effectively support tourism, wildlife protection and operations across the parks. We have witnessed efficient park operations, reduced vehicle operating cost and above all, an increase in customer experience and satisfaction with improved roads.

In the wake of increasing demand for gravel sources, the Service is exploring gravel stabilization methods such as construction of Emulsion Treated Base (ETB) and Claycrete. ETB construction has been explored in parks and has been found to reduce the rate of loss of gravel. KWS is focused on environmental sustainability and will undertake further research and studies to ameliorate environmental degradation

In the Financial Year, lower collections for the RMLF, than had been projected, were collected resulting to a reduction in the budget ceiling for the FY 2023/24. This had an impact on the reduction in the scope of works. The Service however proposed maintenance works under Savings accrued in previous years. This will ensure that the funding gap due to a reduction in the budget ceilings is reduced.

As we reflect on the past year, we look forward closing the gap in all pending works in FY 2024/25 and we hope that we will achieve all set targets in the new year. We are grateful to the Government of Kenya, through the Ministry of Roads and Transport, and Kenya Roads Board, for their support and collaboration in advancing the road infrastructure agenda which has contributed immensely in the conservation of Kenya's wildlife and its habitats.



**Lt. Gen. (Rtd) Walter R. Koipaton**  
**CHAIRMAN - BOARD OF TRUSTEES**

## 6. REPORT OF THE DIRECTOR GENERAL



The Kenya Wildlife Service (KWS) extends its heartfelt gratitude to the Ministry of Roads and Transport, and the Kenya Roads Board (KRB) for their unwavering support in the maintenance of roads within our national parks and reserves. These roads are critical as tourist circuits and for facilitating access and security operations.

According to the Road Inventory and Conditions Survey (RICS) 2023 results disseminated by KRB in the FY

2023/24, KWS manages a total road network of 9,676.17 km. Of these, approximately 2,500 km are maintained each financial year and are included in the Annual Roads Work Plan (ARWP). The remaining kilometers are maintained using KWS's internal budget or financed through savings realized from procured RMLF Works.

KWS first received RMLF funds totaling KShs. 60 million from the Ministry of Roads and Transport through Kenya Roads Board (KRB) in the Financial Year 2003/2004. Over time, this funding has gradually increased, allowing for greater coverage of the Service's growing national park and reserve road network.

In FY 2023/24, the original RMLF budget ceiling for KWS was KShs. 726,721,020. This ceiling was later revised to KShs. 607,510,204 due to 'lower-than-expected' RMLF collections. With the original budget ceiling, 2,390.27 kms were planned for maintenance. After the budget revision, the planned kilometers were revised to 1,880.80 kms. To bridge the funding gap, the Service prepared a work plan of savings amounting to KShs. 180,143,739.28 earned from already procured works between FY 2021/22 and FY 2023/24. In the work plan, an additional 288.60 kilometers will be procured. KWS experienced unavoidable challenges in the procurement of the FY 2023/24 Annual Public Road Programme (APRP) and will endeavor to implement the revised FY 2023/24 APRP in FY 2024/25. The Service will also strive to implement the 2024/25 road works on time to resume normal APRP implementation.

Given the delay in the procurement of FY 2023/24 road works, Kenya Roads Board had not deposited the FY 2023/24 RMLF funds to the Service as of 30<sup>th</sup> June 2024. Following the revision of budget ceilings, the amount to be deposited by KRB to KWS reduced from KShs. 699,831,020.02 to KShs. 580,620,204.02. This amount is exclusive of RMLF Monitoring &

Evaluation costs. During the Financial Year, KWS expended KShs. 289,112,795, of this amount, a total of KShs. 260,381,398 was paid for road works from the previous year and ongoing works. KShs. 28,731,397 was incurred as operational cost. During the period, an interest of KShs. 22,892,677 was earned from money held in the bank. As of 30th June 2024, the reported bank account balance was KShs. 614,831,229.

During the period, KWS procured nine contracts in Lake Nakuru, Aberdare, Nairobi, and Meru National Parks involving routine maintenance works under a Savings budget of KShs. 111,911,021.05. Eight of the contracts have since been completed, and one contract in Meru National Park is pending. A total of 253.4 kms were achieved under Performance-Based Contracting (PBC) for contracts in Aberdare, Mt. Kenya, Nairobi, Shimba Hills, Amboseli, and Marsabit National Parks.

The following challenges were noted during the period:

- i. Extraordinary rainfall between November 2023 and March 2024 resulted in unprecedented gravel loss and additional drainage structures requirements. This delayed some projects, necessitating extensions of time. The maintenance needs along the main KWS road network were estimated at KShs. 1,155,757,084.07.
- ii. 'Lower-than-projected' RMLF collections led to a reduction in the KWS FY 2023/24 RMLF budget ceiling from KShs. 726,721,020 to KShs. 607,510,204, impacting the work plan. To mitigate this, the Service submitted a work plan of KShs. 180,143,739.25 under savings accrued between FY 2019/2020 and FY 2022/2023 to bridge the funding gap.
- iii. The Service grappled with non-responsive bidders, with many not proceeding to technical evaluation. To address this, we will enhance guidance to contractors during pre-bid meetings and site visits to ensure value for money and foster competition.
- iv. Delayed implementation of FY 2023/24 road works led to further deterioration of roads. KWS will implement the revised FY 2023/24 and FY 2024/25 works in FY 2024/25.
- v. Some contractors exhibited slow progress or abandoned sites, resulting in unpaid contract sums and low absorption of RMLF funds. KWS will terminate contracts where contractors are non-responsive to the Engineer's notices and ensure no payments are made for undelivered works.
- vi. Inadequate engineers for supervision of RMLF works impacted the quality of some projects. To address this, KWS plans to recruit temporary staff during project implementation and include a provisional sum for material testing in all road projects.

Despite the challenges highlighted, a total of 688.5 kms were achieved by the Service during FY 2023/24, inclusive of routine and hybrid PBC Works. KWS in the execution of road works in FY 2023/24 implemented the R2000 strategy which is a method of road development and

management that ensures optimum utilization and development of locally available resources where technically, and economically feasible and in a socially responsive manner. During the period, employment totaling to 17,653 person-days was created. Approximately 25% of the persons employed were women. Further, a total of KSh. 14,004,394.70 was paid by Contractors to skilled and unskilled laborers for projects under the strategy.

In closing, I express our sincere gratitude to the Government of Kenya through the Ministry of Roads and Transport and the Kenya Roads Board for their unwavering support. I also extend my thanks to the Board of Trustees and the dedicated staff of KWS for their tireless efforts and commitment to our mission.



Prof. Erustus Kanga, PhD, EBS, HSC.  
DIRECTOR GENERAL



## 7. STATEMENT OF PERFORMANCE AGAINST PROJECT 'S PREDETERMINED OBJECTIVES

### Introduction

Kenya Wildlife Service (KWS) was established by an Act of Parliament, the Wildlife Conservation and Management Act (CAP 376) No. 16 of 1989, with the overall mandate to conserve and manage wildlife in Kenya, now repealed to Wildlife Conservation and Management Act, 2013.

The Kenya Roads Board Act, No. 7 of 1999 recognizes Kenya Wildlife Service (KWS) as a road agency which is allocated 1% of the Road Maintenance Levy Fund (RMLF) for the purpose of maintaining roads within National Parks and Game reserves. So far, the funds have been instrumental in enhancing access to and improving motorability within the parks and reserves.

The overall goal of the funds is to maintain the roads accessing the parks and those within the parks and reserves with an aim of preserving the existing roads assets. Since the inception of the 1% RMLF funding, the percentage share of motorable roads has increased over the years with state of the roads in parks and reserves maintained in good and fair condition. Whereas KWS is not entirely a road agency, road infrastructure supports wildlife conservation activities, enhances security operations and improves the tourist experience within the parks and reserves thereby enhancing customer satisfaction. Further, road infrastructure promotes the efficiency, effectiveness and economy of KWS. In the past, neighboring communities have benefited from passable park access roads, with an increase in tourism activities because of improved accessibility resulting to increased income levels of the community who are major stakeholders in the wildlife conservation process.

### Project Components

1. **Road Maintenance** -The expected outcome of this component is to maintain roads in national parks and reserves in fair and good condition and to ensure their motorability throughout the year. Attainment of this objective ensures that the existing road assets are preserved, improved accessibility, effective park operations, reduced vehicle operating costs and ensures that an acceptable level of service is maintained particularly under PBC Contracts.

In FY 2023/24, a total of 2,390.27 kms were planned for maintenance under the year's APRP. The RMLF budget ceilings was however revised and the kilometers to be achieved under FY 2023/24 APRP were reduced to 1,880.70 kms. Due to unavoidable challenges, FY 2023/24 road works will be procured and executed in FY 2024/25. In FY 2023/24, nine (9) contracts involving routine maintenance works were procured under Savings. A total of 125.1 kilometers were achieved under the Savings workplan.

Further, six (6) contracts carried over from FY 2022/23 involving PBC were executed during the period with a total of 253.4 kms being achieved under PBC. Overall, 688.5 kilometers were achieved during the period.

- II. Research and Development**-The expected outcome of this component is to carry out research on eco-friendly products, which do not interfere with the ecological system yet increase the durability of the roads in terms of reduced rate of gravel loss and dust.

In recent years, there have been concerns over dwindling supplies of gravel resulting from increasing construction and maintenance of gravel roads. The exhaustion of easily accessible and quality sources increases the cost and effort required to extract suitable materials. Further, unregulated extraction practices can lead to significant environmental degradation and lack of proper rehabilitation of extraction sites contributes to long-term ecological damage. On heavily trafficked gravel roads, gravel loss is accelerated thereby necessitating shorter maintenance intervals, hence more re-graveling procedures. Further, gravel on unpaved roads is washed away during the rainy season resulting to increased maintenance needs.

The Service is currently planning to construct a 1-kilometer trial section within Nairobi National Park using a soil stabilizing material known as *Claycrete*. *Claycrete* is an Australian product, in liquid form, which is manufactured in Thailand. It improves the bearing strength of soils and gravels containing clay by reacting with the clay content of the soil/gravel. It further removes the attraction to water and reduces dust within gravel and soils.

During FY 2023/24, the Service in collaboration with *Claycrete Kenya* commenced material investigations targeting a few gravel borrow pits within Nairobi National Park to explore possible parent material for improvement with *Claycrete*. The Service is keen on such materials that would reduce the demand for gravel and that would reduce dust within the park environment.

- III. Capacity Building of Staff** - Our performance development principles are anchored on the belief of reskilling and upskilling employees to enable them to be fit for their present and future roles. Effective road maintenance requires a well-trained workforce equipped with the latest knowledge and techniques particularly in supervision and contract management & administration. In FY 2023/2024, engineers from the roads office participated in workshops aimed at improving delivery of road projects as well as enhancing operations under the RMLF. This included attendance to the validation workshop of the Draft Final Road Sector Investment Programme (RSIP) III Report. During the workshop, KWS engineers familiarized themselves with road asset management techniques including strategic analysis using HDM-4 to prioritize road

maintenance. Further, the engineers reviewed the Service's works standards under the RSIP III. Further, KWS staff from procurement finance and roads attended a dissemination workshop on audit findings for the FY 2022/23. The workshop hosted by KRB provided a platform for discussion on weaknesses noted during implementation of RMLF funded works. The workshop provided a platform for understanding audit findings, awareness of best practices, enhancing accountability and skill enhancement and provided an opportunity for identifying areas for improvement.

**Progress on Attainment of 2023/2024 Annual Plan**

For purposes of implementing and cascading the above development objectives to specific components, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Below is the progress of attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
KWS RMLF Funded Projects	Road Maintenance	Maintenance of roads within the national parks and reserves	<ul style="list-style-type: none"> <li>• Maintenance of the roads as per the Annual Work Plan 2023-2024.</li> <li>• Inclusion of PBC within the works to ensure the contractors are responsible for the quality of works</li> </ul>	<p>The Service had planned to procure and execute forty-two (42) contracts under the FY 2023-2024 Work Plan. Challenges encountered during procurement including non-responsive of bidders resulted to termination of the procurement process.</p> <p>During the FY 2023-2024, KWS procured road works under an approved Savings Workplan for savings earned from procurement of FY 2022/23 APRP. Nine (9) contracts were procured with a planned length of 143.7 kms. The works were planned in Lake Nakuru, Aberdare, Nairobi and Meru National Parks. During the period, works in Eight (8) of the Contracts were completed and paid. As of 30<sup>th</sup> June 2024, implementation of works under one (1) contract in Meru National Park was pending completion. A total of 125.2 kms were achieved as of the end of the period.</p> <p>In the works procured under FY 2022-2023 APRP, six (6) contracts were under one (1) year Performance Based Contract (PBC) in Nairobi, Marsabit, Shimba Hills, Amboseli, Aberdare and Mt. Kenya National Parks. During the period, PBC works were executed in all contracts and payment reductions on contractors' payment made where non-compliance in</p>

Project	Objective	Outcome	Indicator	Performance
			<p>delivered.</p> <ul style="list-style-type: none"> <li>• Completion of roads rolled over from previous financial years</li> <li>• Better drainage along the park roads.</li> <li>• Use of local contractors in the works.</li> </ul>	<p>maintenance was noted. In the year, a total of 253.40 kms were maintained under PBC.</p> <p>Four (4) contracts under implementation in FY 2022/23 were carried over to FY 2023/24. The status is detailed below:</p> <ul style="list-style-type: none"> <li>• One (1) contract in Aberdare National Park under FY 2021/22 Savings was completed during the period. A total of 20 kms was achieved.</li> <li>• Two (2) contracts in Meru and Kora National Parks under APRP FY 2022/23 were completed during the period. A total of 289.90 kms were achieved.</li> <li>• One (1) contract in Meru National Park carried over from FY 2022/23 is pending completion.</li> </ul> <p>In the procured Work Plan under Savings FY 2022/23, the Service incorporated drainage works including culvert construction, drift construction and culvert cleaning. In the revised FY 2023/24 that the Service intends to procure in FY 2024/25, additional drainage structures including box culverts and mitre drain excavation have been incorporated.</p> <p>The works procured under Savings were all awarded to local contractors.</p>

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Project	Objective	Outcome	Indicator	Performance
<b>KWS RMLF Funded Projects</b>	<b>Research and Development</b>	Better construction technology used on the roads to minimize gravel loss and reduce maintenance cost.	<ul style="list-style-type: none"> <li>• Research on alternative road construction materials that do not affect the ecosystems in the parks.</li> <li>• Pitching of new technologies that can be used in the parks</li> </ul>	<p>During the FY 2023-2024, KWS commenced collaboration with Claycrete Kenya to construct a 1-kilometer section in Nairobi National Park using Claycrete, a soil stabilization material manufactured in Thailand. The material has been certified by NEMA as environmentally friendly with no documented harmful effects. Claycrete Kenya sampled a few borrow pits in the park to obtain suitable gravel material with the required plasticity that can adequately react with the Claycrete. The test section is aimed at evaluating the performance of the soil stabilizing agent as part of research.</p> <p>Other technologies including use of STEIN, another soil stabilizer will be explored by the Service.</p>
<b>KWS RMLF Funded Projects</b>	<b>Capacity Building</b>	Enhanced knowledge, awareness and skills in delivery of RMLF works	<ul style="list-style-type: none"> <li>• Attendance to workshops, seminars and trainings.</li> </ul>	<p>During the period, KWS engineers participated in a validation workshop of the Draft Final Report of the Road Sector Investment Programme (RSIP) III. During the workshop, KWS engineers familiarized themselves with road asset management techniques including strategic analysis using HDM-4 to prioritize road maintenance. Further, the engineers reviewed the Service's works standards under the RSIP III.</p> <p>Further, KWS staff from procurement, finance and roads attended a dissemination workshop on audit findings for the FY 2022/23.</p>

## **8. CORPORATE GOVERNANCE STATEMENT**

The Board of Trustees of KWS is responsible for the governance of the Service and is accountable to the Government of Kenya in ensuring that it complies with the various laws while maintaining high ethical standards and corporate governance. Accordingly, the Board attaches very high importance to the generally accepted corporate governance practices and has embraced the internationally developed principles and code of best practice of good corporate governance including the Mwongozo Code of Conduct.

### **Board of Trustees**

The roles and functions of the Chairman and the Director General are distinct and their respective responsibilities clearly defined within the Wildlife Conservation and Management Act 2013.

The Board defines the policy guidelines for effective management of the Service. Except for direction and guidance on general policy, the Board delegates authority of its day-to-day business to the Management through the Director General.

### **Board Meetings**

The Board holds meetings on a regular basis while special meetings are called when it is deemed necessary.

### **Committees of the Board**

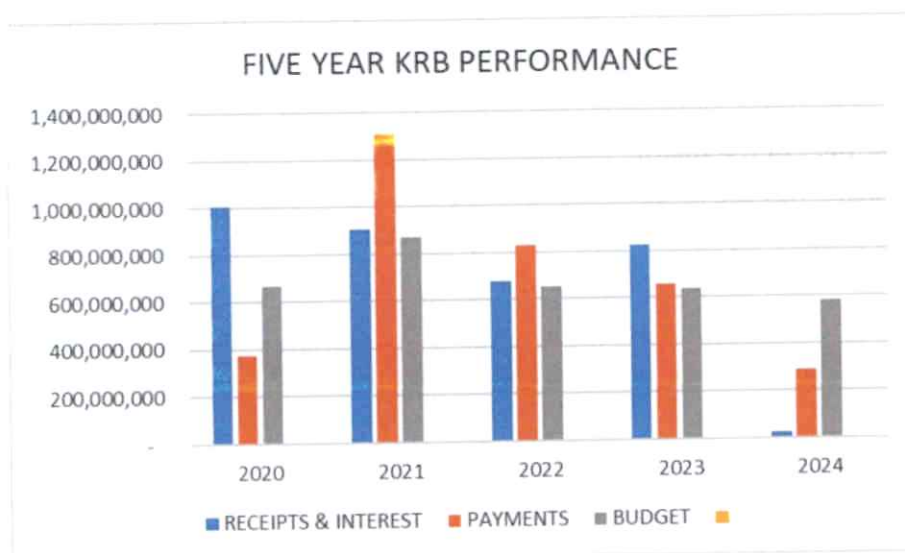
The Board has set up four key Committees to facilitate efficient decision making of the Board in discharging its duties and responsibilities.

## 9. MANAGEMENT DISCUSSION AND ANALYSIS

During the year under review, management paid for road works for current and prior financial years that spilled over to the current financial year under audit. Due to challenges encountered during procurement of FY 2023-2024 road works, such as non-responsiveness of contractors, KWS halted the procurement process. The Service will procure the works in FY 2024/25 and will execute the FY 2024/25 APRP within the same financial year. Despite the shortfall in the planned achievement, KWS endeavored to implement road works under Savings from FY 2022/23 APRP. Further, over 200 kms were maintained under Performance Based Contracting (PBC).

Overall, the project achieved value for money on goods and services through sourcing services competitively i.e., open tendering, and by undertaking material tests on gravel and concrete.

The financial and operational performance of KWS with regard to RMLF in the last five (5) years is shown below:



During the financial year, the following challenges affecting effective implementation of the APRP were noted:

- i. Extraordinary rainfall between November 2023 and March 2024 resulted in unprecedented gravel loss and additional drainage structures requirements. This delayed some projects, necessitating extensions of time. The maintenance needs along the main KWS road network were estimated at KShs. 1,155,757,084.07.
- ii. 'Lower-than-projected' RMLF collections led to a reduction in the KWS FY 2023/24 RMLF budget ceiling from KShs. 726,721,020 to KShs. 607,510,204, impacting the work plan. To mitigate this, the Service submitted a work plan of KShs.

- 180,143,739.25 under savings accrued between FY 2019/2022 and FY 2022/23 to bridge the funding gap.
- iii. The Service grappled with non-responsive bidders, with many not proceeding to technical evaluation. To address this, we will enhance guidance to contractors during pre-bid meetings and site visits to ensure value for money and foster competition.
  - iv. Delayed implementation of FY 2023/24 road works led to further deterioration of roads. KWS will implement the revised FY 2023/24 and FY 2024/25 works in FY 2024/25.
  - v. Some contractors exhibited slow progress or abandoned sites, resulting in unpaid contract sums and low absorption of RMLF funds. KWS will terminate contracts where contractors are non-responsive to the Engineer's notices and ensure no payments are made for undelivered works.
  - vi. Inadequate engineers for supervision of RMLF works impacted the quality of some projects. To address this, KWS plans to recruit temporary staff during project implementation and include a provisional sum for material testing in all road projects.

### **Service's Compliance with Statutory Requirements**

During the period under review, the Service complied with all statutory requirements in line with the PFM Act and The National Treasury circulars with regards to the following reports, budget estimates, quarterly financial statements and annual financial statements. In addition, all statutory deductions to the government authorities were paid on time within the timelines (to KRA, NHIF, NSSF HELB and NITA).

### **SECTION D: Material arrears in statutory / financial obligations**

The Service during the period under review did not have any material statutory arrears and financial obligation except for the numerous compensation cases relating to human wildlife conflicts that are being analyzed for settlement.

### **SECTION E: The Service's financial probity and serious governance issues**

The Service did not have any financial probity and governance issues at the preparation of this report.

### **Way forward**

The Service aims to ensure prudent and effective management and application of the RMLF in achieving value for money in road works. Further, KWS recognizes the shortfall in non-implementation of FY 2023/24 APRP and will strive to achieve the APRP in FY 2024/25. KWS will aim for continuous improvement in areas of non-compliance raised in audit management letters. In addressing supervision capacity issues to enhance quality of works, KWS will liaise with KRB on the possibility of recruiting temporary engineers particularly during project implementation.

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Kenya Wildlife Service Management appreciates the support accorded from the Ministry of Roads and Transport and from Kenya Roads Board (KRB) in administration of the RMLF.

## 10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

### Introduction

The Kenya Wildlife Service (KWS) is committed to ensuring that all activities, including the maintenance of park roads, are conducted in an environmentally sustainable manner. This section outlines the environmental and sustainability initiatives undertaken by KWS in the maintenance of park roads during the Financial Year 2023/24.

### Environmental Management Plans

Before the commencement of any extraction of gravel from borrow sites in parks, contractors submit to the Engineer a detailed Environmental Management Plan (EMP). In the EMP, the Contractor details the environmental impacts, their mitigation measures and implementation schedule of the mitigation measures. It also highlights the monitoring plan. The EMPs are reviewed by KWS through the EIA office. This ensures that borrow sites within the park are rehabilitated as per the existing environmental policies and commitments such that they do not adversely affect the park's ecosystem and biodiversity.

In addition to the EMPs, KWS continues to conserve the environment by protecting indigenous forests and animal habitats as well as planting trees during implementation of road works. Provision for environmental mitigation measures is made in most contracts.

### Sustainable Road Maintenance Practices

KWS employs sustainable road maintenance practices to minimize environmental degradation. Key practices include:

- i. **Use of Eco-friendly Materials:** Preference is given to locally sourced and environmentally friendly materials that have a lower carbon footprint.
- ii. **Erosion Control Measures:** Implementation of erosion control measures such as proper drainage systems (culverts, drifts and mitre drains) and construction of gabions to prevent soil erosion and sedimentation of water bodies.
- iii. **Water Management:** Installation of adequate drainage systems to manage stormwater and prevent flooding, which can damage habitats and disrupt wildlife.
- iv. **Biodiversity Conservation:** Road maintenance activities are carefully planned and executed to ensure minimal disturbance to wildlife and their habitats. Measures taken include maintaining wildlife corridors to allow safe passage for animals across roadways and implementing measures to reduce noise and dust pollution during maintenance activities, thereby minimizing stress and disturbance to wildlife.

Moving forward, KWS aims to:

- i. Undertake continuous monitoring and evaluation of road maintenance activities to assess their environmental impact and effectiveness.

- ii. Conduct regular inspections to ensure compliance with environmental standards and identify areas for improvement.
- iii. Construct more resilient infrastructure in the wake of climate change through adequate provision of drainage facilities and research on drainage solutions.
- iv. Enhance construction technology, particularly in graveling works to preserve gravel for longer periods. This would minimize loss of gravel and preserve borrow sites hence reducing environmental degradation.
- v. Strengthen partnerships with local communities and stakeholders to promote shared responsibility in environmental conservation.

KWS remains dedicated to integrating environmental and sustainability considerations into all aspects of road maintenance within our national parks and reserves. Through continued commitment and collaborative efforts, we aim to preserve our natural heritage for future generations while ensuring the safety and accessibility of our park roads.

### **The Roads 2000 Strategy**

The Kenya Wildlife Service (KWS) has over the years engaged with the neighbouring communities in CSR activities and in providing employment opportunities, through the R2000 strategy, to local residents in road maintenance projects, thereby promoting economic development and fostering good relations. This is a way of giving back and enhancing their goodwill in conservation efforts.

Roads 2000 Strategy entails utilization of local resources that are technically and economically feasible. The local resources include labour and equipment, which are the basic inputs to road construction. Through acquisition of local resources from communities living around the Parks/Reserves jobs have been created, skills transferred to the locality and at the national level. This has seen youth and women getting employment and thereby improving their livelihood

The Government adopted the Roads 2000 strategy for full National implementation in 2005. Since then, the strategy has gone through three complete planning cycles. The 4th Strategic plan for the period 2023-2027 is currently ongoing and scheduled to come to an end in 30th June 2027. The 4th Strategic Plan has adopted a sustainability approach with a focus on the impact of wages paid during implementation of the programme. The targets of this plan include the periodic, routine maintenance and performance-based contracting of over 142,000 km of roads and the extensive sensitization of county governments and other road agencies

KWS in the execution of road works in FY 2023/24 implemented the R2000 strategy which is a method of road development and management that ensures optimum utilization and development of locally available resources where technically, and economically feasible and in a socially responsive manner. During the period, employment totaling to 17,653 person-

days was created. Approximately 25% of the persons employed were women. Further, a total of KSh. 14,004,394.70 was paid by Contractors to skilled and unskilled laborers for projects under the strategy.

### **Impact of Road Maintenance on Neighbouring Communities**

Through RMLF allocation to KWS, various classified roads passing through the surrounding communities and accessing the Parks/Reserves have regularly been maintained to good service levels leading to all year-round mobility. This has facilitated efficient movement of goods and people to markets, health centres, and other social facilities. It has also contributed to economic development, improved quality of life of the local communities as well as built social trust towards the mandate of KWS.

### **Policy on Corruption, Discrimination & Political Neutrality**

KWS has zero tolerance on corruption matters. The Service has put in place structures in to detect, prevent and investigate corruption. This includes;

- Appointment of a corruption prevention committee.
- Established structures for staff and other stakeholders to report corruption matters.
- The Service has a corruption prevention policy, which provides commitment of ensuring all KWS activities are conducted in an honest and ethical manner.
- KWS has a Code of Conduct (CoC) which provides a framework within which all employees are expected to conduct themselves. All employees have signed a copy as evidence that they have read, understood it and will adhere to it.
- KWS has developed a corruption risk register, which is regularly reviewed and updated.

The Service endeavors to eradicate all forms of discrimination and harassment to promote inclusiveness and representation of Kenya's diverse communities and ethnic groups. The policy guides that no employee shall discriminate against: -

- Another person in any way that segregates that person on ethnic, religious, political, gender or any other adverse grounds; or
- Another person by way of victimization through any act that is injurious to the person's well-being and esteem by treating the person less favorably.

Employees are not permitted to be active members of any associations of which the objects and functions are in any way political. While it is the constitutional right of any employee to be involved in political party activities, an employee shall not use her/his office held to: -

- Act as an agent for, or further the interest of a political party.
- Indicate support, for or opposition, to any political party or candidate in an election.
- Engage in political activities that may compromise or be seen to compromise the political neutrality of the office held.

## 11. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited Financial Statements for the year ended 30<sup>th</sup> June 2024, which show the state of the entity's affairs.

### i) Principal activities

The principal activity of KWS is to sustainably conserve, manage and enhance Kenya's wildlife and its habitats, and provides a wide range of public uses in collaboration with stakeholders

### ii) Results

The results of the RMLF for the year ended 30<sup>th</sup> June 2024 are set out on page 1-5

### iii) Directors

The members of the Board of Directors who served during the year are shown on page x -xii.

### iv) Auditors

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

By Order of the Board

  
\_\_\_\_\_  
COMPANY SECRETARY

21/11/2024.  
DATE

## 12. STATEMENT OF DIRECTORS RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and State Corporation Act 2015, & Wildlife Conservation & Management Act 2013, requires the Trustees to prepare financial statements, which give a true and fair view of the state of affairs of the Service at the end of the financial year and the operating results of the Service for that year.

The Trustees are also required to ensure that the entity keeps proper accounting records, which disclose with reasonable accuracy the financial position of the Service. The Trustees are also responsible for safeguarding the assets of the Service.

The Trustees are responsible for the preparation and presentation of the Service's financial statements, which give a true and fair view of the state of affairs of the Service for the year and as at the end of the financial year ended on 30<sup>th</sup> June, 2024.

This responsibility includes:

- a) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- b) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Service;
- c) 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;
- d) Safeguarding the assets of the Service;
- e) Selecting and applying appropriate accounting policies;
- f) Making accounting estimates that are reasonable in the circumstances.


The Trustees accept responsibility for the Service's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS) and in the manner required by the PFM Act, 2012 and (the State Corporations Act of 2015), Wildlife Conservation & Management Act 2013.

The Trustees are of the opinion that the Service's financial statements give a true and fair view of the state of its transactions during the financial year ended 30<sup>th</sup> June 2024, and of its financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the entity, which has been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Trustees to indicate that the Service will not remain a going concern in the foreseeable future.

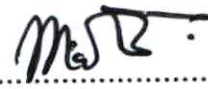
**Approval of the financial statements**

The entity's Financial Statements were approved by the Board on and signed on its behalf by:

  
.....  
Prof. Erustus Kanga, PhD, EBS, HSC.

**DIRECTOR GENERAL**

Date 20/11/2024

  
.....  
Lt. Gen. (Rtd) Walter Raria Koipaton

**CHAIR - BOARD OF TRUSTEES**

Date

# REPUBLIC OF KENYA

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## **REPORT OF THE AUDITOR-GENERAL ON ROAD MAINTENANCE LEVY FUND FOR THE YEAR ENDED 30 JUNE, 2024 - KENYA WILDLIFE SERVICE**

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### **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.

An Unmodified Opinion is issued when the Auditor-General concludes that 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**

#### **Opinion**

I have audited the accompanying financial statements of Road Maintenance Levy Fund-Kenya Wildlife Service set out on pages 1 to 21, which comprise of the statement of financial position as at 30 June, 2024 and the statement of financial performance,

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*Report of the Auditor-General on Road Maintenance Levy Fund for the year ended 30 June, 2024 - Kenya Wildlife Service*

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, the financial statements present fairly, in all material respects, the financial position of Road Maintenance Levy Fund as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Wildlife Conservation and Management Act, 2013

### **Basis for Opinion**

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Roads Maintenance Levy Fund 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 opinion.

### **Emphasis of 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.580,620,204 and Kshs.22,892,677 respectively, resulting in an under-funding of Kshs.557,727,527 or 96% of the budget. However, the Fund spent an amount of Kshs.289,112,795 against actual receipts of Kshs.22,892,677 resulting to an over-expenditure of Kshs.266,220,118 or 1,163% of the actual receipts.

The under-funding and the non-disbursement of funds 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.

### **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. There were no key audit matters to report in the year under review.

### **Other Matter**

#### **Unresolved Prior Year Matters**

In the audit report of the previous years, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness

of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2024

### **Other Information**

The Management is responsible for the other information set out on pages i to xl which comprise of Key Entity Information and Management, The Board of Directors, Key Management Team, Chairman's Statement, Report of the Director General, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors, 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 Roads Maintenance Levy Fund 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 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 effects of the matter 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. Delayed Completion of Road Works**

Note 11 to the financial statements and Annex 1 reflects an amount of Kshs.192,591,704 being the closing balance of contract commitment as at 30 June, 2024. The amount includes brought forward contracts balance of Kshs.118,167,615 relating to contracts that have been outstanding for more than three (3) years and whose road works have not been completed while some projects have been abandoned.

In the circumstances, implementation of the road works is behind schedule and may lead to costs escalation and delayed realization of the expected benefits.

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

### **Basis for Conclusion**

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

### **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**


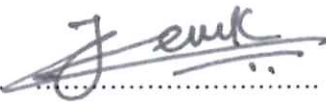

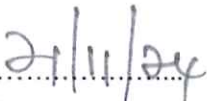
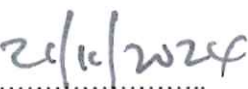
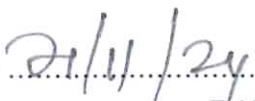
**23 December, 2024**

**14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH  
 JUNE 2024**

Description		2023/2024	2022/2023
	Note	KES	KES
<b>Revenue</b>			
Road Maintenance Levy Fund	1	0	802,036,895
Finance Income (Interest on RMLF Funds)	2	22,892,677	22,511,994
<b>Total Revenue</b>		<b>22,892,677</b>	<b>824,548,889</b>
<b>Expenditure</b>			
Certified Works	3	260,381,398	624,445,913
Other Roadworks Expenses	4	28,731,397	34,389,407
<b>Total Expenditure</b>		<b>289,112,795</b>	<b>658,835,319</b>
<b>Surplus/(Deficit) for the year</b>		<b>(266,220,118)</b>	<b>165,713,570</b>

The notes on pages 15 to 18 form an integral part of these Financial Statements.

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Trustees by:





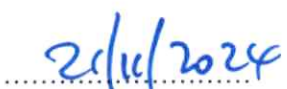
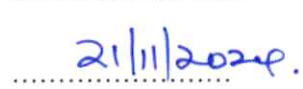
		
.....	.....	.....
<b>Lt. Gen. (Rtd) Walter R. Koipaton</b> BOT CHAIR	<b>Prof. Erustus Kanga</b> DIRECTOR GENERAL	<b>Peter Mathenge</b> DD-ACCOUNTS ICPAK M/No 4854
		
DATE	DATE	DATE

15. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2024

		2023/2024	2022/2023
<u>ASSETS</u>	Note	KES	KES
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	5	614,831,229	1,065,573,166
Receivables	6	0	0
<b>TOTAL ASSETS</b>		<b>614,831,229</b>	<b>1,065,573,166</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Certificates Payable	7	0	178,180,677
Other Payables	8	17,056,881	23,398,024
<b>TOTAL</b>		<b>17,056,881</b>	<b>201,578,701</b>
<b>NON-CURRENT LIABILITIES</b>			
		-	-
<b>TOTAL LIABILITIES</b>		<b>17,056,881</b>	<b>201,578,701</b>
<b>TOTAL NET ASSETS</b>		<b>597,774,348</b>	<b>863,994,465</b>
<b>NET ASSETS</b>			
Accumulated Surplus/deficit	9	597,774,348	863,994,465
<b>TOTAL NET ASSETS</b>		<b>597,774,348</b>	<b>863,994,465</b>

The notes on pages 15 to 18 form an integral part of these Financial Statements.

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Trustees by:

		
.....	.....	.....
<b>Lt. Gen. (Rtd) Walter R. Koipaton</b>	<b>Prof. Erustus Kanga</b>	<b>Peter Mathenge</b>
<b>BOT CHAIR</b>	<b>DIRECTOR GENERAL</b>	<b>DD-ACCOUNTS</b>
		<b>ICPAK M/No 4854</b>
		
.....	.....	.....
DATE	DATE	DATE

**16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH  
JUNE 2024**

<b>Description</b>	<b>Accumulated surplus KES</b>
<b>Prior Year</b>	
Balance as at 1 July 2022	698,280,895
Surplus/(deficit) for the period	165,713,570
Balance as at 30 June 2023	863,994,465
<b>Current Year</b>	
Balance as at 1 July 2023	863,994,465
Surplus/(deficit) for the period	(266,220,117)
Balance as at 30 June 2024	597,774,348

The notes on pages 15 to 18 form an integral part of these Financial Statements.

**17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2024**

	Note	2023/2024 KES	2022/2023 KES
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Transfers from RMLF		0	802,036,895
Receipts from Finance Income	2	22,892,677	22,511,994
<b>Total Receipts</b>		<b>22,892,677</b>	<b>824,548,889</b>
<b>Payments</b>			
Certified works	6	260,381,398	624,445,913
Other roadworks expenses	7	28,731,397	34,389,406
		289,112,795	658,835,319
<b>Net Cash flows (to)/from Operating Activities (a)</b>		<b>(266,220,117)</b>	<b>165,713,570</b>
<b>CASH FLOWS FROM INVESTMENTS</b>			
Increase in certificates Payables		(178,180,677)	147,711,125
Decrease in other Payables		(6,341,143)	(4,319,283)
Increase in Receivables		-	-
		(184,521,820)	143,391,841
<b>Net Cash flows (to)/from Investing Activities (b)</b>		<b>(184,521,820)</b>	<b>143,391,841</b>
<b>CASH FLOWS FROM FINANCING</b>			
<b>Net Cash flows (to)/from Financing Activities (c)</b>		-	-
<b>MOVEMENT IN CASH AND CASH EQUIVALENTS</b>			
Net Increase/Decrease in Cash and Cash Equivalents		(450,741,937)	309,105,411
<b>(d) = (a) + (b) +(c)</b>			
<b>Cash and Cash Equivalents at the Beginning of the Year</b>		1,065,573,166	756,467,755
<b>Cash and Cash Equivalents at the End of the Year</b>		<b>614,831,229</b>	<b>1,065,573,166</b>

*(PSASB has prescribed the direct method of cash flow presentation for all entities reporting under IPSAS accrual basis of accounting)*

*(Comparative FY refers to the financial year preceding the current financial year)*

**18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR  
THE YEAR ENDED 30TH JUNE 2024**

	APRP BUDGET	ACTUAL	VARIANCE	VARIANCE
	2023/24	2023/24		
	KES	KES	KES	%
<b>Revenue</b>				
Road Maintenance Levy	580,620,204	0	(580,620,204)	-100%
Finance Income	-	22,892,677	22,892,677	
Other	-	-	-	
<b>Total Receipts</b>	<b>580,620,204</b>	<b>22,892,677</b>	<b>(557,727,527)</b>	
<b>Expenditure</b>				
Other Road works	28,800,000	28,731,397	68,603	0.20%
Certified Works	551,820,204	260,381,398	291,438,806	112%
<b>Total Expenditure</b>	<b>580,620,204</b>	<b>289,112,795</b>	<b>291,507,409</b>	
<b>Surplus/deficit</b>	<b>-</b>	<b>(266,220,118)</b>	<b>(266,220,118)</b>	

**Comments**

- a) Certified works and operating costs for the year had been budgeted for **KES 580,620,204**. The total expenditure for the year was **KES 289,112,795** resulting to a variance of **KES 291,507,409**. Most of these expenditure are payments done which relates to previous years.
- b) The Entity did not receive funds from KRB during the Period under review. Interest earned for the year ended 30<sup>th</sup> June 2024 amounted to **KES 22,892,677**. Certified works and Operating costs for the year had been budgeted for **KES 580,620,204**, which the entity did not receive in the financial year 2023/2024.
- c) The actual expenditure for the year amounted to **KES 289,112,794** against the total revenue of **KES 22,892,677** resulting to overall performance deficit of **KES 266,220,118**.

## 19. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 1. Statement of compliance and basis of preparation

The RMLF Financial Statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The Financial Statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented.

The Financial Statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The Financial Statements are prepared on accrual basis.

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

The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board (PSASB).

The accounting policies adopted have been consistently applied to all the years presented.

## 2. Adoption of New and Revised Standards

### a) Relevant new standards and amendments to published standards effective for the year ended 30<sup>th</sup> June 2024

Standard/ Amendments: Applicable: 1 <sup>st</sup> January 2021:	Impact
a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks	There was no impact of the amendment to IPSAS 13 with respect to the current financial report
b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved	There was no impact of the amendment to IPSAS 13 and IPSAS 17 with respect to the current financial report as the entity did not apply any of the transitional provisions in the FY 2020/2021
c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.	There was no impact of the amendment to IPSAS 21 and IPSAS 26 with respect to the current financial report as the entity does not have Non-Cash Generating Assets and neither did it have impaired cash generating assets.
d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard	

**b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023**

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2022:</b>  The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of Financial Statements for their assessment of the amounts, timing and uncertainty of an entity’s future cash flows.  IPSAS 41 provides users of Financial Statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<p>IPSAS 42: Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2022</b>  The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its Financial Statements about social benefits. The information provided should help users of the Financial Statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the entity;  (b) The key features of the operation of those social benefit schemes; and  (c) The impact of such social benefits provided on the entity’s financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS</p>	<p><b>Applicable: 1st January 2022:</b>  a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were</p>

Kenya Wildlife Service  
 Annual Report and Financial Statements for Road Maintenance Levy Fund  
 For the year ended 30<sup>th</sup> June 2024

Standard	Effective date and impact:
resulting from IPSAS 41, Financial Instruments	<p>inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

**c) Early adoption of standards**

KWS roads project did not adopt any new standards in Financial Year 2023/2024

**3. Revenue Recognition**

**i) Revenue from Non-Exchange Transactions**

**Transfers from Other Government Entities/ Transfer of RMLF from KRB**

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. In particular, revenue from non-exchange transactions relates to the transfer of funds from KRB to RMLF for the Road Authorities.

**ii) Revenue from exchange transactions (Finance income (from RMLF funds))**

Finance income (from RMLF funds) is accrued using the effective yield method. Finance income (from RMLF funds) is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine finance income (from RMLF funds) each period.

This relates to interests earned on the RMLF Accounts as held in the Commercial Bank. Finance income (from RMLF funds) is reported at gross net of tax withheld at source as received in the bank statement of the Road Authority.

**4. Certified Works**

Certified works are recognized when the works can be measured reliably and/ or when certificates of work done are received by KWS.

**5. Roadwork Commitments**

Roadwork commitments arise from contracts entered into with contractors for road maintenance and development. These commitments are disclosed in annex 1 of these financial statements.

**6. Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at Standard chartered bank. For the purposes of these Financial Statements, cash and cash equivalents relates to bank balances in commercial banks for the RMLF as at the end of the financial year.

## **7. Financial instruments**

### **a) Financial assets**

#### **Initial recognition and measurement**

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

#### **Loans and receivables**

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

#### **Impairment of financial assets**

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

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

### **b) Financial liabilities**

#### **Initial recognition and measurement**

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

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

### **Loans and borrowing**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

### **8. Budget information**

The approval of the original workplan for the Annual Public Roads Programme (APRP) FY 2023/2024 was communicated by Kenya Roads Board (KRB) on 3rd March 2024. There was a subsequent revision of the APRP in October 2023 which was approved by KRB. The original approved budget was KSh. 726,721,020 but was later revised to KSh. 607,510,204 in May 2024 due to low fuel levy collections. As a result, KWS submitted a third revised FY 2023/24 workplan in May 2024 to KRB which was approved in June 2024.

The entity's budget is prepared based on RMLF ceilings issued by the Kenya Roads Board (KRB). Considering the budget, the Service prepares the Annual Roads Work Plan (ARWP), prioritizing based on the Annual Roads Inventory and Condition Survey (ARICS) and on key roads used for tourist activities and security operations. The ARWP is then submitted to KRB for review and approval by the Cabinet Secretaries for Roads and National Treasury. Upon approval the ARWP is consolidated into the APRP which forms the basis for funds disbursement, monitoring and evaluation by KRB, and any subsequent changes made to the ARWP must be brought to the attention of the Board for approval.

During implementation of the APRP, financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance whereas the budget is prepared on a cash basis. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget is then presented in the statement of comparison of budget and actual amounts.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under Section 16 of these Financial Statements.

### **9. Changes in accounting policies and estimates**

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

### **10. Comparative figures**

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

#### **11. Events after the reporting period**

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

#### **12. Ultimate and Holding Entity**

KWS is a Road Maintenance Levy Fund agency established by Road Act under the State Department of Wildlife. Its ultimate parent is the ministry of Tourism and Wildlife.

#### **13. Currency**

The Financial Statements are presented in Kenya Shillings (KES).

#### **14. 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.

State all judgements, estimates and assumptions made: e.g.

##### **a) 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. IPSAS 1.140.

##### **Financial risk management**

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

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

**a) Credit risk**

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

**b) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the RMLF Administrator/ Head of Finance, who has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

**c) Capital risk management**

The objective of the RMLF's capital risk management is to safeguard the RMLF's ability to continue as a going concern.

**20. NOTES TO THE FINANCIAL STATEMENTS**

**1.0 Road Maintenance Levy Fund**

Description	2023/24	2022/23
	KES	KES
1% RMLF Allocations	0	802,036,895
<b>Total</b>	<b>0</b>	<b>802,036,895</b>

**2.0 Finance Income (Interest on RMLF Funds)**

Description	2023/24	2022/23
	KES	KES
Finance Income (Interest on RMLF Funds)	22,892,677	22,511,994
<b>Total</b>	<b>22,892,677</b>	<b>22,511,994</b>

**3.0 Certified Works**

Description	2023/24	2022/23
	KES	KES
Certified works during the year	260,381,398	624,445,913
<b>Total Expenditure</b>	<b>260,381,398</b>	<b>624,445,913</b>

**4.0 Other Roadworks Expenses**

Description	2023/24	2022/23
	KES	KES
Domestic travel and subsistence	11,664,760	10,894,000
Routine maintenance	1,827,852	1,292,983
Advertising	366,559	992,886
Hospitality supplies	3,586,849	2,871,400
Communication, supplies & services	415,170	2,712,749
Training payments	679,650	5,479,174
Other operating payments	10,190,557	10,146,214
<b>Total</b>	<b>28,731,397</b>	<b>34,389,406</b>

**5.0 Cash and Cash Equivalents**

**(a) Analysis of Bank and Cash balances:**

These represent cash held at Standard Chartered Bank, as follows:

Description	2023/24	2022/23
	KES	KES
<b>Amounts held in local currency:</b>		
Standard Chartered Bank-KWS HQS A/c No.		
0104033037413	614,831,229	1,065,573,166
<b>Total</b>	<b><u>614,831,229</u></b>	<b><u>1,065,573,166</u></b>

The Authority is not exposed to credit risk on cash and bank balances as the funds are held with sound financial institutions approved by the Central Bank of Kenya.

**(b) Cash and cash equivalents**

For purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months.

Analysis of cash and cash equivalents is as set out below: -

Description	2023/24	2022/23
	KES	KES
Cash Balances	<u>614,831,229</u>	<u>1,065,573,166</u>
<b>6.0 Receivables</b>		

Description	Note	2023/24	2022/23
		KES	KES
Receivable from KRB (1% RMLF Allocations)		-	-
Contractors' Advances		-	-
GoK Receivables		-	-
Other Receivables		-	-
<b>Total</b>		<b>=</b>	<b>=</b>

### 7.0 Certificates Payable

Description	2023/24 KES	2022/23 KES
Opening Balance as at 1 <sup>st</sup> July 2023	178,180,677	30,469,552
Add: Total Certified Works during the year	260,381,398	624,445,913
Less: Certificates Paid within the year	(438,562,075)	(476,734,788)
<b>Closing Balance as at 30<sup>th</sup> June 2024</b>	<b>0</b>	<b>178,180,677</b>

### 8.0 Other Payables

Description	2023/24 KES	2022/23 KES
Retention monies	12,341,727	21,076,154
Other Roadworks Expenses	4,715,153	2,321,870
<b>Total trade and other payables</b>	<b>17,056,880</b>	<b>23,398,024</b>

### Aging Analysis Payables

Description	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	10,236,824	60%	182,984,864	90%
1-2 years	2,914,509	17%	3,191,666	2%
2-3 years	2,075,532	12%	3,760,884	2%
Over 3 years	1,830,014	11%	11,638,921	6%
<b>Total</b>	<b>17,056,880</b>	<b>100%</b>	<b>17,056,880</b>	<b>100%</b>

### 9.0 Accumulated Surplus

Description	2023/24 KES	2022/23 KES
Accumulated surpluses as at 1 <sup>st</sup> July 2023 (from prior years)	863,994,465	698,280,895
Add: Surplus for the year (as per statement of financial performance)	(266,220,117)	165,713,570
<b>Accumulated surpluses as at 30<sup>th</sup> June 2024</b>	<b><u>597,774,348</u></b>	<b><u>863,994,465</u></b>

### 10.0 Cash Generated from Operations

Reconciliation of Net Cash Flows from Operating Activities to Surplus for the year:

Description	Note	2023/24 KES	2022/23 KES
Deficit/Surplus for the year		(266,220,117)	165,713,570
<i>Adjustments for:</i>			
Finance Income	2	(22,892,677)	(22,511,994)
<b>Operating income before Working Capital Changes</b>		<b>(289,112,794)</b>	<b>143,201,576</b>
<i>Changes in working capital balances:</i>			
(Decrease)/Increase in Receivables	6	-	-
(Decrease)/Increase in Payables	8	(184,521,820)	143,391,841
<b>Net Cash flows (to)/from Operating Activities</b>		<b>(473,634,614)</b>	<b>286,593,417</b>

### 11.0 Disclosure note on unexecuted contracts and ongoing contracts yet to be certified. (Annex1)

Description	Note	2023/2024 Kshs.	2022/2023 Kshs
Balance of unexecuted /ongoing contracts at the beginning of the year		483,465,919.67	330,397,531.97
<b>ADD:</b> Road contracts awarded in the current year		87,674,796.55	735,166,393.71
Brought forward contracts		(118,167,614.60)	42,347,906.84
<b>Less:</b> Certified works during the year		260,381,397.80	624,445,912.85
Closing Balance of Contract commitment		192,591,703.85	483,465,919.67

Annex 1: LIST OF OUTSTANDING CONTRACTS AS AT 30<sup>th</sup> JUNE 2024

S / NO	CONTRACT NUMBER	PARK/ RESERVE	CONTRACTOR	CONTRACT AMOUNT (KES)	GROSS AMOUNT PAID AS AT 30TH JUNE, 2024 (KES)	OUTSTANDING AMOUNT AS AT 30.06.2024 (KES)
1	KWS/OT/RMLF/23/2022-2023	Meru	MOLUCK INTERNATIONAL COMPANY LIMITED	22,747,892.03	6,330,137.60	16,417,754.43
2	KWS/OT/RMLF/45/2021-2022	Aberdare	MSINGI BORA BUILDERS & CONTRACTORS LIMITED	70,634,090.12	43,954,571.35	3,030,356.35
3	KWS/ONT/RMLF/51/2023-2024	Nairobi	JAYTTON ENTERPRISES LTD.	8,900,448.00	7,996,801.85	377,207.65
4	KWS/ONT/RMLF/52/2022-2023	Nairobi	ROCKMILLS LTD.	8,489,266.62	7,772,665.00	0.00
5	KWS/ONT/RMLF/53/2023-2024	Nairobi	RFS GROUP LTD.	8,995,815.78	8,132,419.20	383,604.70
6	KWS/ONT/RMLF/54/2023-2024	Nairobi	YASH CONSTRUCTION CO LTD.	9,532,880.00	8,185,110.25	386,090.10
7	KWS/ONT/RMLF/55/2022-2023	Aberdare	CARDSLOGIC ENTERPRISES LTD.	12,213,872.00	10,818,020.80	510,284.00
8	KWS/ONT/RMLF/56/2022-2023	Aberdare	PRACTICAL PERSPECTIVES LTD.	4,967,584.00	4,347,908.00	205,090.00
9	KWS/ONT/RMLF/57/2022-2023	Meru	KIKA POWER & CONSTRUCTION LTD.	18,363,640.15	0.00	18,363,640.15
10	KWS/ONT/RMLF/58/2022-2023	Lake Nakuru	EMERGING CONSULTANT AND DEVELOPMENT LTD.	9,061,340.00	8,945,924.64	385,600.40
11	KWS/ONT/RMLF/59/2022-2023	Lake Nakuru	LESSKEN INVESTMENT LTD.	7,149,950.00	6,433,083.60	303,447.70
12	KWS/OT/RMLF/13/2022-2023	Amboseli	HOLIDAY ASSETS LTD	16,415,482.48	15,686,189.00	0.00
13	KWS/OT/RMLF/14/2022-2023	Amboseli	KERIHOM INVESTMENTS LTD	7,816,113.64	7,770,998.34	0.00
14	KWS/OT/RMLF/17/2022-2023	Aberdare	PACIFIC STERLING LTD.	37,036,261.92	33,495,918.65	0.00
15	KWS/OT/RMLF/18/2022-2023	Aberdare	JOWASU COMPANY LTD.	7,440,124.00	6,889,753.20	0.00
16	KWS/OT/RMLF/21/2022-2023	Mt.Kenya	PERCOM ENTERPRISES LTD.	17,250,244.00	15,760,610.00	0.00

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S / NO	CONTRACT NUMBER	PARK / RESERVE	CONTRACTOR	CONTRACT AMOUNT (KES)	GROSS AMOUNT PAID AS AT 30TH JUNE, 2024 (KES)	OUTSTANDING AMOUNT AS AT 30.06.2024 (KES)
17	KWS/OT/RMLF/22/2022-2023	Meru	BLUCOM INVESTMENTS LIMITED	22,747,892.03	20,169,220.90	0.00
18	KWS/OT/RMLF/24/2022-2023	Kora	MOUNT ROYAL LIMITED	21,943,800.00	24,357,567.10	0.00
19	KWS/OT/RMLF/04/2022-2023	Shimba Hills	ARSENAL SPRINGS ENTERPRISES	19,971,673.60	10,596,566.48	456,748.55
20	KWS/OT/RMLF/15/2022-2023	Amboseli	ASAL FRONTIERS LTD	26,454,685.01	17,869,869.75	9,098,075.86
21	KWS/OT/RMLF/19/2022-2023	Aberdare	FALCON ROAD CONTRACTORS	18,672,500.04	15,145,668.50	3,526,831.54
22	KWS/OT/RMLF/20/2022-2023	Mt. Kenya	SHELLIWACHO LTD.	14,180,720.44	6,830,621.90	7,493,565.50
23	KWS/OT/RMLF/27/2022-2023	Marsabit	DIALI LTD.	17,000,362.69	16,727,048.78	399,887.25
24	KWS/ONT/RMLF/28/2022-2023	Nairobi	GUKEM CONSTRUCTION COMPANY LTD.	37,636,041.13	10,184,157.90	27,932,268.03
25	KWS/OT/R&F/17/2016-2017	Kisite Mpunguti	AMSU COMMUNICATIONS LTD.	6,715,720.00	0.00	6,715,720.00
26	KWS/OT/R&F/39/2016-2017	Kora	BANTON VENTURES	10,198,256.00	4,648,236.00	5,550,020.00
27	KWS/OT/R&F/58/2017-2018	Ruma	HIGHSTAR	9,844,224.00	7,327,387.73	2,516,836.27
28	KWS/OT/R&F/46/2017-2018	Tsavo West	TRANSWORLD	13,653,524.80	0.00	13,653,524.80
29	KWS/OT/R&F/PBC/56/2017-2018	Kora	SOUTH GATE	9,368,947.48	1,240,156.00	8,128,791.48
30	KWS/OT/RMLF/42/2019-2020	Ruma	THE GALAXY WAY	39,076,806.00	29,240,552.33	9,836,253.67
31	KWS/OT/RMLF/R&F/28/2020-2021	Mt. Elgon	DIGITAL EDGE	27,018,661.20	9,240,583.20	17,778,078.00
32	KWS/OT/RMLF/49/2021-2022	Ruma	HEDGE	27,468,661.20	16,499,059.20	10,969,731.00
33	KWS/OT/RMLF/50/2021-2022	Ruma	KASUMO	33,277,768.34	10,925,576.29	22,352,192.00
34	KWS/OT/R&F/36/2014-2015	Marsabit	KALOLWANGA	-	-	5,820,104.42
<b>TOTAL</b>				<b>622,245,248.70</b>	<b>393,522,383.54</b>	<b>192,591,703.85</b>

**21. PROGRESS ON FOLLOW UP OF AUDITOR'S RECOMENDATIONS**

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

Reference No. on the external audit report	Issues / Observations from auditor	Management comments	Status:(Resolve/ Not resolved)	Time Frame: Date when you expect the issue to be resolved.
1.1	Budgetary Control and Performance	Backlog cleared	Ongoing	Pending
1.2	Delay in completion of Works	Management following up on completion of works	Ongoing	Pending
1.3	Retention Monies not held in a separate Account	Board paper submitted to the Board awaiting guidance.	Under review	Pending
1.4	Lack of Disaster Recovery Plan	Implementation of offsite backup solution done	Ongoing	Pending



Prof. Erustus Kanga, PhD, EBS, HSC.

DIRECTOR GENERAL



Lt. Gen. (Rtd) Walter R. Koipaton

CHAIR - BOARD OF TRUSTEES