REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

KENYA WILDLIFE SERVICE

FOR THE YEAR ENDED 30 JUNE, 2025

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REPORT OF THE AUDITOR-GENERAL ON KENYA WILDLIFE SERVICE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;

B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Wildlife Service set out on pages 1 to 46, which comprise of the statement of financial position as at 30 June, 2025, and the statement of profit or loss and other comprehensive income for the year and the 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 Kenya Wildlife Service as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Public Finance Management Act, 2012 and the Wildlife Conservation and Management Act, 2013.

Basis for Qualified Opinion

1. Failure to Reconcile Revenue

The statement of profit or loss and other comprehensive income reflects total revenue of Kshs.11,318,605,000. Included in the total is revenue turnover of Kshs.7,315,365,000 as disclosed in Note 6 to the financial statements which relates to park entry collection fees and accommodation through E-citizen payment platform. However, review of transactions revealed that the Service did not have access to all the invoices generated through the platform for revenue reconciliation. It was therefore not possible to ascertain and match the corresponding amount for the pending invoices, partially paid invoices and paid invoices against transfers from E-citizen payment platform.

In the circumstances, the accuracy and completeness of the turnover amount of Kshs.7,315,365,000 could not be confirmed.

2. Non-Disclosure of Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.5,104,267,000 as disclosed in Note 12 to the financial statements. However, the amount excludes one hundred and thirty-five (135) or approximately 48,000 km^2 (5.67 million hectares) of land comprising of national parks and reserves, sanctuaries, stations, out-posts and other land parcels owned by the Service. Review of ownership documents revealed that several land parcels remained un-surveyed, under dispute, encumbered by irregular allocations or pending at various stages of registration. Further, the fixed assets register reflects wildlife protection equipment such as rifles, binoculars, trap predators with a total book value of Kshs.67,969,577 which were not disclosed in the financial statements.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.5,104,267,000 could not be confirmed.

3. Non-Disclosure of Intangible Assets

The statement of financial position reflects property, plant and equipment balance of Kshs.5,104,267,000. However, the Service did not recognize various intangible assets owned by the entity which facilitated its conservation efforts. Management has been spending on strengthening efficiency and service delivery through enhancement of ICT infrastructure, including acquisition of servers and Wide Area Network (WAN) upgrades, upgrading internet connection to parks and upgrades on eCitizen revenue collection system into a comprehensive Revenue Management System.

In addition, the Service has running software's in operation which include; Earth Ranger Command and Control Platform, GIS and Remote Sensing Software, Park Monitoring and Management System, Case Evidence Management System and Sun System Software for accounting. However, the cost of the software was not provided for audit review.

Management asserts that it has been expensing intangible assets as per its Finance Policy which was contrary to International Accounting Standards No.38 which provides that intangible asset with finite useful life acquired separately are carried at cost less accumulated amortization.

In the circumstances, the accuracy and completeness of the total non-current assets balance of Kshs.5,104,267,000 could not be confirmed.

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

Material Uncertainty Related to Going Concern

The statement of profit or loss and other comprehensive income reflects operating loss of Kshs.1,352,754,000. Further, the current liabilities balance of Kshs.8,366,282,000 exceeded the current assets balance of Kshs.7,155,467,000 resulting in a negative working capital of Kshs.1,210,815,000. The ability of the Service to meet its short-term obligations as and when they fall due is dependent on the Government and creditors support.

In the circumstances, the Service is technically insolvent and the ability to continue with effective conservation services is doubtful.

My opinion is not modified in respect this matter

Emphasis of Matter

Budgetary Control and Performance

The Service spent a total of Kshs.12,728,165,000 against actual income of Kshs.11,375,411,000 resulting in an over-expenditure of Kshs.1,352,754,000 whose approval was not provided for audit review.

My opinion is not modified in respect this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion and Material Uncertainty Related to Going Concern sections, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance.

Review of the status during audit of the Kenya Wildlife Service in 2024/2025 revealed that the following matters remained unresolved.

	Financial Year	Audit Issue
1	2023/2024	Understatement of Turnover
2	2023/2024	Manual Invoicing of Other Incomes
3	2023/2024	Long Outstanding Trade and Other Receivables
4	2023/2024	Unsupported Bank and Cash Balance
5	2023/2024	Unsupported Trade Payables and Accruals
6	2023/2024	Irregular Amendment of Contract for Completion of Broad Walk Rehabilitation
7	2023/2024	Non-Compliance with Third Gender Rule on Recruitment
8	2023/2024	Weaknesses in Contract Administration
9	2023/2024	Outstanding Staff Imprest
10	2023/2024	Lack of Revenue Management System
11	2023/2024	Weaknesses in Inventory Management
12	2023/2024	Understaffing in the Service
13	2023/2024	Enhancement of Governance Systems for Security Related Expenditures

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Delayed Completion of Electric Fence Project

The contract for the construction of a 13 Km, 5-strand salient electric fence at Aberdare National Park was awarded at a contract sum of Kshs.35,624,235. The project commenced on 24 May, 2024, with an expected completion date of 31 December, 2024. However, physical inspection conducted in July, 2025 revealed that outriggers had not been installed along some sections of the fence, the structure housing the energizer equipment which provides solar power to the fence lacked a protective electric fence as per the project design and fabrication and installation of metallic gates for the energizer houses as provided for in the Bill of Quantities (BoQ) had not been undertaken.

In the circumstances, the regularity and value for money on the expenditure of Kshs.35,624,235 could not be confirmed.

2. Insufficient Autonomy in Revenue Management Processes

The statement of profit or loss and other comprehensive income reflects turnover of Kshs.7,315,365,000 as disclosed in Note 6 to the financial statements. The turnover represents revenue collected through e-Citizen platform. Review of revenue records revealed that the Service relies entirely on the e-Citizen platform for billing, collection and reporting of revenue. However, Management did not maintain an internal Revenue Management System or independent records to track, monitor and reconcile its revenue streams. This was contrary to Section 12(1)(e) of the Public Finance Management Act, 2012 that requires every public entity to ensure effective, efficient, economical and transparent use of financial resources, including proper systems for revenue management.

In the circumstances, the Service depends on reports generated by e-Citizen and The National Treasury Gross Domestic Performance (GDP) Unit for revenue recognition and reconciliation. The absence of an internal system limits the Service's ability to verify the accuracy, completeness and validity of revenue independently.

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

3. Failure to Establish Wildlife Endowment Fund

Review of Section 23 of the Wildlife Conservation and Management Act, 2013, revealed that the Service had not established a Wildlife Endowment Fund for the purposes of developing wildlife conservation initiatives, managing and restoring protected areas and conservancies, protecting endangered species habitats and ecosystems, supporting wildlife security operations, facilitating community-based wildlife initiatives and such other purposes that may be provided for by rules made under the Act.

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

4. Non-Compliance with Public Procurement Capacity Building Levy

Management did not deduct and remit a levy of 0.03% of the value of signed contracts (exclusive of taxes) as required by the order. This was contrary to the public procurement capacity building levy order, 2023 which stipulates that all procuring entities shall deduct and remit a levy of 0.03% of the value of signed contracts (exclusive of taxes). The levy applies to all procurement contracts signed from 01 September, 2024, including contract extensions, renewals, variations and long-term orders. Further, procuring entities are required to remit the levy by the 20th day of the subsequent month and submit monthly returns through the Public Procurement Information Portal (tenders.go.ke).

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

5. Failure to Report on Climate Related Expenditure

Review of the financial statements presented for audit revealed that the Appendix on reporting of Climate relevant expenditures was not included in the financial statements. The financial statements were therefore not prepared in conformity with the relevant accounting standards prescribed and published by the Public Sector Accounting Standards Board (PSASB) from time to time as prescribed in Section 81 (1) and (3) of the Public Finance Management Act, 2012.

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

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

REPORT ON 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 effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Weaknesses in Revenue Collection and Remittance of Revenue Through eCitizen

Analysis of settlement reports and bank records revealed that funds collected through the e-Citizen platform are remitted to the Service's revenue account on an irregular basis, ranging between zero (0) and twelve (12) days after invoices are settled and paid for. While Management indicated that attempts had been made through phone calls to engage eCitizen operators, no documentary evidence was provided for audit review. This was attributed to the absence of a formal Service Level Agreement (SLA) or structured settlement framework between the Service and the e-Citizen operators.

In the circumstances, the effectiveness of revenue controls in place could not be established.

2. Failure to Undertake Independent Exercise on Verification of Assets

Review of the Service fixed assets procedure manual on verification of assets revealed that the Service did not undertake the mandatory independent nationwide verification of assets in the last two years. Further, there was no assurance that disposals were appropriately recorded or that idle assets were identified through physical inspection. Field visits to Tsavo East and west, Chulu hills, Amboseli, Arberdares and Nakuru National Parks revealed instances of idle and obsolete assets, indicating lack of adherence to the asset's verification procedures manual.

In the circumstances, the effectiveness of internal controls implemented on safeguarding fixed assets could not be confirmed.

3. Unapproved Policy Documents

Review of the Service policy documents revealed that the Finance and Accounting Procedures Manual and ICT Policy were in draft stage and had not been signed or approved by the Board of Trustees.

In the circumstances, the effectiveness of the internal control procedures could not be confirmed.

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

Responsibilities of the Management and Board of Trustees

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

19 December, 2025