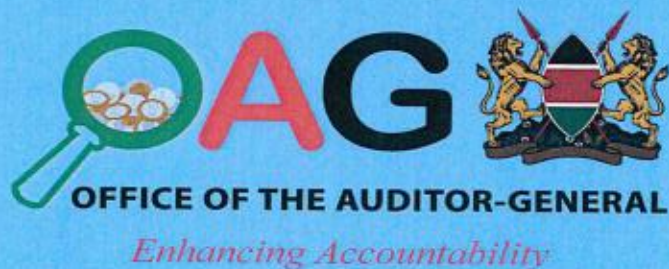


REPUBLIC OF KENYA



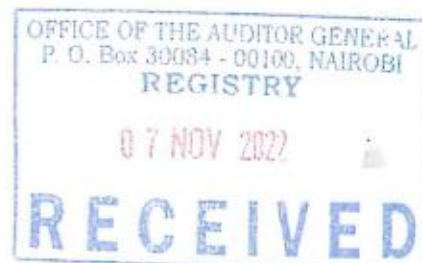
THE NATIONAL ASSEMBLY PAPERS TABLED	
DATE: 08 MAR 2023	DAY:
TABLED BY:	Hon. Duen Baya, CBS, MP Deputy Majority Leader
CLERK-AT THE-TABLE:	Christine Ndlovu

THE AUDITOR-GENERAL

ON

**STATE DEPARTMENT FOR TRADE AND
ENTERPRISE DEVELOPMENT**

**FOR THE YEAR ENDED
30 JUNE, 2022**



MINISTRY OF INDUSTRIALIZATION, TRADE AND ENTERPRISE DEVELOPMENT

STATE DEPARTMENT FOR TRADE AND ENTERPRISE DEVELOPMENT

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2022

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

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State Department for Trade and Enterprise Development
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1. Key Entity Information and Management

(a) Background information

The Ministry of Industrialization, Trade and Enterprise Development was formed through Presidential Executive Order No. 1 of May 2020. The Executive Order also transferred the State Department of Cooperatives Development which was under the Ministry of Industrialization, Trade and Cooperatives to the Ministry of Agriculture, Livestock, Fisheries and Cooperatives. The State Department for Trade was also renamed as State Department of Trade and Enterprise Development after the transfer of the Micro Small Enterprises Authority (MSEA) to the State Department of Trade. At the Cabinet level, the State Department is represented by the Cabinet Secretary Hon. Betty C. Maina, who is responsible for providing the general policy and strategic direction of the Ministry.

The Ministry is made up of Two State Departments namely: The State Department of Industrialization and the State Department for Trade and Enterprise Development. Each of the State Department is headed by a Principal Secretary responsible for coordination of formulation and implementation of policies, programmes and projects.

The following are the Principal Secretaries in charge of the two State Departments:

- i) Amb. Johnson Mwangi Weru, CBS - State Department for Trade & Enterprise Development; and
- ii) Amb. Peter Kaberia, CBS - State Department for Industrialization.

The accompanying financial statements constitute the financial statements for the State Department for Trade and Enterprise Development.

The following is the Vision, Mission, Core Values and Core Mandate of the **State Department for Trade and Enterprise Development**:

Vision

To be a leader in promoting trade and investment.

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Mission Statement

To facilitate trade, investment, private sector development and regional integration by championing an enabling environment for domestic and export trade to thrive.

Core Values

- i. **Integrity and Transparency:** The State Department shall be accountable and devoid of corrupt practices in service delivery.
- ii. **Team work and productive partnership:** The State Department shall encourage team spirit, collaboration and consultation as a way of maximizing the synergy of working together. This includes fostering collaboration with Focal Points, stakeholders and partners in order to effectively play a central role coordinating Kenya's participation in Trade.
- iii. **Innovativeness and Creativity:** The State Department shall be open and proactive in seeking better and more efficient methods of service delivery.
- iv. **Professionalism, Commitment and Customer focus:** The State Department shall maintain high professionalism through continuous skills development, training and accountability to enhance customer satisfaction.
- v. **Equity, Fairness and Inclusion:** The State Department shall mainstream gender, youth and special groups' issues in its Programme.
- vi. **Sustainability:** The State Department shall adopt global best standards for sustainable Trade practices that uphold ecological integrity, social justice, promote economic development, and respect local cultural values of the people of Kenya.

Strategic Goals/Objectives

The following are the Strategic Objectives of the State Department:

- i. To facilitate the growth of domestic Trade and Enterprise Development;
- ii. To ensure fair trade practices and consumer protection;

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- iii. To promote export trade and brand reputation; and
- iv. To strengthen institutional capacity for service delivery

Core Functions

As per the Executive Order No. 1 of 2018 (Revised May, 2020) the mandate of the State Department includes the following:

- i. Trade Policy;
- ii. Exports Policy;
- iii. Trade Negotiations and Advisory Services;
- iv. Export Promotion and Branding initiatives to promote Kenyan goods and services in export markets;
- v. Capacity Development for Entrepreneurship;
- vi. Liaising and Coordinating with UNCTAD and WTO on Trade Matters;
- vii. Enforcement of International Trade Laws, Negotiations and Agreements;
- viii. Protection of Kenyan Goods Against Dumping and Subsidized imports and Recommending of Countervailing Measures;
- ix. Coordinating of Multi-Agency Task Force on the Elimination of Illicit Trade and Counterfeits;
- x. Liaison with International Trade bodies for National Development;
- xi. To Combat Counterfeiting, Trade and Other Dealings in Counterfeit Goods;
- xii. Management of Weights and Measurements in Trade;
- xiii. Oversight, Administration and Enforcement of the Local Content Policy;
- xiv. Promotion and Regulation of the Wholesale and Retail Trade;
- xv. Promotion and Development of Small, Medium Business Enterprises; and Promotion of Fair-Trade Practices and Consumer Protection.

(b) Key Management

The State Department implements its core mandate through five (5) Technical Departments while the General Administration Directorate which provides auxiliary services to support the technical

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departments achievement the set objectives as spelt out in the Strategic Plan. The following are the directorates responsible for the implementation of the core mandate of the Department:

- i. General Administration, Planning and Support Services
- ii. Department of Internal Trade
- iii. Department of External Trade
- iv. Department of Weights and Measures
- v. Department of Trade Research and Policy
- vi. Kenya Institute of Business Training (KIBT)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Cabinet Secretary, Ministry of Industrialization, Trade and Enterprise Development	Hon. Betty C. Maina, EGH
2.	Principal Secretary, State Department for Trade and Enterprise Development	Amb. Johnson Mwangi Weru, CBS
3.	Secretary Trade	Dr. Bruno Mugambi Linyiru
4.	Secretary Administration	Mr. Said Osman Warfa
5.	Director, Internal Trade	Mr. Kennedy Oyaro Nyokwoyo
6.	Director, External Trade	Mr. Oliver Otieno Konje
7.	Director, Weights and Measures	Mr. John N Mwangi Mwaura
8.	Director, Research and Trade Policy	Mr. Fred Masibo Simiyu
9.	Director, Kenya Institute of Business Training	Ms. Catherine Wairimu Waweru
10.	Director, Human Resource Management and Development	Mrs. Kwamboka Jayne Asuma
11.	Deputy Accountant General	Ms. Milly Eve Akoth CPA (K)
12.	Senior Chief Finance Officer	Mr. Joash Ogonyo Akuma
13.	Assistant Internal Auditor General	Mr. Francis Omondi Oyoo

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(d) Fiduciary Oversight Arrangements

i. Audit and finance committee activities

The Audit and Finance Committees form a key element in the governance process by providing an independent expert assessment of the activities of top management, the quality of the risk management, financial reporting, financial management and internal audit.

ii. Parliamentary committee activities

Committees are agents which enable Legislatures organize their work in such a way as to perform numerous activities simultaneously and expeditiously. The Committee on Trade, Industry and Cooperatives provides oversight to the State Department of Trade and Enterprise Development in the following areas: reviewing and approving the budget and expenditures for the execution of governance; Scrutinizing governance activities, policies and programmes; assessing whether programmes meet the intended objectives of legislation, policy frameworks and development plans.

iii. Development partner oversight activities

Development Partners regularly evaluate programmes and projects to ensure that resources disbursed are used for the intended purpose and the objectives set are met.

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(e) State Department for Trade and Enterprise Development Headquarters

P.O.BOX 30430-00100
Teleposta Building
Kenyatta Avenue
Nairobi, KENYA

State Department Contacts

Telephone: (254) 020-315001/2-4
E-mail: ps@trade.go.ke
Website: www.trade.go.ke

(f) State Department for Trade and Enterprise Development Headquarters Bank Details

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

(g) Independent Auditors

Auditor - General
Office of The Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
NAIROBI, KENYA

(h) Principal Legal Adviser

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

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2. Statement by the Cabinet Secretary



The State Department of Trade and Enterprise Development (SDT) was established vide Executive Order No.1/2020 of May, 2020 on the organization of the Government of the Republic of Kenya. During the review period, the State Department and Enterprise Development applied its budgetary allocation in promoting exports of goods and services as well as creating a conducive environment for Domestic Trade to thrive. The key achievements realised during the review period include the following: On the International front, the total export earnings improved from Kshs.643.7 billion in 2020 to Kshs.743.7 billion in 2021, translating to a 15.5 per cent increase. The growth was largely attributable to increases in domestic exports of horticulture; titanium ores and concentrates; and articles of apparel and clothing accessories. Similarly, imports rose from Kshs.1,643.6 billion in 2020 to Kshs.2,151.2 billion reflecting a 30.9 per cent growth, mainly driven by an increase in

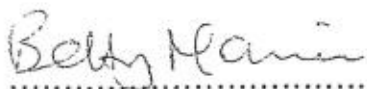
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imports of petroleum products. On the domestic front, the State Department finalized the drafting of the Kenya Trade Bill which seeks to provide the necessary legal and regulatory framework for domestic trade to thrive. The bill was enacted will be able to protect the local traders from unfair competition from foreign retailers as well as ensure that foreign retailers allocate shelf space to locally produced goods. In addition, the State Department put in place measures to support and promote consumption of locally produced goods and services by all public entities. The success of the strategy will contribute to the reduction of the import bill and at the same time improve the balance of trade deficit.

In order to protect local manufacturers from dumping of goods by established foreign manufacturers, the State Department through the Kenya Trade Remedies Agency (KETRA) has put in place measures to protect manufacturers from dumping of goods through provision of countervailing measures. In support of fair-trade practices, the State Department is in the process of enacting laws to protect consumers from unscrupulous traders. The enactment of the Legal Metrology Bill and Trade Description Bill will ensure standardization of measurements in all sectors including health, transport, energy, trade among others. The Department through the Weights and Measures Department continuously monitors and verifies instruments at strategic national installations to ensure that consumers get the desired products in terms of quantity.

The State Department also initiated the capitalization process towards raising Kshs.2 billion required for operationalization of Kenya National Multi-Commodities Exchange (KOMEX) and installed the Market Information System (MIS) which will provide market information to farmers, traders, bankers across the spectrum of commodities exchange eco-system.

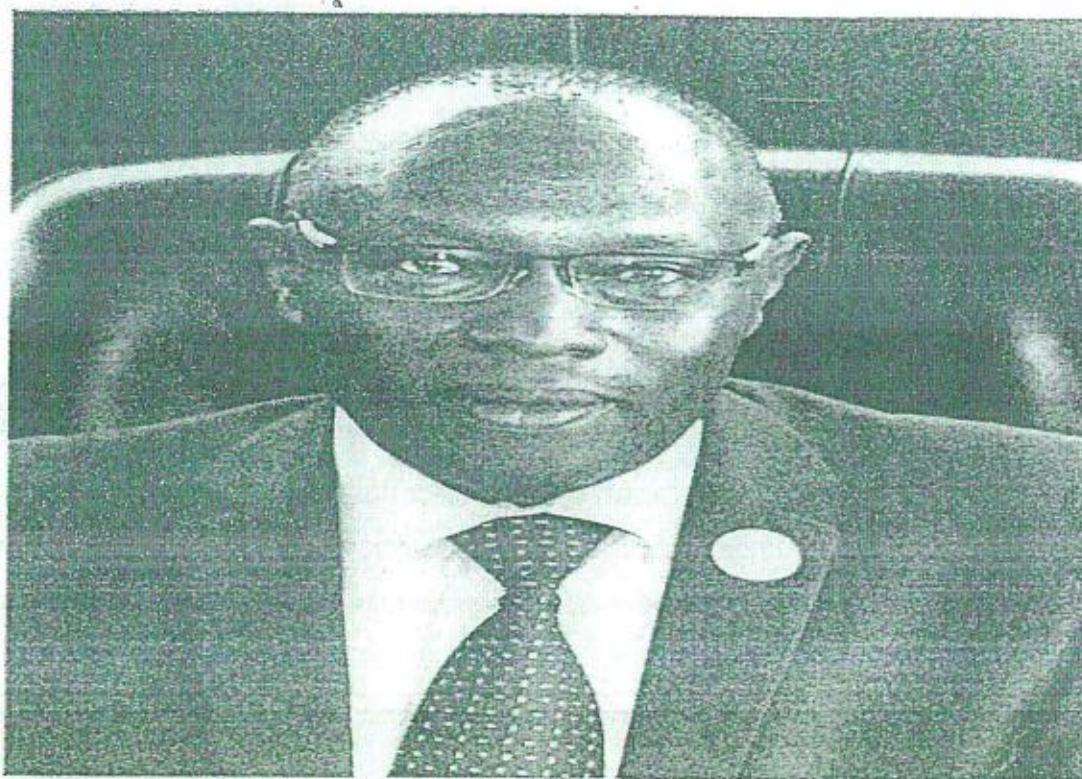
Hon. Betty C. Maina



CABINET SECRETARY

MINISTRY OF INDUSTRIALIZATION, TRADE ENTERPRISE DEVELOPMENT

3. Statement by the Principal Secretary



The State Department is mandated to spearhead and articulate Kenya's trade and investment policy, both at home and abroad noting that they are an important engine of growth and development as envisaged in various policy initiatives which include the Kenya Vision 2030, the National Trade Policy, Integrated National Export Development, and Promotion Strategy, the Big Four Agenda.

The Ministry through the State Department of Trade and Enterprise Development is committed to using export trade development and diversification as a springboard for social and economic transformation. As a Country endowed with tremendous resources, we have the most incredible opportunity to position our export sector as a catalyst for realizing the Government's Big Four Agenda and Kenya's Vision 2030.

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Over the last two Financial Years the trade sector has experienced unprecedented adversity of the COVID-19 Pandemic which has continued to threaten not only the healthcare systems but also the stability of economies and livelihoods of the citizens. COVID 19 was first reported in Kenya on the 8th of March 2020 and has since caused an economic crisis with a disruption of supply chains across the world. The story of Kenya's private sector is no exception, as a result of Covid-19-related economic shocks, Kenya faced its first recession in almost two decades.

To support the recovery process of the economy and in particular the trade sector, In the aftermath of COVID 19, the State Department put in place measures to ensure continuous business operations. These included formulating guidelines to keep critical markets open, ensuring logistics remain functional, manufacturers that are essential goods and services providers continue to operate. The State Department has also forged a closer partnership with the private sector and business membership organizations (KEPSA, KAM, KNCCI, FPEAK, RETRAK among others) to support the growth of the export sector.

The State Department continuous to facilitate access to markets outside the borders by engaging countries in bilateral and multilateral negotiations. Over the review period, the State Department has initiated several bilateral negotiations which seek to diversify the export market as well as facilitate free flow of goods and services. Negotiations on the Free Trade Area between Kenya and United States of America is still ongoing. The signing and successful implementation of the Kenya-USA FTA will create market access for Kenya's export sector in order to fully exploit the un-utilized opportunities that have been there under the African Growth and Opportunity Act (AGOA). The Department is also working closely with exporters, farmers and manufacturers to ensure diversification and value addition of products for export.

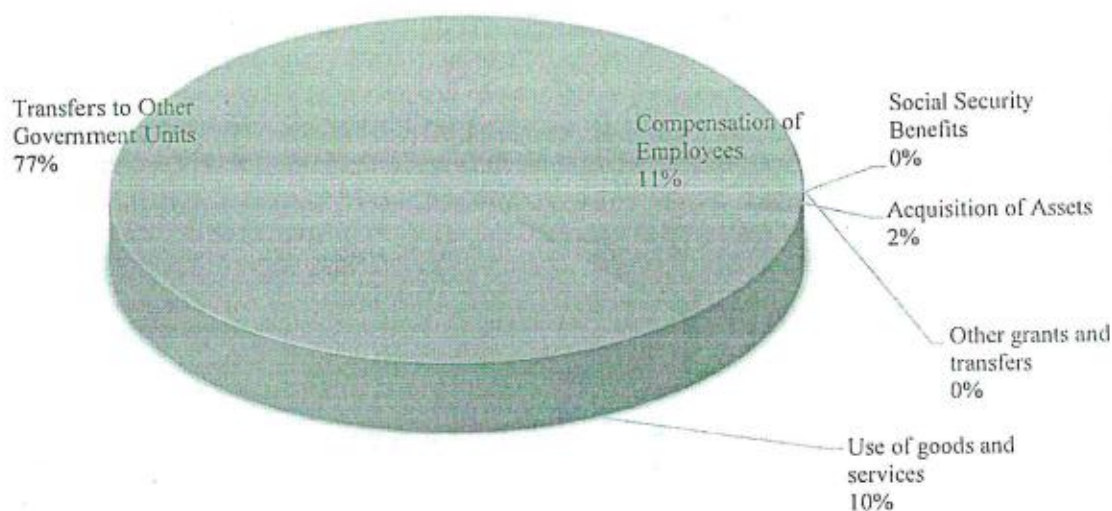
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1. Summary of the budget performance against actual amounts for current year based on economic classification and programmes

In the financial year 2021/2022, the State Department for Trade had a gross budget of KShs. 4,936,648,456 which was comprised of KShs. 2,549,731,027 Recurrent and KShs. 2,386,917,429 for Development

The State Department was to expend the gross budget of KShs. 4,936,648,456 under the following economic item as tabulated below against the actual Expenditure incurred based on the Total Receipts received by the Department of KShs 4,918,891,618 which is analyzed as Kshs 4,872,316,686 representing the Exchequer Issues from National Treasury and KShs 46,574,932 representing Appropriation in Aid Collected by the department.

Budget Utilisation as Per Economic Items



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S/NO	ECONOMIC ITEM	BUDGET (KSHS)	ACTUAL PAYMENTS (KSHS)	VARIANCE (KSHS)
1.	Compensation of Employees	557,200,000	541,969,427	15,230,573
2.	Use of goods and services	489,292,633	488,968,310	324,323
3.	Transfers to Other Government Units	3,769,000,000	3,765,817,527	3,182,473
4.	Other grants and transfers	20,800,005	15,067,255.95	5,732,749
5.	Social Security Benefits	1,500,000	1,393,246.10	106,754
6.	Acquisition of Assets	98,855,818	67,382,752	31,473,066
	Total Payments	4,936,648,456	4,880,598,518	56,049,937

Key Performance Highlights

Below is an overview of the financial performance for the year ended 30th June 2022 as reported in the detailed financial statements together with the commentary and comparative analysis against budget and prior year for the key items in the financial statements.

Financial Performance Summary

Actual Performance against Budget for Year to 30th June 2022

Financial Performance	Printed Estimates	Actual	Variance	%
	KShs	KShs	KShs	Utilisation Variance
Total Receipts	4,936,648,456	4,918,891,618	17,756,838	100%
Total Payments	4,936,648,456	4,880,598,518	56,049,937	99%
Surplus for the Year	-	38,293,099	(38,293,099)	

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Actual receipts and payments made by the MDAs stood at less than 1% below budget. This relates to the Foreign Mission which is treated as receivable in Financial Statements since Expenditure returns were and still yet to be received.

Budget Utilisation

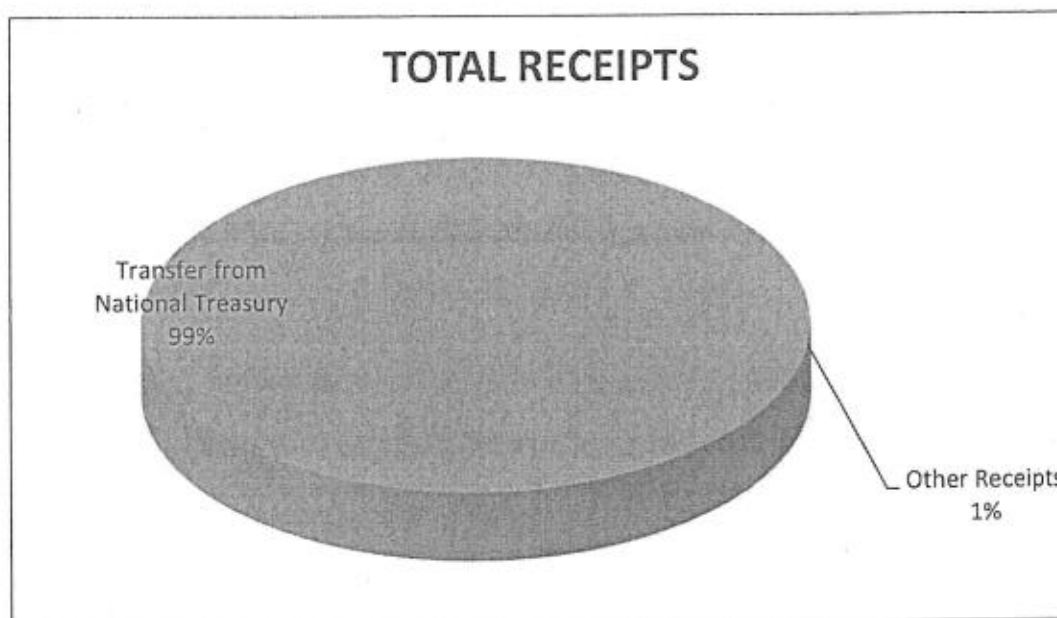
The State Department spent **KShs 4,880,598,518** against an approved budget of **KShs. 4,936,648,456** representing absorption of **99%**. Utilisation of the budget was carried out through various activities (economic classifications) as shown in the chart below:

Economic Item	Approved Budget Allocation	Actual Payments	Variance
Description	KShs	KShs	KShs
Compensation of Employees	557,200,000	541,969,427	15,230,573
Use of goods and services	489,292,633	488,968,310	324,323
Transfers to Other Government Units	3,769,000,000	3,765,817,527	3,182,473
Other grants and transfers	20,800,005	15,067,256	5,732,749
Social Security Benefits	1,500,000	1,393,246	106,754
Acquisition of Assets	98,855,818	67,382,752	31,473,066
Total Payments	4,936,648,456	4,880,598,518	56,049,937

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Receipts

The major source of funding for the State Department for Trade is exchequer releases that account for 99% of total receipt. During the year the Department received KShs 4,872,316,686 as Exchequer Issue from National Treasury and Appropriation in Aid (A.I.A) amounting to KShs 46,574,932 against a budget of KShs 4,875,748,456 and KShs 60,900,000 Respectively.



Financial Assets Summary

The Departments Financial Assets as at 30th June 2022 was as shown here below;

Item Description	Amount
	KShs
Bank Balances	28,418,483
Cash Balances	614,389
Accounts Receivables - Outstanding Imprest & foreign Missions	67,180,647
Total Financial Assets	96,213,518

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Financial liability

Funds held for third parties as at 30th June 2022 was as shown here below;

Item Description	Amount
	Kshs
Retention fees & Rent Tribunal Deposits	25,019,846
TOTAL	25,019,846

Cash Flows and Cash Position

The cash and bank balances held by the State Department for Trade as at 30th June 2022 was **KShs. 29,032,871**. The breakdown of the cash and bank balances is as summarized in the table below.

Cash and Bank Balances	Amount
	KShs
Bank Balances	28,418,483
Cash Balances	614,388.50
Total	29,032,871

Cash Flow Activities

The table below summarizes cash flows generated and used from various activities.

Cash Flow Activities	Year to 30 th June 2022
	KShs
Net Cash Flows generated from Operating activities	68,058,292
Net Cash Flows used in Investing activities	(67,382,752)
Net increase in Cash and Cash Equivalents at 30th June 2022	675,540

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2. Key Achievements of the State Department in the FY 2021/22

i. Domestic trade Development

- Increased Retail and wholesale trade contribution to GDP Valued at Kshs.957.8Billion against a target of Kshs.839 Billion
- Operationalized the Kenya e-Trade Portal Governance and Management Framework.
- Developed sectoral guidelines on local content to support the procurement of locally manufactured goods and services by Government entities.
- Coordinated the implementation of the Presidential Directive on purchase of locally produced goods by Government. A total of Kshs.73 Billion worth of goods were procured by the Government agencies during the review period.
- The Draft Trade Bill was developed and submitted to the relevant institutions for processing,

ii. Fair Trade and Consumer Protection

- 325 IPR infringement cases resolved
- 7,757 inspections were undertaken for brand protection
- Investigated a total of 260 IPR complaints
- Kenya Trade Remedy Agency conducted five (5) Public Awareness Workshops to impart Knowledge to manufacturers and producer groups
- 120 weighing and measuring equipment verified at strategic national installations
- Conducted six (6) awareness forums on consumer protection.
- KETRA developed investigative manuals and instruments
- The draft legal metrology bill was developed and submitted to the Attorney General's office for processing
- Amendment of the Consumer Protection Act no. 46 of 2012 Act is ongoing as scheduled.
- Initiated the development of Consumer Protection Policy

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iii. Regional Economic Integration Initiatives

- The capitalization exercise was initiated to attract investment for KOMEX Limited. The State Department has had several meetings with the potential investors. A few potential investors have committed to invest a total of Kshs.600 Million,
- Market Information System (MIS) installed
- Office space at the KIBT building in Parklands was secured.
- The State Department also coordinated the development and processing of the Commodities Market Regulations and Warehouse Receipt Regulations,

iv. International Trade

- Reviewed/harmonized 6 EAC-CET to create predictability on tariffs.
- Initiated bilateral negotiations towards signing the Kenya-USA Free Trade Area to create market access for Kenya produced goods to the USA markets
- 4 Bilateral Trade engagements on FTAs, MoUs, JTCs, JTWGs concluded and signed
- 4 Regional Trade engagements RoO, TiS, NTB/SPS/TBT, IPR, Investments e-commerce & Competition policy concluded
- Total value of exports to EAC increased from a target of Kshs.218B to Kshs.743.7B
- Eight (8) commercial offices established in targeted countries to diversify and increase market access
- Resolved 46 Non-Tariff Barriers to facilitate market access to key markets in the region.

v. Entrepreneurship and Management Training.

- 20 CIDCs were constructed
- 3 Cold storage facilities for MSMEs were constructed and operationalized
- Created 35,983 Jobs for the youth through KYEOP
- 1,398 of MSEs exposed to local and International Markets
- Registered a total of 24,616 MSEs

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- KEPROBA trained 36 Small Medium Enterprises on exporting and facilitated 48 exporters to export for the first time
- 310 products were branded with the Kenya mark of identity; profiled and promoted 19 products with the MIK mark
- Trained 2070 MSMEs on business management
- Initiated the process of transforming the Kenya Institute of Business Training (KIBT) Kenya Institute of Trade and Entrepreneurship Development (KITED)
- The partitioning and fitting of the office wing of the KIBT Building Complex is 98% complete. Partitioning works on the residential wing are at 90%. Works on the amphitheater and KOMEX offices is on-going.

vi. General Administration, Planning and Support.

- The Trade Sector Plan for the period 2022-2022 was developed.
- Service Delivery Charter was reviewed and disseminated.
- The Report on National Cohesion and Values was developed and submitted to the Directorate of National Cohesion and Values.
- Quarterly monitoring & Evaluation was carried out and an annual report developed.
- The Program Based Budget (PBB) Report developed.
- Review on Programme performance was carried out and the Medium Term Budget was developed.
- The Annual Procurement Plan developed and approved; and
- Staff appraisal currently on-going and the report will be submitted to PSC once complete

3. Emerging Issues

Despite the continued contribution of the Trade Sector to the GDP and growth of the national economy, the Sector is faced with challenges and emerging issues which need to be addressed to support the sector attain full potential. The emerging issues and challenges that have affected the Trade Sector include the following:

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i. High Cost of Transportation

High cost of transport as a result of increase in price of fuel has led to high cost of production and distribution of goods and services. This has resulted to the increase in cost of doing business.

ii. Russia – Ukraine War

The war between Russia and Ukraine has resulted to disruption of the international supply chain of commodities and in particular grains such as wheat used as raw materials. This has resulted to scarcity of commodities.

iii. Influx of sub-standard, counterfeits and contra-band goods

The influx of sub-standard, counterfeit and contra-band products into the local market through border points has reduced the market share for locally manufactured goods. This has discouraged Kenyan Enterprises from innovation, thereby negatively impacting local industrial growth and government revenue. It also affects public health and safety. The exit of ACA from the port has hindered its ability to control the entry of counterfeit products into the country.

iv. Access to Credit Facilities

The Sector experiences limited access to credit facilities which inhibits competitiveness and growth of businesses especially MSMEs. This is due to limited access to information on procedures of accessing credit, strict requirements by lenders, informality of MSMEs and high cost of borrowing. This has led to stagnation of MSMEs while others have collapsed after a short duration of operation.

v. Multiple Trade Regulations, existence and Non-Tariff Barriers in foreign markets

Kenya is a member of various trading blocs. The Common External Tariff (CET), Rules of Origin (RoO) and trade facilitation measures such as axle-load limits and transport insurance requirements in the blocs are not implemented uniformly resulting in un-harmonized regulations. This has led to non-tariff barriers which pose a challenge to the business community in complying with the different trading arrangements. In addition, the Sub-Sector is faced with the challenge of dealing with unfair competition that is posed by the flow of imports through other Partner States which belong to other trading blocs where the RoO are not strictly enforced. The protectionism is slowly creeping in from Partner States which is affecting Kenyan export to those markets.

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vi. Inadequate business premises

Majority of MSMEs lack adequate business premises, leading to unplanned and informal development of markets and business premises which are temporary. Most MSMEs are not able to receive credit from financial institutions since their businesses are seen as temporary and risky. Inadequate prioritization on funding for business premises and appropriate modern retail market development from the Government has made this a perennial problem.

vii. Unfavourable Business Environment

In the attempts to raise revenues most counties have introduced multiple licenses, levies and regulations leading to double taxation. This has led to high cost of doing business and un-competiveness. The inter-county trade fees and business permits have resulted to increased cost of doing business leading to reduced gains.

viii. Rising wave of protectionism in Europe, USA and Asia

There has been an increase in protectionism in the global market through setting high standards and requirements thus making it difficult for Kenya's products to penetrate the foreign market.

ix. High cost of energy

In spite of the increased production of energy, businesses are still faced with high energy cost hence contributing to high cost of production thus discouraging entrepreneurial development. This also leads to unpredictability in forecasting the levels of production.

x. Low level of awareness on Regional Integration Opportunities/Benefits

There is generally low level of awareness by the business community on the socio-economic benefits and provisions of the EAC, AfCFTA, TFTA and COMESA integration processes. Without information on the business opportunities and markets available, most of the producers are not able to exploit their potential.

xi. Difficulties in implementing regulations on e-Commerce and e-Business

The emergence of unregulated e-Commerce and e-Business has attracted fraudulent practices including online counterfeiting and cyber-crimes in the sector resulting to consumers and businesses losing money to fraudsters.

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xii. Weak Business Membership Organizations (BMOs)

Trade Sub-Sector being dynamic, the business membership organizations have to constantly advocate and lobby government to have their interests considered in government's policies and decisions. However, this has not been the case due to BMOs inability to effectively represent business interests in the counties.

xiii. Weak Compliance with International Regulations

Kenyan exports are increasingly being subjected to increased surveillance in major markets like Europe due to non-compliance to sanitary and phyto-sanitary regulations as well as technical regulations in the region. This calls for investment in the institutions supporting plant and animal health and technical regulations to ensure our exports meet the stringent standards. This should be combined with investments in local value chains.

4. Key risk management strategies.

- i. **Operational or financial risks:** Austerity measures, budget cuts and delay of funds disbursement delay implementation of programme and completion of projects;
- ii. **Procurement challenges:** ensure Early preparations of work plans, procurement plan and commitment of activities; Ensure capture, reporting and analysis of AIA/revenue;
- iii. **Political, economic, and social stability risks:** Charged political activities especially during electioneering period results to volatility of Macroeconomic variables such as inflation, economic growth, exchange and interest rate;
- iv. **Organization and structural changes:** Reorganization of MDAs including change of leadership, continuous realignment and adjustment where applicable may result to delay in implementation of programmes;
- v. **Environmental risks:** Climate change, Natural disasters, policies on environmental issues, environmental impact assessments for projects as applicable;
- vi. **Cross-cutting risks:** HIV/AIDS, Duplication of functions across MDAs

5. The implementation challenges and recommended way forward.

i. Inadequate funding

The Trade Sector contributes more than 12.03% to the GDP (World Bank, 2019) and employment creation. However, its budget allocation has been below 0.2% of the allocation to Government programmes. This has hindered effective delivery of the mandate. The

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Trade Sector requires more budgetary allocation due to the importance of the sector in economic development of the Country.

The Department is working closely with the private sector and development partners to ensure that some key programmes are funded. In particular, the State Department is working with GIZ, Trade Mark East Africa, World Bank, JICA among others.

ii. Delay in enactment of Legislation

Enactment of legislation is essential for effective service delivery by the Sector. Delays in enacting legislation such as the Legal Metrology Bill, Trade Descriptions Bill, MSE Development Fund Regulations 2019 and delay in the passing of the amendment to the Consumer Protection Act adversely affect the operations and implementation of priority programmes. This is due to legal procedures outside the control of the Sub-Sector. The delay in enactment of the legislations has impedes the delivery of services to the players in the trade sector due to lack of a regulatory framework. There is need for fast-track enactment of this laws to regulate the sector.

iii. Delay in disbursement of Funds

The State Department experiences delays in disbursement of funds especially during the first and third quarters of the Financial Year. This delays implementation of activities committed in the Performance Contract and Strategic Plan. The National Treasury to ensure timely release of funds allocated and exchequer.

Amb. Johnson Mwangi Weru, CBS



PRINCIPAL SECRETARY

STATE DEPARTMENT FOR TRADE AND ENTERPRISE DEVELOPMENT

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4. Statement of Performance Against Predetermined Objectives for FY2021/22

The State Department of Trade and Enterprise Development implements its functions which were derived from the Executive Order through four (4) key result areas. The Cabinet Secretary ensures that the Government set priorities and objectives are met through implementation of the Strategic Plan 2017-2022 which is aligned to the Medium-Term Plan 2017-2022 of the Kenya Vision 2030 and Sectoral policy documents.

The Policy documents that guide the State Department in implementation of the core mandate include the following: National Trade Policy, Integrated National Exports Development and Promotion Strategy (INEDPS), Buy Kenya Build Kenya Strategy, Third Medium Term Plan (MTP), Big Four Agenda, Kenya Vision 2030 and Sustainable Development Goals among others over the next 5 years.

The Key Result Areas that guide the sector include:

- a) Facilitate the growth in value of exports by 20% annually.
- b) Facilitate the growth in value of domestic trade value by 25% by 2022.
- c) Effective Leadership and good Governance
- d) Strengthen institutional capacity for service delivery

Introduction

The State Department of Trade and Enterprise Development implements its functions which were derived from the Executive Order through four (4) key result areas. The Cabinet Secretary ensures that the Government set priorities and objectives are met through implementation of the Strategic Plan 2017-2022 which is aligned to the Medium-Term Plan 2017-2022 of the Kenya Vision 2030 and Sectoral policy documents.

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The key strategic objectives as per the Strategic Plan for the period 2017-2022 are to:

- a) To broaden and deepen the product base and export markets;
- b) To facilitate Business and Entrepreneurship Development;
- c) To enhance consumer protection;
- d) To improve business environment;
- e) To support growth and development of wholesale and retail trade;
- f) To provide policy direction and ensure coordination for quality service delivery; and
- g) To attract, develop and retain competent and motivated workforce

Progress on the attainment of Strategic Objectives through Performance Contracting

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement. Below we provide the progress on attaining the stated objectives:

MDA Program	Objective	Outcome	Indicator	Performance	Comments
Domestic Trade Development	To operationalize Kenya Trade Portal Governance and Management Framework	Facilitate access to trade data by stakeholders.	% operationalization of Kenya e-Trade Portal Governance and Management Framework	75% operational	Under achievement due to insufficient funds for upgrading the portal
	To finalize the Kenya Trade Bill	Create a conducive regulatory environment for businesses to thrive	% development of Trade Bill	The Draft Trade Bill is 40% complete.	Under-achievement due to insufficient funds for finalization of the bill
	To monitor the implementation of the 40% procurement rule.	Enhanced uptake of locally manufactured goods by MDAs	Value in Ksh	Ksh 73 Billion uptake of locally manufactured goods by MDAs	There is no budgetary allocation to implement local content directive

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MDA Program	Objective	Outcome	Indicator	Performance	Comments
Fair Trade and Consumer Protection	To verify weighing and measuring equipment.	Promote fair trade in the Country	No. of weighing and measuring equipment at strategic national installations.	120 Weighing and Measuring equipment have been verified and a verification report prepared.	Under-achievement due to insufficient funds for verification of equipment
	To operationalize KETRA.	Local manufacturers protected against dumping of cheap goods.	% operationalization of KETRA	Kenya Trade Remedy Agency is 25% operational. The KETRA Board was gazetted. Human Resource instruments for Kenya Trade Remedies Agency (KETRA) developed.	Under-achievement due to insufficient funds for operationalization
	To strengthen Compliance and standards	Strengthened Compliance and standards	% approval of new weighing or measuring equipment.	Amendment of the Consumer Protection Act no. 46 of 2012 Act is ongoing as scheduled.	Under-achievement due to insufficient funds
Regional Economic Integration Initiatives	To initiate capitalization of KOMEX.	Improve efficiency in the supply chain by providing structured trading for commodities	Amount of capital committed by investors to the Exchange.	90% The capitalization exercise was initiated to attract investment for KOMEX Limited. A few potential investors have committed to invest a total of Kshs.600 Million.	Under-achievement due to slow capitalization process

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MDA Program	Objective	Outcome	Indicator	Performance	Comments
	To develop Bills and Regulations for operationalization of KOMEX	Regulatory framework for establishment and operationalization of Commodities Exchanges developed	No. of Bills and Regulations enacted/gazetted	WRS regulations finalized, Commodity Market Regulations 2020 gazetted and WRS Act 2019 enacted.	Under-achievement due to insufficient funds
International Trade	To reduce Non-Tariff Barriers (NTBs) facing Kenyan products in EAC, COMESA, AfCTA	Increased trade volumes with our trading partners.	No. of NTBs eliminated	Fourty six (46) NTBs eliminated	Over-achievement due to robust negotiations
	To Harmonize EAC CET Tariffs within the region to create predictability on tariffs	Increased export earnings.	No. of Harmonized EAC CET Tariffs within the region to create predictability on tariffs	6 Harmonized EAC CET Tariffs	Increased export earnings realized
	To expand Market access for Kenyan goods and services	Increased exports earnings to the African market	Value of exports to Africa (Kshs. Billion)	Kshs. 309.3 B	The growth was attributed to more exports especially to Uganda and Tanzania
Entrepreneurship and Management Training.	To Enhance MSEs productivity	Enhanced MSEs performance.	No. of partnerships on KAIZEN Concept.	6 partnerships on KAIZEN Concept realized.	Target achieved
	To establish EMPRETEC Centre.	Centre Established and furnished.	Percentage establishment.	KIBT staffs were sensitized but none has been certified.	Under-achievement due to budget constraints
General Administration	To develop a new service charter.	Timely and efficient	Percentage of completion.	Service Delivery Charter	Service Delivery

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MDA Program	Objective	Outcome	Indicator	Performance	Comments
n, Planning and Support.		service delivery.		reviewed and published	Charter in place
	To coordinate preparation of National Values and Principles of Governance Report for the SDT.	Adherence to National Values and Principles of Governance.	No. of reports.	National Cohesion and Values commitments implemented. National Cohesion and Values Report developed and submitted to the Directorate of National Cohesion and Values.	Report prepared
	To carry out Monitoring and Evaluation of projects and Programme.	Timely implementation and reporting of projects and Programme.	No. of M&E Reports.	M&E carried out and 4 quarterly, 1 mid-year and 1 annual reports developed.	M&E carried out
	To prepare Programme Based Budget (PBB).	Enhanced resource allocation.	No. of Program Based Budget (PBB) Reports.	1 Program Based Budget (PBB) Report developed.	PBB Report Developed
	To prepare Annual Procurement Plan.	Timely and efficient procurement of goods and services for all departments and divisions.	No. of Procurement Plans Prepared and signed.	1 Procurement Plan developed and signed.	Procurement Plan developed
	To coordinate Staff performance appraisal system.	Improved performance.	No. of reports to the PSC (K).	Staff appraisal currently ongoing and the report will be submitted to PSC once complete.	Staff appraisal currently ongoing

5. Environmental and Sustainability Reporting

a) Sustainability strategy and profile

To improve and sustain the country's domestic and export performance, the State Department has initiated several strategies to ensure growth in both domestic and export sectors. The State Department has developed several strategy documents including the Integrated National Export Development Strategy (INEDS), the African Growth and Opportunity Act (AGOA) Strategy, the National Trade Policy among others. This strategy documents if implemented will result to tremendous growth of the Trade Sector. The State Department continuously engages with Kenya's trading partners (both traditional and new ones) through bilateral negotiations to create market access for goods and services produced locally.

The State Department is currently engaging the United States of America (USA) in order to form a Free Trade Area (FTA). The FTA will allow Kenyan goods easy access to the USA market. The Department is also engaging several Countries for the purpose of signing agreements and MoUs that will ease flow of goods to those countries. However, there is need for the private sector to invest more resources in product diversification, value addition and at the same time improve standards and quality of export commodities.

The initiatives are undertaken through the following:

- **Market Diversification:** Kenya's export to the world is made up of predominantly agricultural products which are semi-processed or raw in nature. The State Department is implementing strategies aimed at diversifying export products to increase export earnings by moving from the traditional export products.
- **Competition:** Liberalization has exposed the domestic market to stiff and un-balanced competition from the developed countries. The State Department is disseminating

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strategies to producers on leveraging on the use of advanced technology to attain competitive edge.

- **Value Addition on Export Products:** Kenyan exports consist of unprocessed and low value-added products which fetch low earnings. Export of semi-processed products such as tea and coffee which fetch low international prices has resulted into low returns from these goods. The State Department in conjunction with stakeholders is implementing strategies to ensure products are fully processed to grow the export earnings.
- **Reduction in Non-Tariff Barriers:** The State Department and Member States of the EAC Customs Union, COMESA Free Trade Area, and IGAD among others are addressing cumbersome and numerous custom documentations and administrative procedures, non-recognition of Certificate of Origin (CoO) and varying standard requirements, delays at borders and non-harmonized transit charges and procedures that are hampering trade within the trading blocs.

b) Environmental performance /climate change/ mitigation of natural disasters

The State Department has ensured that environment is a key issue in the Trade Sector. In all the strategy and policy documents that have been developed by the Department, environmental and climate change issues have been well articulated through strategies. During trade negotiations, the Department has ensured that issues to do with trade and environment are guiding principles in negotiations.

c) Employee welfare

During recruitment processes, the State Department ensures that both genders are considered during the recruitment process. To improve skills of employees, the Department regularly undertakes Training Needs Assessment exercise which guides in making decisions on trainings needed by employees for both career growth and skill improvement. All staff in the Department set targets at the beginning of the Financial Year through the staff

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appraisal system. At the end of each financial year, all staff appraisals are subjected to appraisals which form the basis for rewards and sanctions. The Ministerial Human Resource Performance Management Committee oversees the performance process.

d) Operational practices

i. Responsible Supply chain and supplier relations:

The Department gives priority to honoring contracts with suppliers. However, a delay in exchequer releases and budget cuts has resulted to pending bills at the end of the Financial Year. In the event of pending bills, the Department ensures that the pending bills become the first charge at the beginning of the subsequent FY.

e) Community Engagements

The Department regularly organizes for sensitization for staff and family members. The sensitization package for non-communicable diseases (NCDs) including Cancer (Breast, Cervical and Prostrate), Diabetes, Hypertension, Stress management and Mental health. In addition, staff and family members are provided with screening packages for H.I.V, Cancer, Blood pressure, Blood sugar and BMI. The staff are also sensitized on HIV and AIDS and the need to reduce stigmatization. This is done through routine messages to stakeholders.

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6. Statement of Management Responsibilities

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the State Department for Trade and Enterprise Development is responsible for the preparation and presentation of the department's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the department; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

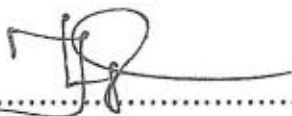
The Accounting Officer in charge of the State Department for Trade and Enterprise Development accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the department's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer in charge of the State Department for Trade and Enterprise Development further confirms the completeness of the accounting records maintained for the Department, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The State Department for Trade and Enterprise Development financial statements were approved and signed by the Accounting Officer on 30th September, 2022.



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Name: Amb. Johnson Mwangi Weru, CBS

Principal Secretary



.....
Name: CPA Milly Eve Akoth

Head of Accounting Unit
ICPAK M/No: 20112

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REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR TRADE AND ENTERPRISE DEVELOPMENT FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of State Department for Trade and Enterprise Development set out on pages 1 to 23 which comprise of the statement of financial assets and liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows, statement of comparison of budget and actual amounts, summary statement of appropriation: recurrent and development, budget execution by programmes and sub-programmes for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the State Department for Trade and Enterprise Development as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of State Department for Trade and Enterprise Development 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 opinion.

Emphasis of Matter

1.0 Government Assets

1.1 Loss of Motor Vehicles

As previously reported, the financial statements reflect non-current assets with a historical cost of Kshs.371,380,398, as disclosed in the summary of fixed assets register at Annex 2 of the financial statements. Included in these assets are transport equipment with a historical cost of Kshs.16,301,895, which includes two vehicles, registration numbers GK H604 Isuzu pick-up and GK A589T Toyota Pick-up all of unknown value, that were reported stolen at Thika Police Station on 27 August, 2007 and Kabete Police Station on 09 February, 2013 respectively. Although, the Management indicated that the issues are still under investigations and awaiting conclusion and recommendations of the cases from the investigating agency, the matter has taken an unexceptionally too long to conclude.

In the circumstances, the accuracy and validity of the non-current assets could not be confirmed.

1.2 Land without Ownership Documents

As previously reported, information available and as disclosed in Annex 2 to the financial statements indicates that the State Department owns the Weights and Measures Complex in South C Nairobi. The complex is built on a parcel of land measuring approximately seven (7) acres of unknown value whose title ownership documents were not provided for audit.

In the circumstances, it was not possible to confirm the ownership status of the parcel of land in South C Nairobi.

My opinion is however not modified in respect of the above matters.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources. Management has indicated that the issues have been responded to. However, the issues remained unresolved as Parliament has not met to deliberate on the same.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements which 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 State Department's ability to sustain its services, disclosing, as applicable, matters related to sustainability of its services and using the applicable basis of accounting unless Management is aware of the intention to terminate the State Department or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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 which 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 which 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 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 controls would not necessarily disclose all matters in the internal controls, which might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts which 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 controls may not prevent or detect misstatements and instances of noncompliance. 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 which is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions, which may cast significant doubt on the State Department's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the State Department to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner which achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the State Department to express an opinion on the financial statements.
- Perform such other procedures, as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

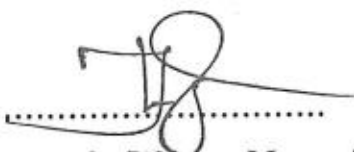
29 November, 2022

MINISTRY OF INDUSTRIALIZATION, TRADE AND ENTERPRISE DEVELOPMENT
State Department for Trade and Enterprise Development
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8. Statement of Receipts and Payments for the Year Ended 30th June 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Receipts			
Exchequer Releases	1	4,872,316,686	3,363,202,764
Other Receipts	2	46,574,932	38,609,123
Total Receipts		4,918,891,618	3,401,811,887
Payments			
Compensation Of Employees	3	541,969,427	476,768,501
Use Of Goods and Services	4	488,968,310	425,264,212
Transfers To Other Government Entities	5	3,765,817,527	2,417,654,293
Other Grants and Transfers	6	15,067,256	11,305,004
Social Security Benefits	7	1,393,246	2,859,478
Acquisition Of Assets	8	67,382,752	55,437,920
Total Payments		4,880,598,519	3,389,289,408
Surplus		38,293,099	12,522,479

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The State Department for Trade and Enterprise Development financial statements were approved on 30th September, 2022 and signed by:



Name: Amb. Johnson Mwangi Weru,

CBS

Principal Secretary



Name: CPA Milly Eve Akoth

Head of Accounting Unit

ICPAK M/No: 20112

MINISTRY OF INDUSTRIALIZATION, TRADE AND ENTERPRISE DEVELOPMENT
State Department for Trade and Enterprise Development
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9. Statement of Assets and Liabilities As At 30th June 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial assets			
Cash and cash equivalents			
Bank balances	9 (a)	28,418,483	26,900,368
Cash balances	9 (b)	614,389	1,456,964
Total cash and cash equivalent		29,032,871	28,357,332
Imprests and advances	10	67,180,647	31,443,610
Total financial assets		96,213,518	59,800,942
Financial liabilities			
Third party deposits and retention	11	(25,019,846)	(26,897,879)
Net financial assets		71,193,672	32,903,063
Represented by			
Fund balance b/fwd.	12	32,903,063	132,646,154
Prior year adjustment	13	(2,489)	(112,265,570)
Surplus/Deficit for the year		38,293,099	12,522,479
Net financial position		71,193,672	32,903,063

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30th September, 2022 and signed by:



Name: Amb. Johnson Mwangi Weru, CBS
Principal Secretary



Name: Milly Eve Akoth
Head of Accounting Unit
ICPAK M/No: 20112

MINISTRY OF INDUSTRIALIZATION, TRADE AND ENTERPRISE DEVELOPMENT
State Department for Trade and Enterprise Development
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10. Statement of Cash Flows for the Year Ended 30th June 2022

Description	Notes	2021-2022	2020 -2021
		Kshs	Kshs
Receipts for Operating Income			
Exchequer releases	1	4,872,316,686	3,363,202,764
Other receipts	2	46,574,932	38,609,123
Payments For Operating Expenses			
Compensation of employees	3	541,969,427	476,768,501
Use of goods and services	4	488,968,310	425,264,212
Transfers to other government units	5	3,765,817,527	2,417,654,293
Other grants and transfers	6	15,067,256	11,305,004
Social security benefits	7	1,393,246	2,859,478
Adjusted For:			
Adjustments during the year			
Decrease/(Increase) in accounts receivable	14	(35,737,037)	(11,063,026)
Increase/(Decrease) in deposits and retention	15	(1,878,034)	(25,172,115)
Prior year adjustments	13	(2,489)	(112,265,570)
Net Cash Flow from Operating Activities		68,058,292	(80,540,312)
Cash Flow from Investing Activities			
Acquisition of assets	8	(67,382,752)	(55,437,920)
Net Cash Flows from Investing Activities		(67,382,752)	(55,437,920)
Cash Flow from Borrowing Activities			
Net increase in cash and cash equivalent		675,540	(135,978,232)
Cash & Cash Equivalent at Start of the Year		28,357,332	164,335,564
Cash & Cash Equivalent at End of the Year		29,032,872	28,357,332

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30th September, 2022 and signed by:



Name: Amb. Johnson Mwangi Weru, CBS
Principal Secretary



Name: Milly Eve Akoth
Head of Accounting Unit
ICPAK M/No: 20112

State Department for Trade and Enterprise Development
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11. Statement of Comparison of Budget and Actual Amounts for FY2021/22

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/e %
Exchequer releases	3,483,146,496	1,392,601,960	4,875,748,456	4,872,316,686	3,431,770	100%
Other receipts	42,000,000	18,900,000	60,900,000	46,574,932	14,325,068	76%
Proceeds from Foreign Borrowings	500,000,000	(500,000,000)	-	-	-	-
Total Receipts	4,025,146,496	911,501,960	4,936,648,456	4,918,891,618	17,756,838	100%
Payments						
Compensation of employees	535,000,000	22,200,000	557,200,000	541,969,427	15,230,573	97%
Use of goods and services	431,563,630	57,729,003	489,292,633	488,968,310	324,323	99%
Transfers to other government entities	2,832,100,000	936,900,000	3,769,000,000	3,765,817,527	3,182,473	100%
Other grants and transfers	19,800,000	1,000,005	20,800,005	15,067,256	5,732,749	72%
Social security benefits	1,500,000	0	1,500,000	1,393,246	106,754	93%
Acquisition of assets	205,182,866	(106,327,048)	98,855,818	67,382,752	31,473,066	68%
Total Payments	4,025,146,496	911,501,960	4,936,648,456	4,880,598,518	56,049,937	99%
Surplus/ Deficit				38,293,099	(38,293,099)	

The entity financial statements were approved on 30th September, 2022 and signed by:


 Name: Amb. Johnson Mwangi Weru, CBS

Principal Secretary


 Name: Milly Eve Akoth

Head of Accounting Unit

ICPAK M/No: 20112

State Department for Trade and Enterprise Development
Annual Report and Financial Statements
For the year ended 30th June 2022

11 (a) Summary Statement of Appropriation: Recurrent for FY2021/22

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts						
Exchequer releases	2,244,129,067	244,701,960	2,488,831,027	2,486,366,372	2,464,655	100%
Other receipts	42,000,000	18,900,000.00	60,900,000	46,574,932	14,325,068	76%
Total Receipts	2,286,129,067	263,601,960	2,549,731,027	2,532,941,304	16,789,723	99%
Payments						
Compensation of employees	535,000,000	22,200,000	557,200,000	541,969,427	15,230,573	97%
Use of goods and services	381,563,630	67,729,003	449,292,633	448,984,539	311,094	99%
Transfers to other Government entities	1,330,500,000	174,000,000	1,504,500,000	1,501,317,527	3,182,473	100%
Other grants and transfers	19,800,000	1,000,005	20,800,005	15,067,256	5,732,749	72%
Social security benefits	1,500,000	-	1,500,000	1,393,246	106,754	93%
Acquisition of assets	17,765,437	(1,327,048.00)	16,438,389	14,693,472	1,744,917	89%
Total Payments	2,286,129,067	263,601,960	2,549,731,027	2,495,754,388	53,976,639	98%
Surplus/Deficit				9,518,837	(9,518,837)	

The entity financial statements were approved on 30th September, 2022 and signed by:


.....

Name: Amb. Johnson Mwangi Weru, CBS
Principal Secretary


.....

Name: Milly Eve Akoth
Head of Accounting Unit
ICPAK M/No: 20112

State Department for Trade and Enterprise Development
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11 (b) Summary Statement of Appropriation: Development for FY2021/22

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts						
Exchequer releases	1,239,017,429	1,147,900,000	2,386,917,429	2,385,950,314	967,116	100%
Proceeds from Foreign Borrowings	500,000,000	(500,000,000)	-			
Total Receipts	1,739,017,429	647,900,000	2,386,917,429	2,385,950,314	967,116	100%
Payments						
Use of goods and services	50,000,000	(10,000,000)	40,000,000	39,986,771	13,229	99%
Transfers to other Government entity	1,501,600,000	762,900,000	2,264,500,000	2,264,500,000	-	100%
Acquisition of assets	187,417,429	(105,000,000)	82,417,429	52,689,281	29,728,149	64%
Total Payments	1,739,017,429	647,900,000	2,386,917,429	2,357,176,052	29,741,378	99%
Surplus/Deficit	-	-	-	28,774,262	(28,774,262)	

The entity financial statements were approved on 30th September, 2022 and signed by:

.....


Name: Amb Johnson Mwangi Weru, CBS
Principal Secretary

.....


Name: Milly Eve Akoth
Head of Accounting Unit
ICPAK M/No 20112

State Department for Trade and Enterprise Development
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11 (c) Budget Execution by Programmes and Sub-Programmes for FY2021/22

Programme/Sub-programme	Final Budget	Indicators	Outcomes	Actual on	Budget utilization difference
	2022 Kshs			comparable basis 2022 Kshs	
Trade Development and Promotion 307000000	4,936,648,456	-	-	4,880,598,518	56,049,938
Domestic Trade Development 307010000	2,699,293,290	-	-	2,698,434,404	858,886
Fair Trade and Consumer Protection 307020000	501,478,302	-	-	493,421,168	8,057,134
Regional Economic Intergration Initiative 307040000	77,251,179	-	-	81,733,086	(4,481,907)
Entrepreneurial and Management Training 307050000	149,331,003	-	-	131,418,191	17,912,812
International Trade 307060000	425,343,308	-	-	400,024,046	25,319,262
General Administration Planning and Support Services 307080000	394,851,374	-	-	376,467,624	18,383,750
Export Market Development, Promotion and National Branding 307100000	689,100,000	-	-	689,100,000	-
Total	4,936,648,456	-	-	4,880,598,518	56,049,938

MINISTRY OF INDUSTRIALIZATION, TRADE AND ENTERPRISE DEVELOPMENT
State Department for Trade and Enterprise Development
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12. Notes to the Financial Statement

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the State Department for Trade and Enterprise Development. The financial statements encompass the reporting entity as specified under Section 81 of the PFM Act 2012.

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

The State Department for Trade and Enterprise Development recognises all receipts from the various sources when the event occurs, and the related cash has been received by the entity.

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(i) Transfers from the Exchequer

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

(ii) External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners. Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2022, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

(iii) Other receipts

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

b) Recognition of payments

The Entity recognises all payments when the event occurs, and the related cash has been paid out by the department

i) Compensation of Employees

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

ii) Use of Goods and Services

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

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iii) Interest on Borrowing

Borrowing costs that include interest are recognized as payment in the period in which they are paid for

iv) Principal on borrowing

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.

v) Acquisition of Fixed Assets

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

A fixed asset register is maintained and a summary provided for purposes of consolidation. This summary is disclosed as an appendix to the financial statements.

vi) In-kind contributions

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

vii) Third Party Payments

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

MINISTRY OF INDUSTRIALIZATION, TRADE AND ENTERPRISE DEVELOPMENT
State Department for Trade and Enterprise Development
Annual Report and Financial Statements
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c) 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.

A bank account register is maintained and a summary provided for purposes of consolidation. This summary is disclosed as an appendix to the financial statements.

Restriction on Cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2022, this amounted to KShs 25,019,846 compared to KShs 26,897,879 in prior period as indicated. There were no other restrictions on cash during the year.

d) Imprests and advances

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

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State Department for Trade and Enterprise Development
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e) Third party deposits and retention

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

Other liabilities including pending bills are disclosed in the financial statements.

f) Pending Bills

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

g) Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits and retentions, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament in June 2021 for the period 1st July 2021 to 30th June 2022 as required by Law and there were a number of supplementary adjustments to the original budget during the year. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements. Government Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers.

h) Comparative Figures

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

MINISTRY OF INDUSTRIALIZATION, TRADE AND ENTERPRISE DEVELOPMENT
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i) Subsequent Events

There have been no events after the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

j) Prior Period Adjustment

During the year, errors that have been corrected are disclosed *under note 26* explaining the nature and amounts.

k) Related Party Transactions

Related party means parties are related if one party has the ability to:

- a) Control the other party or
- b) Exercise significant influence over the other party in making financial and operational decisions, or if the related party entity and another entity are subject to common control.

Related party transaction is a transfer of resources or obligations between related parties regardless of whether a price is charged.

l) Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships, The department 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.

MINISTRY OF INDUSTRIALIZATION, TRADE AND ENTERPRISE DEVELOPMENT
State Department for Trade and Enterprise Development
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Notes to the Financial Statements

1 Exchequer releases

Description	2021-2022	2020-2021
	Kshs	Kshs
Total Exchequer releases for quarter 1	623,060,819	599,307,523
Total Exchequer releases for quarter 2	1,399,476,675	500,227,606
Total Exchequer releases for quarter 3	523,523,241	933,651,643
Total Exchequer releases for quarter 4	2,326,255,950	1,330,015,992
Total	4,872,316,686	3,363,202,764

2 Other Receipts

Description	2021-2022	2020-2021
	Kshs	Kshs
Rents on land, houses and buildings	7,476,432	-
Administrative Fees and Charges collected as AIA	39,098,500	38,609,123
Total	46,574,932	38,609,123

3 Compensation to Employees

Description	2021-2022	2020-2021
	Kshs	Kshs
Basic salaries of permanent employees	281,857,226	271,539,680
Personal allowances paid as part of salary	260,112,201	205,228,821
Total	541,969,427	476,768,501

MINISTRY OF INDUSTRIALIZATION, TRADE AND ENTERPRISE DEVELOPMENT
State Department for Trade and Enterprise Development
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Notes to the Financial Statements (Continued)

4 Use of Goods and Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Utilities, supplies and services	12,767,252	13,165,728
Communication, supplies and services	6,280,869	14,376,464
Domestic travel and subsistence	88,734,292	68,334,495
Foreign travel and subsistence	62,269,919	33,854,671
Printing, advertising and information supplies & services	2,872,968	4,725,708
Rentals of produced assets	143,361,513	131,229,333
Training expenses	3,700,050	4,419,100
Hospitality supplies and services	42,528,752	42,245,210
Insurance costs	2,118,400	1,599,999
Specialized materials and services	3,886,900	4,916,550
Office and general supplies and services	8,535,618	8,542,293
Fuel Oil and Lubricants	7,956,760	8,441,539
Other operating expenses	94,093,362	81,772,008
Routine maintenance – vehicles and other transport equipment	5,108,010	3,946,725
Routine maintenance – other assets	4,318,246	2,694,388
Exchange rate losses	435,400	999,999
Total	488,968,310	425,264,212

5 Grants and Transfers to other Government Entities

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers to National Government entities		
Current grants to government agencies and other level of govt	1,501,317,527	1,236,827,749
Capital grants to government agencies and other level of govt	2,264,500,000	1,180,826,545
Total	3,765,817,527	2,417,654,293

MINISTRY OF INDUSTRIALIZATION, TRADE AND ENTERPRISE DEVELOPMENT
State Department for Trade and Enterprise Development
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For the year ended 30th June 2022

5 b: Transfers to entities in the year

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

Description	Recurrent Kshs	Development Kshs	2021-2022 Kshs
Transfers to SAGAs			
COMEX (under HQs)		264,500,000	264,500,000
ANTI-COUNTERFEIT AGENCY (Self Reporting)	340,500,000	-	340,500,000
EXPORT PROMOTION AND BRANDING AGENCY(Self Reporting)	376,975,396	-	376,975,396
KETRA (Self Reporting)	35,800,000	-	35,800,000
KECOPAC (under HQs)	58,942,131	-	58,942,131
KEPROBA (Self Reporting)	689,100,000	-	689,100,000
KYEOP (Self Reporting)		2,000,000,000	2,000,000,000
TOTAL	1,501,317,527	2,264,500,000	3,765,817,527

Attached herewith find the Confirmation of disbursements for the self-reporting entity (Appendix I)

6 Other Grants and Transfers

Explanation	2021-2022 Kshs	2020-2021 Kshs
Scholarships and other educational benefits	15,067,256	11,305,004
Total	15,067,256	11,305,004

7 Social Security Benefits

	2021-2022 Kshs	2020-2021 Kshs
Government pension and retirement benefits	1,393,246	2,859,478
Total	1,393,246	2,859,478

MINISTRY OF INDUSTRIALIZATION, TRADE AND ENTERPRISE DEVELOPMENT
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Acquisition of Assets

Non -Financial Assets	2021-2022	2020-2021
	Kshs	Kshs
Refurbishment of Buildings	400,000	1,119,352
Construction and Civil Works	51,833,444	-
Purchase of Household Furniture and Institutional Equipment	447,761	2,159,600
Purchase of Office Furniture and General Equipment	10,542,606	1,366,290
Purchase of Specialized Plant, Equipment and Machinery	4,158,941	792,978
Research, Studies, Project Preparation, Design & Supervision		49,999,700
Total	67,382,752	55,437,920

9 Cash and Bank Accounts

9A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit etc.	Exchange rate (if in foreign currency)	2021-2022	2020-2021
				Kshs	Kshs
Central Bank of Kenya, 1000303085,KShs	KSHS	RECURRENT	-	405,970	99
Central Bank of Kenya, 1000303093,KShs	KSHS	DEVELOPMENT	-	2,992,667	2,390
Central Bank of Kenya, 1000303107,KShs	KSHS	DEPOSIT	-	25,019,846	26,897,879
Total				28,418,483	26,900,368

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9B: Cash on hand

Description	2021-2022	2020-2021
	Kshs	Kshs
Cash in hand – Held in domestic currency	614,388.50	1,456,964
Total	614,388.50	1,456,964

Notes to the Financial Statements (Continued)

Detailed Cash is as follows:

Description	2021-2022	2020-2021
	Kshs	Kshs
Location 1 (Headquarters C/Office)	614,388.50	1,456,964
Total	614,388.50	1,456,964

Attached herewith Find the Board of Survey Report (Appendix 2), Bank Statements Extracts (Appendix 3), Cashbook Copies (Appendix 4) and Copy of Bank Certificates (Appendix 5)

10 : Imprests and Advances

Description	2021-2022	2020-2021
	Kshs	Kshs
Government Imprests	-	-
Foreign Mission	67,180,647	31,443,610
Total	67,180,647	31,443,610

Attached herewith Find the analysis of outstanding Foreign Mission Analysis (Appendix 6)

11 Third party deposits and retention

Description	2021-2022	2020-2021
	Kshs	Kshs
Deposits	25,019,846	26,897,879
Total	25,019,846	26,897,879

Attached herewith Find the analysis of Deposit Balance Analysis (Appendix 7),

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 . Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Accounts	26,900,368	164,001,293
Cash in hand	1,456,964	334,271
Accounts Receivables	31,443,610	20,380,584
Accounts Payables	(26,897,879)	(52,069,994)
Total	32,903,063	132,646,154

13 Prior Year Adjustments

	Balance b/f FY 2020/2021 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f FY 2020/2021
Description of the error	Kshs	Kshs	Kshs
Bank Account Balances	26,900,368	(2,489)	26,897,879
Cash In Hand	1,456,964	-	1,456,964
Accounts Payables	(26,897,879)	-	(26,897,879)
Receivables	31,443,610	-	31,443,610
	32,903,063	(2,489)	32,900,574

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14 (Increase)/ Decrease in Advances and Imprests

Description	2021-2022	2020-2021
	Kshs	Kshs
Receivables As At 1 st July (A)	31,443,610	20,380,584
Receivables As At 30 th June (B)	67,180,647	31,443,610
Decrease in Receivables (C=(B-A))	35,737,037	11,063,026

15 Increase/ (Decrease) in Retention and Third-Party Deposits

Description	2021-2022	2020-2021
	Kshs	Kshs
Payables As At 1 st July	26,897,879	52,069,994
Payables As At 30 th June	25,019,846	26,897,879
Decrease In Payables	1,878,034	25,172,115

16 Related Party Disclosures

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the State Department for Trade and Enterprise Development

- i) Key management personnel that include the Cabinet Secretaries and Accounting Officers
- ii) Other Ministries Departments and Agencies and Development Projects;
- iii) State Corporations and Semi-Autonomous Government Agencies.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 Other Important Disclosures

17.1 Related party transactions:

Description	2021-2022	2020-2021
	Kshs	Kshs
Key Management Compensation		
Transfers to Related Parties		
Transfers to SAGAs	3,765,817,527	2,417,654,293
Transfers from Related Parties		
Transfers from the Exchequer	4,872,316,686	3,363,202,764

17.2: Pending Accounts Payable (See Annex 1)

	Balance b/f FY 2020/2021	Restated Balance b/f FY 2020/2021	Additions for the period	Paid during the year	Balance c/f FY 2021/2022
Description	Kshs	Kshs	Kshs	Kshs	Kshs
Construction of Buildings	-	33,526,293	-	(33,526,293)	-
Supply of Goods	14,101,989	14,101,989		(3,474,384)	10,627,605
Supply of Services	21,854,526	21,854,526	9,478,842	-	31,333,368
Total	35,956,515	69,482,808	9,478,482	(37,000,677)	41,960,983

17.3 Pending Accounts Payable

	Balance b/f FY 2020/2021	Additions for the period	Paid during the year	Balance c/f FY 2021/2022
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to third parties	26,897,879		1,878,033	25,019,846
Total	26,897,879		1,878,033	25,019,846

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28.7 Progress on Follow Up of Prior Years Auditor-General's Recommendations

The following is the summary of issues raised by the Auditor-General during the prior year and management comments that were provided.

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)
1.1	Loss of Motor Vehicle	The Issue is still under investigation. The matter was reported to the police and the investigation are on-going.	Not Resolved	30 th June, 2023
1.2	Lack of Ownership documents for parcel of land in South C	Communication was done to the ministry of land to facilitate the processing of the title deed.	Not Resolved	30 th June, 2023
1.3	Lack of Expenditure Returns for	Communication has been done to the Ministry of Foreign	Not Resolved	31 st December, 2022

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Supplier of Goods or Services	Original Amount	Date Contracted
32. Third Option Logistics	56,000	
33. Trackim General Supplies	244,700	
34. Trojans General	84,000	
35. Wandus General Supplies	170,000	
36. Zeffe Investments	157,500	
Sub-Total	10,627,615	
Supply of services		
37. After 40	84,000	
38. Akarim Agencies	159,890	
39. Attic Tours & Travel	385,600	
40. Attic Tours & Travel	285,000	
41. Attic Tours & Travel	348,550	
42. Attic Tours & Travel	52,900	
43. Attic Tours & Travel	34,600	
44. Attic Tours & Travel	36,400	
45. Attic Tours & Travel	61,600	
46. Attic Tours & Travel	160,500	
47. Attic Tours & Travel	198,500	

13. Annexes

Annex 1 - Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
	A	B	c	d=a-c		
Supply of goods						
1. Bizsense Enterprises	100,000		-	100,000	-	Insufficient Funds to Pay
2. Colourcid Supplies	302,200		-	302,200	-	Insufficient Funds to Pay
3. Corporate Transfers	145,600		-	145,600	-	Insufficient Funds to Pay
4. Deja Solutions	180,000		-	180,000	-	Insufficient Funds to Pay
5. Deja Solutions	100,000		-	100,000	-	Insufficient Funds to Pay
6. Denpah Investments	351,900		-	351,900	-	Insufficient Funds to Pay
7. Designer General Supplies	145,000		-	145,000	-	Insufficient Funds to Pay
8. Gordian Auto Supply Services	74,000		-	74,000	-	Insufficient Funds to Pay
9. Honeywell Limited	71,570		-	71,570	-	Insufficient Funds to Pay
10. Julychep Ventures	26,000		-	26,000	-	Insufficient Funds to Pay
11. Kawangoh Logistics	100,000		-	100,000	-	Insufficient Funds to Pay
12. Kenya Power and Lighting	287,645		-	287,645	-	Insufficient Funds to Pay
13. Kwambiu Investment	193,500		-	193,500	-	Insufficient Funds to Pay

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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)
	Disbursement to Foreign Missions	Affairs regarding retrieval of Expenditure Returns.		
1.4	Delayed Completion of Contract-Kenya Institute of Business Training(KIBT) Phase II	-The construction is not yet complete but its still work in progress -The water in the lower basement has been drained and directed to a channel that is expected to permanently drain the water	Not Resolved	30 th June, 2023


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Name: Amb. Johnson Mwangi Weru, CBS
Principal Secretary


.....

Name: Milly Eve Akoth
Head of Accounting Unit
ICPAK M/No: 20112

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Annex 1 - Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
Supply of goods	A	B	C	d=a-c		
1. Bizsense Enterprises	100,000		-	100,000	-	Insufficient Funds to Pay
2. Colourcid Supplies	302,200		-	302,200	-	Insufficient Funds to Pay
3. Corporate Transfers	145,600		-	145,600	-	Insufficient Funds to Pay
4. Deja Solutions	180,000		-	180,000	-	Insufficient Funds to Pay
5. Deja Solutions	100,000		-	100,000	-	Insufficient Funds to Pay
6. Denpah Investments	351,900		-	351,900	-	Insufficient Funds to Pay
7. Designer General Supplies	145,000		-	145,000	-	Insufficient Funds to Pay
8. Gordian Auto Supply Services	74,000		-	74,000	-	Insufficient Funds to Pay
9. Honeywell Limited	71,570		-	71,570	-	Insufficient Funds to Pay
10. Julychep Ventures	26,000		-	26,000	-	Insufficient Funds to Pay
11. Kawangoh Logistics	100,000		-	100,000	-	Insufficient Funds to Pay
12. Kenya Power and Lighting	287,645		-	287,645	-	Insufficient Funds to Pay
13. Kwambiu Investment	193,500		-	193,500	-	Insufficient Funds to Pay

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
14. Lavic Solutions Ltd	69,000		-	69,000	-	Insufficient Funds to Pay
15. M/S Eimarks Enterprises	1,946,500		-	1,946,500	-	Insufficient Funds to Pay
16. M/S Eimarks Enterprises	1,062,250		-	1,062,250	-	Insufficient Funds to Pay
17. M/s Haddamac Technologies	144,500		-	144,500	-	Insufficient Funds to Pay
18. M/s Haddamac Technologies	151,800		-	151,800	-	Insufficient Funds to Pay
19. M/S Haidel Ventures	50,000		-	50,000	-	Insufficient Funds to Pay
20. M/S Hilom General Supplies	1,283,368		-	1,283,368	-	Insufficient Funds to Pay
21. M/S Maars Technologies Ltd	339,800		-	339,800	-	Insufficient Funds to Pay
22. Malka Channa Enterprises	124,550		-	124,550	-	Insufficient Funds to Pay
23. Minders Touch Investments	110,000		-	110,000	-	Insufficient Funds to Pay
24. MS Elicom Enterprises	1,285,500		-	1,285,500	-	Insufficient Funds to Pay
25. Rinard Enterprises	50,000		-	50,000	-	Insufficient Funds to Pay
26. Rinard Enterprises	49,500		-	49,500	-	Insufficient Funds to Pay
27. Snapcrowd General Supplies	270,000		-	270,000	-	Insufficient Funds to Pay
28. Spash General Merchants	62,500		-	62,500	-	Insufficient Funds to Pay
29. Standard Group	203,232		-	203,232	-	Insufficient Funds to Pay
30. Suministros Services	236,500		-	236,500	-	Insufficient Funds to Pay
31. Tenrique Investment	399,000		-	399,000	-	Insufficient Funds to Pay

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
32. Third Option Logistics	56,000		-	56,000	-	Insufficient Funds to Pay
33. Trackim General Supplies	244,700		-	244,700	-	Insufficient Funds to Pay
34. Trojans General	84,000		-	84,000	-	Insufficient Funds to Pay
35. Wandus General Supplies	170,000		-	170,000	-	Insufficient Funds to Pay
36. Zeffer Investments	157,500		-	157,500	-	Insufficient Funds to Pay
Sub-Total	10,627,615			10,627,605		
Supply of services						
37. After 40	84,000		-	84,000	-	Insufficient Funds to Pay
38. Akarim Agencies	159,890		-	159,890	-	Insufficient Funds to Pay
39. Attic Tours & Travel	385,600		-	385,600	-	Insufficient Funds to Pay
40. Attic Tours & Travel	285,000		-	285,000	-	Insufficient Funds to Pay
41. Attic Tours & Travel	348,550		-	348,550	-	Insufficient Funds to Pay
42. Attic Tours & Travel	52,900		-	52,900	-	Insufficient Funds to Pay
43. Attic Tours & Travel	34,600		-	34,600	-	Insufficient Funds to Pay
44. Attic Tours & Travel	36,400		-	36,400	-	Insufficient Funds to Pay
45. Attic Tours & Travel	61,600		-	61,600	-	Insufficient Funds to Pay
46. Attic Tours & Travel	160,500		-	160,500	-	Insufficient Funds to Pay
47. Attic Tours & Travel	198,500		-	198,500	-	Insufficient Funds to Pay

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
48. Attic Tours & Travel	160,500		-	160,500	-	Insufficient Funds to Pay
49. Attic Tours & Travel	110,600		-	110,600	-	Insufficient Funds to Pay
50. Bella Safari LTD	144,540		-	144,540	-	Insufficient Funds to Pay
51. Burchs Resort Naivasha	787,500		-	787,500	-	Insufficient Funds to Pay
52. Crimson Tyres	73,200		-	73,200	-	Insufficient Funds to Pay
53. Crimson Tyres	49,300		-	49,300	-	Insufficient Funds to Pay
54. Crimson Tyres	73,080		-	73,080	-	Insufficient Funds to Pay
55. Crimson Tyres	79,428		-	79,428	-	Insufficient Funds to Pay
56. Crimson Tyres	67,280		-	67,280	-	Insufficient Funds to Pay
57. Crimson Tyres	97,440		-	97,440	-	Insufficient Funds to Pay
58. Crimson Tyres	185,459		-	185,459	-	Insufficient Funds to Pay
59. Crimson Tyres	76,999		-	76,99	-	Insufficient Funds to Pay
60. Darop LTD	955,000		-	955,000	-	Insufficient Funds to Pay
61. Decesa Hotel	18,000		-	18,000	-	Insufficient Funds to Pay
62. Decesa Hotel	126,000		-	126,000	-	Insufficient Funds to Pay
63. Empire Digital	1,956,502		-	1,956,502	-	Insufficient Funds to Pay
64. Globus Tours & Travel	500,000		-	500,000	-	Insufficient Funds to Pay
65. Gordian Auto Supply Services	100,940		-	100,940	-	Insufficient Funds to Pay

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
66. Government Advertising Agency (GAA)	366,558		-	366,558	-	Insufficient Funds to Pay
67. Government Advertising Agency (GAA)	366,558		-	366,558	-	Insufficient Funds to Pay
68. Government Advertising Agency (GAA)	150,000		-	150,000	-	Insufficient Funds to Pay
69. Government Advertising Agency (GAA)	150,000		-	150,000	-	Insufficient Funds to Pay
70. Government Advertising Agency (GAA)	215,000		-	215,000	-	Insufficient Funds to Pay
71. Government Press	267,200		-	267,200	-	Insufficient Funds to Pay
72. ICPAK	140,000		-	140,000	-	Insufficient Funds to Pay
73. IHRM	33,000		-	33,000	-	Insufficient Funds to Pay
74. KRA	205,485		-	205,485	-	Insufficient Funds to Pay
75. Kenya Bureau of Standards	69,600		-	69,600	-	Insufficient Funds to Pay
76. Kenya School of Government	78,880		-	78,880	-	Insufficient Funds to Pay
77. Kenya School of Government	92,220		-	92,220	-	Insufficient Funds to Pay
78. Kenya School of Government	78,880		-	78,880	-	Insufficient Funds to Pay
79. Kenya School of Government	55,700		-	55,700	-	Insufficient Funds to Pay
80. Kyaka Hotel	217,600		-	217,600	-	Insufficient Funds to Pay
81. Lake Naivasha Resort	189,000		-	189,000	-	Insufficient Funds to Pay
82. Lake Naivasha Simba Lodge	770,000		-	770,000	-	Insufficient Funds to Pay
83. Lavington Security	234,000		-	234,000	-	Insufficient Funds to Pay

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
84. Lavington Security	156,000		-	156,000	-	Insufficient Funds to Pay
85. Lavington Security	486,000		-	486,000	-	Insufficient Funds to Pay
86. Lavington Security	195,000		-	195,000	-	Insufficient Funds to Pay
87. Lavington Security	468,000		-	468,000	-	Insufficient Funds to Pay
88. Lavington Security	117,400		-	117,400	-	Insufficient Funds to Pay
89. Lavington Security	780,000		-	780,000	-	Insufficient Funds to Pay
90. Libken Agencies Company	329,085		-	329,085	-	Insufficient Funds to Pay
91. Libken Agencies Company	31,850		-	31,850	-	Insufficient Funds to Pay
92. Lords Town Travel Group	185,136		-	185,136	-	Insufficient Funds to Pay
93. M/S Himleys	1,945,000		-	1,945,000	-	Insufficient Funds to Pay
94. M/S Pago Airways Travel	48,280		-	48,280	-	Insufficient Funds to Pay
95. M/S Sane Solutions Ltd	4,852,942		-	4,852,942	-	Insufficient Funds to Pay
96. Maanzoni Lodge Ltd	73,500		-	73,500	-	Insufficient Funds to Pay
97. Nairobi Serena	1,064,820		-	1,064,820	-	Insufficient Funds to Pay
98. Nation Media Group	142,000		-	142,000	-	Insufficient Funds to Pay
99. Nation Media Group	300,000		-	300,000	-	Insufficient Funds to Pay
100. Nys Mechanical & Transport Branch	213,600		-	213,600	-	Insufficient Funds to Pay
101. Pago Airways Travel	33,255		-	33,255	-	Insufficient Funds to Pay

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
102. Pago Airways Travel	33,255		-	33,255	-	Insufficient Funds to Pay
103. Pago Airways Travel	69,800		-	69,800	-	Insufficient Funds to Pay
104. Pago Airways Travel	350,555		-	350,555	-	Insufficient Funds to Pay
105. Pago Airways Travel	254,360		-	254,360	-	Insufficient Funds to Pay
106. Pago Airways Travel	81,965		-	81,965	-	Insufficient Funds to Pay
107. Pago Airways Travel	145,420		-	145,420	-	Insufficient Funds to Pay
108. Pago Airways Travel	48,280		-	48,280	-	Insufficient Funds to Pay
109. Pago Airways Travel	89,985		-	89,985	-	Insufficient Funds to Pay
110. Pago Airways Travel	243,400		-	243,400	-	Insufficient Funds to Pay
111. Pago Airways Travel	33,275		-	33,275	-	Insufficient Funds to Pay
112. Public Service Club	175,000		-	175,000	-	Insufficient Funds to Pay
113. Roselyne V. Amandi	900,000		-	900,000	-	Insufficient Funds to Pay
114. Samton General Services	76,240		-	76,240	-	Insufficient Funds to Pay
115. Sarova Hotels Ltd	96,000		-	96,000	-	Insufficient Funds to Pay
116. Sarova Panafic	105,000		-	105,000	-	Insufficient Funds to Pay
117. Spriles Enterprises	704,169		-	704,169	-	Insufficient Funds to Pay
118. Spriles Enterprises	49,120		-	49,120	-	Insufficient Funds to Pay
119. Spriles Enterprises	146,400		-	146,400	-	Insufficient Funds to Pay

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
120. State Department for Public Service	221,614		-	221,614	-	Insufficient Funds to Pay
121. State Department for Public Service	221,916		-	221,916	-	Insufficient Funds to Pay
122. The Kyaka Hotel Ltd	217,600		-	217,600	-	Insufficient Funds to Pay
123. Tin Tin Restaurant	200,000		-	200,000	-	Insufficient Funds to Pay
124. Tin Tin Restaurant	160,000		-	160,000	-	Insufficient Funds to Pay
125. Tin Tin Restaurant	217,000		-	217,000	-	Insufficient Funds to Pay
126. Tin Tin Restaurant	200,000		-	200,000	-	Insufficient Funds to Pay
127. Transapla Limited	65,000		-	65,000	-	Insufficient Funds to Pay
128. Vincense Investments Ltd	220,000		-	220,000	-	Insufficient Funds to Pay
129. Wandus General Supplies	28,360		-	28,360	-	Insufficient Funds to Pay
130. Sane Solutions LTD	343,396		-	343,396	-	Insufficient Funds to Pay
131. State Law Office & Department of Justice	3,165,399			3,165,399	-	Insufficient Funds to Pay
Sub-Total	31,333,368			31,333,368	-	
Grand Total	41,960,983			41,960,983		

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Annex 2 – Summary of Fixed Asset Register.

Asset class	Historical Cost b/f (Kshs) 2020/2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) 2021/22
Buildings and structures	284,300,938	52,233,444	-	-	336,534,382
Transport equipment	12,142,954	4,158,941	-	-	16,301,895
Office equipment, furniture and fittings	7,553,754	10,990,367	-	-	18,544,121
Total	303,997,646	67,382,752	-	-	371,380,398

NB: The State Department owns two pieces of land as follows:-

1. *Kenya Institute of Business Training Land At Parklands – L.R No.209/67/5*
2. *Weights And Measure Complex Land 7 Acres plot At South C along Popo Road –209/10474 Industrial Area Off Mombasa Road*

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Annex 3 – List of SCs, Sagas and Public Funds Under State Department for Trade and Enterprise Development

Ref	SC, SAGA or Public Fund's name	Principal activity of entity	Accounting Officer	Amount transferred during the year	Inter-entity reconciliations done? (yes/no)
1	Kenya Trade Remedies Agency (KETRA)	To investigate and evaluate allegations of dumping and subsidization of imported products to the country.	Mr. Samuel Chemisto	35,800,000	Yes
2	Anti-Counterfeit Agency	To enlighten and inform the public on matters relating to counterfeiting, combat trade and other delays in counterfeit goods.	Dr. Robi Mbugua King'a	340,500,000	Yes
3	Micro Small Enterprise Authority	To promote the development of competitive and sustainable Micro and Small Enterprises.	Henry Mwenda Ritha	2,624,900,000	Yes
4	Kenya Promotion and Branding Agency (KEPROBA)	To facilitate exporters and producers of export goods and services to overcome bottlenecks in order to achieve higher levels of export performance.	Dr. Wilfred Marube	674,100,000	Yes

MINISTRY OF INDUSTRIALIZATION, TRADE AND ENTERPRISE DEVELOPMENT

State Department for Trade and Enterprise Development

Annual Report and Financial Statements

For the year ended 30th June 2022

Annex 4- Reports Generated from IFMIS

The following financial reports generated from IFMIS should be attached as appendices to these financial statements.

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

Annex 5- Other Disclosures

- i. Appendix 1- Confirmation of SAGAs Disbursement
- ii. Appendix 2-Board of Survey Report
- iii. Appendix 3-Copies of Bank Statements Extracts
- iv. Appendix 4-Copies of Cash Book Extracts
- v. Appendix 5-Copies of Bank Certificates
- vi. Appendix 6-Foreign Mission Analysis
- vii. Appendix 7-Deposit Analysis
- viii. Fixed Asset register