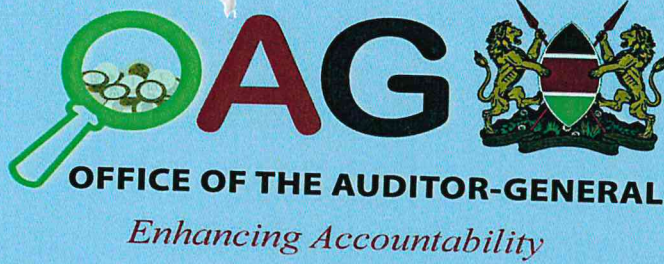


REPUBLIC OF KENYA



**REPORT**


**OF**

**THE AUDITOR-GENERAL**

**ON**

**TOURISM REGULATORY AUTHORITY**

**FOR THE YEAR ENDED**  
**30 JUNE, 2019**

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 02 FEB 2022	DAY: Wed
TABLED BY:	LDM
CLERK-AT THE-TABLE:	Perpetual Karany









*~ Championing Quality and Excellence ~*

**ANNUAL REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDING  
JUNE 30, 2019**

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



*Tourism Regulatory Authority*  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2019**

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## **KEY ENTITY INFORMATION AND MANAGEMENT**

### **(a) Background information**

Tourism Regulatory Authority (TRA) is a State Corporation established under the Tourism Act 2012 under section 4 as a body Corporate to be administered and managed by a Board. The entity is domiciled in Kenya with Headquarters in Nairobi at Utalii House, 5<sup>th</sup> Floor and has six regional offices at Kisumu, Eldoret, Nakuru, Nyeri, Mombasa and Malindi. Although the Authority was operationalised in April 2014 it gained its Financial and Operational independence in September, 2016.

### **(b) Principal Activities**

The principal Activity of the Tourism Regulatory Authority is to regulate the tourism sector in Kenya including all the activities and services listed under the Ninth schedule of the Tourism Act. No. 28 of 2011

#### **Vision**

A centre of Tourism Regulatory excellence.

#### **Mission Statement**

To develop and promote a conducive regulatory environment for a dynamic competitive and sustainable tourism sector.

#### **Values**

- Integrity
- Collaboration
- Team work
- Professionalism
- Innovation

#### **Mandate**

The mandate of Tourism Regulatory Authority as set out in the Tourism Act No. 28 of 2011 is to regulate the tourism sector in Kenya. This mandate entails the following functions as prescribed under section 7 (1) of the Tourism Act: -

- a) Formulate guidelines and prescribe measures for sustainable tourism throughout the country;
- b) Regulate tourism activities and services countrywide;
- c) Register, license and grade all tourism related activities and services
- d) Develop and implement criteria for classification and standardization of tourism facilities and services;
- e) Develop and regulate tourism and hospitality curriculum, examination and certification in collaboration with the Ministry of Education;
- f) Develop and implement the code of practice for the tourism sector;
- g) Deleted;
- h) Deleted;



**Tourism Regulatory Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2019**

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- i) Monitor and assess tourist activities to ensure conformity to sound principles of sustainable tourism;
- j) Undertake annual assessment and audit of tourism activities and services and prepare annual tourism sector status report in consultation with the Cabinet Secretary and other lead agencies;
- k) Perform any other functions ancillary to the object and purpose of which the Authority is established.

\*g & h were removed in December 2018 through the Miscellaneous Amendments.

**(c) Key Management**

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

- Board of Directors
- Accounting officer/ Director General
- Management

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Director General	Mr. Kipkorir Lagat
2.	Director Compliance & Trade Facilitation	Mr. Moses Lesaibile
3.	Director Standards & Quality Assurance	Mr. Fredrick Jack Omondi
4.	Manager Corporate Support Services	Mr. Ernest Sila Mathuva
5.	Manager Finance & Accounts	Ms. Nkatha Mugambi
6.	Manager Human Resource	Ms. Lucy Serem
7.	Legal Officer	Ms. Sein Leitoro
8.	Chief Supply Chain Management Officer	Mr. Samson Ogwel
9.	Chief Audit & Risk Management Officer	Mr. Jeff Mutie Mutiso

**(e) Fiduciary Oversight Arrangements**

The Authority fiduciary arrangements are as outlined below;

- **Fiduciary duty of Good Faith and Fair dealing**  
 This requires the officers to deal with honesty good faith & fairness when handling the Authority obligations in their daily tasks of operations.
- **Fiduciary Duty of Disclosure**  
 This requires the officers to disclose any potential conflict of interest that may arise between their individual interest and those of the Authority.



- **Fiduciary Duty of Loyalty**

It involves putting the welfare and best interest of the Authority above their own personal or other business interest. The officers are not expected to secretly divert or take advantage of the Authority business opportunities for their own personal benefit.

- **Fiduciary Duty of Care.**

This requires use of appropriate care and diligence when acting on behalf of the Authority. One is required to exercise reasonable prudence in carrying out their duties to achieve the best interest of the Entity. Managers are to be held personally liable for failing to exercise reasonable or ordinary care under the circumstances.

- **Fiduciary responsibilities include;**

- Adhering to the Corporations established and approved policies and guidelines.
- Maintaining Stringent Internal control while performing their duties.
- Ensuring compliance with applicable Laws and Regulations.

**(f) Entity Headquarters**

Utalii House, 5<sup>th</sup> Floor,  
Utalii Lane,  
P.O BOX 25357 – 00100  
Nairobi, Kenya.

**(g) Entity Contacts**

Telephone: +254 701 444 777  
E-Mail: [dg@tourismauthority.go.ke](mailto:dg@tourismauthority.go.ke)  
Website: [www.tourismauthority.go.ke](http://www.tourismauthority.go.ke)

**(h) Entity Bankers**

1. Kenya Commercial Bank of Kenya  
University Way Branch  
P.O BOX 48400 - 00100  
Nairobi, Kenya.
2. Co-operative Bank of Kenya  
University Way Branch  
P.O BOX 48321 - 00100  
Nairobi, Kenya

**KEY ENTITY INFORMATION AND MANAGEMENT (Continued)**

**(i) Independent Auditors**

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

**(j) Principal Legal Adviser**

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



## **THE BOARD OF DIRECTORS**

\*The Independent board of Directors term expired on 2<sup>nd</sup> October, 2018 and the Authority is yet to have new appointees to the board and has been operating under the guidance of the Chairman and the parent Ministry.



**Mr. Sammy N.  
Ngumbao  
Board Chairman**

Mr. Sammy Nyule Ngumbao holds Bachelor of Education (Arts) from Moi University. He is an outstanding Public Manager with excellent skills in communication, IT and sensitive to integrity at all times. The Chairman is an accomplished Public Administrator who underwent harsh challenges to successfully preside over volatile land matters in key land-sensitive regions of Kenya as a Provincial Administrator. Mr. Nyule is a competent Consultant and a mentor, tenacious in organizational skills,

events organization, conflict resolution and public presentations.

Mr. Nyule is a Member of Kenya Institute of Management and trained in Corporate Governance (Kenya Institute of Management), Mwongozo Code of Corporate Governance (State Corporations Advisory Committee), Advanced Public Administration (Kenya School of Government) and Leadership Endurance Course (Mt Kenya School of Adventure). He is proficient in Government of Kenya systems, board operations and Corporate Governance under Mwongozo and State Corporations Act.

Before joining Tourism Regulatory Authority as its Founding Chairman where he spearheaded the smooth take off of the new regulator, Mr. Nyule also served Chairman of Board of Directors of Coast Water Services Board (2014).



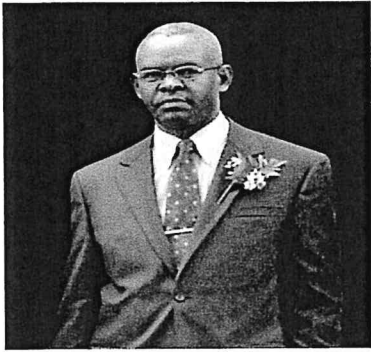
**Mr. Joe R. Okudo, CBS**  
**Principal Secretary**  
**Ministry of Tourism**

Mr. Joe R. Okudo has previously been the Principal Secretary for Sports responsible for Arts and Culture in Kenya. He also worked with the Danish Embassy in Kenya (DANIDA) from 2002-2014 where he held several senior positions in the Private and Industry sectors

The positions included: Business to Business programme Officer graduating to program coordinator between 2002-2010; Business Sector Programme Support, Manager, Team Leader of the Private Sector Development Support programme and Global Green Growth Forum(3GF) Co-ordinator- all between 2012-2015.

He was also responsible for DANIDA in the Business, Advocacy Fund and the Climate Innovation center. The Programmes looked at innovative ways of engaging progressive dialogue between Kenya Private Sector and GOK to improve the business environment. The other programmes addressed innovative ways that private sector could conduct business, while conserving the environment where they operate.

He was team leader of the Business Sector support programme and co-chair of the Private Sector Donor Co-ordinating Group in Kenya. He also sat in the Programme Investment Committee (PIC), the highest decision making organ within the Trade Mark East Africa group. He holds a bachelor of Arts degree from the University of Nairobi and a Master's degree in Business Administration (MBA) FROM Copenhagen Business School/Inorero University.



**Dr. Kamau Thugge, CBS**  
**Principal Secretary**  
**National Treasury**

Dr. Kamau Thugge is currently the Principal Secretary at the National Treasury. He has previously worked in the Ministry of Finance as head of Fiscal and Monetary Affairs Department, Economic Secretary and as Senior Economic Advisor.

Before joining the Ministry of Finance, he worked with the International Monetary Fund (IMF) as Economist, Senior Economist and Deputy Division Chief.

Dr. Thugge has played a major role in influencing the design of Kenya's current fiscal decentralization system and has coordinated the formulation of legislation for implementing devolution, including the Public Finance Management Act, 2012;

The Commission on Revenue Allocation Act, 2011; The Independent Officers (Appointment) Act, 2012; The County Government PFM Transition Act 2013; The County Allocation of Revenue Bill 2013; and, The Division of Revenue Bill 2013/2014.

Dr. Thugge is widely published and holds a Bachelor of Arts (Economics) degree from Colorado College, USA; Master's degree in Economics from John Hopkins University, USA; and a Doctor of Philosophy (PhD) degree in Economics also from John Hopkins University.





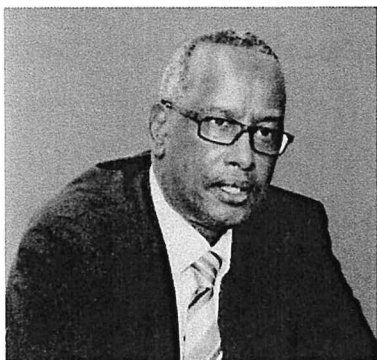
**Dr. Julius Muia, C.B.S**  
**Principal Secretary**  
**State Department of**  
**Planning and Statistics**

Before his appointment as PS Planning, he was the Director General, Vision 2030 Delivery Secretariat which operated under the Office of the President, Republic of Kenya to facilitate the implementation of Vision 2030. This is Kenya's long-term policy framework that is premised on making Kenya a globally competitive, rapidly industrializing and upper middle income economy by 2030.

Between April 2008 and October 2016, Dr. Muia served as the Secretary, National Economic and Social Council, Office of the President. This is a top advisory government think tank whose flagship project was formulating Vision 2030.

An alumnus of the University of Nairobi's School of Business, Dr. Julius Muia graduated with a First Class Honours Degree in Accounting; Masters Degree and PhD in Finance from the same university. His professional qualifications include: Certified Public Accountant (CPA-K); Certified Public Secretary (CPS-K), Associate Kenya Institute of Bankers; Associate Chartered Institute of Arbitrators; and Certified Coach.

Dr. Muia has over 25 years' experience in leadership in the private sector in Kenya and UK. He started his career as an auditor with PricewaterhouseCoopers in mid-1980's, and later worked as Head of Finance and Company Secretary in the hotel, manufacturing and banking sector. His other engagements include an adjunct faculty at Strathmore Business School; adviser on strategy and trainer on leadership.



**Dr. Ibrahim Mohamed, CBS**  
**Principal Secretary**  
**State Department of**  
**Environment**

Dr. Ibrahim M. Mohamed, CBS is a Public Health Physician with over 30 years' experience in the public sector, of which, 26 years were gained in the health Sector.

He was appointed by President Uhuru Kenyatta as the Principal Secretary, Ministry of Environment & Forestry on 1<sup>st</sup> March, 2019.

Prior to his current appointment, Dr. Ibrahim was the Principal Secretary for State department of Labour and Social Protection,

Ministry of Labour and Social Protection. Previously, he served as the Principal Secretary in the Ministries of Mining, Commerce and Tourism.

During his tenure in the Ministry of Mining, he spearheaded the formulation and operationalization of the Mining Act, 2016 and while in Commerce and Tourism, he headed the Taskforce on Tourism Recovery Strategy. The two policy documents are currently being implemented.

In 2014, Dr. Mohamed was awarded the African Leadership Award for Excellence in Promoting Tourism and Commerce and for his immense contribution to the Sectors.

Dr. Mohamed has a wealth of experience gained from a lengthy engagement in the Public Sector and working with the Development Partners and Non-Governmental Organizations.

Dr. Ibrahim holds a Bachelor of Medicine and Surgery Degree, and a Master's Degree in Public Health from Boston University. He also holds an Executive Master's Degree in Business Administration from the University of Copenhagen Business School in partnership with Inoorero University.

Dr. Ibrahim is a registered member of both Kenya Medical Association (KMA) and Kenya Medical Practitioners and Dentists Board (KMPDB).



**Ms. Joyce Nderitu**  
**Independent Board**  
**Member**

Ms. Joyce Nderitu holds a Bachelor of Commerce degree from the University of Nairobi. A former banker but now in private practice, she has attended several courses in leadership and governance.

She is a member of the audit and risk as well as the standards and quality assurance committees.



**Dr. Mordecai Ogada, PhD**  
**Independent Board**  
**Member**

Dr. Mordecai Ogada is a carnivore ecologist and obtained his PhD from Kenyatta University in 2007. He has been involved in conservation work for the last 15 years in Kenya and other parts of Africa, mainly on human-wildlife conflict mitigation (particularly the area of livestock depredation in rangelands). Dr. Ogada is a member of Kenya Wildlife Service Carnivore Management Committee and advises on carnivore conservation policy issues.

He is also an adjunct faculty member, teaching and supervising conservation students at Colorado State University. His interest in tourism industry has been from the perspective of environmental and social sustainability of the industry. Dr. Ogada's professional work has included research and teaching but has mainly been in the area of community-based conservation, wildlife policy and wetlands ecology. Dr. Ogada's current professional focus is conservation policy and developing synergies between development design and natural resource management, which he pursues through the Nanyuki-based consultancy firm Conservation Solutions Afrika. He chaired the Audit & Risk Management Committee of the Board of the Authority.





**Roselyn C. Ng'eny Lang'at**  
**(Mrs.)**  
**Independent Board**  
**Member**

Roselyn C. Ng'eny Lang'at (Mrs.) has previously served as an Assistant Manager in charge of Corporate Affairs Division at Telkom Kenya Ltd Company, both in the regional offices and at the headquarters. She has also worked as an Administrator in South Western College- Kericho (in collaboration with Kenyatta University). She holds a Bachelor of Arts (Administration) degree from Egerton University and is currently pursuing Master of Art in Gender, Women and Development

Studies at the same University.

Mrs. Lang'at has extensive experience in administrative management with particular focus on policy development, analysis and implementation and Human Resource matters. She has attended and participated in various trainings and seminars: Corporate Governance, Intensive Entrepreneurship Seminar by UNDP, Total Quality Management, among others. In service to community, she is the Vice Chair of Transformation Compassion Network (TCN) Kericho Chapter and served as a member of various schools boards including Alliance High School and Moi Girls Eldoret among others.

Mrs. Lang'at has served as Board Member of Kericho Water & Sewerage Company (KEWASCO) and she is currently General Assembly Member of Action Aid Kenya (AAK). She chaired the Finance & Administration Committee of the Board of the Authority.



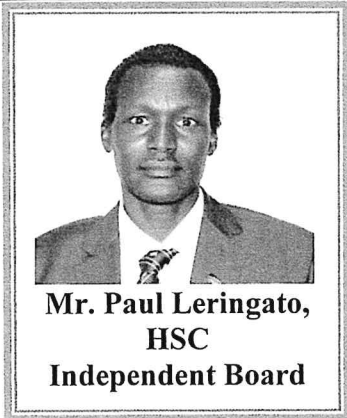
**Mr. Thomas L. Larenten**  
**Alternate Director to PS**  
**Ministry of Environment and**  
**Forestry**

Mr. Thomas Larenten Lelekoitien, born in 1974, is a Deputy Director of Climate Change Adaptation in the Ministry of Environment and Forestry with the mandate of coordinating climate change adaptation in the country.

Mr. Lelekoitien has a Master's degree in Environmental Management from Flinders University (Australia), BSc. in Natural Resource Management from Egerton University and a Diploma in Outdoor leadership skills from National Outdoor Leadership School,

Wyoming, USA. He is a hard-core conservationist with over 18 years in environmental conservation and climate change resilience. His experience spans both public service and non-state organizations. He has done private consultancies on environmental and natural resource management, lectured at Laikipia University and worked as a research assistant at Flinders University (Australia), School of the Environment. He is a sturdy advocate of community ecotourism that enhances both ecosystem and community resilience against vagaries of climate change and have supported the sustainable management of these community conservancies. Mr. Lelekoitien played an integral role in the development of the National Climate Change Action Plan 2018-2022 having coordinated the development of the adaptation technical analysis report which forms one of the key components of the action plan among other national climate change policies and plans.

Mr. Lelekoitien is the East Africa Community Focal point for the Ministry of Environment and Forestry and represents Ministry and country at the East Africa Community (EAC) Regional meetings. He participants in EAC Environment and Natural Resource Sectoral Council of Ministers, Lake Victoria Basin Commission Regional Policy Steering Committee and Sectoral Council of Ministers for Lake Victoria Basin. He also represents the country in the United Nations Framework Convention on Climate Change Conference of Parties and other climate change-related meetings.



Born in 1968, Leringato is from Samburu County. He holds a B.Ed from Moi University, Eldoret and MSc in Conservation and Tourism from Kent University, Canterbury.

Mr. Leringato is certified professional and manager with extensive trainings in governance and management both locally and abroad including MDF Training in Netherlands, Kenya Institute of

Management (KIM), Centre for Governance among others and a Member of Institute of Directors of Kenya.

Paul has over 20 years of extensive work experience in community based conservation and development, having worked at a senior management level with multiple conservation stakeholders.

Due to his enormous contributions in local development, Paul was awarded Head of State Commendation (HSC) and recognized by Transform Kenya Award as the Tourism Award Winner in 2014. He joined Tourism Regulatory Authority as Director in 2015. During the period, Paul gained experience serving as member to various boards including KWS Game Bird Management Committee, schools' boards and recently as chair of Action Aid International Kenya Board.



**(Mrs.) Margaret M. Byama**  
**HSC,**  
**Alternate Director to PS**  
**Ministry of Tourism**

Mrs. Margaret M Byama holds a Bachelor of Arts Degree from University of Nairobi and a Certificate in Public Financial Management from Manchester University. She is the Chief Finance Officer in the Ministry of Tourism and Wildlife with over 24 years' wealth of experience in public financial management.

Mrs. Margaret M Byama was a Director of the Board of Centum Investment Company Limited for seven years and its subsidiaries since January 2009, Alternate Director to the Bomas of Kenya Board, Chairperson of the Wildlife Clubs of Kenya and was the first Chief Executive Officer of the



National Humanitarian Fund for IDP's in 2008.



**Mr. Augustine B. Miller Oundo**  
**Alternate Director to PS**  
**Ministry of Tourism**

**Mr. Augustine B. Miller Oundo** holds a Masters of Business Administration (MBA-Strategic Management option ) from the University of Nairobi. He also holds a Post-Graduate Diploma in Marketing Management from Kenya Institute of Management and a Bachelors degree in Tourism Management from Makerere University, Uganda.

He is a Senior Tourism Officer & Liaison Officer in the Cabinet Secretary's Office in the

Ministry of Tourism & Wildlife with over 13 years work experience from both the private sector and public sector. Mr. Augustine B.M Oundo was the Business Development Manager at Training & Consulting Associates Limited and a Marketing & Reservation Manager at Karen Guest House before joining the government in 2009 where he was posted to Lamu as a Deputy District Tourism Officer tasked with regulation of tourism services in Lamu. He also worked as an Assistant Lecturer at Technical University of Kenya(Part time), at Hilton Nairobi, Canon Insurance Limited as a Unit Manager and Barclays Bank of Kenya as a Prestige Customer Advisor. Mr. Augustine B.M Oundo joined the Board of Tourism Regulatory Authority in August, 2018 as an Alternate Director to the Principal Secretary, State Department of Tourism.



**Mr. Jamshed A. Abubakar**  
**Alternate Director to PS State**  
**Department of Planning and**  
**Statistics**

Mr Jamshed Ali Abubakar is the Alternate Director to PS State Department of Planning and Statistics. He serves as a Chief Economist and Head Macro Economic Planning Division in the State Department of Planning, Ministry of Devolution and Planning. He holds a Bachelor of Arts Degree (Economics and Government) from University of Nairobi, Diploma Certificate in Economics and Statistics from University of Colorado at Boulder (USA), Masters in Development Economics from Williams

College (Massachusetts USA) and Diploma Certificate in Regional Development Kushiro Public University of Economics (Hokkaido, Japan). He has been involved in research/publications with various research institutions including: World Institute of Development Economics Research (WIDER), United Nations Conference on Trade and Development (UNCTAD), Harvard Institute for International Development (HIID) and African Economic Research Consortium (AERC)

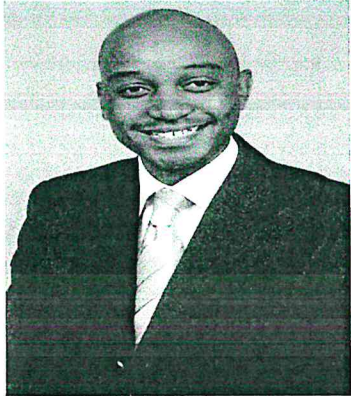


**Ms. Caroline Akinyi**  
**Bello**  
**Independent Board**  
**Member**

Ms. Caroline Bello is a seasoned community development practitioner with a specialized leaning to mainstreaming gender in development processes both in the public and private sector. She has previously served as the In-Country Representative of the American Jewish World Service and as Gender Specialist working with CARE International, MEDA, Child Fund, Techno serve Inc, amongst other International development agencies. She holds a Bachelor's degree in Education from Egerton University and has further training in Enterprise Development, Microfinance, Governance

and Conflict Management from New Hampshire University, Marquette University

(Milwaukee), and the Les Aspin Centre of Governance, Washington D.C. respectively. She is a contributor to national policies on gender and girl child protection. She is founder and trustee of SWIPE Kenya where she is furthering the growth of sustainable and profitable enterprises for women and young entrepreneurs. She chaired the Standards & Quality Assurance Committee of the Board of the Authority.



**Mr. Mike Macharia**  
**Independent Board**  
**Member**

Mr. Macharia is a professional in the hospitality industry with over 20 years' experience having held various positions in the Kenyan Hospitality Industry including the Hilton, Sarova, as well as serving as General Manager of the prestigious Windsor Golf Hotel & Country Club. A former Chairman of Nairobi Water Company, he is currently the Chief Executive Officer of the Kenya Association of Hotelkeepers and Caterers and sits on various boards including the Federation of Kenya Employers (FKE), Clique Ltd. and Tourism Regulatory Authority (TRA) among others.

Macharia is the holder of a BSc. in Tourism including other professional qualifications attained over the years. These include certificates in corporate governance and marketing. He is also recently enrolled for a degree in law at the London University. At a personal level, Macharia is involved in several community development initiatives that include supporting the sick and less fortunate such as the Nairobi and Coast Hospice, the Society for the Blind, Starehe Girls and the Kianda Foundation. He chaired the Licensing & Tourism Support Service Committee of the Board of the Authority.





**Ms. Naomi Matheri,  
Alternate Director to CS  
The National Treasury**

Ms. Naomi Matheri is the Alternate Director to the CS National Treasury. She holds a Master of Arts (in Economics) from the University of Nairobi and Bachelor of Science (Statistics) from Moi University.

She has wide experience in macro-economic and fiscal management, working in these areas for over 10 years now and serving as an Assistant Director in the National Treasury. She has had professional trainings from international training institutes including International Monetary Fund (IMF), Macro Economic and Financial Management Institute

(MEFMI), and university of Pretoria on areas including: fiscal risks, macroeconomic forecasting, macroeconomic management, financial programming, extractive industries fiscal modelling, macroeconomic diagnostics and fiscal decentralization. She has also attended management and governance courses and workshops.



**Mr. Kipkorir Lagat  
Director General &  
Secretary to the Board**

Mr. Lagat previously served as the Director of Tourism at the Ministry of Tourism, Kenya. Mr. Lagat holds MSc. in International Marketing from the University of Strathclyde, Glasgow, Scotland. He also holds an MBA and Bachelors of Commerce from the University of Nairobi. He has done postgraduate training in the Environmental Management in Moi University and the University of Strathclyde. Prior to joining the Civil Service in 2003, he was a Lecturer in Business Management and Marketing, Technology and

Management Studies Department (now School of Business and Economics), Moi University. He has extensive experience in policy development, analysis and implementation, with particular focus to tourism and wildlife conservation and management mainly in Kenya and within East African Community.



**MANAGEMENT TEAM**



Mr. Kipkorir Lagat  
**Director General**

The Director General is responsible for the day to day operations of the affairs of the Authority. Key responsibilities of the Director General include:

- a) Interpretation and implementation of the decisions of the Board of Directors;
- b) Overseeing the formulation and implementation of appropriate policies and procedures within the Authority;
- c) Providing a link between the Board and Staff;
- d) Organizational leadership and supervision in order to achieve the Authority's goals;
- e) Providing leadership in integrity assurance in order to achieve good corporate governance;
- f) Ensuring that human resource matters for the Authority are dealt with appropriately;
- g) Authority's financial management;
- h) Promoting positive image of the Authority.



Mr. Moses L. Lesaibile  
**Director,**  
**Compliance and Trade**  
**Facilitation**

The Director Compliance and Trade Facilitation is responsible for:-

- a) Foresee registration, licensing, quality audits and in compliance with the Tourism Act Of 2011 and the Tourism Regulatory Authority Regulations 2014;
- b) coordination of Regional/Filed offices;
- c) processing recommendations for custom duty exemptions for the tourism sector;
- d) formulating incentives for improving standards and quality of service in liaison with other lead agencies;
- e) Oversee development of the Annual Tourism Sector Status report;
- f) Conduct research that guides the development of Tourism Policies in order to provide conducive business environment for the sector and inventory assessment and audits for tourism activities and services.



**Mr. Fredrick J. Omondi**  
**Director, Standards &**  
**Quality Assurance**

The Director department is responsible for:-

- a) Develop and review tourism industry standards, guidelines, codes of practice, and quality audit criteria;
- b) Prepare and manage the Standards and Quality Assurance budget;
- c) Monitor, evaluate and review the impact of Tourism standards on service delivery;
- d) classification and grading of tourism facilities and services;
- e) training and accreditation of classification assessors;
- f) quality audits of the tourism sector establishments;
- g) implementation of national certification programmes and accreditation schemes;
- h) Establish, implement and review the tourism sector workforce occupational standards.



**Mr. Mathuva Ernest Sila**  
**Manager,**  
**Corporate Services**

The Manager has been performing duties of the Director Corporate Services responsible for supervision of the following functions:-

- a) Finance and Accounts;
- b) Supply Chain Management;
- c) Corporate Communication;
- d) Corporate Strategy, planning & Liaison;
- e) Information Communication Technologies;
- f) Human Capital; and
- g) Transport



**Ms. Nkatha Mugambi**  
**Manager,**  
**Finance & Accounts**

In Charge of Finance and Accounting function of the Authority. She is responsible for:-

- a) Coordinating preparation of budgets;
- b) Ensuring compliance with financing conditions and ensuring timely payments;
- c) Preparing cash flow forecasts, scenario analysis and risk assessments.
- d) Ensuring expenditure controls and payments;
- e) Maintaining an up to date books of accounts;
- f) Preparing all financial reconciliations;
- g) Preparing management and statutory reports including final accounts;

	<p>The Manager is in charge of Human Resource and is responsible for:</p> <ul style="list-style-type: none"> <li>a) Development and implementation of the Human resource policies and procedures;</li> <li>b) Overseeing the processes of selection, recruitment, induction, placement and discipline of staff in the organization;</li> <li>c) Administration of staff remuneration;</li> <li>d) Handling industrial relations disputes and ensuring compliance with labour law and regulations;</li> <li>e) Overseeing employee welfare issues;</li> <li>f) Planning and directing human resource development, coaching, performance appraisals and career development processes and programmes;</li> <li>g) Enforcing safety and security procedures.</li> </ul>
<p>Ms. Lucy Serem  <b>Manager Human Resource</b></p>	<p>The Officer has been performing the duties of Legal Affairs Division and has been responsible for:-</p> <ul style="list-style-type: none"> <li>a) Providing legal advice and ensuring the Authority operates within the Law;</li> <li>b) Monitoring and reviews regulations governing the operations and ensures compliance with statutory requirements on a continuous basis;</li> <li>c) Assist in organizing Board Meetings, preparation of agenda and minutes of the Board Meetings and ensures their circulation;</li> <li>d) Ensuring safekeeping of confirmed and signed Minutes of Board Meetings;</li> <li>e) Providing advice on all contracts and agreements to be entered into between the Authority and other parties;</li> <li>f) Handling the Board's litigation functions in liaison with the State Law Office;</li> <li>g) Attending court as appropriate and ensures the Board obtains effective representation as necessary.</li> </ul>
	
<p>Carolyne Sein  <b>Legal Officer</b></p>	



## **CHAIRMAN'S STATEMENT**

The 2018/2019 FY financial statement covers a time when tourism continued to be one of the main economic activities in the country. The sector has continued to be an enabler since it's expected to assist the country achieve the Big 4 Development Plan. During the period, the sector demonstrated resilience and ability to play its right role in the national development agenda. The sector performance in 2018 saw substantial improvement compared to 2017 in tourism arrivals, domestic tourism performance and earnings. In 2018, the international tourist arrivals rose by 37.3% to approximately over 2.0 million from 1.4 million arrivals recorded in 2017. Similarly, tourism earnings increased by 32.2 % over 2017 to slightly over 157.3 billion while domestic bed nights rose by 9.0 % to approximately 3.9 bed nights. The trend continued during the second half of the financial year.

During the financial year, the Authority continued to execute its mandate through implementation of planned activities and programmes as per the work plan and strategic plan. The recruitment of additional staff towards the end of previous financial year assisted the Authority attain its targets in quality assurance inspections of tourist facilities to ensure high quality standards in tourist product and services; licensing of tourist enterprises; and mediation of complaints emanating from the industry among other compliance activities.

The Authority also continued with the management of minimum standards for regulated enterprises. In this regard, the Authority spearheaded the development of standards on prioritized areas as well as the code of practice. The standards developed were benchmarked with the international criteria and the best practices from stakeholder input. The implementation of the minimum standards for the sector will ensure the destination offers authentic and quality services delivery that will enrich the experience the both domestic and international tourists and ensure sustainable development of the sector.

To improve the reputation of the destination, assure tourists on the quality of services and facilities, increase customer satisfaction and give the destination a competitive advantage, the Authority continued to review the classification criteria for hotels and restaurants. Similarly, the Authority classified all establishments who sought new classification or reclassification of earlier classified establishments. The Authority is encouraged by the desire demonstrated by establishments to improve and seek reclassification and this will enhance the quality of services in the destination.

The Authority also spearheaded activities to assist investors put up quality establishments and/or improve on the existing ones through recommendation for



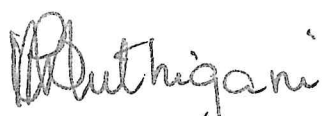
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duty waiver and custom duty exemptions to the Kenya Revenue Authority (KRA) in accordance with the EAC Custom Management Act 2004 and VAT exemption in accordance with the Finance Act 2017. During the period, the Authority prepared annual national tourism sector status report in line with section 7(1)(j) of the Tourism Act. The Authority also processed and recommended applications for work permits for the first half of the review period before the amendment of Tourism Act 2011 in December 2018 which effectively removed the role from the Authority's mandate.

One of the main achievements during the year was development of the Authority's Strategic Plan 2018 – 2022. This will be a key tool that will guide the Authority achieve its desired targets as per the mandate. The Authority's second Strategic plan was developed through extensive consultations of both internal and external stakeholders and aims at putting the Authority on the growth trajectory after successful implementation of first Strategic Plan that was geared towards operationalization. The strategic plan envisages the Authority playing a greater role in supporting the realization of Kenya's development goals. During the FY, the Authority developed and registered of the logo and the branding initiatives have commenced to publicize the Authority's identity. These major gains are however threatened by attempts to enact County Tourism Bill which would essentially devolve tourism regulation in the country. Hopefully, the need for national standards and inconsideration of cross county nature of tourism activities will prevail.

I wish to note and thank my colleagues in the Board whose term expired during the first quarter for their contribution. The Authority appreciates their input in the development of the strategies and programmes that have continued to assist the Authority achieve its mandate. I also wish to thank stakeholders for their support and congratulate TRA Management for steering the Authority even at a time when the Board was not fully constituted, and appreciate the Ministry of Tourism and Wildlife for their guidance and support.



**Pauline W. Muthigani**  
**CHAIRPERSON**

\*\*During the period under review, Mr. Sammy N. Ngumbao was the board chairman and his term of appointment ended on 16<sup>th</sup> October 2019. Ms. Pauline W. Muthigani was appointed as the new board chairperson vide Gazette Notice No. 9823 on the same date. (See Appendix II).

## **REPORT OF THE DIRECTOR GENERAL**

Tourism in Kenya has continued to increase despite some of the challenges facing the sector. This annual report covers a time when the sector was full of expectations after good performance in 2018. The good performance could be attributed to concerted efforts by all players, both public and private to ensure the destination continues to be competitive in the global arena.

During third year as independent agency, TRA continued to play its part and contribute to overall destination competitiveness through development and implementation of standards and quality assurance measures. During the FY, the Authority sustained its quality assurance efforts in all areas of the country. Coming at a time when the Authority had enhanced capacity after employment of additional staff towards the end of last FY, most of the targets set for the FY were achieved.

During the FY, the Authority's quality assurance/ inspection activities had a total of 6,985 establishments against a target of 6,500 were visited and inspected. The inspection identified various quality issues and the service providers were advised on improvements to ensure consistency service provision. The Authority also pursued compliance aspects of licensing and registration of additional establishments across the country which brought them to the national regulatory regime. This resulted to collection of Kshs. 200.9 million as license fees.

During the FY, the Authority also pursued activities towards standards development and quality assurance. To this end, draft Minimum standards and guidelines for Class A and B hospitality facilities and tours and travel operations; National Food Safety and hygiene guidelines and friendly user manuals; classification criteria review for town and vacation hotels and code of practice were developed. These standards and guidelines will ensure sanity in all operations and instil professionalism. The developed standards and guidelines were subjected to stakeholder consultations throughout the country in line with the constitutional requirements and also to ensure they capture best practices and industry aspirations, ownership and support of all stakeholders.

To enhance service delivery, the Authority continued to pursue the gains of the national classification exercise conducted previously by classifying new facilities as well reclassifying establishments after improvements on the initial assessment recommendations. For success of the activity, the Authority undertook sensitization in areas that were not covered in the earlier sensitization on classification and training of quality assurance champions. The sensitization trained 238 quality champions in three sensitization forums held in Mombasa,

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Nairobi and Kitale. A total of 62 establishments were audited for classification out of which 37 were star rated.

The Authority also received and processed applications for recommendation for custom duty waiver. A total of 137 applications were received from 91 establishments for items worth Kshs. 1,269.8 million and with approximate total exemption value of Kshs 253.9 million recommended to Kenya Revenue Authority for consideration. The Authority also supported the sector through recommendation of work permit applications to the Immigration Department for the first half of the review period. The 2018 Annual Tourism Status Report was finalized and forwarded the draft to the Cabinet Secretary for further guidance.

During the period, the TRA Strategic Plan, 2018-2022 was developed. The Strategic Plan seeks to leverage on co-regulatory framework for destination competitiveness and sustainability. The plan envisions creating a conducive regulatory environment to not only support growth of the tourism sector but also spur inclusive economic growth through the sector's forward and backward linkages with other sectors of the economy and multiplier effect. As such, the plan not only presents our roadmap for the five-year period but also an embodiment of our collective promise to all our stakeholders on the quality of service delivery they should expect from the Authority.

To improve work environment and service delivery, the Authority renovated Eldoret and Malindi Regional offices during the FY. The Authority also finalized and commissioned the finance module during the first phase of Enterprise Resource Planning (ERP) system. The Authority developed and updated a portal on tour operators and linked the same to NTSA system. The portal assists issuing of Tourist Service Vehicle and Driver Guide licenses. The second phase of ERP which has human resource, procurement, fleet management and online licensing among other technical activities was also started towards the end of the financial year. When completed, the ERP will greatly enhance efficiency in both internal activities as well as enhance service delivery activities.

During the period, the Authority revised and started implementation of the revised service charter. The service charter was translated to Kiswahili and Braille to reach out on many of the clients. The Authority also finalized the process of logo development including registration. During the FY, branding activities in line with the new corporate image commenced both at the headquarters and regional offices.

However, the period under review was faced with some challenges. These include increased litigation due to resistance of tourist enterprises to be regulated. To

address this, the Authority will be adopting regulation promotion initiatives in the next strategic period to ensure ease of compliance. The planned activities were also faced with delayed reimbursements of funds, delay in approvals and amendment of the Tourism Act. The revision of the budgets also affected funding for the authority including the national food safety programme. The Authority was however able to make the necessary adjustments and managed to achieve the desired results. The Authority's internal systems ensured appropriate financial managements within the Public Finance Management Act and other guidelines governing the management of public finances and international best practices. Because of some of the challenges mentioned above, the Authority was able to absorb 88% of the budgeted funds.

In 2019/2020 FY, the Authority intends to build on these gains and pursue initiatives that would make it possible to implement its mandate effectively and efficiently. After successful operationalization, the Authority will be on a trajectory growth with the main focus on initiatives that enhance the Authority's sustainability and regulatory interventions that boost destination competitiveness.

Finally, we wish to note that the Independent Board Members term ended in October 2018 and appreciate the first board of the Authority for their guidance which has seen the Authority fully operationalize. I also wish to appreciate and thank the Chairman for his guidance and support for the rest of review period despite the board not being fully constituted. I also wish to appreciate the Ministry of Tourism and Wildlife for their guidance and support. Lastly, I thank the Management team and staff for their dedication, hard work and contribution that saw the Authority achieve the set targets.



**Kipkorir Lagat**  
**DIRECTOR GENERAL**



## **CORPORATE GOVERNANCE STATEMENT**

The Tourism Regulatory Authority corporate governance standards are guided by the guidelines and governance principles as enshrined in various Government manuals and has adopted rules of conduct based on best practices. The Authority undertakes regular stakeholders' engagements in development of regulations and standards as well as to address other emerging issues. The Authority also has elaborate complaints management system which is designed to address stakeholder issues against the Authority as well as mediate issues between licensed enterprises.

The Authority is governed by a Board of the Authority. The Board's main objective is to give guidance on the management of the Authority towards achieving its targets. However, the Authority operated for three quarters without fully constituted Board as the term of the Independent Board members expired on 2<sup>nd</sup> October 2018. The Authority however had a Chairman who was consulted regularly and represented the Authority in key meetings. During the year under review, the board held two regular and one special board meetings. The board operated with four Board Committees in line with the Mwongozo Guidelines. The Committees of the board met a total of 10 times during the financial year distributed as follows: Finance and Administration Committee (3); Licensing Committee (2); Standards and Quality Assurance (2) and Audit Committee (3). In addition, the Board participated or were represented by Chairman in the following activities/ events:-

- Self-evaluation exercise of Board members on 2<sup>nd</sup>, 3<sup>rd</sup> and 8<sup>th</sup> August, 2018;
- Interviews for Director Standards and Quality Assurance and Director Compliance and Tourism Trade Facilitation held 23<sup>rd</sup> August 2018;
- Tour of the Authority's regional offices in two groups with one group visiting Nyeri, Nakuru, Kisumu and Eldoret and the other Mombasa and Malindi between 27<sup>th</sup> August and 6<sup>th</sup> September 2018;
- Stakeholder consultative forums on Class A & B minimum standards and Code of Practice held in Mombasa on 29<sup>th</sup> August 2018;
- Performance Contract Negotiations, 28<sup>th</sup> August, 2018;
- Signing of the Annual Report & Financial Statements for the FY 2017/2018, 27<sup>th</sup> September, 2018;
- Budget Defence, 29<sup>th</sup> August, 2018;
- National Dialogue Conference on Values & Principles, 18<sup>th</sup> December, 2018;
- Signing of the Performance Contract 2018/2019, 14<sup>th</sup> January, 2019;
- Signing of the Proposed Budget for the FY 2019/2020, 28<sup>th</sup> January, 2019;
- Closing of the Authority's Strategic plan 2018-2022 Workshop, 7<sup>th</sup> March, 2019;

- National Assembly Departmental Committee on Sports, Culture & Tourism Retreat on Budget Implementation, 3rd – 4th May, 2019;
- Authority’s Strategic plan (2018-2022) Stakeholder Validation Workshop, 6th May, 2019;
- Briefing on Amendments to the Tourism Act, 2011, 7th May, 2019;
- Signing of the Audited Financial Reports for the FY 2017/2018, 21st May, 2019;
- Briefing on the County Tourism Bill, 2019, 29th May, 2019;
- Briefing on the County Tourism Bill, 2019 Memoranda prepared by the Authority, 17th June, 2019;
- Public Hearing of County Tourism Bill 2019, 18th June, 2019.

### **Succession Plan**

Section 8(2) of the Tourism Act provides that the members of the Board of the Authority shall be appointed at different times so that the respective expiry dates of their terms of office shall fall at different times for ease of continuity. The Tourism Act under which the Board is constituted also provides for renewal of the term of the Board Members for one additional term of three (3) years. The Act gives the Cabinet Secretary Powers to appoint board members and/or replace a Board member when a vacancy occurs.

### **Process of Appointment and Removal of Board Members**

The Board members of the Authority are appointed or removed as per the provisions of section 8 and 10 of the Tourism Act. The Chairman is appointed by the President while the alternates of the Principal Secretaries must be appointed by the Principal Secretary represented in writing. The six non- public officer members are appointed by the Cabinet Secretary competitively taking into account regional balance and gender parity. Two are nominated by the registered tourism sector associations and four are persons who have expertise in tourism or tourism-related disciplines. The Chairman and the Independent Board members are appointed for a term not exceeding three years which can be renewed for a further term not exceeding three years.

On removal of members, the Act provides that members of the Board may resign from the office in writing to the appointing Authority; will automatically cease to be members after being absent from three consecutive meetings without sufficient cause; is unable to act as a member as may be determined by the Cabinet Secretary or upon death of a member.

### **Roles and Functions of the Board**

The functions of the Board of the Authority are as provided under section 9 of the Tourism Act and include:-

- Ensure the proper and effective performance of the functions of the Authority;
- Approve and ratify the policies of the Authority;
- Manage, control and administer the assets of the Authority in a manner and for purposes that promote the object and purpose of the Authority;
- Receive any gifts, grants, donations or endowments made to the Authority;
- Determine the provisions to be made for capital and recurrent expenditure, and for the reserves of the Authority;
- Open bank accounts for the funds of the Authority;
- Subject to the approval of the Minister for the time being responsible for matters relating to finance, invest any of the Authority funds not immediately required for the purposes of this Act, as it may determine;
- Determine and specify the terms and conditions for the appointment and emoluments of the personnel of the Authority;
- Co-operate with other organizations undertaking functions similar to its own, whether within or outside Kenya as it may consider appropriate and in furtherance of the object and purpose of the Authority;
- Provide for a staff superannuation scheme for the employees of the Authority; and
- Approve the borrowing of funds in consultation with the Minister for the time being responsible for matters relating to finance.

### **Induction and Training**

The Board Members of the Authority on appointment are inducted on the Authority mandate activities and key instruments used by the Authority. The Board members are also facilitated for training and induction on Mwongozo corporate governance provisions and also corporate governance. Other trainings are undertaken from time to time depending on governance or other skill gaps as may be determined by the Board.

### **Board and Members Performance**

The inaugural Board of the Authority performed well during their tenure of the office. This is determined by the annual Board evaluation undertaken after the end of each FY under supervision of State Corporation Advisory Committee (SCAC). However, no evaluation was undertaken in the year under review because the board was not fully constituted.

### **Conflict of Interest**

Section 11 of the Tourism Act and the Authority's Code of Conduct and Ethics signed by each Board member provides for disclosure of interest. A member of the Board of the Authority who has an interest in a matter for consideration by the Board of the Authority is expected to disclose the nature of that interest in writing and not participate in any deliberations of the Board of the Authority relating to

that matter. The section also provides that a member of the Board who fails to disclose interest shall cease being a member of the Board of the Authority.

**Board Remuneration**

The Board members are remunerated as guided by Government Guidelines and circulars from time to time. This is in line with section 9(3) of the Tourism Act that provides for members of the Board to paid allowances as determined by the Cabinet Secretary, in consultation with the Minister for the time being responsible for matters relating finance. For the year under review, it is only the Chairman who received monthly honorarium and airtime. Board members were paid sitting and other allowance as approved by the Cabinet Secretary.

**Ethics of Governance and other Governance Audit**

The Board members are governed by Chapter 6 of the Constitution on Integrity and the Code of Governance for State Corporations (Mwongozo). The Board members also signed the Authority's Code of Conduct and Ethics. The Governance Audit for this Financial Year has not been done as provided by Mwongozo for reasons that the Board was not fully constituted as aforementioned.



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Overview Performance**

During the 2018/2019 FY, the Authority implemented programmes in line with its strategic plan (2014-2018) and work plan that were aligned with the national tourism aspirations as envisaged in the Vision 2030 and Big 4 Agenda. Under the national agenda, Tourism is an enabler that is expected to support the nation attain the aspirations of the long-term development agenda. During the year under review, the Authority played its role to ensure that the destination offers quality and consistent service through effective and efficient regulation. In this regard, the Authority developed and implemented quality standards in the sector. The following is a summary of key performance areas:-

### **Management of Minimum Standards for regulated enterprises**

The Authority finalized the development of minimum standards guidelines for Class A and B hospitality facilities with stakeholder forums held across the country. The standards are now complete and will be implemented in 2019/20 FY. The implementation of the minimum standard will ensure that all hospitality establishments licensed by TRA meet certain minimum standards that ensure guest comfort and quality service provision.

The Authority also initiated development of minimum standards for tours and travel operation. The draft minimum standard has been exposed to stakeholder input and sets the minimum requirements to be licensed as tour operator in the country.

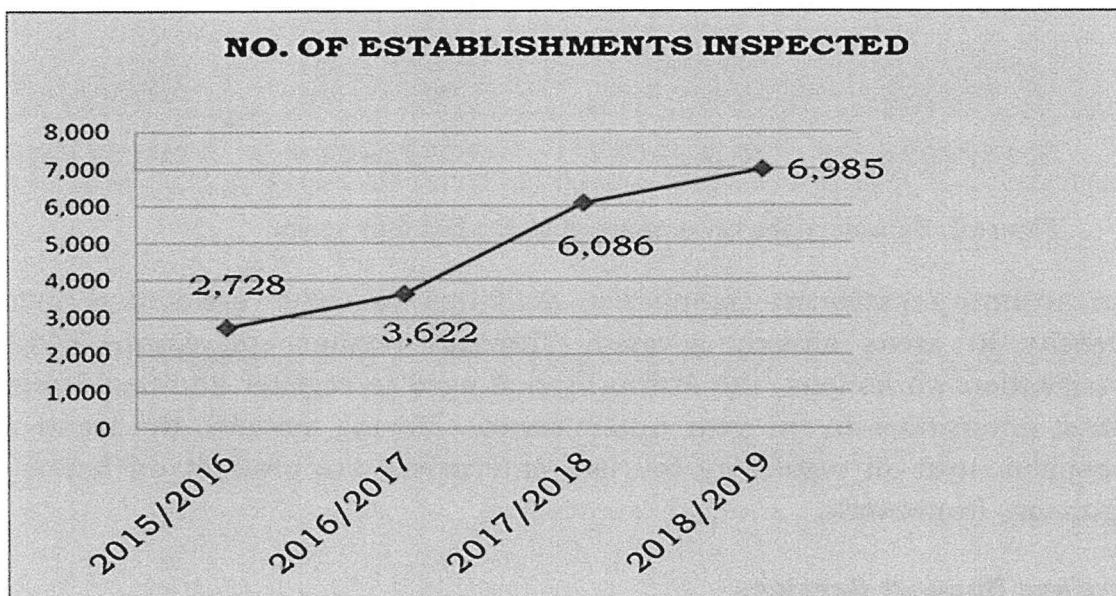
The development of National Food Safety and hygiene guideline and friendly user manuals was also initiated. Full implementation of the programme was however hampered by the unavailability of funds owing to the realignment of the National budget that saw the cancellation of the project funding.

The review of the classification criteria for initiated in 2017/18 FY continued during the period under review. During the period under review, the classification criteria for Town and Vacation hotels were finalized after stakeholder input.

The Authority pre-qualified 62 establishments located in different regions, in preparation for their assessment and subsequently classification. Thereafter the department assessed all establishments in Nairobi and environs, Coast, South and Central Rift. A total of 37 of the assessed establishments were star rated.

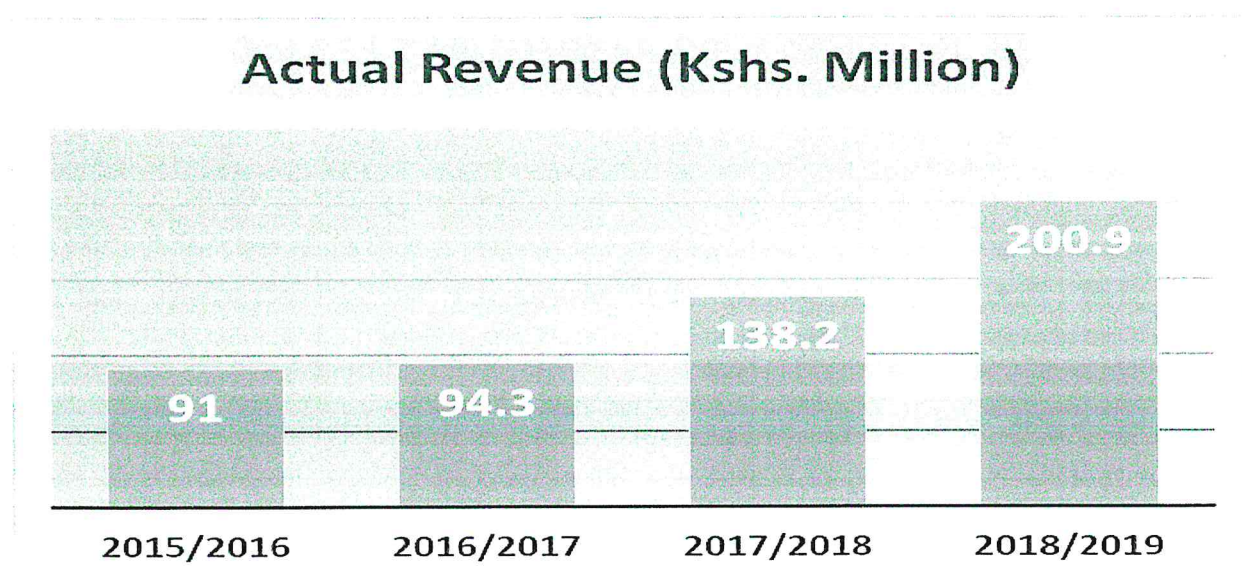
### **Compliance Activities**

The Authority has been achieving continuous expansion of compliance across the country. The year under review saw the quality assurance inspections raise countrywide from 6,086 establishments in 2017/18 to 6,985 establishments 2018/19. The figure:1 below summarizes the achievements in inspection activities undertaken by the Authority over the last four years.



**Figure 1: Summary of the achievements in inspection activities**

The Authority revenue collection from licence fees, arrears and penalties as well as classification fees has undergone tremendous improvements since the operationalization of the Authority. Figure: 2 below summarises the revenue trend in the last four years. The revenue rose from Kshs 138.2 million in 2017/18 FY to Kshs 200.9 in 2018/19 FY. This is important in the sustainability of the TRA financial base. As the Authority strives to reach out on all the regulated tourism enterprises, the revenue is expected to increase further. However, additional investment in compliance activities would be necessary to reach out on all regulated tourism enterprises in the country.



**Figure 2: Summary the revenue trend in the last four years.**

The Authority extended compliance activities to wider areas and increased intensity in areas already covered. Through regular compliance visits and sensitization workshops, the Authority managed to register additional regulated tourist enterprises in the year under review. Moving forward, the trend will be sustained until all regulatory tourism enterprises are brought on board of the regulatory framework.

### **Tourism Support Services**

The Authority had a mandate to recommend work permit application during first half of the review period before the amendment of Tourism Act in December 2018. During the period, the Authority received 176 applications out of which 87 were recommended, 67 rejected and 22 deferred pending further clarifications.

During the period under review, the Authority processed total of 137 applications from 91 establishments for recommendations for custom duty exemptions in accordance with the EAC Custom Management Act 2004, and VAT exemption in accordance with the Finance Act 2017. The total cost of items recommended for exemption during the FY 2018-19 was KShs. 1,269.8 million with an estimated value of exemption of KShs. 253.9. This was a remarkable increase in the value of goods recommended for exemption from KShs. 229.2 million in FY 2017-18. This can be attributed to increased sensitization and education of the stakeholders on the availability of the facility.

TRA is mandated to prepare an Annual Sector Status Report that will be tabled in the National Assembly by the Cabinet Secretary. The Authority constituted a



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No	Name	Position	Meetings Attendance FY 2018/2019
1.	Ms. Caroline Bello	Independent Director	2/2
2.	Mrs. Joyce M. Nderitu	Independent Director	2/2
3.	Dr. Modercai Ogada	Independent Director	2/2
4.	Margaret M. Byama (Mrs.), HSC	Alternate to PS, Tourism	1/2
5.	Mr. Jamshed Ali	Alternate to PS, Planning and Statistics	2/2
6.	Mr. Thomas L. Lerenten	Alternate to PS, Environment & Natural Resources	2/2

**iv) Licensing & Tourism Support Services Committee**

The Committee reviews and recommends policy guidelines on matters licensing and inspection of tourism enterprises, tourism sector incentives. It further reviews and recommends the Annual Tourism Sector Status Report to the Board for adoption and approval

No	Name	Position	Meetings Attendance FY 2018/2019
1.	Mr. Mike Macharia	Independent Director	2/2
2.	Mr. Paul Leringato, HSC	Independent Director	2/2
3.	Mrs. Roselyn C. Lang'at	Independent Director	2/2
4.	Margaret M. Byama (Mrs.), HSC	Alternate to PS, Tourism	1/2
5.	Mr. Thomas L. Lerenten	Alternate to PS, Environment & Natural Resources	2/2

During this period the Authority organized a board trip to the regional offices where board members met various stakeholders including county officials. Dr. Modercai Ogada, Mrs Roselyne Lang'at, Mr. Paul Leringato, Ms. Joyce Nderitu of the Finance & Administration Committee and the Audit & Risk Management Committee accompanied by the Chairman visited the Authority's Nyeri, Nakuru, Kisumu and Eldoret regions while Ms Caroline Bello, Mr. Jamshed Ali, Mr. Thomas L. Lerenten and Mr. Mike Macharia of the Standards & Quality Assurance Committee and the Licensing & Tourism Support Services Committee visited the Mombasa & Malindi regions.



<b>No</b>	<b>Name</b>	<b>Position</b>	<b>Meetings Attendance FY 2018/2019</b>
1.	Dr. Modercai Ogada	Independent Director	2/3
2.	Mrs. Joyce M. Nderitu	Independent Director	3/3
3.	Mr. Paul Leringato, HSC	Independent Director	3/3
4.	Margaret M. Byama (Mrs.), HSC	Alternate to PS, Tourism	1/3
5.	Augustine Oundo	Alternate to PS, Tourism	1/3
6.	Ms. Naomi Matheri	Alternate to CS, National Treasury	3/3

**ii) Finance & Administration Committee**

The Finance and Administration Committee exercises policy oversight of the Authority's information technology, human and financial resources and achievement of the Authority's Objectives through alignment of said resources.

<b>No</b>	<b>Name</b>	<b>Position</b>	<b>Meetings Attendance FY 2018/2019</b>
1.	Mrs. Roselyn C. Lang'at	Independent Director	3/3
2.	Ms. Caroline Bello	Independent Director	3/3
3.	Mr. Mike Macharia	Independent Director	3/3
4.	Margaret M. Byama (Mrs.), HSC	Alternate to PS, Tourism	1/3
5.	Augustine Oundo	Alternate to PS, Tourism	1/3
6.	Mr. Jamshed Ali	Alternate to PS, Planning and Statistics	3/3
7.	Ms. Naomi Matheri	Alternate to CS, National Treasury	2/3

**iii) Standard & Quality Assurance Committee**

The Standards & Quality Assurance Committee reviews and recommends policies on matters standards, quality assurance, classification results, draft regulations, standards, guidelines, classification criteria and tools to the Board for adoption and approval.

The independent board members' term ended on 2<sup>nd</sup> October, 2018 and no board meetings were held from then to date. None the less, the Chairman of the Authority continued executing his functions on behalf of the board and attended several activities and meetings;

**SCHEDULE OF ACTIVITIES**

<b>PARTICULARS</b>	<b>DATE</b>
Performance Contract Negotiations	28 <sup>th</sup> August, 2018
FY 2018/2019 Budget Defence	29 <sup>th</sup> August, 2018
Signing of the Annual Report & Financial Statements for the FY 2017/2018	27 <sup>th</sup> September, 2018
2018 National Dialogue Conference on Values & Principles	18 <sup>th</sup> December, 2018
Signing of the Performance Contract 2018/2019	14 <sup>th</sup> January, 2019
Signing of the Proposed Budget for the FY 2019/2020	28 <sup>th</sup> January, 2019
Closing of the Authority's Strategic plan 2018-2022 Workshop	7 <sup>th</sup> March, 2019
National Assembly Departmental Committee on Sports , Culture & Tourism Retreat on Budget Implementation	3 <sup>rd</sup> – 4 <sup>th</sup> May, 2019
Authority's Strategic plan (2018-2022) Stakeholder Validation Workshop	6 <sup>th</sup> May, 2019
Briefing on Amendments to the Tourism Act, 2011	7 <sup>th</sup> May, 2019
Signing of the Audited Financial Reports for the FY 2017/2018	21 <sup>st</sup> May, 2019
Briefing on the County Tourism Bill, 2019	29 <sup>th</sup> May, 2019
Attendance to Cabinet Secretary, Tourism & Wildlife Offices	30 <sup>th</sup> May, 2019
Attendance to Cabinet Secretary, Tourism & Wildlife Offices	12 <sup>th</sup> June, 2019
Briefing on the County Tourism Bill, 2019 Memoranda prepared by the Authority	17 <sup>th</sup> June, 2019
Public Hearing of County Tourism Bill 2019	18 <sup>th</sup> June, 2019
Visit to the Authority's Regional Offices	21 <sup>st</sup> -28 <sup>th</sup> June, 2019

**Surplus remission**

In accordance with Section 219 (2) of the Public Financial Management Act regulations, Tourism Regulatory Authority (T.R.A) under the FY 2017/2018 remitted Kshs. 31, 423,300 into Consolidated Fund, being ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. **See Appendix III**

**Auditors**

The Auditor General is responsible for the statutory audit of the Tourism Regulatory Authority in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the period ended June 30, 2019 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



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**Carolynne Sein**  
**Legal Officer**

**Date: 1.8.08/20**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

The Directors are responsible for the preparation and presentation of the Authority's financial statements, which give a true and fair view of the state of affairs of the TRA for and as at the end of the financial year ended on June 30, 2019. These responsibilities include:

- (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 Authority
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Authority financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act under section 14. The Directors are of the



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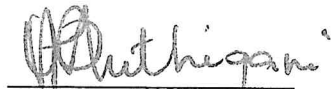
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opinion that the Authority financial statements give a true and fair view of the state of TRA transactions during the financial year ended June 30, 2019, and of the entity's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the Authority financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The TRA financial statements were approved by the Board on 30/09/2019 and signed on its behalf by:



Pauline W. Muthigani  
**Chairperson**



Mr. Kipkorir Lagat  
**Director General**

\*\*During the period under review, Mr. Sammy N. Ngumbao was the board chairman and his term of appointment ended on 16<sup>th</sup> October 2019. Ms. Pauline W. Muthigani was appointed as the new board chairperson vide Gazette Notice No. 9823 on the same date. (See Appendix II).

# REPUBLIC OF KENYA

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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON TOURISM REGULATORY AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2019

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Tourism Regulatory Authority set out on pages 1 to 28 which comprise the statement of financial position as at 30 June, 2019, and the statement of financial performance, statement of changes in equity, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Tourism Regulatory Authority as at 30 June, 2019, and its financial performance cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Tourism Act No.28 of 2011.

#### Basis for Qualified Opinion

##### 1.0 Unconfirmed Receipts from State Department of Tourism

The statement of financial performance reflects National Government grants totalling Kshs.180,854,139 received from the State Department of Tourism in the year under review, as further disclosed in Note 7 to the financial statements. However, examination of the Department's accounts revealed that disbursements to the Authority in the year under review totalled Kshs.158,854,139 only. The variance amounting to Kshs.22,298,000 between grant records in the two entities was not explained.

As a result, the accuracy and completeness of the National Government grants balance totalling Kshs.180,854,139 reflected in the statement of financial performance could not be confirmed.



## **2.0 Unrecognized Assets**

The statement of financial position reflects property, plant and equipment balance totalling Kshs.74,255,522 as at 30 June, 2019. However, the schedule of the assets provided for audit did not include some assets reflected in the Authority's electronic manual asset registers. Further, as similarly reported in the previous year, the Authority did not include in its books assets worth Kshs.54,363,550 inherited from the Ministry of Tourism and from which the Authority derived economic benefit in the year under review.

In view of these issues, the accuracy and completeness of the property, plant and equipment balance totalling Kshs.74,255,522 could not be confirmed.

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

### **Key Audit Matters**

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

### **Other Matter**

#### **1.0 Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects budgeted and actual revenue totalling Kshs.395,856,000 and Kshs.402,527,571 respectively resulting in a surplus of Kshs.6,671,571. The revenue surplus resulted from unexpected receipts in license fees and arrears, rendering of services, and in other income.

The statement further reflects budgeted and actual expenditure of 395,856,000 and Kshs.363,289,699 respectively resulting in under-expenditure of Kshs.32,566,301. The under-expenditure mainly related to compensation of employees and other income.

Overall, the Authority recorded a surplus of Kshs. 39,237,872 that resulted from the revenue surplus and the under-expenditure.

#### **2.0 Prior Year Issues**

The report for the previous year raised staffing issues. Management has not indicated the status of the issues as at 30 June, 2019 and therefore these are considered as outstanding.

# 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, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

## **Basis for Conclusion**

### **1.0 High Wage Bill**

Examination of expenditure records indicated that the Authority spent Kshs.158,830,397 on compensation of employees in the financial year under review. The expenditure was equivalent to 39.5% of its revenue for the year totalling Kshs.402,527,571. The high ratio of employee expenses was contrary to Regulation 26(1)(a) of the Public Finance Management Act, 2015, Regulations which limits expenditure on compensation of employees in public entities to 35% of the revenue raised.

Consequently, the Management may have breached the law.

### **2.0 Incomplete Board of Directors**

Records on the Board of Directors indicated that the Authority operated without a full Board for nine months to June, 2019.

Minutes of the Technical Committee's meeting held on 22 January, 2019 indicated that, the Board Chairman expressed hope that a full Board would be in place before the lapse of the contract for the consultant appointed to write the Authority's Strategic Plan so that the members may provide input on the Plan. However, at the time of audit in October, 2019, the Board had not been appointed.

In the absence of a full board, effective stewardship of the Authority's mandate, and governance and oversight over its operations, were not properly established.

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



## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

#### **Lack of a Disaster Recovery Plan**

As similarly reported in the previous year, the Authority did not have a disaster recovery plan for its Information Communication Technology (ICT) system during the year under review. As a result, its operations may be disrupted on occurrence of unfavorable events that affect the system.

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 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 Board of Directors**

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

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

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

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

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

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control 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 control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability 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 Authority to cease to continue as sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Authority to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

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

**Nairobi**

**14 January, 2022**

**STATEMENT OF FINANCIAL PERFORMANCE AS AT 30 JUNE, 2019**

		<b>2018/2019</b>	<b>2017/2018</b>
<b>REVENUE</b>	<b>Note</b>	<b>Kshs.</b>	<b>Kshs.</b>
<b>Revenue from non exchange transactions</b>			
License Fees	6	200,960,800	138,331,174
Governments - grants	7	180,854,139	99,519,193
Deferred Income Recognised		<u>17,137,132</u>	<u>88,516,771</u>
<b>Total Revenue</b>		<b><u>398,952,071</u></b>	<b><u>326,367,138</u></b>
<b>Revenue from exchange transactions</b>			
Rendering of services (Grading of establishme	8	3,550,000	2,350,000
Other Incomes	9	<u>25,500</u>	<u>-</u>
		<b><u>3,575,500</u></b>	<b><u>2,350,000</u></b>
<b>Total revenue</b>		<b><u>402,527,571</u></b>	<b><u>328,717,138</u></b>
<b>EXPENSES</b>			
Employee costs	10	158,830,397	109,633,213
Board Expenses	11	10,148,973	25,437,729
Depreciation & Amortization expense	12	27,747,339	12,085,624
Repairs and maintenance	13	7,183,748	2,463,905
General expenses	14	158,942,064	143,867,698
Finance costs	15	<u>437,178</u>	<u>314,191</u>
<b>Total expenses</b>		<b><u>363,289,699</u></b>	<b><u>293,802,360</u></b>
<b>Surplus for the period</b>		<b>39,237,872</b>	<b>34,914,778</b>

The notes set out on pages 1 to 28 form an integral part of these Financial Statements

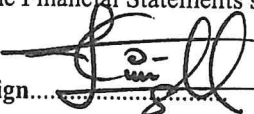





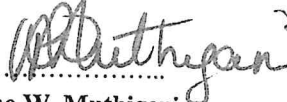
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2019**

ASSETS	Note	2018/2019	2017/2018
		Kshs.	Kshs.
<b>Current assets</b>			
Cash and cash equivalents	16	207,106,195	160,779,251
RECEIVABLES FROM NON - EXCHANGE transactions(Prepayments)	17	14,255,166	8,088,968
Inventories	18	3,038,116	1,676,734
Accrued G.O.K Grants		-	50,250,000
<b>Total Current Assets</b>		<b><u>224,399,477</u></b>	<b><u>220,794,954</u></b>
<b>Non-current assets</b>			
Property ,plant and equipment	19	74,255,522	56,097,744
Intangible assets	20	5,257,034	1,895,200
Intangible assets(W.I.P)		-	2,022,413
<b>Total Non-current assets</b>		<b><u>79,512,556</u></b>	<b><u>60,015,357</u></b>
<b>Total Assets</b>		<b>303,912,032</b>	<b>280,810,311</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	21	19,070,843	33,102,548
Employee benefit obligation	22	6,524,481	6,248,301
Deferred income	24	98,971,565	92,332,127
<b>Total liabilities</b>		<b><u>124,566,889</u></b>	<b><u>131,682,976</u></b>
<b>Net assets</b>			
Accumulated Reserves	25 (a)	43,593,635	44,798,817
Capital Fund	25 (b)	96,513,637	69,413,740
Surplus		39,237,872	34,914,778
<b>Total net assets</b>		<b><u>179,345,144</u></b>	<b><u>149,127,335</u></b>
<b>Total Net Assets &amp; Liabilities</b>		<b>303,912,032</b>	<b>280,810,311</b>

The Financial Statements set out on pages 1 to 28 were signed on behalf of the Board of Directors by:

Sign:   
 Kipkorir Lagat  
 Director General

Sign:   
 Nkatha Mugambi  
 Manager Finance & Accounts  
 ICPAK Mbr. No. 9687

Sign:   
 Pauline W. Muthigani  
 Chairperson

Date: 18/06/2020

Date: 17/06/2020

Date: 18/06/2020

*Tourism Regulatory Authority*  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2019**

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**STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE, 2019**

	Accumulated Reserves	Capital Fund	Total
<b>As at 1st July 2017</b>	44,798,817	-	44,798,817
Surplus 2017/2018	34,914,778	-	34,914,778
Capital/Development grants received during the year	-	24,148,680	24,148,680
Deferred Income Transfers to Capital Fund	-	45,265,060	45,265,060
<b>At June 30,2018</b>	<b>79,713,595</b>	<b>69,413,740</b>	<b>149,127,335</b>
Transfer from Deferred capital to retained earnings	4,198,976	-	4,198,976
90% Surplus FY 2016/2017 remitted to KRA	(40,318,935)	-	(40,318,935)
Deferred Income Transfers to Capital Fund	-	23,268,118	23,268,118
Capital items procured using Grants during the year	-	3,831,779	3,831,779
<b>Sub Totals</b>	<b>43,593,635</b>	<b>96,513,637</b>	<b>140,107,272</b>
Surplus (Current year)	39,237,872	-	39,237,872
<b>At June 30,2019</b>	<b>82,831,507</b>	<b>96,513,637</b>	<b>179,345,144</b>

In accordance with Section 219 (2) of the public Finance Management Act, 2015 Regulations requires Regulatory entities to remit into the Consolidated Fund, Ninety (90%) per centum of its surplus funds reported in the audited Financial Statements after the end of each financial year. Tourism Regulatory Authority remitted Kshs. 31, 423,300 to Kenya Revenue Authority being 90% of the surplus declared under the Audited Financial Statements for the FY 2017/2018.

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019**

		2018/2019	2017/2018
	Note	Kshs.	Kshs.
Surplus (Deficit) for the period		39,237,872	34,914,778
<b><u>Adjustments For:</u></b>			
Depreciation & Amortization	12	<u>27,747,339</u>	<u>12,085,624</u>
<b>Operating Profit before working capital changes</b>		<b><u>66,985,211</u></b>	<b><u>47,000,402</u></b>
(Increase) Decrease in receivables from non-exchange transactions	17	(6,166,198)	(7,224,945)
(Increase) Decrease in Inventory	18	(1,361,382)	(706,805)
Increase (Decrease) in Trade and other payables	21	(14,031,706)	21,473,082
Increase (Decrease) Employee benefit Obligation	22	276,180	1,086,311
Increase (Decrease) in Deferred Income	24	6,639,438	(41,871,078)
(Increase) Decrease in Accrued G.O.K Grants		<u>50,250,000</u>	<u>(50,250,000)</u>
<b>Net Cash used in Operating Activities</b>	<b>23</b>	<b><u>102,591,544</u></b>	<b><u>(30,493,034)</u></b>
<b>Cash flow from investing activities</b>			
Purchases of Fixed Asset (P.P & E)	19	(19,636,334)	(47,297,051)
Purchase of Intangible Asset (W.I.P)	20	-	(2,022,413)
Purchase of Intangible Asset	20	<u>(2,773,880)</u>	<u>(2,348,000)</u>
<b>Net Cash flow from investing Activities</b>		<b><u>(22,410,214)</u></b>	<b><u>(51,667,464)</u></b>
<b>Cashflows from Financing Activities</b>			
Surplus transfer to Exchequer		(40,318,935)	-
Increase in capital fund		<u>15,807,345</u>	<u>69,413,740</u>
<b>Cash flows from investing activities</b>		<b><u>(24,511,590)</u></b>	<b><u>69,413,740</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b><u>55,669,739</u></b>	<b><u>-12,746,758</u></b>
<b>Cash and cash equivalents at the start of the year</b>		<b>151,436,455</b>	<b>164,183,213</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>16</b>	<b>207,106,195</b>	<b>151,436,455</b>



*Юриш кеҗүүрү Амуруу*  
Annual Reports and Financial Statements  
For the year ended June 30, 2019

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2019

	ORIGINAL	ADJUSTMENTS	FINAL	ACTUAL ON	PERFORMANCE
	BUDGET	2018-2019	BUDGET	COMPARABLE	DIFFERENCES
	2018-2019	2018-2019	2018-2019	2018-2019	2018-2019
	KShs	KShs	KShs	KShs	KShs
<b>Revenue</b>					
Licenses Fee & Arrears	150,000,000	33,000,000	183,000,000	200,960,800	17,960,800
Government grants and subsidies	217,200,000	(4,344,000)	212,856,000	180,854,139	(32,001,861)
Rendering of services	-	-	-	3,575,500	3,575,500
Other Incomes(Deferred recognized)	-	-	-	17,137,132	17,137,132
<b>Total income</b>	<b>367,200,000</b>	<b>37,344,000</b>	<b>395,856,000</b>	<b>402,527,571</b>	<b>6,671,571</b>
<b>Expenses</b>					
Compensation of employees	178,869,122	(4,344,000)	174,525,122	158,830,397	(15,694,725)
Goods and services	146,209,976	30,150,000	176,359,976	173,557,894	(2,802,082)
Finance cost	350,000	100,000	450,000	437,178	(12,822)
Rent paid	31,678,842	-	31,678,842	30,464,230	(1,214,612)
Other payments (Capital Projects)	10,092,060	2,750,000	12,842,060		(12,842,060)
<b>Total expenditure</b>	<b>367,200,000</b>	<b>37,344,000</b>	<b>395,856,000</b>	<b>363,289,699</b>	<b>(32,566,301)</b>
<b>Surplus for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,237,872</b>	<b>39,237,872</b>

**Budget notes**

During the Financial year the Authority recurrent budget was subject to 2% reduction of (Kshs. 4,344,000). The Authority term of the independent board members expired on 2<sup>nd</sup> October, 2018 and no new board members were appointed since then. Therefore there was considerable savings under the two votes. The savings on the Personnel Emoluments Vote was deferred to cater for rationalised salaries under SRC approval.

**NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

Tourism Regulatory Authority (TRA) is a body corporate established under section 4 of the Tourism Act No.28 of 2011 and is mandated under section 7(1) to regulate the tourism sector in Kenya.

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

The financial statements have been prepared on a historical cost basis. The preparation is in conformity with International Public Sector Accounting Standards (IPSAS) that allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Authority accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note. 5.

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

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

**3. ADOPTION OF NEW AND REVISED STANDARDS**

**i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2019**

Standard	Impact
<b>IPSAS 40:</b> Public Sector Combinations	<b>Applicable: 1<sup>st</sup> January 2019</b> The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3. Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations. This standard has no impact to the Authority as there were no business combinations or acquisitions.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)**

**ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2019**

<b>Standard</b>	<b>Effective date and impact:</b>
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2022:</b>  The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.  IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul> <p>The Standard had no impact to the Authority.</p>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2022</b>  The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ol style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> </ol>

Standard	Effective date and impact:
	(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. The Standard had no impact to the Authority.

**iii. Early adoption of standards**

The entity did not early adopt any new or amended standards in year 2019.

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions **IPSAS 23****

**License Fees**

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

**Transfers from other government entities**

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



NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions IPSAS 9

**Rendering of services**

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

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

**Sale of goods**

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b) Budget information IPSAS 24**

The original budget for FY 2018-2019 was approved by the National Assembly on June 2018. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of Kshs. 33M on the 2018-2019 budget following the governing body's approval.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under page 5 of these financial statements.

**c) Property, plant and equipment IPSAS 17**

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

Property, Plant and equipment are depreciated on a reducing balance basis over their estimated useful lives at the following rates:

• Motor Vehicles	:	25%
• Furniture and Fittings	:	12.5%
• Office Equipment's	:	12.5%
• Computers and accessories	:	33.3%
• Motor Cycles	:	25%

A full year's depreciation is charged in the year of acquisition and none is charged on the year of disposal.

**d) Intangible assets IPSAS 31**

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

The useful life of the intangible assets is assessed as either finite or indefinite. Amortization is calculated on a straight line basis over estimated useful lives not exceeding a period of 5 years.

**e) Inventories IPSAS 12**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

**f) Nature and purpose of reserves**

The Entity creates and maintains reserves from the 10% surplus retained after submission of 90% in accordance with Section 219 (2)

**g) Changes in accounting policies and estimates**

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

**h) Employee benefits IPSAS 25**

**Retirement benefit plans**

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

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

**i) Related parties IPSAS 20**

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



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**j)Cash and cash equivalents**

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k) Comparative figures**

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

**l) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2019.

**5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION  
UNCERTAINTY**

The preparation of the Authority financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The Authority is assumed to operate into the foreseeable future.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

**Useful lives and residual values**

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

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes

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- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**6 LICENSE FEES, FINES & PENALTIES**

<b>Description</b>	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
License Fees, Fines & Penalty	200,960,800	138,331,174

This revenue refers to the License fees collected under the TRA mandate of regulating the Tourism sector through issuance of Licenses to the Tourism establishments / facilities as outlined under the ninth schedule of Tourism Act, 2012.

**7 TRANSFERS FROM OTHER GOVERNMENTS**

	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Unconditional grants</b>		
Operational grant	212,856,000	201,000,000
Development Grant	-	15,000,000
<b>Total</b>	<b>212,856,000</b>	<b>216,000,000</b>
<b>Conditional grants</b>		
Other Organizational Grants		-
<b>Total government grants and subsidies</b>	<b>212,856,000</b>	<b>216,000,000</b>

**7b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES**

<b>Entity sending the grant</b>	<b>Amount recognized to Statement of Comprehensive Income</b>	<b>Amount deferred</b>	<b>Amount recognised in capital fund.</b>	<b>Total grant income during the Year</b>
	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>
State Department of Tourism	180,854,139	28,170,082	3,831,779	212,856,000
<b>Total</b>	<b>180,854,139</b>	<b>28,170,082</b>	<b>3,831,779</b>	<b>212,856,000</b>

During the FY 2018-19, a total of Kshs. 212,856,000/= was received under recurrent grants. Kshs. 28,170,082 was deferred to FY 2019/20 for undertaking of capital processes that had been initiated but the process had not yet been completed .



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8 RENDERING OF SERVICES**

	<b>2018-2019</b>	<b>2017-2018</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Grading Fee	3,550,000	2,350,000

This is revenue realised from Tourism facilities that requires to be assessed and graded as provided under the EAC criteria. Currently under the 9th schedule of Tourism Act only class A & B facilities are being graded and a fee of Kshs 50,000/= is chargeable as provided under the TRA regulations.

**9 OTHER INCOMES**

	<b>2018-2019</b>	<b>2017-2018</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Sales from disposed items	25,500	-
<b>Total</b>	<b>25,500</b>	<b>-</b>

This is revenue realised from disposal of items /assets as outlined under PPDA 2015 and other incomes such as sale of tender.

**10 EMPLOYEE COSTS**

	<b>2018-2019</b>	<b>2017-2018</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Salaries and wages	99,533,009	98,011,633
Employee related costs - contributions to pensic	13,095,470	11,621,581
Travel, motor car, and other allowances	3,455,835	-
Housing benefits and allowances	42,746,083	-
<b>Total Employee costs</b>	<b>158,830,397</b>	<b>109,633,213</b>

This is the total expenses incurred under personnel Emoluments vote in the FY 2018-19. In last FY 2017-18 the allowances were lumped together with Salaries & wages hence the reason why there are no prior figures for that.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11 REMUNERATION OF DIRECTORS**

<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Chairman's Honoraria & Airtime	1,042,128	1,042,908
Directors emoluments (Sitting All)	3,400,000	6,860,000
Other allowances(Milleage,Subsistence )	5,706,845	17,534,821
<b>Total</b>	<b>10,148,973</b>	<b>25,437,729</b>

**12 DEPRECIATION AND AMORTIZATION EXPENSE**

	<b>2018-2019</b>	<b>2017-2018</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Property, plant and equipment	26,312,880	11,604,824
Intangible assets	1,434,459	480,800
<b>Total</b>	<b>27,747,339</b>	<b>12,085,624</b>

The Depreciation for the PPE was provided based on the approved policy rates of the Authority as provided under page 11 of the notes to the Financial Statements and Schedule of the PPE also provided under page 22.

**13 REPAIRS AND MAINTENANCE**

	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
General Repairs & ICT Consumables	4,540,390	627,622
M/Vehicles	2,643,358	1,836,282
<b>Total</b>	<b>7,183,748</b>	<b>2,463,905</b>

The Authority inherited various assets from the Ministry of Tourism. Most of which their useful lives have been exhausted. In order to ensure efficient and effective operations, the Authority services these assets regularly. The general repairs also includes expenses incurred towards asset valuation and development of an asset register for the Authority.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**14 GENERAL EXPENSES**

	<b>2018-2019</b>	<b>2017-2018</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Utilities	379,462	351,028
Communication Expenses	3,144,698	2,717,650
Travelling & Subsistence	10,290,342	38,592,072
Advertising & Publicity	2,783,746	4,668,247
Corporate Expenses	7,180,710	3,134,875
Newspapers & Periodicals	809,027	591,444
Tourism standards	8,669,516	6,251,709
Rent & Rates	30,464,230	31,311,872
Printing and stationery	4,015,482	2,406,725
Hospitality Services	2,888,866	6,582,501
Inspection and Enforcements	33,943,741	-
Temporary Committee	517,100	90,000
Cleaning Servises	3,283,166	1,865,400
Internet Expense	1,937,000	2,689,140
Quality Assurance	9,082,730	16,219,651
Fuel , Oil & Lubricants	4,110,044	3,301,011
Annual Tourism Status Report	3,335,150	3,973,828
Staff Development & Welfare	2,150,170	2,069,542
Professional Services(legal & Audit Fees)	2,645,455	1,841,100
Insurances	27,311,429	15,209,903
<b>Total general expenses</b>	<b>158,942,064</b>	<b>143,867,698</b>

These are expenses relating to the general operations of the Authority as well as execution of the core mandates as cited under the Tourism Act, 2011.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**15 FINANCE COSTS**

	<b>2018-2019</b>	<b>2017-2018</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Bank Charges / Commission	437,178	314,191
<b>Total</b>	<b>437,178</b>	<b>314,191</b>

This refers to the bank charges and commissions charged by the bankers for the two bank account the Authority operates.

**16 CASH AND CASH EQUIVALENTS**

	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Current account	206,741,774	160,378,654
Others(specify) Cash In hand	364,420	400,597
<b>Total</b>	<b>207,106,194</b>	<b>160,779,251</b>

**16 (a). DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS**

	<b>2018-2019</b>	<b>2017-2018</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Financial institution</b>		
Kenya Commercial bank	48,281,556	22,278,800
Cooperative bank of kenya	158,460,218	138,099,855
<b>Sub- total</b>	<b>206,741,774</b>	<b>160,378,654</b>
<b>16.(b) Others(specify)</b>		
	<b>Kshs</b>	<b>Kshs</b>
cash in hand	364,420	400,597
<b>Sub- total</b>	<b>364,420</b>	<b>400,597</b>
<b>Grand total</b>	<b>207,106,194</b>	<b>160,779,251</b>



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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**17 RECEIVABLES FROM NON-EXCHANGE CONTRACTS**

<b>Current Receivables</b>	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Prepayment for Fuel & Oil	2,027,591	1,187,013
Prepaid Insurances	11,893,531	6,595,648
Public Organizations	-	306,308
Other Prepayments (Subscriptio	265,504	
Otstanding Staff Imprest	68,540	-
<b>Total Current Receivables</b>	<b>14,255,166</b>	<b>8,088,968</b>

These are the various prepayments by the organization many based on the contract signed in order to ensure smooth provision of services by various suppliers such as staff medical insurance and fuelling of M/Vehicles. All the current receivables are ranging within 6months.

**18 INVENTORIES**

	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Consumable stores	3,038,116	1,676,734
<b>Total</b>	<b>3,038,116</b>	<b>1,676,734</b>

These are general stationery and supplies the Authority had in its stores as at closer of the Financial year.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**19 PROPERTY, PLANT AND EQUIPMENT**

Cost	Motor vehicles	Furniture and fittings	Capital W.I.P (Furniture and fittings)	Computers & other ICT electronics	Office Equipment	Total
	Shs	Shs	Shs	Shs	Shs	Shs
At 1st July 2017 (opening)	-	-	17,707,817	377,700	2,320,000	20,405,517
Additions	15,692,800	27,735,851	-	3,298,400	570,000	47,297,051
Disposals	-	-	-	-	-	-
Transfer/adjustments	-	17,707,817	(17,707,817)	-	-	-
At 30th June 2018	15,692,800	45,443,668	-	3,676,100	2,890,000	67,702,568
Additions	13,825,000	5,811,334	-	4,641,000	948,799	25,226,133
Disposals	-	-	-	-	-	-
Transfer/adjustments	18,200,000	1,044,525	-	-	-	19,244,525
At 30th June 2019	47,717,800	52,299,527	-	8,317,100	3,838,799	112,173,226
Depreciation and impairment						
At 1st July 2017	-	-	-	125,774	290,000	415,774
Depreciation	3,923,200	5,680,459	-	1,224,141	361,250	11,189,050
On Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-
At 30th June 2018	3,923,200	5,680,459	-	1,349,915	651,250	11,604,824
Depreciation	7,379,450	6,406,875	-	2,772,618	479,850	17,038,793
On Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Transfer/adjustment	9,100,000	174,088	-	-	-	9,274,088
At 30th June 2019	20,402,650	12,261,422	-	4,122,533	1,131,100	37,917,704
Net book values						
At 30 June 2019	27,315,150	40,038,105	-	4,194,567	2,707,699	74,255,522
At 30 June 2018	11,769,600	39,763,209	-	2,326,185	2,238,750	56,097,744

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**20 INTANGIBLE ASSETS-SOFTWARE**

<b>Description</b>	<b>2018-2019</b>	<b>2017-2018</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Cost</b>		<b>WIP</b>	
At beginning of the year	2,376,000		28,000
Additions	2,773,880	2,022,413	2,348,000
Transfers	2,022,413	(2,022,413)	
<b>At end of the year</b>	<b>7,172,293</b>	-	<b>2,376,000</b>
Additions-internal development	-	-	-
At end of the year	7,172,293	-	2,376,000
Amortization and impairment			
<b>At beginning of the yr</b>	<b>480,800</b>	-	<b>5,600</b>
Amortization	1,434,459	-	475,200
At end of the yr	1,915,259	-	480,800
Impairment loss		-	-
<b>At end of the yr</b>	<b>1,915,259</b>		<b>480,800</b>
<b>Net Book Value</b>	<b>5,257,034</b>		<b>1,895,200</b>

The Amortization of Kshs. 475,200 comprises of Kshs, 5,600/= plus Kshs. 469,600/=) based on amortization of Kshs. 28,000/= and Kshs 2,348,000/= where their useful lives is 5 yrs.

**21 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

<b>Description</b>	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Trade payables (Merchants)	8,506,494	23,250,824
Accruals	10,564,349	9,851,724
<b>Total</b>	<b><u>19,070,843</u></b>	<b><u>33,102,548</u></b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**22 EMPLOYEE BENEFIT OBLIGATIONS**

	<b>2018-2019</b>	<b>2017-2018</b>
		<b>TOTAL</b>
Statutory Deductions	2,905,266	3,987,519
Payroll Deductions	2,851,927	2,260,782
Salaries	767,289	-
<b>Total</b>	<b><u>6,524,481</u></b>	<b><u>6,248,301</u></b>

This relates to obligations relating to June 2019 payroll, mainly the statutory deductions which are due on 9<sup>th</sup> of the presiding month.

**23 CASH GENERATED FROM OPERATIONS**

<b>Description</b>	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Surplus for the year before tax	39,237,872	34,914,778
<b>Adjusted For:</b>		
Depreciation & Impairment	27,747,339	12,085,624
Gain & Losses on disposal of Assets	-	-
<b>Working Capital Adjustments</b>		
(Increase) / Decrease in Inventory	(1,361,382)	(706,805)
(Increase) / Decrease in Receivables	(6,166,198)	(7,224,945)
Increase / (Decrease) in Payables	(14,031,706)	21,473,082
Increase / (Decrease) in Deferred Income	6,639,438	(41,871,078)
Increase / (Decrease) in Employee Obligations	276,180	1,086,311
(Increase) / Decrease in Accrued Income	-	9,342,796
(Increase) / Decrease in Accrued Income	50,250,000	(50,250,000)
<b>Net Cash from Flow from Operating Activities</b>	<b><u>102,591,544</u></b>	<b><u>(21,150,237)</u></b>

**24 DEFERRED INCOME**

<b>24.(a)</b>	<b>2018-2019</b>	<b>2017-2018</b>
<b>Description</b>	<b>Kshs.</b>	<b>Kshs.</b>
Deferred Recurrents	89,961,344	92,332,127
Deferred Capital Grants	9,010,221	
<b>Total</b>	<b><u>98,971,565</u></b>	<b><u>92,332,127</u></b>

**24(b) Deferred income movement is as follows;**

<b>Description</b>	<b>2018-2019</b>	<b>2017-2018</b>
Balance Brought Forward	92,332,127	133,781,831
<b>Additions: For the year</b>	<b>28,170,082</b>	<b>92,332,127</b>
Transfer to capital fund	(21,530,644)	(45,265,060)
Transfer to Income Statements	-	(88,516,771)
<b>Balance Carried Forward</b>	<b><u>98,971,565</u></b>	<b><u>92,332,127</u></b>



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**25 ACCUMULATED RESERVES & CAPITAL FUND**

<b>25.(a) Accumulated Reserves</b>	<b>2018-2019</b>	<b>2017-2018</b>
<b>Description</b>	<b>Kshs.</b>	<b>Kshs.</b>
<b>Balance b/f</b>	<b>79,713,595</b>	<b>44,798,817</b>
Transfer to KRA (90%) Surplus	(40,318,935)	-
Transfer from Deferred Capital	4,198,976	-
<b>Balance As At June 2019</b>	<b>43,593,635</b>	<b>44,798,817</b>
Transfer of Surplus to Reserves	-	34,914,778
<b>Total Accumulated Reserves</b>	<b>43,593,635</b>	<b>79,713,595</b>

<b>25.(b) Capital Fund</b>	<b>2018-2019</b>	<b>2017-2018</b>
<b>Description</b>	<b>Kshs.</b>	<b>Kshs.</b>
<b>Balance b/f</b>	<b>69,413,740</b>	-
Deffered/Transferred capital Income	23,268,118	45,265,060
Current yr Capitalised Income	3,831,779	24,148,680
<b>Total Capital Fund</b>	<b>96,513,637</b>	<b>69,413,740</b>

The capital account increased with KShs 27,099,898/= however this included the direct transfer of asset worth KShs. 11,292,553/= hence leaving the net increment of capitalised income of KShs. 15,807,345/=

**26 FINANCIAL RISK MANAGEMENT**

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

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

**(i) Liquidity risk management**

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

The table below represents cash flows payable by the entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

**(i) Liquidity risk management (Continued)**

	Less than 1 month Kshs	Between 1-3 months Kshs	Over 5 months Kshs	Total Kshs
<b>At 30 June 2019</b>				
Trade payables	-	8,506,494	-	8,506,494
Deferred income	-	-	-	99,007,855
Employee benefit obligation	6,524,481	-	-	6,524,481
<b>Total</b>	<b>6,524,481</b>	<b>8,506,494</b>	<b>-</b>	<b>114,038,830</b>
<b>At 30 June 2018</b>				
Trade payables	-	23,250,824	-	
Deferred income	-	92,332,127	-	92,332,127
Employee benefit obligation	6,248,301	-	-	6,248,301
<b>Total</b>	<b>6,248,301</b>	<b>115,582,951</b>	<b>-</b>	<b>98,580,428</b>

**(iii) Market risk**

The board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day to day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**27 RELATED PARTY BALANCES**

**Nature of related party relationships**

Entities and other parties related to the entity include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

**Government of Kenya**

The Government of Kenya is the principal shareholder of the Tourism Regulatory Authority (T.R.A) holding 100% of the entity's equity interest. Other related parties include:

- i) The Parent Ministry;
- ii) Board of Directors
- iii) Key Management

<b>Description</b>	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Transactions with related parties</b>		
<b>a) Grants from the Government</b>		
Recurrent Grants from National Govt	212,856,000	216,000,000
<b>b) Key management compensation</b>		
Compensation to the Director General	5,221,600	2,529,600
Compensation to Directors	9,271,968	9,033,720
Compensation to key management	23,650,680	22,210,680
<b>Total</b>	<b>38,144,248</b>	<b>33,774,000</b>
<b>Gross Amount</b>	<b>251,000,248</b>	<b>249,774,000</b>

**28 CAPITAL COMMITMENTS**

<b>Capital commitments</b>	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Authorised and contracted ERP System	N/A	15,000,000

This is in accordance with IPSAS 17. The ERP System was part of the automation of Tourism Regulatory Information System (TRIMS) project. During the FY 2017/18 it was approved as a priority project under the Ministry of Tourism Capital Item with a costing of Kshs. 120 Million. The project was subjected to 87.5% austerity measures reducing it to 15 Million. The ERP part of the TRIMS project is ongoing and expected to be completed under FY 2019-20.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**29 SURPLUS REMISSION**

In accordance with Section 219 (2) of the Public Financial Management Act regulations, Tourism Regulatory Authority (T.R.A) under the FY 2017/2018 remitted **Kshs. 31,423,300/=** into Consolidated Fund, being ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year.

**See Appendix III**

**30 EVENTS AFTER THE REPORTING PERIOD**

There were no material adjusting events after the reporting period.

**31 ULTIMATE AND HOLDING ENTITY**

The entity is a State Corporation under the Ministry of Tourism and Wildlife. Its ultimate parent is the Government of Kenya.

**32 Currency**

The financial statements are presented in Kenya Shillings (Kshs).

**APPENDIX I: INTER-ENTITY TRANSFERS**

**TOURISM REGULATORY AUTHORITY**

**Break down of Transfers from the State Department of Tourism**

Period	Recurrent Grants		Indicate the FY to which the amounts relate
	Bank Statement Date	Amount (KShs)	
1 <sup>st</sup> Quarter	12/09/2018	54,300,000	FY 2018-2019
2 <sup>nd</sup> Quarter	10/12/2018	54,300,000	FY 2018-2019
3 <sup>rd</sup> Quarter	18/02/2019	51,404,000	FY 2018-2019
4 <sup>th</sup> Quarter	14/05/2019	52,852,000	FY 2018-2019
	<b>Total</b>	<b>212,856,000</b>	

The above amounts have been communicated to and reconciled with the parent Ministry (State Department of Tourism). **See Appendix I**







MINISTRY OF TOURISM AND WILDLIFE

TOURISM REGULATORY AUTHORITY  
P. O. Box 25357 - 00100, NAIROBI  
**RECEIVED**  
21 AUG 2019  
OFFICE OF THE DIRECTOR GENERAL

Telephone: +254-20-2724725/646  
Email : [ps@tourism.go.ke](mailto:ps@tourism.go.ke)  
Website: [www.tourism.go.ke](http://www.tourism.go.ke)  
When replying please quote;

NSSF Building, Block A  
15<sup>th</sup> Floor, Eastern Wing  
P.O BOX 30340-00100  
NAIROBI

20<sup>th</sup> August, 2019

REF.MOT/ACCTS/5/21/VOL.II/119

The Director General  
Tourism Regulatory Authority  
NAIROBI

RE: INTER-ENTITY CONFIRMATION LETTER

The Ministry of Tourism and Wildlife wishes to confirm the amount disbursed to you as at 30<sup>th</sup> June, 2019 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate them in Column 'E' in the table below. Then please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Tourism Regulatory Authority as at 30 <sup>th</sup> June, 2019							
Reference Number	Date Disbursed	Amounts disbursed by Ministry of Tourism and Wildlife As at 30 <sup>th</sup> June, 2019				Amount Received by (SAGA/SC/Fund/Project) as at 30/06/2019 (Kes) (E)	Difference (Kes) (F)=(D-E)
		Recurrent (Kes) (A)	Development (Kes) (A)	Inter-Ministerial (Kes) (C)	Total (Kes) (D)=(A+B+C)		
FT/8255F C4LY	12/09/2018	54,300,000.00	N/A	N/A	54,300,000.00	54,300,000	N/A
<b>TOTAL</b>		<b>54,300,000.00</b>			<b>54,300,000.00</b>	<del>54,300,000</del>	

I confirm that the amount shown above are correct as of the date indicated

Head of Accounts Department

Name: J. MUGAMBI

Signature:

Date: 23/08/2019

Yours faithfully

Richard K. Mwangi  
For: PRINCIPAL SECRETARY

Copy To: Director General, Accounting Services and Quality Assurance  
The National Treasury



MINISTRY OF TOURISM AND WILDLIFE  
STATE DEPARTMENT FOR TOURISM

TOURISM REGULATORY AUTHORITY  
P.O. Box 25357-00100, NAIROBI  
**RECEIVED**  
21 AUG 2019  
(101)  
OFFICE OF THE DIRECTOR GENERAL

Telephone: +254-20-2724725/646  
Email: [ps@tourism.go.ke](mailto:ps@tourism.go.ke)  
Website: [www.tourism.go.ke](http://www.tourism.go.ke)  
When replying please quote;

NSSF Building, Block A  
15<sup>th</sup> Floor, Eastern Wing  
P.O BOX 30340-00100  
NAIROBI

20<sup>th</sup> August, 2019

REF.MOT/ACCTS/5/21/VOL.II/114

The Director General  
Tourism Regulatory Authority  
NAIROBI

RE: INTER-ENTITY CONFIRMATION LETTER

The State Department for Tourism wishes to confirm the amount disbursed to you as at 30<sup>th</sup> June, 2019 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate them in Column 'E' in the table below. Then please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Tourism Regulatory Authority as at 30 <sup>th</sup> June, 2019							
Reference Number	Date Disbursed	Amounts disbursed by State Department for Tourism As at 30 <sup>th</sup> June, 2019			Total (Kes) (D) =(A+B+C)	Amount Received by (SAGA/SC/Fund/Project) as at 30/06/2019 (Kes) (E)	Difference (Kes) (F)=(D-E)
		Recurrent (Kes) (A)	Development (Kes) (A)	Inter-Ministerial (Kes) (C)			
FT1834437 IJ	10/12/2018	54,300,000.00	N/A	N/A	54,300,000.00	54,300,000.00	NIL
FT19049V HSH3	18/02/2019	51,404,000.00	N/A	N/A	51,404,000.00	51,404,000.00	NIL
FT191349C QMK	14-05-2019	52,852,000.00	N/A	N/A	52,852,000.00	52,852,000.00	NIL
<b>TOTAL</b>		<b>158,556,000.00</b>			<b>158,556,000.00</b>	<b>158,556,000.00</b>	

I confirm that the amount shown above are correct as of the date indicated

Head of Accounts Department  
Name: J. MUGAMBI Signature: [Signature]  
Date: 23/08/2019

Yours faithfully

[Signature]  
Richard K. Mwangi  
For: PRINCIPAL SECRETARY

Copy To: Director General, Accounting Services and Quality Assurance  
The National Treasury

# SPECIAL ISSUE



# THE KENYA GAZETTE

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NAIROBI, 17th October, 2019

Price Sh. 60

GAZETTE NOTICE No. 9820

## THE PUBLIC FINANCE MANAGEMENT ACT

(No. 18 of 2012)

### THE PUBLIC FINANCE MANAGEMENT (UWEZO FUND) REGULATIONS, 2014

(No. 21 of 2014)

#### APPOINTMENT

IN EXERCISE of the powers conferred by paragraph 5 (2) (a) of the Public Finance Management (Uwezo Fund) Regulations, 2014, I, Uhuru Kenyatta, President and Commander-in-Chief of the Defence Forces of the Republic of Kenya, appoint—

LOSENGE TUROP (PROF.)

to be the Chairperson of the Uwezo Fund Oversight Board, for a period of three (3) years, with effect from the 16th October, 2019.

Dated the 16th October, 2019.

UHURU KENYATTA,  
*President.*

GAZETTE NOTICE No. 9821

## THE PUBLIC FINANCE MANAGEMENT ACT

(No. 18 of 2012)

### THE GOVERNMENT FINANCIAL MANAGEMENT (WOMEN ENTERPRISE FUND) REGULATIONS, 2007

(L.N. 147 of 2007)

#### APPOINTMENT

IN EXERCISE of the powers conferred by paragraph 5 (1) (a) of the Government Financial Management (Women Enterprise Fund) Regulations, 2007, I, Uhuru Kenyatta, President and Commander-in-Chief of the Defence Forces of the Republic of Kenya, appoint—

NJOKI KAHIGA

to be the Chairperson of the Women Enterprise Fund Advisory Board, for a period of three (3) years, with effect from the 16th October, 2019.

Dated the 16th October, 2019.

UHURU KENYATTA,  
*President.*

GAZETTE NOTICE No. 9822

## THE STATE CORPORATIONS ACT

(Cap. 446)

### THE YOUTH ENTERPRISE DEVELOPMENT FUND ORDER, 2007

(L.N. 63 of 2007)

#### APPOINTMENT

IN EXERCISE of the powers conferred by section 6 (1) (a) of the State Corporations Act and Paragraph 5 (2) (a) of the Youth Enterprise Development Fund Order, 2007, I, Uhuru Kenyatta, President and Commander-in-Chief of the Defence Forces of the Republic of Kenya, appoint—

VICTOR MWONGERA (DR.)

to be the Non-Executive Chairperson of the Youth Enterprise Development Fund Board, for a period of three (3) years, with effect from the 16th October, 2019.

Dated the 16th October, 2019.

UHURU KENYATTA,  
*President.*

GAZETTE NOTICE No. 9823

## THE TOURISM ACT

(No. 28 of 2011)

### THE TOURISM REGULATORY AUTHORITY

#### APPOINTMENT

IN EXERCISE of the powers conferred by section 8 (1) (a) of the Tourism Act, I, Uhuru Kenyatta, President and Commander-in-Chief of the Defence Forces of the Republic of Kenya, appoint—

PAULINE MUTHANGANI

to be the Non-Executive Chairperson of the Tourism Regulatory Authority, for a period of three (3) years, with effect from the 16th October, 2019.

Dated the 16th October, 2019.

UHURU KENYATTA,  
*President.*



## CORRIGENDA

IN Gazette Notice No. 9823 of 2019, *amend* the name printed as "Pauline Muthangani" to read "Pauline Wangui Muthigani"

IN Gazette Notice No. 4657 of 2019, Cause No. 50 of 2019, *amend* the petitioners' names printed as "(1) Benard Gichuki Kariuki and (2) Paul Mbugua Kariuki" to read "(1) Francis Chege Waihiga and (2) Peter Ng'ang'a Waihiga"

IN Gazette Notice No. 10218 of 2019, Cause No. 39 of 2018, *amend* the expression printed as "the deceased's daughter" to read "the deceased's widow"

IN Gazette Notice No. 8743 of 2019, Cause No. 187 of 2019, *amend* the petitioner's name printed as "Njeri Kimani" to read "M. Njeri Kimani"

IN Gazette Notice No. 6664 of 2019, Cause No. 140 of 2019, *amend* the expression printed as "the deceased's executor, for a grant of letters of administration to the estate of" to read "the executor named in the deceased's last will, for a grant of probate of written will to the estate of"

IN Gazette Notice No. 8255 of 2019, Cause No. 190 of 2019, *amend* the date of death printed as "4th October, 2018" to read "14th June, 2000"

IN Gazette Notice No. 5461 of 2018, *amend* the expression printed as "Cause No. 21 of 2018" to read "Cause No. 21 of 2017"

IN Gazette Notice No. 1378 of 2019, Cause No. 8 of 2019, *amend* the petitioner's names printed as "(1) Angelina Lawayo Randido and (2) Kennedy Otieno Lawayo, the deceased's widow and son, respectively" to read "Vitalis Osewe Owino, the deceased's son, and the date of death printed as "4th June, 1995" to read "20th June, 1986"

IN Gazette Notice No. 56018 of 2019, Cause No. 66 of 2019, *amend* the petitioner's name printed as "Pollinah Kavivi Nzuki" to read "Veronica Maumo Mulae" and the place of death printed as "Kitui" to read "Nzunguni"

GAZETTE NOTICE NO. 10405

## THE ENERGY ACT

(No. 1 of 2019)

## DECLARATION OF VACANCIES

IN EXERCISE of the powers conferred by section 26 (5) of the Energy Act, 2019 hereinafter referred to as the Act, the Cabinet Secretary for Energy declares vacancies in the position of Member of the Energy and Petroleum Tribunal and invites applications from suitably qualified persons for the position of Member of the Energy and Petroleum Tribunal.

Pursuant to section 26 (7) of the Act, all applications shall be made to the Chairman, Energy and Petroleum Tribunal Selection Panel within fourteen (14) days of the publication of this Notice.

(a) Qualification for Appointment as a Member of the Energy and Petroleum Tribunal

A person shall be qualified for appointment as a Member of the Tribunal under section 26 (1) of the Act, if that person —

- (i) is a citizen of Kenya;
- (ii) holds a degree in a relevant area from a University recognized in Kenya;
- (iii) is a member in good standing of the relevant professional association;
- (iv) meets the requirements of leadership and integrity set out in Chapter Six of the Constitution.

In addition to the above qualifications, the applicant should possess knowledge and experience in law, petroleum and energy pursuant to section 26 (1) (b) of the Act.

NB: For an applicant seeking to be elected as a Vice-Chairperson pursuant to section 26 (2) of the Act, such applicant must qualify to be a Judge of the High Court possessing at least five years' experience in energy and petroleum matters.

(b) Disqualification for Appointment as a Member of the Energy and Petroleum Tribunal

A person shall be disqualified for appointment as a Member of the Tribunal under section 26 (1) (b) of the Act, if that person is in the employment of the Government, Nuclear Power and Energy Agency or the Energy and Petroleum Regulatory Authority.

(c) Terms of Service

The members of the Tribunal shall hold office for a period of three years but shall be eligible for re-appointment for one further term, pursuant to section 26 (18) of the Act.

(d) How to Apply

- (i) All applications should be emailed to [eptribunal@energy.go.ke](mailto:eptribunal@energy.go.ke) and to be received on or before 5.00 p.m. on the 22nd November, 2019. Note that manual applications shall not be accepted.
- (ii) Each application should be accompanied by —
  - (a) a detailed curriculum vitae indicating the names and contacts of three (3) referees;
  - (b) clear scanned copies of the relevant academic and professional certificates, testimonials and other relevant supporting documents; and
  - (c) a clear scanned copy of the National Identity Card or Passport.

Note:

1. Shortlisted applicants shall be required to obtain and present during the interview, valid clearances from the following bodies so as to meet the requirements of Chapter Six of the Constitution of Kenya:

- (a) Kenya Revenue Authority;
- (b) Higher Education Loans Board;
- (c) Ethics and Anti-Corruption Commission;
- (d) Criminal Investigation Department; and
- (e) Credit Reference Bureau.

2. All applicants who responded to the advertisement of 27th August, 2019 to re-apply.

Dated the 4th November, 2019.

CHARLES KETER,  
Cabinet Secretary for Energy.

GAZETTE NOTICE NO. 10406

## THE WILDLIFE CONSERVATION AND MANAGEMENT ACT

(No. 47 of 2013)

## APPOINTMENT

IN EXERCISE of the powers conferred by section 3 of the Wildlife Conservation and Management Act, 2013, the Cabinet Secretary for the Ministry of Tourism and Wildlife appoints—

Margaret Nyabwari Mosee,  
Philip Kiprotich Rono,  
Frida Dermillah Obare,  
Esther Njeri Muchai,

to be licensing officers, for the purposes of all provisions of the Act.

Dated the 25th October, 2019.

NAJIB BALALA,  
Cabinet Secretary, Ministry of Tourism and Wildlife.





**CHAIRMAN'S STATEMENT ON TRA ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE FY 2018 / 19**

Following the expiry of the term of Six (6) independent board members on 2<sup>nd</sup> October, 2018, the Authority currently has no substantive board to hold scheduled meetings and deliberate on various issues. However, together with the Management and guidance from the Parent Ministry, we have continued to steer the organizations forward as we await for the board to be fully constituted. It is in this spirit that I have reviewed the Authority Annual Accounts and Financial Statements for the F/Y 2018/19 which have been prepared in accordance with the Accrual Basis of Accounting Method (IPSAS).

I therefore wish to direct the Management to submit the Annual report and Financial Statement for the FY 2018/19 to the Office of the Auditor General (O.A.G) with copies to the National Treasury and Ministry of Tourism and Wildlife in line with the PFM Act. No. 18 of 2012, Section 81.

Signature:.....  
Sammy Nyule Ngumbao  
Chairman of the Board

Date: 30/09/2019





Website: [www.tourismauthority.go.ke](http://www.tourismauthority.go.ke)

Telephone: +254 701 444 777

When replying please quote:

Ref: TRA HQ/3/2

HEADQUARTERS

UTALII HOUSE -5<sup>th</sup> FLOOR

P.O. Box 25357 - 00100

NAIROBI, KENYA

James Githii Mburu  
Commissioner General  
Kenya Revenue Authority  
NAIROBI.

COMMISSIONER GENERAL  
KENYA REVENUE AUTHORITY  
P.O. Box 48240-00100  
NAIROBI

Date: 2<sup>nd</sup> September, 2019

Dear *Bwana U*

*J. Mburu*  
5.9.2019  
Tel: 020-2817172

RE: PAYMENT OF SURPLUS FUNDS BY TOURISM REGULATORY AUTHORITY FOR THE FY 2017/2018 - KSHS 31,423,300/=

The above subject Refers.

In accordance with PFM Regulations 2015 Section 219 (2) Regulatory bodies are required to submit 90% of its Surplus funds reported in the Audited financial statements into the consolidated funds account. Tourism Regulatory Authority has since received the Audited Financial Reports for FY 2017/2018 from the office of the Auditor General (O.A.G) vide their letter Ref: AA/TRA/2017/2018(6).

The Authority has since submitted Ninety percent (90%) of the surplus funds for the audited period under reference amounting to Kshs. 31,423,300/= to the consolidated funds account as indicated below on 28<sup>th</sup> August 2019.

Account Name : Income Tax Main Collection Account  
Bank Name : Central Bank of Kenya  
Branch : Haile Selassie Avenue  
Account No. : 1000007338  
Swift Code : CBKEKENXCNY

Attached is a copy of the remittance advice from the bank. This is therefore to seek acknowledgement/receipt of the remitted funds.

Yours Faithfully

*[Signature]*  
Kipkorir Lagat  
DIRECTOR GENERAL  
Encl.



Customer Account Statement

Report Date: 28-Aug-2019

01141-  
GOVERNMENT  
CURRENT  
ACCOUNTS

Account No: 0114117358730  
IBAN: 0-KES  
From Date: 01-Aug-2019  
Account Name: ACCOUNTS  
To Date: 28-Aug-19

Sr.No	Date	Bank Reference No	Customer Reference No	Description	Debit Amount
80	28-Aug-2019	316cd7d9343cCHqJ	31T1535401	CBKEKENXXX INCOME TAX MAIN COLLECTIO/1000007338	31423300.00
81	28-Aug-2019	316cd7d9343cCHqJ	31T1535401	COMM 32 SWIFT	500.00
82	28-Aug-2019	316cd7d9343cCHqJ	31T1535401	EXCISE DUTY	100.00

This is a system generated statement and does not require a signature