



REPORT

THE NATIONAL ASSEMBLY	
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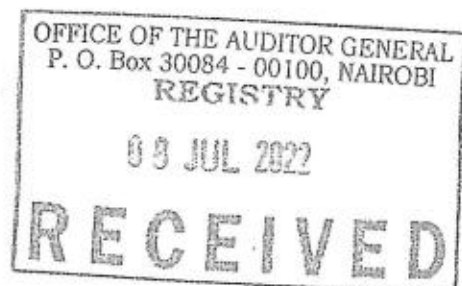
THE AUDITOR-GENERAL

ON

KENYA FISHERIES SERVICE

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





Revised Template 30th June 2021



KENYA FISHERIES SERVICE

AMENDED ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING

30TH JUNE 2021

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Kenya Fisheries Service (KeFS) was established by an Act of Parliament (**Fisheries Management and Development (FMD) Act, No. 35 of 2016 of the Laws of Kenya (herein after the Act)** in September 2016 after the repeal of the Fisheries Act, Cap 378, Trout Ordinance Act and the Fisheries Protection Act, Cap 380.

(b) Principal KeFS Activities

Pursuant to section 9 of the Act, the principal KeFS main functions are to:

- a) Ensure the appropriate conservation, development of standards on management, sustainable use, development and protection of the fisheries and aquaculture resources;
- b) Formulate and monitor the implementation of policies regarding the conservation, management and utilization of all fisheries and aquaculture resources;
- c) Develop standards for the management of all fisheries and aquaculture activities and fishing related activities;
- d) Develop guidelines for the preparation of fisheries specific management plans for the Kenya fishery waters;
- e) Provide education to create public awareness and support for fisheries conservation, management, development and sustainable use;
- f) Set and meet goals for fisheries conservation, management, development and sustainable use;
- g) In consultation with the Kenya Marine and Fisheries Research Institute, approve and co-ordinate research activities;
- h) Collect and analyse data in relation to resources and activities; identify manpower requirements and recruit manpower at all levels for the Service;
- i) Liaise as appropriate with agencies and persons, including stakeholders, industry, government agencies, regional and international organizations and experts, whether local or foreign;

- j) To act on behalf of the government, subject to the Treaty Making and Ratification Act, 2012 in relation to all domestic and international agreement relating to fishing, fishing related activities or any matter falling within the scope of this Act, to which Kenya is or may become a party;
- k) Administer and co-ordinate international protocols, conventions and treaties regarding fisheries in all its aspects in consultation with the Cabinet Secretary pursuant to the Treaty Making and Ratification Act, 2013;
- l) Subject to the Public Health Act and the Food, Drugs and Substance Act, control and regulate fish safety and quality;
- m) Raise revenue through levies, fees, investments and other means in accordance with the Act including solicitation by public appeal or otherwise, and accept and receive subscriptions, donations, devices and bequests, whether of movable or immovable property and whether absolute or unconditional for the general or special purposes of the Service or subject to any trust;
- n) Undertake the development of appropriate fisheries and aquaculture resources infrastructure, that relates to its mandate under this Act and the Constitution;
- o) Facilitate investment in commercial fisheries, in collaboration with relevant agencies, persons or bodies, including Government departments;
- p) Promote development and introduction of appropriate technologies in aquaculture production, processing and preservation in collaboration with relevant agencies, county governments and stakeholders;
- q) Identify and promote construction of any works deemed necessary for the sustainable development and economic utilization of fisheries and aquaculture resources;
- r) In collaboration with county government and the Fish Marketing Authority established under section 201 of the Act, identify opportunities and promote all aspects of fisheries marketing;
- s) Arrange and enter into joint ventures or any other forms of investment arrangement for purposes of performing any of its functions;
- t) Co-ordinate fish quality assurance and operations of the marine and coastal fisheries, aquaculture and inland and riverine fisheries;
- u) Coordinate and or undertake monitoring, control and surveillance of all activities; and

- v) Perform such other duties and functions consistent with the provisions of the FMD Act 2016.

Vision

A leading agency for sustainable development of fisheries and aquaculture resources for enhanced livelihoods

Mission

To facilitate sustainable management and development of fisheries and aquaculture resources for accelerated socio-economic growth in Kenya.

Strategic Objectives

The mandate of the Kenya Fisheries Service as per the Fisheries Management and Development Act, No. 35 of 2016 is to conserve, manage and develop Kenya's fisheries and aquaculture resources. To achieve the above mandate, KeFS mobilizes resources from various local and international partners. The development of this Strategic Plan was guided by the following strategic objectives:

- a) To manage and protect fisheries resources and the aquatic environment;
- b) To facilitate increased national fish production to enhance food and nutrition security in the country;
- c) To create a conducive environment for increased investment and employment opportunities in fisheries, aquatic resources and related industries;
- d) To improve quality and safety of fish and fishery products and minimize post-harvest losses; and
- e) To strengthen institutional structure and capacity

(c) Key Management

The day-to-day management is under the following key organs:

- a) Board of Directors;
- b) Director General/ CEO;

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For the year ended June 30, 2021.

- c) Management; and
- d) Staff.

During the period, KeFS Board of directors was composed of the following members:

No	Name (BoD)	Role
1.	Hon. Samuel Gonzi Rai	Chairman
2.	Ms. Jessica Gakinya	Vice Chairperson
3.	Prof. Jude Mathooko	Director (Chair Technical Committee)
4.	Dr. George Ochiri	Director (Chair Finance Strategy and Administration Committee)
5.	Dr. Francis Mutegi	Director (Chair Audit Committee)
6.	Mr. Kassim M. Farrah	Director (Rep. PS SDFA&BE)
7.	Mr. Francis Mutie	Director (Rep. PS Defence)
8.	Mr. Daniel Mungai	DG/Secretary to the Board

(d) Fiduciary Management

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

No	Designation	Name
1.	Director General (DG), Chief Executive Officer	Mr. Daniel Mungai
2.	Director, Aquaculture	Dr. Simon Macharia, PhD
3.	Director, Capture Fisheries	Mrs. Lucy Obungu
4.	Ag. Director, Fish Quality Safety and Trade	Ms. Daisy Muriuki
5.	Ag. Head of Finance	Mr. Mathew Maweu

(e) Fiduciary Oversight Arrangements

Fiduciary oversight on the Service activities is carried out by the following:

The Finance, Strategy and Administration (FSA) Committee

The Committee is comprised of 5 members of the Board including the DG. Its main function is to review and monitor the Institute's financial position on behalf of the Board, including review of the liquidity status, all the Institute's Accounts, Budgets, Financial Statements and statutory reports as well as bank reconciliation. It also ensures compliance with the financial reporting requirements and proper keeping of all the financial records of the Institute. Further the Committee is also mandated to advise the Board of Management on Human Resource and Administration governance issues of the Service.

Technical Committee (TC)

The committee is composed of 5 members including the DG. Its main function is to advise the Board on all technical matters of the service including, the development and implementation of annual Performance Contract, development and review of the Service Strategic Plan, Service Charter and annual work plan. Secondly, the Committee ensure that the Service meets her mandate to Kenyans.

Audit Committee (AC)

This Committee is comprised of 4 members of the Board. Its main function is to consider and process on behalf of the Board all matters relating to audit, audit queries and management letters from Office of Auditor General or the duly appointed external auditors. It also considers matters of quality assurance of systems and processes in the Institute's operations and reviewing the risk management framework and the periodic performance contract reports

(f) Entity Headquarters

NHIF Building, 13th Floor
Ragati Road,
P.O. Box 48511 - 00100
Nairobi, KENYA

(g) Entity Contacts

Telephone No.: +254 20 2716102
Email: kefs@kilimo.go.ke; info@kenyafisheriesservice.go.ke
Website: <http://www.kenyafisheriesservice.go.ke>

(h) Entity Bankers

Kenya Commercial Bank (KCB)
Capital Hill Branch
P.O. Box 58233 - 00200
Nairobi, KENYA


(i) Independent Auditors

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

(j) Principal Legal Adviser

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

2. THE BOARD OF DIRECTORS

 <p>Hon. Samuel Gonzi Rai, MP Independent Director Chairman, KeFS Board of Directors</p> <p>Key Academic Qualifications</p> <ul style="list-style-type: none"> • He is currently pursuing MA in Regional Integration at Catholic University of East Africa • BA in Sociology, UoN • Diploma in Business Management, Kenya Polytechnic (Now Technical University of Kenya) • Business Management Elementary Certificate, Pitman Examination Institute London 	<p>Date of Birth 4th June 1959</p> <p>Date of Appointment February 2019</p> <p>Work Experience:</p> <ul style="list-style-type: none"> • Served in the Kenyan Cabinet as an Assistant Minister for Lands 2008-2013 • Member of Parliament (MP) for Kinango Constituency from 1992 - 2013; • Member of the National Assembly Departmental Committee on Defence and Foreign relations • Elected Councillor – Kwale County Council in 1992
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Ms. Jessica Gakinya
Independent Director
Vice Chairperson, KeFS Board of Directors

Key Qualifications:

- Master of Arts in Project Planning and Management (University of Nairobi)
- Bachelor of Arts (Sociology and Communication)

Date of Birth

20th May 1980

Date of Appointment

17th September 2018

Work Experience

- A dynamic and experienced Business Development and Customer Relations Professional with over 15 years of quality work experience acquired in various challenging roles with a leading telecommunication company Safaricom Ltd.
- Strong sales professional skilled in Digital Strategy, Coaching, Sales, Communication, and Mentoring.



Prof. Jude M. Mathooko, PhD
Independent Director
Chairman, Technical Committee

Key Qualifications

- Doctor of Natural Sciences (*Doctoris rerum Naturalium*) (University of Vienna, Austria);
- MSc Hydrobiology (University of Nairobi) MBA Strategic Management (Kenya Methodist University);
- BEd (Science-Botany & Zoology) degree (University of Nairobi); and
- International Postgraduate Certificate in Limnology (Mondsee, Austria).

Date of Birth

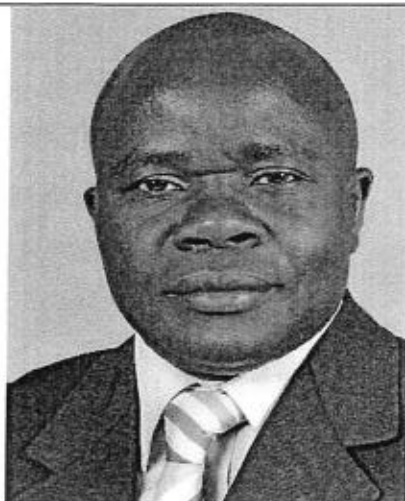
17th April 1958

Date of Appointment

17th September 2018

Work Experience

- He is a Professor of Aquatic Science and author, former Vice-Chancellor of the Management University of Africa, Kenya till 2013. Before then, he was the Deputy Vice-Chancellor in charge of Research and Extension at Egerton University, Kenya, 2007-2011; Principal, Kisii Campus College, 2004-2007;
- UNESCO Chair on Bioethics 2004-2011; Director of the UNESCO Regional Centre for Documentation and Research on Bioethics at Egerton University, 2007-2011;
- President of the UNESCO Intergovernmental Bioethics Committee (IGBC), Paris, 2007-2009; and Representative of Kenya on the UNESCO Executive Board, 2009-2013.
- He was a member of the Egerton University Council, 2004-2011.
- He is the Regional Chair of the Eastern Africa Water Association (EAWA) Council since 2003.



Dr. Geroge Ochiri, PhD
Independent Director
Chairman, Finance, Strategy and
Administration Committee
 ICPAK No. R/7577
 KISM No. 65501

Key Qualifications

- Ph.D. in Supply Chain Management (JKUAT)
- MSc. – Logistics & Procurement (JKUAT)
- Bachelor of Arts degree (At Kenyatta University)

Date of Birth

22nd August 1975

Date of Appointment

17th September 2018

Work Experience

- Dr. Ochiri is an all-round scholar and excellent manager with skills of turning around institutions in financial distress.
- A holder of PhD in Supply Chain Management and experienced practitioner with over 18 years' experience in Cooperative and corporate management. He is a member of Kenya Institute of Supplies Management (KISM).
- Dr. Ochiri is also a certified public accountant and practitioner. He is also an executive coach and a motivational speaker. Has participated in many consultancies, especially policy formulation for Cooperatives in Kenya.
- Currently serving as the Chief Executive Officer (CEO) of Harambee Sacco Ltd, one of the largest Cooperatives in Africa (by Assets)
- Previously, he served as CEO, Safaricom Sacco Ltd



Dr. Francis Mutegi, PhD
Independent Director
Chairman Audit Committee

Key Qualifications

- PhD in Business Administration (JKUAT)
- MBA Strategic Management (JKUAT)
- B.Com (UoN)

Date of Birth

22nd August 1969

Date of Appointment

2nd January 2021

Work Experience

- Director Strategy and Marketing – Supreme Consultants Co. Ltd
- Lecturer – Multimedia University of Kenya
- Sessional Lecturer – Technical University of Kenya
- He has been General Manager Branch Network – Monarch Insurance Co. Ltd and served in various senior regional and national level capacities at Edremann Ltd, Excel Chemicals Ltd, Best Foods (K) Ltd and Mastermind Tobacco (K) Ltd.



**Mr. Francis Mutie, EBS
Secretary Administration
Alternate Director to PS Defence**

Key Qualifications:

- Master's in Public Administration (Executive)
- BA in Government and history from University of Nairobi
- Other key proficiencies in public administration includes, Paramilitary Course, Senior Management Course, and Advanced Conflict Transformation Course in Johannesburg South Africa

Date of Birth

18th August 1962

Date of Appointment

4th March 2019

Work Experience

- Head of Administration Department at the Ministry of Defence
- Representative, PS defence
- He enjoys over 33 years of experience in Public Administration holding various positions; Assistant Secretary, District Officer 1, District Commissioner and growing in rank to become the Provincial Commissioner (Nyanza) and later Secretary Administration (SA) to date.



Mr. Kassim M. Farrah
Secretary administration
Alternate Director to PS –
SDFA&BE

Key Qualifications:

- BA in Political Science
- Diploma in General Agriculture
- Other Achievements in Public Administration includes: Strategic Leadership Development Programme (SLDP), Senior Management Course (SMC), Advanced Public Administration (APA) and Paramilitary Course

Date of Birth

26th December 1960

Date of Appointment

March 2021

Work Experience

- Secretary Administration with over 33 years of experience in Public Administration
- Representative to the PS, SDFA& BE
- He has excelled in Public Administration from the rank of: District Officer for 17 years climbing the ranks of that cadre up to Senior District Officer (SDO), District Commissioner (8 years), County Commissioner (6 years) and currently the Secretary Administration



Mr. Daniel N. Mungai
DG/ Secretary to the KeFS Board of
Directors

Key Qualifications:

Date of Birth

23rd February, 1968

Date of Appointment

1st October 2020



Area of Responsibility


- Director General/Chief Executive Officer of the Service.
- Accounting Officer of the Service



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<ul style="list-style-type: none">• M.Sc. in Microbiology (Kenyatta University)• B.Sc. in Botany and Zoology, (Kenyatta University)• Member International Association of Fish Inspectors (IAFI)	<ul style="list-style-type: none">• Secretary to the KeFS Board of Directors.
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3. MANAGEMENT TEAM

 <p>Mr. Daniel N. Mungai DG/CEO</p> <p>Key Qualifications:</p> <ul style="list-style-type: none"> • M.Sc. – Microbiology (Kenyatta University) • B.Sc. - Botany and Zoology, (Kenyatta University) 	<p>Date of Birth 23rd February, 1968</p> <p>Area of Responsibility</p> <ul style="list-style-type: none"> • Director General and Chief Executive Officer • Accounting Officer of the Service
 <p>Mrs. Lucy Obungu</p> <p>Key Qualifications:</p> <ul style="list-style-type: none"> • MSc. in Food Science (from the University of Strathclyde, Scotland) 	<p>Date of Birth 8th November 1965</p> <p>Area of Responsibility</p> <ul style="list-style-type: none"> • Director (Capture Fishery) • In-charge of Capture Fishery Directorate

<ul style="list-style-type: none"> • BSc. Honours (University of Nairobi) • Member International Association of Fish Inspectors (IAFI) • Member African Network on Fish Technology and Safety (ANFTS) 	
 <p>Dr. Simon Macharia, PhD</p> <p>Key Qualifications:</p> <ul style="list-style-type: none"> • PhD in Natural Resources Management (Egerton University) • MSc. in Environmental Science (Egerton University) • BSc. Fisheries (Moi University) 	<p>Date of Birth 15th April 1972</p> <p>Area of Responsibility</p> <ul style="list-style-type: none"> • Director (Aquaculture) • In-charge of Aquaculture Directorate

 <p>Ms. Rosaline Daisy Muriuki</p> <p>Key Qualifications:</p> <ul style="list-style-type: none"> • Pursuing PhD in Biotechnology at Kenyatta university • MSc. Biotechnology (Kenyatta University) • BSc. Biochemistry (Kenyatta University) 	<p>Date of Birth 1974</p> <p>Area of Responsibility</p> <ul style="list-style-type: none"> • Acting Director (Fish Quality, Safety and Trade) • In-charge of Fish, Quality, Safety and Trade Directorate • In-Charge of Fish Quality and safety Laboratories in Nairobi, Mombasa and Kisumu
 <p>CPAK Mathew Maweu</p>	<p>Date of Birth 19th April 1985</p> <p>Area of Responsibility</p> <ul style="list-style-type: none"> • Ag. Head of Finance • Responsible for all matters finance and Accounting within the Service

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<p style="text-align: center;">ICPAK REG. NO. 16723</p> <p>Key Qualifications:</p> <ul style="list-style-type: none">• Bachelor of Commerce (Finance Option)• Certified Public Accountant (K) Member No: 16723	
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4. CHAIRMAN'S STATEMENT

KeFS is a SAGA created under the Fisheries Management and Development Act, 2016. During the reporting period, KeFS continued to play its critical role in management and development of fisheries resources in Kenya pursuant to the Act. I thank the Government for the granting the much-required finances to operationalize and delink the operations of KeFS.

ACHIEVEMENTS DURING THE FINANCIAL YEAR 2020/2021

The Service continued to implement its fisheries management and development mandate during the year under review and achieved its Performance Contract targets as set out in the signed KeFS Performance Contract for the FY 2020/2021 and the Service Strategic Plan 2018/2022. In particular, KeFS managed the capture fisheries of the Indian Ocean and inland waters by granting access through licensing; Monitoring, Control and surveillance MCS) was enhanced; promotion of aquaculture technologies and innovations progressed by installation of 10 aquaponics units in learning institutions; promotion of fish value addition and trade; and collaboration with other agencies internationally, regionally and nationally within KeFS mandate. In the human resources sphere, the Service employed 368 young Kenyans in the post of Fisheries Officer (150) and Constable Fisheries Guard (198).

ONGOING INITIATIVES

In order to operationalize the Act, the Service is actively participating in the development of subsidiary fisheries legislation and fisheries management plans in collaboration with counties. Of particular interest, the Service is planning a shift in the management of marine fisheries from a managed open access regime to a rights-based management regime to tap the real value of this fishery. The key role of the service is continued capacity development of the fishers in Kenya. In this regard, the service, in collaboration with the State Department for Fisheries, Aquaculture and the Blue Economy (SDFA&BE) will continue to implement the Presidential Directive to train 1000 fishers and empower them with the deep-sea fishing skills.

FUTURE PROSPECTS OF THE INSTITUTE

As a young Institution, the Service aims to operationalize all aspects of management to her full capacity while delivering services to Kenyan people. To realize well managed fisheries and aquaculture the Service will endeavour develop programs and activities that are aligned with the huge mandate of the Service. The sound Management of both physical, human and financial resources will contribute to the realization of the aforementioned mandate powered with efficient financial systems which the Service will establish and run to ensure fiduciary responsibility and accountability.

In conclusion, I take this opportunity to thank members of the KeFS Board of Directors and Management providing leadership over the past year. I most sincerely applaud the Staff of the Service for their commitment to duty and unwavering support in delivering our mandate. The commitment of this dedicated team contributed immensely to the Service performance. I am confident that they will spare no effort to attain and surpass the targets set for the new financial year.



Hon. Samuel Gonzi Rai
Chairman
KeFS Board of Directors

5. REPORT OF THE CHIEF EXECUTIVE OFFICER

It gives me great pleasure to present the first Report and Financial Statements for the Kenya Fisheries Service (KeFS) for the period ended 30th June, 2021.

The Service has steadily taken up the role of Management and Development of Fisheries Resources as per the Fisheries Management and Development Act, of 2016. The Act mandates the Service to conserve, manage and develop marine and freshwater fisheries and aquaculture for sustainable exploitation of fisheries and other aquatic resources.

For the period under review, the Service has continued to provide the required leadership in designing suitable plans and strategies that will contribute to high and sustainable socio-economic development.

ACHIEVEMENTS DURING THE PERIOD

During the period, the Service experienced a gigantic leap when the Board of Directors of the Kenya Fisheries Service advertised and recruited a substantive Director General of the Service, Mr. Daniel Mungai, who is the Chief Executive Officer responsible for the Service. The Service successfully implemented its Performance Contract for the financial year 2020/2021 as negotiated with the Parent Ministry of Agriculture, Livestock, Fisheries and Cooperatives and vetted by the Performance Contracting Secretariat. The main achievements here included the conclusion of de-linking processes from the State Department for Fisheries, Aquaculture and the Blue Economy (SDFA&BE), recruitment of 150 Fisheries Officers and 198 Constable Fisheries Guards to improve on its service delivery, training of 40 county extension officers, construction and launching of 25 aquaponics units in various learning institutions and stocking of natural & community owned dams with a total of 3,000,000 tilapia and catfish fingerlings. The Service played host to the Lake Victoria Fisheries Organization meeting in Kisumu which commenced work on the development of the guiding policy in the management and exploitation of the resources of Lake Victoria.

COMPLIANCE WITH THE LAWS AND REGULATIONS

During the 2020/21 financial year, the Service complied with the set budgetary levels for the year. All the funds released by the government and donor partners to the Service were expensed towards the intended and approved workplan of the Service.

KeFS DELINKING PROSESS

Kenya Fisheries Services has been in the process of delinking from the State Department for Fisheries, Aquaculture and The Blue Economy during the Financial Year 2020/2021. During the prior years since the enactment of the Service, the budget for Kenya Fisheries Service was executed by the State Department for Fisheries Aquaculture and the Blue Economy (SDFA&BE).



Mr. Daniel Mungai

DIRECTOR GENERAL/CEO KeFS

6. STATEMENT OF KeFS PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2020/2021

KeFS performance for the period under review was guided by its Strategic Plan of 2018-2022 which has the following eight (8) key strategic issues to be addressed:

- a) Inadequate policy, legal and institutional framework for management and development of fisheries
- b) Low fish production, overfishing and IUU
- c) Undeveloped markets and marketing systems
- d) Poor fisheries data and information management system
- e) Weak collaboration and cooperation mechanisms at national, regional and international level
- f) Limited access to credit and insurance
- g) Climate change
- h) Low investment

The Service develops its annual work plans and performance targets based on the above strategic issues and the assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Service performance targets for the FY 2020/2021 period for its 8 key strategic issues, as indicated in the table below:

Strategic Issue	Strategic Objective	Key Performance Indicators	Activities	Achievements
Inadequate policy, legal and institutional framework for management and development of fisheries	To formulate and monitor the implementation of policies and regulations regarding conservation, management and utilization of all fisheries resources	Draft regulations	Formulate and review laws, regulations, standards and guidelines governing the fisheries	- Draft aquaculture regulations were finalized. - Marine and Inland Fisheries regulations; BMU regulations; Fish Quality and safety Regulations; were finalised and presented to the AG office for gazette
	To operationalize the Kenya	List of newly recruited officers	Establishment of manpower	Recruitment of 150 Fisheries Officers and

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	Fisheries Service (KeFS) Institutional Framework.		requirements and Recruitment of Staff	198 Constable Fisheries Guards
Strategic Issue 2	Strategic Objective	Key Performance Indicators	Activities	Achievements
Low fish production, overfishing and IUU	To increase fish production from capture fisheries	Domestic fleet in Kenya's marine waters	Reflagging of foreign flagged vessels Registration under KMA Licensing for local fishing	6 purse seiners and 2 long liners were reflagged and became part of the Kenya's local fishing fleet to exploit our deep-sea fisheries resources
		Development of sea-going capacity	Recruitment and training of fish crews	150 local fish crews trained in the Coastal region for deep sea going capacity
		Restocking report	Identify declining fishery Restock with appropriate fingerlings	2,000,000 fingerlings stocked in Lake Naivasha, Kanyaboli, Kenyatta.
	To increase fish production, productivity and marketing under aquaculture systems	Aquaponics launch reports	Identification and construction of aquaponic units in learning institutions	25 aquaponics units constructed and commissioned in learning institutions
		Eat more fish campaign reports	Organise eat fishing festival to market and encourage consumption of farmed fish	One "eat more fish campaign" was conducted at Njoro Girls School.
	To Strengthen Fisheries Resource Governance	Policy document on domesticated cage culture guidelines	Domesticate the East Africa Cage Culture Guidelines	The Service held consultation and training sessions with stakeholders in Kisumu on the East Africa Cage Culture Guidelines

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Strategic Issue 3	Strategic Objective	Key Performance Indicators	Activities	Achievements
Undeveloped markets and marketing systems	To ensure safety and quality of fish and fishery products	Training reports	Review and Implementation of Standard Operating Procedures (SOPs)	The Manual Standard Operating Procedures was rolled out in 6 counties targeting the COs and CECMs
		Accreditation reports	Accreditation and operationalization of fish quality control laboratories	The process of operationalization of the fish quality laboratories was completed The accreditation of the fish labs commenced and achieved a 5%
Strategic Issue 4	Strategic Objective	Key Performance Indicators	Activities	Achievements
Poor fisheries data and information management system	To Establish data and information management system	A functional data and information management unit	Establish a data and information management unit	A data unit was established in the organizational structure and two officers attached in the unit
		A data sharing mechanism between the two levels of government	Establish a data sharing mechanism between county and national government	A mechanism has been created for smooth sharing of data between the two level of government
		Published statistical bulletin	Regular publication and dissemination of fisheries information	A fisheries statistical bulletin was published in the period under review
Strategic Issue 5	Strategic Objective	Key Performance Indicators	Activities	Achievements

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Weak collaboration and cooperation mechanisms at national, regional and international level	Honour and update Regional and International obligations	Payment receipts	Payment of outstanding money to the IWC and IOTC.	Service paid in full the outstanding dues to IWC and IOTC
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7. CORPORATE GOVERNANCE STATEMENT

Good corporate governance entails establishment and enhancement of sustainable value for stakeholders through adoption of ethically driven procedures and processes. The Board of Directors ensures that corporate governance guidelines and best practices are followed, and that all corporate affairs are managed in a fair and transparent manner. In this regard, we believe it is our inherent responsibility to disclose timely and accurate information on our financials and performance as well as leadership and governance of the Service. The Board of Directors and KeFS Management remains steadfastly committed to the adoption of corporate governance best practices in support of our vision to provide world-class services that delight our customers, create value and meet stakeholders' expectations. This statement sets out the main corporate governance practices and structures in the Service and actions taken towards achievement of our goals.

i. Board of Directors

The KeFS Board of Directors consists of five (5) independent non-executive members, representatives of the PS National Treasury, State Department for Fisheries Aquaculture and the Blue Economy and Defence and the Director General KeFS who is the Board Secretary. The Board composition draws a good mix of skills, experience and proficiencies in various fields.

ii. Board work plan and meetings

Dates for Board meetings in the ensuing year are decided in advance and scheduled in the Board's work plan. The Board meets at least four times in a financial year to monitor and transact the business of the Service. Board Members receive adequate notice and detailed papers on issues to be discussed in good time to enable them prepare for the meetings.

iii. Board Committees

The Board has three standing committees that assist to effectively discharge various business functions and responsibilities. An *adhoc* committee can be constituted to deal with pertinent issues as they arise as provided for by the Resolutions of the Board. The Board defines terms of reference under

which the respective committees operate. The committees submit reports of their activities to the Board.

During the year, the Board established and supervised the following two committees:

a. Finance, Strategy and Administration

The Committee is responsible for providing policy direction to the Service's Financial, Administration and Human resource management matters. The Committee reviews and approves the Service's annual budget, administers the recurrent and development annual budgets and ensures the budgets are aligned to the government printed estimates. The Committee deliberates on and approves the annual report and financial statements of the Service. The Committee is also responsible for the establishment of the terms and conditions of service and scheme of service for the employees, and making regulations governing the appointments, remuneration, conduct and discipline of employees. The committee regularly reviews and evaluates the adequacy and effectiveness of the personnel policies. The committee reviews and deliberates on staff matters and provides guidelines in the implementation of the personnel policies.

b. Technical Committee

The Committee is charged with the responsibility of providing policy direction and ensuring that the Service technical activities and execution is in line with the Corporate Strategic Plan, and it is linked with the National Development Policies including the Kenya Vision 2030, Big Four Priority Agenda and Third Medium Term Plan. The Committee is also responsible for approving draft Performance Contract document and annual work plans for the Service. The Committee monitors and reports to the Board the progress quarterly and annual reports of the Service in the execution of its mandate.

c. Audit Committee

The Committee acts as the oversight Board Committee and is responsible for evaluating the effectiveness of the internal control procedures and risk management procedures. It is responsible for establishing an internal audit function and ensuring that there is an effective risk-based internal audit system. The Board Audit Committee is also responsible for reviewing financial information as well

as monitoring the effectiveness of management information systems and the reporting thereof. The committee reviews all significant findings of the internal and external auditors and provides policy direction as appropriate.

8. MANAGEMENT DISCUSSION AND ANALYSIS

Operational performance

During the period under review, KeFS continued to implement its Performance Contract for the financial year 2020/2021 as negotiated with the Parent Ministry and vetted by the Performance Contracting Secretariat. The Service implemented measures of operationalising the Service through successful de-linking process from the State Department for Fisheries, Aquaculture and the Blue Economy. To strengthen human resource for effective execution of its mandate, the Service recruited 150 fisheries officers and 198 constable fisheries guards to be posted in various work stations in the republic.

The Service continued with its core mandate by management and development of the fisheries resources; this was achieved by ensuring faster authorisations for import/export of fisheries products, enhancement of locals into deep sea fishing expeditions by training 150 fish crews who are now employed in the deep-sea fishing vessels, enhanced dissemination of appropriate technologies in learning institutions by construction and commissioning of 25 aquaponic units in various learning institutions and restocking of community dams to ease pressure on other wild stocks as we contribute to the big 4 agenda of food and nutrition security.

With regards to budgetary resources, the government released exchequer grants to the Service, though with unprecedented delays as per the government printed estimates for the 2020/2021 financial year.

9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

KeFS purpose is to transform lives. This being the driving force behind everything we do. It guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

i) Sustainability strategy and profile

The Service draws its agenda from the national development goals, Vision 2030, the *Big Four* Agenda, and the UN sustainable Development Goals (SDGs) and AU Agenda 2063. The consideration of the aforesaid instruments led to the 5 year commitment of the KeFS strategic plan 2018-2022 that the service implementing. On the other hand, the implementation the above policy framework was slowed down in the reporting period due to COVID 19 and the slow process of delinking of the Service from the State Department. However, the delinking process was effectively achieved at the end of the reporting period that paved way for the Service to strengthen all its management systems. The service collaborated with the devolved governments in meeting her mandate in aquaculture development, granting of fisheries access, development of legislations, quality assurance, trade and co-management of fisheries resources.

ii) Environmental performance

The Service remained compliant to the provision of the Environmental Management and Conservation Act (EMCA) Cap 387 and subsidiary legislation in establishment and management of fisheries business and aquaculture production. The principle of Ecosystem approach to fisheries management is applied in all fisheries to ensure sustainable aquatic ecosystem. On the other hand, reduction of pollution by industrial fishing vessels was ensured by implementing the International Maritime Organisation (IMO) Marpol convention and enforcement of the Merchant Shipping Act No. 4 of 2009 in collaboration with Kenya Maritime Authority (KMA). During the reporting period the Service planted trees in all its station rallying the Government agenda to achieve 10% forest cover by the year 2030.

iii) Employee welfare

KeFS adheres the provisions of the Employment Act, 2007 in granting equal opportunities to all Kenyans without discrimination based on gender and ethnicity. In view of this, the Service was in the process of competitively hiring 150 Fisheries Officers and 198 Constable Fisheries Guard (CFG). In compliance to the Performance Contracting requirements KeFS implemented the crosscutting issue of Gender Mainstreaming in all its departments and ensured a 1:1 gender ratio in the Senior Management level. The Individual Performance Appraisal system was upheld within the online Government Human Resource Information System (GHRIS) platform. KeFS adheres to the provisions of the Occupational Safety and Health Act of 2007, (OSHA) with reference to safety and well-being of the employees.

iv) Market place practices-

KeFS has put in place the following:

a) Responsible competition practice.

KeFS is a non-political institution respecting the governance structures as a SAGA within the national Government. The Service consults and collaborate with the County Governments through the County Departments responsible for fisheries in executing its mandate. On the other hand, KeFS has mainstreamed the anti-corruption policy in all her service delivery, ensures fair competition and have set up a mechanism to address the public complaints. The KeFS contracts to entrench responsible practices in the performance contract for the Service.

b) Responsible Supply chain and supplier relations

KeFS adheres to the provisions of the Public Procurement and Disposal Act Revised 2016 and subsidiary legislation.

c) Responsible marketing and advertisement

KeFS practise open-door policy in advertisement and marketing of KeFS products and Services. The employment opportunities are advertised in the Service website, Ministry website and widely circulated printed newspapers.

d) Product stewardship

KeFS discloses all her Services rendered to citizens in the Service Delivery Charter.

v) Corporate Social Responsibility / Community Engagements

KeFS acknowledges the need to give back to society to promote harmonious relations given the contribution made by surrounding communities in creating a conducive environment for her extension and management activities. This has been pioneered successfully by the Sagana Fish Farm which has ensured the neighbouring community benefits from the un-skilled casual labour. The farm has also been involved in supporting vulnerable fish farmers who suffer from flash floods by helping restock their ponds. Further, Sagana Fish Farm has been undertaking a long-term partnership with the Catholic Diocese of Embu in supporting philanthropic fish farming activities to targeted orphans and widows who have benefitted from high quality fingerlings and feeds produced at the Farm. These outreach programs will be enhanced to use them as avenues for ensuring the members of public especially the vulnerable segment of society appreciate the work done by the Service coupled with the benefits of the fish industry.

10. REPORT OF THE DIRECTORS

The Board of Directors has the pleasure to submit the annual report and audited financial statements for the year ended June 30, 2021 in accordance with the International Public Sector Accounting Standards (IPSAS) Accrual, the State Corporations Act (Cap 446) of 1986 and the PFM Act, 2012 which discloses the state of affairs of the Service.

i) Principal activities

The Mandate of KeFS as per the Kenya Fisheries Management and Development Act, 2016 is to conserve, manage and develop marine and freshwater fisheries and aquaculture for sustainable exploitation of fisheries and other aquatic resources. It is our responsibility to provide the required leadership in designing suitable plans and strategies that will contribute to high and sustainable socio-economic development. It is our undertaking to ensure that Kenya Fisheries Service has a credible Strategic Plan and Performance Contract that will deliver the desired goals.

ii) Results

The financial results of the Service for the year ended June 30, 2021 are set out on page 1.

iii) Directors

The members of the Board of Directors who served during the year are shown on page V. The Chairman of the Board and Board Members who served during the year were appointed by the President and Cabinet Secretary of the Ministry of Agriculture, Livestock, Fisheries and Cooperatives respectively on February 2019 and on 17th September, 2018 respectively. On the other hand, Dr. Francis Mutegi, PhD was appointed to the Board by the Cabinet Secretary on 2020 upon resignation of Mr. Omar Boga with effect from 2nd January 2021.

iv) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The Service made a surplus of Ksh 7,381,043 during the year (FY 2020-2021).

v) 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 to carry out the audit of the entity for the year/period ended June 30, 2021 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

Mr. Daniel Mungai

DIRECTOR GENERAL/SECRETARY - KeFS Board of Directors

Signature: 

Date: 01/07/22

11. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, requires the Service Directors to prepare financial statements which give a true and fair view of the state of affairs at the end of the financial year and the operating results thereof. The Directors are also required to ensure that the Service keeps proper accounting records which disclose with reasonable accuracy, its financial position. The Directors are also responsible for safeguarding the assets of the Service.

The Directors are responsible for the preparation and presentation of the financial statements of the Service, which give a true and fair view of the state of affairs for and as at the end of the financial year ended on 30th June 2021. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the institute assets; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility of the financial statements of the Service, 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. The Directors are of the opinion that the financial statements give a true and fair view of the state of KeFS financial transactions during the financial year ended 30th June 2021, and of the financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Service, which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

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

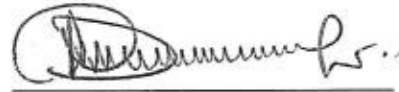
Approval of the financial statements

The KeFS financial statements of the were approved by the Board on 01/07/2022 and signed on its behalf by:



Hon. Samuel Gonzi Rai

CHAIRMAN – KeFS BOARD OF DIRECTORS



Mr. Daniel Mungai

DIRECTOR GENERAL/CEO - KeFS

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA FISHERIES SERVICE FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Fisheries Service set out on pages 1 to 32, which comprise of the statement of financial position as at

Report of the Auditor-General on Kenya Fisheries Service for the year ended 30 June, 2021

30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kenya Fisheries Service as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Fisheries Management and Development (FMD) Act, No. 35 of 2016 of the laws of Kenya.

Basis for Qualified Opinion

Unsupported Property, Plant and Equipment

The statement of financial position reflects a balance of Kshs.3,242,714 in respect of property, plant and equipment as disclosed in Note 11 to the financial statements. However, the following anomalies were noted:

- i. Records provided for audit revealed that the Service owned various assets including parcels of land, buildings, vehicles, computers, and furniture which were not valued and incorporated in the financial statements. Further, accurate data of the assets belonging to the Service after separation from the State Department for Fisheries was not provided for audit review.
- ii. The Service purchased computers, i-Phones and office furniture totaling Kshs.3,242,714 in the year under review but depreciation charge thereon was not computed and incorporated in the financial statements. Further, the Notes to the financial statements did not disclose the accounting policy on depreciation.
- iii. Field verification conducted in Mombasa regional office in the month of April, 2022 revealed that the only ship available (MV Doria) was claimed to have been handed over to Kenya Coast Guards Service. However, no documentary evidence was provided to prove the hand over. Further, field verification in Kisumu in the Month of April, 2022 revealed that the office has two (2) patrol boats but one had broken down and required an overhaul of the engine. The other boat was branded in Coast Guards Service colours and logo and thus its ownership could not be confirmed.
- iv. Ownership documents for the Service assets including title deeds for the fish landing sites were not provided for audit review.

In the circumstances, the accuracy, completeness and fair presentation of the property, plant and equipment balance of Kshs.3,242,714 could not be confirmed.

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the procedures performed, except for 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

Composition of the Board of Directors and its Operations

The statement of financial performance reflects remuneration of directors amounting to Kshs.5,662,031 as disclosed in Note 9 to the financial statements. However, review of the records relating the Board revealed that, out of the eight (8) board members only one (1) was a female contrary to Article 232(1) (i) of the Constitution of Kenya which requires that men and women be afforded adequate and equal opportunities for appointment, training and advancement in the public service. Further, annual governance audit of the board during the year under review was not carried out as required under Section 1.13(1) of the Mwongozo Code. In addition, the Board Chairman did not submit quarterly updates on governance matters to the Cabinet Secretary and the State Corporation Advisory Committee (SCAC) in the year under review.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit Function and an Audit Committee of the Board

The Kenya Fisheries Service has not established an internal audit function and an Audit Committee of the Board. This is contrary to Section 155 of the Public Finance Management Act, 2012 which provides for the establishment of the internal audit function and an Audit Committee of the Board.

In the circumstances, the Management did not benefit from the assurance and advisory services from the internal audit function as well as oversight from the Audit Committee.

2. Lack of Risk Management Policy and Strategy

The Company Management had not put in place risk management policy, strategies, and risk register to mitigate against risk. It was, therefore, not clear how the management manages risk exposures. This is in contravention of Regulation 165 (1)(a) and (b) of the Public Finance Management (National Government) Regulations, 2015 which requires the Accounting Officer to ensure that the county government entity develops risk management strategies, which include fraud prevention mechanism; and the county government entity develops a system of risk management and internal control that builds robust business operations.

In the circumstances, the policy, strategies and procedures put in place to assess, identify, measure, prioritize and mitigate against risk could not be confirmed.

3. Lack of Approved Information Technology Security Policy

Review of the Kenya Fisheries Services information technology systems revealed that it has in place Enterprise Resource Planning (ERP) to manage its operations. However, the entity did not have an approved IT policy for governance and management of its ICT resources. Further, the service lacks ICT steering committee to assist in the development of ICT policy framework to enable the company to realize long-term ICT strategic goals. In addition, the entity had not developed any data back-up procedures including an offsite back-up for the data and thus exposing it to risk in case of a disaster. The server room lacked necessary security features including smoke detectors, fire extinguishers, raised floor, security grills, and air conditioner.

In the circumstances, the service may not have any rules and procedures to follow in order to minimize risk of errors, fraud and the loss of data confidentiality, integrity and availability.

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 processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal 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 control, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect

a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Kenya

Fisheries Service's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Service to cease to sustain its services.

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

12 September, 2022

13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Period ended 30th June 2021	Period ended 30th June 2020
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6	49,700,201.00	
Public contributions and donations	7	5,803,841.00	
		55,504,042.00	
Revenue from exchange transactions			
Total revenue		55,504,042.00	
Expenses			
Use of goods and services	8	42,460,968.00	
Remuneration of directors	9	5,662,031.00	
Total expenses		48,122,999.00	
Other gains/(losses)			
Surplus before tax			
Surplus/(deficit) for the period/year		7,381,043.00	
Remission to National Treasury			
Net Surplus for the year		7,381,043.00	
Attributable to:			
Surplus/(deficit) attributable to minority interest		-	
Surplus attributable to owners of the controlling entity		-	
Accumulated Surplus		7,381,043.00	

The notes set out on pages 8 to 41 form an integral part of these Financial Statements.

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



Accounting Officer
Mr. Daniel Mungai



Ag. Head of Finance
Mr. Mathew Maweu
ICPAK Member Number: 16723



Chairman of the Board
Hon. Samuel Gonzi Rai

Date: 01/07/22

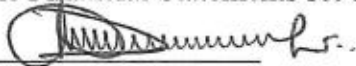
Date: 01/07/22

Date: 01/07/22

14. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

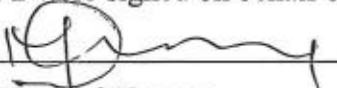
	Notes	Period ended 30th June 2021	30-Jun-20
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	10	34,429.00	-
Receivables from non-exchange transactions	12	4,683,900.00	
Total Current Assets		4,718,329.00	-
Non-Current Assets			
Property, plant and equipment	11	3,242,714.00	
Total Non- Current Assets		3,242,714.00	-
Total Assets		7,961,043.00	-
Liabilities			
Current Liabilities			
Current Provision for audit Fee	13	580,000.00	
Total Current Liabilities		580,000.00	-
Total Liabilities		580,000.00	-
Net assets		7,381,043.00	-
Financed by:			
Non-Current Liabilities		-	
Reserves		-	
Accumulated surplus		7,381,043.00	-
Total Surplus		7,381,043.00	-

The Financial Statements set out on pages 2 were signed on behalf of the Board of Directors by:



Accounting Officer

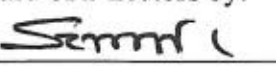
Mr. Daniel Mungai



Ag. Head of Finance

Mr. Mathew Maweu

ICPAK Member Number:16723



Chairman of the Board

Hon. Samuel Gonzi Rai

Date: 01/07/22

Date: 01/07/22

Date: 01/07/22

**15. STATEMENT OF CHANGES IN NET ASSET
FOR THE YEAR ENDED 30 JUNE 2021**

	note s	Retained earnings	Proposed dividends	Capital/ Development Grants/Fund	Total
As at 1st July 2019		-			-
Surplus/ Deficit for the year		-			-
As at 30th June 2020		-			-
As at 1st July 2020		-			-
Surplus/ deficit for the year		7,381,043.00			7,381,043.00
As at June 30, 2021		7,381,043.00	-	-	7,381,043.00

16. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2021

		Period ended 30th June 2021	30-Jun- 20
	Notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	6	49,700,201.00	
Public contributions and donations	7	5,803,841.00	
Total Receipts		55,504,042.00	
Payments			
Use of goods and services	8	42,460,968.00	
Remuneration of directors	9	5,662,031.40	
Total Payments		48,122,999.00	
Net Receipts		7,381,043.00	
Increase in Receivables	12	(4,683,900.00)	
Increase in Payables	13	580,000.00	
Net cash flows from/(used in) operating activities		3,277,143.00	
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	11	(3,242,714.00)	
Net cash flows from/(used in) investing activities		(3,242,714.00)	
Cash flows from financing activities		-	
Proceeds from borrowings		-	
Increase in capital funds		-	
Net cash flows from /(used in) financing activities		-	
Net increase/(decrease) in cash and cash equivalents		34,429.00	
Cash and cash equivalents at 30th June,2020		-	
Cash and cash equivalents at 30th June 2021		34,429.00	

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(IPSAS 2 allows an entity to present the cash flow statement using the direct or indirect method but encourages the direct method. Entities should use the direct method of cash flow preparation as shown above)

The Financial Statements set out on pages 3 were signed on behalf of the Board of Directors by:



Accounting Officer

Mr. Daniel Mungai



Ag. Head of Finance

Mr. Mathew Maweu

ICPAK Member Number: 16723



Chairman of the Board

Hon. Samuel Gonzi Rai

Date: 01/07/22

Date: 01/07/22

Date: 01/07/22

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17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

	Original budget	Adjustm ents	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	Kshs A	Kshs b	Kshs C=(a+b)	Kshs d	Kshs e=(c-d)	F=d/c
Revenue						
Transfers from other governments entities	49,700,201.00	-	49,700,201.00	49,700,201.00	-	100%
Public contributions and donations	5,803,841.00	-	5,803,841.00	5,803,841.00	-	100%
Total income	55,504,042.00	-	55,504,042.00	55,504,042.00	-	
Expenses						
Use of goods and services	42,460,968.00		42,460,968.00	42,460,968.00	-	100%
Training	9,048,000.00		9,048,000.00	9,048,000.00	-	
Administration Expenses	6,980,328.00		6,980,328.00	6,980,328.00	-	
Fuel	1,000,000.00		1,000,000.00	1,000,000.00	-	
Advertising	922,748.00		922,748.00	922,748.00	-	
Daily Subsistence Allowance	11,596,050.00		11,596,050.00	11,596,050.00	-	
Audit Fee	580,000.00		580,000.00	580,000.00	-	
Rental expenses	8,770,822.00		8,770,822.00	8,770,822.00	-	
Other General expenses	3,563,021.00		3,563,021.00	3,563,021.00	-	

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Remuneration of directors	5,662,031.00			5,662,031.00	5,662,031.40		100%
Honoraria	687,000.00			687,000.00	687,000.00	-	
Board Sitting Allowance	1,692,100.00			1,692,100.00	1,692,100.00	-	
Board Domestic Travel and Subsistence	126,825.00			126,825.00	126,825.00	-	
Board travel and accomodation	1,219,400.00			1,219,400.00	1,219,400.00	-	
Board Insurance	514,806.00			514,806.00	514,806.00	-	
Other Board Expenses	1,421,900.00			1,421,900.00	1,421,900.00	-	
Total expenditure	48,122,999.00			48,122,999.00	48,122,999.00	-	100%
Surplus for the period	7,381,043.00	-		7,381,043.00	7,381,043.00		

18. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Kenya Fisheries Service entity is established by and derives its authority and accountability from Fisheries Management and Development Act No 35 of 2016. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to conserve, manage and develop Kenya Fisheries and Aquaculture resources.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Kenya Fisheries Service accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Kenya Fisheries Service.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. Adoption of New and Revised Standards

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2021.*

Standard	Impact
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>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"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2023</p> <p>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;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p>

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Standard	Effective date and impact:
	(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</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>

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2020/2021.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The entity recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies(Continued)

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Interest income

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

ii) Revenue from exchange transactions

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2020-2021 was approved by the National Assembly on 30th June 2020. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of KShs. 26,000,000 on the 2020-2021 budget following the governing body's approval on February 2021.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Summary of Significant Accounting Policies (Continued)

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

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

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies (Continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies (Continued)

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii) When receivables and payables are stated with the amount of sales tax included
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the placement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Summary of Significant Accounting Policies (Continued)

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies (Continued)

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

h) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale
- ii) Its intention to complete and its ability to use or sell the asset
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies (Continued)

i) 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.

Held-to-maturity.

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are 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. The losses arising from impairment are recognized in surplus or deficit.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies (Continued)

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 a 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:

- i) The debtors or an entity of debtors are experiencing significant financial difficulty.
- ii) Default or delinquency in interest or principal payments
- iii) The probability that debtors will enter bankruptcy or other financial reorganization.
- iv) 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies (Continued)

j) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

k) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies (Continued)

l) Contingent liabilities

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

m) Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

n) Nature and purpose of reserves

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

o) Changes in accounting policies and estimates

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies (Continued)

p) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

q) Foreign currency transactions

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

r) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies (Continued)

v) Comparative figures

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

w) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2021.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the 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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies (Continued)

s) Related parties

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

t) Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u) Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Significant Judgments and Sources of Estimation Uncertainty (Continued)

Useful lives and residual values

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

- a) The condition of the asset based on the assessment of experts employed by the Entity.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

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

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. Transfers from Other Government Entities

Description	Period ended 30th June 2021	Period ended 30th June 2020
	KShs	KShs
Unconditional grants		
Operational grant	49,700,201.00	
Other grants		
Total Unconditional Grants	49,700,201.00	
Conditional grants		
Total government grants and subsidies	49,700,201.00	

b) Transfers from Ministries, Departments and Agencies (MDAs)

Name of the Entity sending the grant	Amount recognized to Statement of Financial performance KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund. KShs	Period ended 30th June 2021 KShs	Period ended 30th June 2020 KShs
SDFABE				5,765,161.00	
SDFABE				5,935,040.00	
SDFABE				6,000,000.00	
SDFABE				6,000,000.00	
SDFABE				26,000,000.00	
Total				49,700,201.00	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Public Contributions and Donations

Description	2020-2021	2019-2020
	KShs.	KShs.
COMESA	5,000,000.00	
MESPT	803,841.00	
Total transfers and sponsorships	5,803,841.00	-
Reconciliation of public contributions and donations		
Balance unspent at beginning of the year	-	
Current year receipts	5,803,841.00	
Conditions met - transferred to revenue		
Conditions to be met - remain liabilities	5,803,841.00	

The COMESA funds of KShs. 5,000,000 are meant for training of Fish farmers, fisheries officers and other Fisheries stakeholders. The donation of KShs. 803,841 is from Micro Enterprise Support Program Trust (MESPT) and was meant for collection of samples for analysis at the laboratories.

Kenya Fisheries Service
Annual Reports and Financial Statements
For the year ended June 30, 2021.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Use of Goods and Services

Description	Period ended 30th June 2021	Period ended 30th June 2020
Advertising	922,748.00	
Admin fees	6,980,328.00	
Audit fees	580,000.00	
Fuel and oil	1,000,000.00	
Rental	8,770,823.00	
Training	9,048,000.00	
Travel, accommodation, subsistence and other allowances	11,596,050.00	
Other general expenses	3,563,021.00	
Total	42,460,968.00	

9. Board /Council Expenses

Description	Period ended 30th June 2021	Period ended 30th June 2020
Chairman/Directors' Honoraria	687,000.00	
Sitting allowances	1,692,100.00	
Medical Insurance	514,806.00	
Travel and accommodation	1,219,400.00	
Other allowances	1,421,900.00	
Board Domestic travel & Subsis.	126,825.00	
Total	5,662,031.00	

Kenya Fisheries Service
Annual Reports and Financial Statements
For the year ended June 30, 2021.

13. Payables

Description	Period ended 30th June 2021	Period ended 30th June 2020
	KShs	KShs
Provision for audit fee	580,000.00	-
Total	580,000.00	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. Cash and Cash Equivalents

Description	2020-2021	2019-2020
	KShs	KShs
KCB Bank	34,429.00	
Total cash and cash equivalents	34,429.00	

10.(a) Detailed Analysis of the Cash and Cash Equivalents

		2020-2021	2019-2020
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1266312323	34,429.00	
Sub- total		34,429.00	
Grand total		34,429.00	

11. Property, Plant and Equipment

Description	Period ended 30th June 2021	Period ended 30th June 2020
	KShs	KShs
PPE	3,242,714.00	-
Total	3,242,714.00	-

12. Receivables

Description	Period ended 30th June 2021	Period ended 30th June 2020
	KShs	KShs
Receivables	4,683,900.00	-
Total	4,683,900.00	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

Director General/~~C.E.O/M.D~~ (enter title of head of entity)

Date 01/07/22

Kenya Fisheries Service
Annual Reports and Financial Statements
For the year ended June 30, 2021.

APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, ie total costs incurred, stage which the project is etc)

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
2							
3							

Kenya Fisheries Service
Annual Reports and Financial Statements
For the year ended June 30, 2021.

APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:		Kenya Fisheries Service		
Break down of Transfers from the State Department of Fisheries Aquaculture and the Blue Economy				
FY 2020/2021				
a	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs.)</u>	<u>FY</u>
		7/9/2020	5,765,161.00	2020/2021
		9/11/2020	5,935,040.00	2020/2021
		4/6/2021	6,000,000.00	2020/2021
		4/6/2021	6,000,000.00	2020/2021
		5/7/2021	26,000,000.00	2020/2021
		Total	49,700,201.00	
b	Donor Receipts			
		<u>Bank Statement Date</u>	<u>Amount (KShs.)</u>	<u>FY</u>
		30/10/2020	803,841.00	2020/2021
		12/3/2021	5,000,000.00	2020/2021
		Total	5,803,841.00	

The above amounts have been communicated to and reconciled with the parent Ministry

Matthew Maweu
 Ag. Head of Finance
 KeFS

James W. Thuita
 Head of Accounting Unit
 SDFA&BE

Sign 

Sign-----

Kenya Fisheries Service
Annual Reports and Financial Statements
For the year ended June 30, 2021.

KENYA FISHERIES SERVICE



OFFICE OF THE DIRECTOR GENERAL

Email: kefs@kilimo.go.ke
Telephone: 2716103

NHIF BUILDING 13TH FLOOR
RAGATI ROAD
P.O. Box 48511-00100
NAIROBI

When replying please quote:
KEFS/ADM/FIN/VOL.I/(17)

1st September, 2021

Principal Secretary

State Department for Fisheries, Aquaculture and
the Blue Economy
P. O. Box 58187 – 00200
NAIROBI

RE: CONFIRMATION OF AMOUNTS DISBURSED BY THE STATE DEPARTMENT FOR FISHERIES, AQUACULTURE AND THE BLUE ECONOMY FOR FY 2020/2021 TO KeFS

The management of KeFS wish to confirm that the amounts disbursed to the service as
at 30th June, 2021 for the FY 2020/21 is as tabulated below.

Kindly verify the amounts as captured.

DATE	AMOUNT (Kshs)
07/09/2020	5,765,161.00
09/11/2020	5,935,040.00
04/06/2021	6,000,000.00
04/06/2021	6,000,000.00
05/07/2021	26,000,000.00
Total	49,700,201.00

Transfers amounting to **Kshs. 27,199,799.00** relating to Kenya Fisheries Service has
spent at the State Department of Fisheries Aquaculture and the Blue Economy on
expenditure related to service.

I confirm that the amounts shown above are correct as per the dates.

Daniel Mungai
DIRECTOR GENERAL

REPUBLIC OF KENYA
BANK RECONCILIATION

AS AT 30TH JUNE, 2021

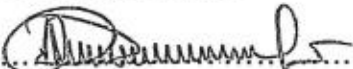
STATION NAIROBI

KCB A/C NO. 1266312323

	Sh.	Sh.
Balance as per Bank Certificate		5,112,054.60
Less -----		
1. Payments in Cash Book not yet in The Bank Statement (Unpresented Cheques)	31,077,336.15	
2. Receipts in Bank Statement not yet recorded in Cash book	290.00	31,077,626.15
Add -----		
3. Payment in Bank Statement not yet recorded in Cash Book	-	
4 Receipts in Cash Book not yet in The Bank Statement	26,000,000.00	26,000,000.00
Balance as per cash Book		34,428.45


I certify that I have verified the Bank balance in the cash Book with the bank Statement and that the above reconciliation is correct.

Director general

.....  D.G. 16/9/21

Signature Designation Date

I Certify that I have verified the Bank Balance in the Cash Book with the Bank Statement and that the above Reconciliation is Correct.

Reconciled by..... MATHEW MAWGU Signature.....  Date..... 16/7/21

KENYA FISHERIES SERVICE
BANK ACCOUNT NUMBER -1266312323

PAYMENTS IN CASHBOOK NOT IN THE BANK AS AT 30TH JUNE, 2021

DETAILS	CHEQUE NO.	AMOUNT
Bank charge	'000333	600.00
Ruth Bahati	000307	9,800.00
James Kiteme	000308	9,800.00
Vincent Ogwang	00257	14,000.00
John Waweru	00225	14,700.00
Nicholas Ngosi	000306	16,800.00
Pago Airways	00295	18,500.00
Kwanya Erastus	000406	19,600.00
Shadrack Kimeu	000314	20,000.00
Sophia Ondieki	000316	20,000.00
Mitchelle Wandera	000317	20,000.00
Edward Barake	000318	20,000.00
Paul Obama	000319	20,000.00
Hawo Wario	000331	20,000.00
Makori Agano	00259	21,000.00
Paul Mumina	000304	21,000.00
Shadrack Machua	000305	21,000.00
Angani Tours and Travel	0296	21,450.00
Commissioner of Domestic taxes	0269	24,000.00
Mwaka Barabara	0226	25,200.00
daniel Kasangi	0241	25,200.00
Vincent Ogwang	0242	25,200.00
Martin Kamau	0243	25,200.00
Poline Nyaga	000329	25,200.00
Ephraim Wairangu	0165	28,000.00
Sky Extra Tours and Travel	0297	28,465.00
Sky Extra Tours and Travel	0293	28,855.00
Nicholas Ngosi	0282	29,400.00
Joseph Iro	0283	29,400.00
Catherine Waithira	0284	29,400.00
Alfred Muthama	0285	29,400.00
Joseck Oluchiri	0287	29,400.00
Aaron Mutisya	0290	29,400.00
Christine Okoth	0292	29,500.00
Sky Extra Tours and Travel	0294	29,555.00
Annah Nunda	000330	30,000.00
Rosaline Daisy	0200	31,500.00
PAUL NJOMO	000233	33,600.00
Gonzi Rai	0239	36,400.00



Jude Mathooko	0240	36,400.00
Jessica Gakinya	000348	36,400.00
Simon Macharia	0237	37,800.00
Hellen Kenga	000323	37,800.00
Rosaline Daisy	000231	42,000.00
Mwaka Barabara	0250	44,450.00
Elias Wachira	0254	50,000.00
Annah Nunda	0280	50,400.00
Poline Nyaga	0281	50,400.00
Samuel Gonzi Rai	000311	54,600.00
Samuel Gonzi Rai	000347	54,600.00
Lucy Obungu	0222	63,000.00
Betty Nyandat	0228	63,000.00
Elias Wachira	0234	63,000.00
Gonzi Rai	0235	63,000.00
Simon Macharia	000253	63,000.00
Jared Agano	0272	63,000.00
Susan Otieno	0273	63,000.00
Shadrack Kimeu	0275	63,000.00
Paul Mumina	0276	63,000.00
shadrack Kamau	0277	63,000.00
Isaac Barasa	0278	63,000.00
Alex Lukhwenda	0289	63,000.00
Rosaline Daisi	0291	63,000.00
Joyce Okanja	000322	67,200.00
Davis Karani	000325	67,200.00
Poline Nyaga	000310	70,000.00
Simon Macharia	0270	75,600.00
Daniel Mungai	0271	75,600.00
Jepco SERVICES LTD	0302	79,685.60
Shardack Kimeu	000326	84,000.00
Bramwel Lekeroi	000345	84,000.00
State Dept for broadcasting and TELCOM	0251	88,725.75
Joseph Iro	0288	100,000.00
Joseph Iro	000359	100,000.00
Branold Enterprises	0261	102,610.00
Elias Wachira	0256	105,000.00

Daisy Karimi	000341	105,000.00
Jared Agano	000342	105,000.00
Susan Otieno	000343	105,000.00
Shadrack Kimeu	000405	105,000.00
Daniel Mungai	0255	109,200.00
Daniel Mungai	000328	109,200.00
Safaricom limited	000303	120,000.00
Simon Macharia	000340	126,000.00
Patrick Keige Mwangi	000344	126,000.00
Elias Wachira	0247	142,000.00
Daniel Mungai	000339	146,000.00
Joseck Oluchiri	000349	147,000.00
Eastscope ventures international limited	000312	148,000.00
Matthew Maweu	0260	150,000.00
Rosko Com Ltd	0265	175,236.00
Barmasil Investment	0263	231,430.00
Matthew Maweu	000401	240,000.00
Maykem Ent	0266	240,700.00
R.H DEVANI	000309	250,000.00
R.H DEVANI	000407	250,000.00
Standard Group	0258	252,100.00
Ruth Bahati	000346	280,000.00
Blue Line Logistics	0268	307,820.00
Poline Nyaga	000320	335,600.00
Dowaka Global Agencies	0262	335,900.00
Alimbek Gen Services	0264	598,500.00
Kwanya Erastus	000403	696,000.00
Kwanya Erastus	000321	783,400.00
Demac Systems	0267	786,800.00
KCB(crystal valuers Ltd)	0299	7,596,720.00
K.C.B-Frace Ventureslimited	000333	9,048,000.00
Joseph Iro		19,000.00
SAMUEL GONZI RAI		47,650.00
Deboma Agencies	QT4	56,568.00
Bergh Internationale	QT3	187,155.00
Bergh Internationale	QT 2	372,198.00
	00301	374,101.52

	00300	800,000.00
Miranet Technologies Limited		1,150,061.28
Paramount Solutions Limited		335,000.00
Paramount Solutions Limited		260,000.00
	TOTALS	31,077,336.15

KENYA FISHERIES SERVICE
BANK ACCOUNT NUMBER -1266312323

RECEIPTS IN BANK NOT IN THE CASHBOOK AS AT 30TH JUNE, 2021

DETAILS	REF NO./ CHEQUER NO.	AMOUNT
RECEIPT IN THE BANK		290.00
TOTAL		290.00



KENYA FISHERIES SERVICE

BANK ACCOUNT NUMBER -1266312323

PAYMENTS IN BANK NOT IN CASHBOOK AS AT 30TH JUNE, 2021

DETAILS	CHEQUE NO.	AMOUNT
	TOTALS	0.00



KENYA FISHERIES SERVICE

BANK ACCOUNT NUMBER -1266312323

RECEIPTS IN CASHBOOK NOT IN BANK AS AT 30TH JUNE, 2021

DATE	DETAILS	AMOUNT
GOVERNMENT GRANT		26,000,000.00
	TOTALS	26,000,000.00





REPUBLIC OF KENYA
THE NATIONAL TREASURY AND PLANNING

Telegraphic Address: 22921
FINANCE-NAIROBI
Fax No.: 330426
Telephone: 2252299
When replying please quote

THE TREASURY
P.O. Box 30007
NAIROBI
KENYA

Ref: TNT/ZZ/45/09 TY4

March 16, 2021

Principal Secretary
State Department for Crop Development
Ministry of Agriculture, Livestock, Fisheries and Cooperatives
NAIROBI
Attn: Mr. John Mumu

Principal Secretary
State Department for Industrialization
Ministry of Industry, Trade and Enterprise Development
NAIROBI
Attn: Patricia Aruwa

Principal Secretary
State Department for Trade
Ministry of Industry, Trade and Cooperatives
NAIROBI
Attn: Bramah Kaleve

Principal Secretary
State Department for Transport
Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works
NAIROBI
Attn: Paul King'ori

Principal Secretary
State Department for East African Community
Ministry of East African Community and Regional Development
NAIROBI
Attn: Mark Ogot

Director General
Directorate of Immigration Services
P.O. Box 30191-00100
Nyayo House
NAIROBI
Attn: David Soita

Director General
Kenya National Bureau of Statistics
NAIROBI
Attn: Gladys Mbaluku

Managing Director
Kenya Bureau of Standards
NAIROBI
Attn: Tobias Ololo

Director General
Competition Authority of Kenya
NAIROBI
Attn: Rosebela Oiro

Chief Executive Officer
Kenya Association of Manufacturers
NAIROBI
Attn: Jackson Wambua

Managing Director
Kenya Investment Authority
NAIROBI
Attn: Robert Bwire

Managing Director
Kenya Plant Health Inspectorate Service
NAIROBI
Attn: Joseph Kigamwa

Solicitor General
Office of the Attorney General and Department of Justice
Sheria House
NAIROBI
Attn: Allan Githaiga

Chief Executive Officer
Kenya Tsetse and Trypanosomiasis Eradication Council
Parklands Crescent Business Centre Nairobi
NAIROBI
Attn: Cyrus Muiru

Chief Executive Officer
Kenya Export Promotion and Brand Agency
Anniversary Towers
NAIROBI
Attn: Peter Ochieng'

The Director General
Kenya Fisheries Service
NAIROBI

**RE: DISBURSEMENT OF 2020/2021 QUARTER 3 AND 4 FUNDS FOR THE
REGIONAL INTEGRATION IMPLEMENTATION PROGRAMME (RIIP)**

Kenya is a beneficiary of the Regional Integration Support Mechanism (RISM) under COMESA with funding from the European Commission. RISM has been supporting country specific programs, the Regional Integration Implementation Programme (RIIP). The National Treasury has continued to coordinate the program at the national level since 2012 bringing together various Government and private sector institutions that make up the National Inter-Ministerial Coordinating Committee (NIMCC).

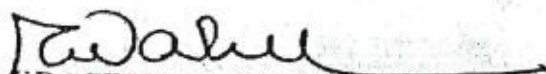
Your institution is a key member of the NIMCC which is currently implementing 2020/2021 RIIP work plan. The work plans are developed annually and are approved by the Cabinet Secretary, National Treasury for implementation. It is against these work plans and progress reports that funds are allocated to the participating institutions to implement their respective prioritized activities.

We fully acknowledge the challenges posed by Covid-19 in the implementation of activities in the second half of the last financial year (FY) and first half of the current FY. We hope that by now you have adopted new ways of achieving our set targets for the planned activities in the current RIIP work plan. We shall be holding a meeting soon to consider the progress report to date.

The purpose of this letter, therefore, is to inform you that the funds to implement quarter 3 and 4 activities for this FY have been disbursed to the implementing institutions based on the approved work plan as indicated in the attached schedule.

We wish to underscore the need for Institutions to utilize the funds for their prioritized activities as per the approved work plan as this is the basis for subsequent disbursements.

Kindly acknowledge receipt of the funds with the undersigned.


ERASTUS W. WAHOME/RIIP CO-ORDINATOR
FOR: PRINCIPAL SECRETARY/NATIONAL TREASURY

Encl.

**REGIONAL INTEGRATION IMPLEMENTATION PROGRAMME (RIIP) INSTITUTIONS
DISBURSEMENT SCHEDULE FY 2020/2021 Q3 and Q4**

	STAKEHOLDER	APPROVED ALLOCATION	DISBURSEMENT Q3 & Q4	Account Details
1	Competition Authority of Kenya	8,000,000	4,000,000	Account name: Competition Authority of Kenya Bank: Kenya Commercial Bank Branch: KICC Branch Bank code: 202 Branch code: 01104 Account Number: 1136286179
2	Kenya Plant Health Inspectorate Service	22,000,000	11,000,000	Account name: KEPHIS Bank: Kenya Commercial Bank Branch: Karen Bank code: 202 Branch code: 01 Swift code: KCBLKENX Account Number: 1108285430
3	Kenya Bureau of Standards	7,000,000	3,500,000	Account name: Kenya Bureau of Standards Bank: National Bank of Kenya Branch: Harambee Avenue Bank code: 12 Branch code: 003 Swift code: NBKEKENXXX Account Number: 0100-3002-830-600
4	Kenya Association of Manufacturers	10,000,000	5,000,000	Name: KAM collection Account Bank: Barclays Branch: Queensway Branch code: 03,094 Account number: 0948598736 Swift code: BARCKENX
5	Kenya Investment Authority	15,000,000	7,500,000	Name: Kenya Investment Authority Bank: Cooperative bank of Kenya Bank code: 11000 Branch: Parliament road Branch code: 0044 Account number: 01120006651800 Swift code: KC00KENA
6	Kenya Fisheries Service	10,000,000	5,000,000	Name: Kenya Fisheries Service Bank: KCB Branch: Capital Hill Branch code: 012019 Account number: 1266312323
7	State Department of Trade	12,500,000	6,250,000	P.S State Department of Trade Bank: Central Bank of Kenya Account Number: 1000303107 Customer No.: 131178
8	State Department for Crop Development	10,000,000	5,000,000	P.S State Department for Crop Development Bank: Central Bank of Kenya Account Number: 1000384058

James
15/3/2021

9	State Department For East African Community	15,000,000	7,500,000	P.S State department of East Africa Community Integration Bank: Central Bank of Kenya Account Number: 1000384794
10	Kenya National Bureau of Statistics	5,000,000	2,500,000	Kenya National Bureau of Statistics Bank: Kenya Commercial Bank Branch: Moi Avenue Branch Account No. 1107086183 Bank Code: 01100 Swift: KCBLKENX
11	Office of the Attorney General and Dept. of Justice	10,000,000	5,000,000	State Law Office and Department of Justice Bank: Central Bank of Kenya Account for Deposits Account Number: 1000303425
12	Kenya Tsetse and Trypanosomiasis Eradication Council	20,000,000	10,000,000	KENTTEC Bank: Cooperative Bank of Kenya Branch: Parliament Road Account No. 01136008428803
13	State Department of Industry	15,000,000	7,500,000	State Department for Industrialization Bank: Central Bank of Kenya Account Name: Deposit Account Number: 1000384506
14	KEPROBA	10,000,000	5,000,000	Export Promotion Council Bank: Kenya Commercial Bank Branch: University Way Account Name: Export Promotion Council Account Number: 1104822008 Swift Code: KCBLKENX Bank Code: 01 Branch Code: 167
15	State Department of Transport	10,000,000	5,000,000	P.S State Department of Transport Bank: Central Bank of Kenya Account name: Deposit Account Number: 1000212551

Received
15/3/2021

MESPT

MICRO ENTERPRISES SUPPORT
PROGRAMME TRUST



Grant Agreement

Between

Kenya Fisheries Services (KeFS)

**P.O. Box 48511 - 00100,
Nairobi.**

And

**Micro Enterprises Support Programme Trust
(MESPT)**

**P.O. Box 187-00606,
Nairobi.**

AGREEMENT

FOR

ESTABLISHING FOOD SAFETY BASELINE FOR COUNTIES

THIS GRANT AGREEMENT is made and entered into on this _____ day of _____ 2020 between MICRO ENTERPRISES SUPPORT PROGRAMME TRUST registered under Trustees (Perpetual Succession) ACT, CAP 164 the Laws of the Republic of Kenya of P.O. Box 187 Sarit Centre 00606 Nairobi, aforesaid, and having its offices at MESPT PLAZA, Tausi Road, Westlands, Nairobi aforesaid (hereinafter referred to 'Trust', which expression shall, where the context so admits include its successors in title and assigns) of the one part;

-And-

Kenya Fisheries Services (KeFS) P.O. Box 48511-00100 Nairobi (hereinafter referred to as the 'Grantee' through its Management expression shall where the context so admits include its successors in title and assigns) of the other part;

WHEREAS the Trust and Kenya Fisheries Services (KeFS) jointly seek to establish baseline food safety status of the 13 counties within the programme's value chains of focus, the Trust commits to fund this activity at an all-inclusive cost to a maximum of KES 1,469,735.00 (Kenya shillings One million four hundred and sixty-nine thousand, seven hundred and thirty-five only).

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. The Trust intends to accomplish the following objective(s) under this Agreement:
Establish baseline food safety status of the 13 counties within the programme's value chains of focus. This will be done through:
 - a. The grantee undertaking to ensure that the objective(s) in clause 1 above are met consequent to the discharge of its obligations
 - b. The grantee providing the said services as per the "scope of assignment" below;
 - o Collect food samples (fish) in all the 13 counties, that is, a total of 330 fish samples from the target sample areas
 - o Deliver the 165 fish samples collected to KEBS laboratory and another 165 samples to KEPHIS laboratories

The expected deliverables of this assignment are as below:

- o Data detailing key aspects of the sampling exercise i.e. date of sample collection, product sample collected, location, contacts, quantity of sample collected, specific point of the value chain (e.g. farm, at bulking) among others
- o Deliver 165 samples collected to KEBS laboratories and another 165 samples to KEPHIS laboratories
- o Report on fish sample collection to be part of the final baseline report

2. Breakdown of payments

MESPT will support the objectives mentioned in clause 1 above to a maximum tune of KES 1,469,735.00 (inclusive of taxes) as per the break down below:

Tranche	Deliverable	Percentage payable	Amount payable (In KES)
1.	upon acceptance to undertake assignment, signing of the contract and mobilization of sampling team in readiness for sampling exercise as per the developed sampling plan	54.69%	803,841.00
2.	upon completion of field Sampling exercise and presentation of acceptable sampling exercise reports and related documentations	45.31%	665,894.00
Total		100%	1,469,735.00

All payments shall be facilitated by the Trust through its policies and procedures.

3. Implementation. The grantee through a consultative process with the project implementation team will submit a detailed implementation plan (Sampling plan) for approval before commencement of the implementation.

4. Financial obligations. MESPT will make disbursements to the grantee as follows:

❖ MESPT will directly make payments for the assignment in line with the payment terms agreed with the vendor.

5. The management of the grantee makes an undertaking that the project implementation plan and/or sampling plan in place or in its revised version will be followed to the latter to guarantee the projects objectives.

6. The expected deliverables of this assignment are as listed in clause 1 above and are set for implementation not later than 31st December 2020.
7. All payments will be subject to the submission of an invoice to the Trust.
8. The grant is however subject to continued funding by EU/DANIDA under the AgriFI Programme and should funding be discontinued for whatever reason or through effluxion of time the Trust will not be held liable for any amounts not paid.
9. It is understood that the Trust will not be required to make any further payments to the Grantee. The Grantee will bear all costs associated with any additional services, unless otherwise agreed in writing.
10. Any Structure and all equipment, where applicable purchased, procured, and or acquired using funds or donation provided by MESPT shall bear MESPT, EU and Danida logos for visibility purposes.
11. In case any equipment is purchased, procured and or acquired using funds or support provided by MESPT under the said CONTRACT such items shall be registered in the name of MESPT and shall remain as such until otherwise decided in sole decision of MESPT. At an appropriate time, to be determined by MESPT and based on the performance by the organisation and achievement of envisaged goals and or objectives as spelt out in the said agreement, MESPT shall decide whether to donate the said equipment or to withdraw them. It will be the grantee's responsibility to maintain and repair the said facility until otherwise decided by MESPT.
12. The Trust shall designate Godfrey Nyang'ori to oversee the coordination of activities under this Agreement, ensure quality control and standardization of the assignment's processes and outputs.
13. The Grantee shall perform the said services and carry out its obligations herein with all due diligence, efficiency and economy, in accordance with generally accepted professional standards and practices, and shall observe sound management practices and employ appropriate technology, safe and effective equipment, machinery, materials and methods.
14. The Grantee shall always act, in respect of any matter relating to this Contract, as a faithful advisor to the Trust and shall at all times support and safeguard the Trust 's legitimate interests in any dealings with third parties.
15. The Grantee undertakes to perform the said services with the highest standards of professional and ethical competence and integrity.

16. The Grantee shall not, during and after the term of this Agreement, disclose any proprietary or confidential information relating to the said services or the Trust's operations or business without the prior written consent of the Trust.
17. Any studies, reports or other materials, graphics, software or otherwise prepared by the Grantee for the Trust under this Agreement shall belong to and remain the property of the Trust. The Grantee shall not use such property for any other purpose unless prior express consent is given by the Trust.
18. The Trust may assign this Agreement to another entity or organ if it becomes necessary to do so, provided the Grantee is consulted.
19. Failure to provide the said services as envisaged in the Agreement within the time provided for in the Agreement without giving a reasonable explanation will lead to termination of the agreement. Upon such termination, the grantee will refund the grant already paid to it.
20. The Trust will raise any concerns it has with the Grantee, before terminating the Agreement, if at any time it is of the opinion that the Grantee is not discharging its obligations as herein provided.
21. The Trust, may, in consultation with the Grantee, amend this Agreement for the purposes of achieving the desired objectives in clause 1. However, such amendment will only come into force after it is reduced in writing and executed by both parties.
22. No failure or delay by the Trust in exercising any claim, right, remedy, power or privilege under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise or waiver of any claim, right, remedy, power or privilege preclude its further exercise or the exercise of any other claim, right, remedy, power or privilege.
23. Each of the provisions of this Agreement is severable and distinct from the others and if at any time one or more of such provisions is or becomes invalid, illegal or unenforceable the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

24. Governing Law and Dispute Resolution

This Agreement shall be governed by and be construed in accordance with the Laws of Kenya.

Should any dispute, controversy or claim arising out of or in connection with this Agreement, including but not limited to any question regarding its interpretation, existence or validity, the parties shall in the first instance, seek to resolve such dispute by mutual consultations.

Should such consultations fail to achieve a resolution within seven (7) working days, either party may declare a dispute by written notification to the other whereupon such dispute shall be referred to arbitration for final resolution under the provisions of the Arbitration Act, 1995 or any statutory modification or re-enactment thereof.

The tribunal shall consist of one arbitrator to be appointed by agreement between the parties within fourteen (14) days of the first date when any party gives notice of the identity of the proposed arbitrator and failing such agreement, to be appointed by the Chairman for the time being of the Chartered Institute of Arbitrators, Kenya Branch. The seat of the arbitration shall be Nairobi and the language of the arbitration shall be English.

The award of the arbitration tribunal shall be final and binding upon the parties to the extent permitted by law and either party may apply to a court of competent jurisdiction for enforcement of such award.

25. Notwithstanding the foregoing, a party is entitled to seek preliminary injunctive relief or interim or conservatory measures from any court of competent jurisdiction pending the final decision or award of the arbitrator.

26. Anti-Corruption Clause

No payment, consideration, or benefit of any kind, which could be regarded as an illegal or corrupt practice, shall be made, promised, or accepted – directly or indirectly – as an inducement or reward in relation to activities funded under this contract, including tendering, award, or execution of contract. Any such practice will be grounds for the immediate cancellation of this contract and for such additional action, civil and /or criminal as may be appropriate.


If any of the above, comes to the knowledge of MESPT the contract will be terminated with immediate effect and legal action taken. Any advance payment not accounted for will be requested to be paid back.

Important Note: This contract is a subject of/builds on the Memorandum of Understanding signed by the two parties prior.

IN WITNESS WHEREOF this contract has been duly executed by or on behalf of Parties:

SIGNED for
MICRO ENTERPRISES SUPPORT
PROGRAMME TRUST (MESPT)

) Rebecca Amukhoye
) Chief Executive Officer


) Signature 
Rebecca Amukhoye (Sep 16, 2020 16:29 GMT+3)

) Date Sep 16, 2020

In the presence of:

) Charles Nyawade

) Head of Finance and Administration

) Signature 
Charles Nyawade (Sep 16, 2020 16:01 GMT+3)

) Date Sep 16, 2020

and

In the presence of:

) Godfrey Nyang'ori

) Programme Manager

) Signature 
Nyang'ori Godfrey (Sep 16, 2020 14:22 GMT+3)

) Date Sep 16, 2020

SIGNED for

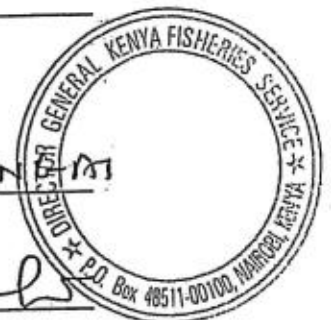
KeFS

) Name DANIEL N. MUNDA

) Managing Director

) Signature 

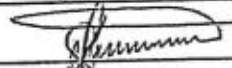
) Date Sept 19, 2020



In the presence of:

Witness

) Name SHADRAEK K. MACHUA

) Signature 

) Date Sep 19, 2020

Table 1: Sampling locations and number of samples for fish

County	Commodities	Number of samples	Target sample areas
Nakuru	Tilapia	5	3 markets, 2 farms
	Catfish	5	
	Carp	5	
Nyandarua	Tilapia	5	3 markets, 2 farms
	Catfish	5	
	Carp	5	
Kirinyaga	Tilapia	5	3 markets, 2 farms
	Catfish	5	
	Carp	5	
Embu	Tilapia	5	3 markets, 2 farms
	Catfish	5	
	Carp	5	
Machakos	Tilapia	5	3 markets, 2 farms
	Catfish	5	
	Carp	5	
Makueni	Tilapia	5	3 markets, 2 farms
	Catfish	5	
	Marine fin fish	5	
Kilifi	Tilapia	5	3 markets, 2 farms
	Octopus	5	
	Marine fin fish	5	
Kisii	Tilapia	5	3 markets, 2 farms
	Catfish	5	
	Nile perch	5	
Migori	Tilapia	5	3 markets, 2 farms
	Catfish	5	
	Nile perch	5	
Kakamega	Tilapia	5	3 markets, 2 farms
	Catfish	5	
	Nile perch	5	
Bungoma	Tilapia	5	3 Markets, 2 Farms
	Catfish	5	
	Nile perch	5	
TOTAL NUMBER OF SAMPLES		165	

Important Note: The sample size per target sample area will be doubled (i.e. $165 \times 2 = 330$); such that 165 samples are delivered to KEBS and KEPHIS laboratories

Table 2: Sampling locations and number of samples for horticulture

County	Commodities	Volumes in metric Tonnes	Number of samples	Target sample areas
Kisii	Avocado	28,830	15	Major county markets and at least 2 export company where possible.
Bungoma	Avocado	6,028	9	Major county markets and at least 2 export company where possible.
Nakuru	Avocado	1,664	7	Major county markets and at least 2 export company where possible. From export companies collection shades
	French beans	1,428	6	
Kiambu	Avocado	37,964	20	Major county markets and at least 2 export company where possible.
Kirinyanga	French beans	11,804	20	From export companies collection shades
Meru	Avocado	8,553	9	Major county markets and at least 2 export company where possible. From export companies collection shades
	French beans	5,323	14	
Embu	Mangoes	9,631	4	Major county markets and at least 2 export company where possible.
Makueni	French beans	1,500	6	From export companies collection shades Major county markets and at least 2 export company where possible.
	Mangoes	180,888	15	
Machakos	French beans	6,495	14	From export companies collection shades Major county markets and at least 2 export company where possible.
	Mangoes	126,202	12	
Kilifi	Mangoes	121,535	10	Major county markets and at least 2 export company where possible.
	Totals		161	



Table 3: Sampling locations and number of samples for milk

County	Commodity	No of Samples	Target Areas
Nyandarua	Raw milk from dairy farms	8	Dairy farms, milk transporters, milk bars, dispensers, cottage industries and milk processors
	Raw milk from transporters	4	
	Raw milk from bulking and cooling points	4	
	Dispensed milk	3	
	Pasteurized milk	5	
	Yoghurt/Mala	0	
	UHT	0	
	Sub total	24	
Kakamega	Raw milk from dairy farms	5	Dairy farms, milk transporters, milk bars, dispensers, cottage industries and milk processors
	Raw milk from milk transporters	3	
	Raw milk bulking and cooling centres	3	
	Pasteurized milk	5	
	Yoghurt/Mala	0	
	UHT	0	
	Sub total	16	
Nakuru	Raw milk from dairy farms	7	Dairy farms, milk transporters, milk bars, dispensers, cottage industries and milk processors
	Raw milk from transporters	3	
	Raw milk from bulking and cooling points	3	
	Dispensed milk	3	
	Pasteurized milk	5	
	Yoghurt/Mala	0	
	UHT	0	
	Sub total	21	
Kisii	Raw milk from dairy farms	5	Dairy farms, milk transporters, milk bars, dispensers, cottage
	Raw milk form transporters	1	
	Raw milk bulking and cooling points	0	
	Dispensed milk	1	
	Pasteurized milk	4	
	Yoghurt/Mala	0	
	Pasteurized milk	0	

County	Commodity	No of Samples	Target Areas
	UHT	0	industries and milk processors
	Sub total	11	
Migori	Raw milk from dairy farms	3	Dairy farms, milk transporters, milk bars, dispensers, cottage industries and milk processors
	Raw milk from transporters	1	
	Raw milk from bulking and cooling points	1	
	Dispensed milk	0	
	Pasteurized milk	3	
	Yoghurt/Mala	0	
	UHT	0	
	Sub total	8	
Kiambu	Raw milk from dairy farms	8	Dairy farms, milk transporters, milk bars, dispensers, cottage industries and milk processors
	Raw milk from transporters	5	
	Raw milk from bulking and cooling points	5	
	Dispensed milk	7	
	Pasteurized milk	3	
	Yoghurt/Mala	3	
	Pasteurized milk	3	
	UHT	3	
	Sub total	37	
Kirinyaga	Raw milk from dairy farms	5	Dairy farms, milk transporters, milk bars, dispensers, cottage industries and milk processors
	Raw milk from transportes	2	
	Raw milk from bulking and cooling points	2	
	Dispensed milk	3	
	Pasteurized milk	3	
	Yoghurt/Mala	3	
	UHT	0	
	Sub total	18	
Meru	Raw milk from dairy farms	6	Dairy farms, milk
	Raw milk from transporters	3	



County	Commodity	No of Samples	Target Areas
	Raw milk from bulking and cooling points	3	transporters, dispensers, milk bars, cottage industries and milk processors
	Dispensed milk	1	
	Pasteurized milk	4	
	Yoghurt/Mala	0	
	UHT	0	
	Sub total	17	
Bungoma	Raw milk from dairy farms	4	Dairy farms, milk transporters, milk bars, dispensers, cottage industries and milk processors
	Raw milk from transporters	1	
	Raw milk from bulking and cooling points	0	
	Dispensed milk	0	
	Pasteurized milk	3	
	Yoghurt/Mala	0	
	UHT	0	
	Sub total	8	
EMBU	Raw milk from dairy farms	3	Dairy farms, milk transporters, milk bars, dispensers, cottage industries and milk processors
	Raw milk transporters	3	
	Raw milk bulking and cooling points	3	
	Dispensed milk	3	
	pasteurized milk	4	
	Yoghurt/Mala	0	
	UHT	0	
	Sub total	16	
Machakos	Raw milk from dairy farms	3	Dairy farms, milk transporters, milk bars, dispensers, cottage industries and milk processors
	Raw milk transporters	3	
	Raw milk bulking and cooling points	3	
	Dispensed milk	5	
	Pasteurized milk	5	
	Mala	0	
	UHT	0	
	Sub total	19	
Makueni	Raw milk dairy farms	2	
	Raw milk from transporters	3	



County	Commodity	No of Samples	Target Areas
	Raw milk from bulking and cooling points	3	Dairy farms, milk transporters, milk bars, dispensers, cottage industries and milk processors
	Dispensed milk	3	
	Pasteurized milk	3	
	Yoghurt/Mala	0	
	UHT	0	
	Sub total	14	
Kilifi	Raw milk from dairy farms	2	Dairy farms, milk transporters, milk bars, dispensers, cottage industries and milk processors
	Raw milk from transporters	2	
	Raw milk from bulking and cooling points	2	
	Dispensed milk	0	
	Pasteurized milk	3	
	Yoghurt/Mala	0	
	UHT	0	
	Sub total	9	

Table 4: Parameters to be assessed in each value chain

Value Chain	Proposed parameters
Dairy (milk)	1. Bacterial load Count (Somatic Cell Counts), Total Plate Counts and Coliforms - Pathogenic bacteria [<i>E.coli</i> 0157:H7, <i>S. aureus</i> , <i>Salmonella spp.</i> , <i>Listeria monocytogenes</i> , <i>Brucella abortus</i>]
	2. Heavy metals e.g. Pb
	3. Veterinary drugs (Antibiotics), Pesticide residues and other Environmental contaminants in milk
	4. Aflatoxin M1
Horticulture	1. Pesticide residues
	2. Microbial pathogens contamination
	3. Heavy metals e.g. Hg, Pb, Cd & As



Aquaculture	<ol style="list-style-type: none"> 1. Pesticide residues 2. Veterinary drugs 3. Heavy metals e.g. Hg, Pb, Cd & As 4. Aflatoxin (Fish feeds) 5. Microbial contamination <ul style="list-style-type: none"> ➤ Total plate count at 30°C ➤ <i>Escherichia coli</i> ➤ <i>Staphylococcus aureus</i> ➤ <i>Salmonella sp</i> ➤ <i>Vibrio cholera</i> ➤ <i>Vibrio parahaemolyticus</i> (for marine products) ➤ <i>Listeria monocytogenes</i>
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Table 5: Budget for Kenya Fisheries Service

	Item	Responsible Institution	Units	Unit cost	Total cost (Ksh.)
	Fish				
1	Sampling cost	KeFS			260,000
2	Facilitation (Sample collection)	KeFS	52	16,900	878,800
3	Transport	KeFS	5,657 km	58.5	330,935
	GRAND TOTAL				1,469,735.00

Breakdown of Facilitation

Site	Sample size	Activity	Units (days)	Number of officers involved	Unit Cost (KES)	Total (KES)
Nyandarua	See Sampling plan	Driver during sampling	4	1	6,400.00	25,600.00
		Sampling officer	4	1	10,500.00	42,000.00
Nakuru	See Sampling plan	Driver during sampling	4	1	6,400.00	25,600.00
		Sampling officer	4	1	10,500.00	42,000.00
Kisii	See Sampling plan	Driver during sampling	4	1	6,400.00	25,600.00
		Sampling officer	4	1	10,500.00	42,000.00



Migori	See Sampling plan	Driver during sampling	4	1	6,400.00	25,600.00
		Sampling officer	4	1	10,500.00	42,000.00
Kakamega	See Sampling plan	Driver during sampling	4	1	6,400.00	25,600.00
		Sampling officer	4	1	10,500.00	42,000.00
Bungoma	See Sampling plan	Driver during sampling	4	1	6,400.00	25,600.00
		Sampling officer	4	1	10,500.00	42,000.00
Kiambu	See Sampling plan	Driver during sampling	4	1	6,400.00	25,600.00
		Sampling officer	4	1	10,500.00	42,000.00
Kirinyaga	See Sampling plan	Driver during sampling	4	1	6,400.00	25,600.00
		Sampling officer	4	1	10,500.00	42,000.00
Embu	See Sampling plan	Driver during sampling	4	1	6,400.00	25,600.00
		Sampling officer	4	1	10,500.00	42,000.00
Meru	See Sampling plan	Driver during sampling	4	1	6,400.00	25,600.00
		Sampling officer	4	1	10,500.00	42,000.00
Machakos	See Sampling plan	Driver during sampling	4	1	6,400.00	25,600.00
		Sampling officer	4	1	10,500.00	42,000.00
Makueni	See Sampling plan	Driver during sampling	4	1	6,400.00	25,600.00
		Sampling officer	4	1	10,500.00	42,000.00
Kilifi	See Sampling plan	Driver during sampling	4	1	6,400.00	25,600.00
		Sampling officer	4	1	10,500.00	42,000.00
TOTAL						878,800.00



Food safety Sampling plan

ANNEX 1

Sampling procedure for aquaculture fish

- Duplicate samples shall be collected randomly at each station/farm.
- The samples will be put in appropriate packaging, sealed, labelled and stored in a cool box with ice. (Ice: fish ratio of 1:1)
- A third of the total samples will be from Group A.
 - Samples shall be taken at farm level, on fish at all stages of farming, including fish which is ready to be placed on the market for consumption.
- Two thirds of samples shall be from Group B.
 - The processing plant, or at wholesale level, on fresh fish market, on condition that tracing to the source/ farm of origin is possible in case of positive results.
- Samples shall be distributed randomly on the farms/stations within the scope of the plan unless there are indications of contamination/misuse which could then be targeted.
- 1 kg each of the fish species to be sampled will be collected for analysis of pesticide residues, heavy metals, veterinary drugs, and Bacterial contaminants
- Sampling for feed shall be done at the farm and from the supplier.
- 1 Kg each of feed from fish farm level and feed supplier level will be collected for analysis for Mycotoxin contamination

Special notes for fish from capture fisheries (Ocean, Lakes, Rivers or Dams)

- Duplicate samples shall be collected randomly at each station (fish selling outlet)
- The samples will be put in appropriate packaging, sealed, labelled and stored in a cool box with ice. (Ice: fish ratio of 1:1)
- 1 kg each of Tilapia/Nile perch/Common carp/cat/Octopus/marine fin fish will be collected for analysis of pesticide residues, heavy metals, and Bacterial contaminants

Sampling fish for microbiological analysis

- Fish samples shall be taken from either the market, processing line or from a freezer/display counter or cold store.
- At least five (5) samples shall be taken randomly from a batch or consignment and each sample analysed separately for microbiological contamination
- Parameters to be tested in fish samples include:
 - Total plate count at 30°C
 - *Escherichia coli*



- *Staphylococcus aureus*
- *Salmonella sp*
- *Vibrio cholera*
- *Vibrio parahaemolyticus* (for marine products)
- *Listeria monocytogenes*

Handling and Transportation of samples

- Samples shall be sealed and code labelled as follows:
 - Sample Reference Number
 - Fishery enterprise code number
 - Date of sampling
 - Type of analysis
- The samples shall be transported in a cool box and delivered to recommended laboratories for analysis accompanied with a sample submission form
- If the samples cannot be immediately delivered to the laboratory, the fish samples shall be stored at -18°C while feed samples will be stored in a dry store.
- The sample shall be accompanied by a document detailing the following:
 - Reason for sampling;
 - Origin of the sample;
 - Sampling method;
 - Date and place of sampling



ANNEX 2

Sampling procedure for horticulture

Samples must be taken at random, representative for the market compliance. The Codex General Guidelines on Sampling (CAC/GL 50-2004) must be followed. If sampling cannot be done according to Codex guidelines, deviations must be described and documented in detail; and justified before sampling to the Quality Assurance. A written consent for the deviation should be obtained before such sampling takes place.

Sampling information

Sample quantity	Refer to the CODEX Recommended Methods Of Sampling For The Determination Of Pesticide Residues For Compliance With MRLs; CAC/GL 33-1999, for minimum quantity/minimum number of units for the laboratory sample.
Packaging	<p>The laboratory sample must be placed in a clean, inert container which provides secure protection from contamination, damage and leakage. The container should be sealed, securely labelled and the sampling record must be attached.</p> <p>The sample must be delivered to the laboratory as soon as practicable. Spoilage in transit must be avoided, e.g. fresh samples should be kept cool and frozen samples must remain frozen; and must remain in original form in which they were sampled.</p>
Storage before despatch to the laboratory	Samples taken frozen should be kept frozen. Other samples should be kept cool before sending.
Sending the sample	The inspection unit/ sampler must as soon as practically possible. Frozen samples must be send in their frozen state. Other samples just be kept cooled.
Other info about the sampling	For organic samples information must be given that the samples are organic.
Overview of analytical method	The laboratories shall apply the documented analytical methods for the samples as per laboratory Standard operating procedures and test methods.
Validation	Validation shall be carried out in accordance with the laboratory's test methods and standard operating procedures, with reference to the Guidance document on Analytical quality control and method validation



	procedures for pesticides residues analysis in food and feed - SANTE/11945/2015
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ANNEX 3

Sampling procedure for milk

The Codex General Guidelines on Sampling (CAC/GL 50-2004) shall be followed. ISO 707:2008 Milk and milk products – guidance on sampling method will be used for the collection of the samples. If sampling cannot be done according to Codex guidelines, deviations must be described and documented in detail; and justified before sampling. The raw milk sampling plan was derived from the residue monitoring plan for milk adopted from EC Directive 96-23.

Minimum sample size: 500ml in duplicate

Key assumption concerning the sampling plan & distribution of samples:

Variable sampling plans with unknown standard deviation














Grant Agreement - KeFS Final Appr 200901

Final Audit Report

2020-09-16

Created:	2020-09-16
By:	Mesp Trust (mesptrust@gmail.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAARuowVmLQ2VmzFcP-s4feqN09sCiyhEix

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