

REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE



REPORT

OF

THE AUDITOR-GENERAL

ON

REVENUE STATEMENT – MINISTRY OF  
INFORMATION, COMMUNICATIONS  
AND TECHNOLOGY

FOR THE YEAR ENDED  
30 JUNE 2014

*Paper Laid*  
*By Hon. A. Susate, MP*  
*on Thurs. 29.07.2015*  
*(P.D) M.M.W.*

# REPUBLIC OF KENYA

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## KENYA NATIONAL AUDIT OFFICE

### REPORT OF THE AUDITOR-GENERAL ON REVENUE STATEMENT- MINISTRY OF INFORMATION, COMMUNICATIONS AND TECHNOLOGY FOR THE YEAR ENDED 30 JUNE 2014

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#### REPORT ON THE FINANCIAL STATEMENT

I have audited the accompanying revenue statement of the Ministry of Information, Communications and Technology set out on pages 2 to 4, which comprise the statement revenue and transfers for the year ended 30 June 2014, 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 8 of the Public Audit Act, 2003. 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.

#### **Management's Responsibility for the Statement of Revenue**

The Accounting Officer-Ministry of Information, Communications and Technology is responsible for the preparation and fair presentation of this statement of revenue in accordance with International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable the preparation of financial statement that is free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission of the statement to the Auditor-General in accordance with the provisions of Section 4 of the Public Audit Act, 2003.

#### **Auditor-General's Responsibility**

My responsibility is to express an opinion on the statement based on the audit and report in accordance with the provisions of Section 9 of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the statement is free from material misstatement.

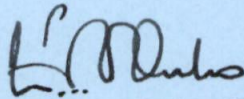
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those

risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the statement.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statement present fairly, in all material respects, the revenue operations of the Ministry of Information, Communications and Technology for the year ended 30 June 2014, in accordance with International Public Sector Accounting Standards (Cash Basis) and the Public Finance Management Act, 2012.



**Edward R. O. Ouko, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**30 April 2015**



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**MINISTRY OF INFORMATION, COMMUNICATIONS AND TECHNOLOGY**  
**REVENUE STATEMENT**

**FOR THE FINANCIAL YEAR ENDED**  
**30 JUNE 2014**

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

**MINISTRY OF INFORMATION, COMMUNICATIONS AND TECHNOLOGY  
REVENUE STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2014**

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**MINISTRY OF INFORMATION, COMMUNICATIONS AND TECHNOLOGY  
REVENUE STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2014**

**I. STATEMENT OF RECEIVER OF REVENUE'S RESPONSIBILITIES**

Section 82 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, a receiver of revenue for the national government shall prepare an account in respect of the revenue received and collected by the receiver during that financial year.

The Principal Secretary in charge of the Ministry of Information, Communications and Technology is responsible for the preparation and presentation of the receiver of revenue statement, which gives a true and fair view of the state of affairs of the Ministry of Information, Communications and Technology for the year ended 30 June 2014. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the status of the revenue collected by the Ministry; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the revenue report, and ensuring that they are free from material misstatements, whether due to error or fraud.

The Principal Secretary in charge of the Ministry Of Information Communication and Technology accepts responsibility for the Ministry's revenue statement, which has been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Principal Secretary is of the opinion that this revenue statement gives a true and fair view of the Ministry's revenue performance during the financial year ended 30 June 2014. The Principal Secretary in charge of the Ministry of Information, Communications and Technology further confirms the completeness of the accounting records maintained by the Ministry, which have been relied upon in the preparation of this statement as well as the adequacy of the systems of internal financial control.

The Principal Secretary in charge of the Ministry of Information, Communications and Technology confirms that the Ministry has complied fully with applicable Government Regulations and that the funds collected during the year were transferred to the Exchequer Account. Further the Principal Secretary confirms that this report has been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the Revenue Statement**

The revenue statement was approved and signed by the Principal Secretary on 29 September 2014.



**JOSEPH TIAMPATI OLE MUSUNI  
PRINCIPAL SECRETARY**

**MINISTRY OF INFORMATION, COMMUNICATIONS AND TECHNOLOGY  
REVENUE STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2014**

**II. STATEMENT OF REVENUES AND TRANSFERS**

	Note	2013-2014	2012-2013
		Kshs	Kshs
<b>NON TAX REVENUES</b>			
Classified Revenue	1	96,014,995	99,674,557
Other Revenue	2	6,684,455	-
<b>TOTAL NON TAX REVENUE</b>		<b>102,699,450</b>	<b>99,674,557</b>
<b>TOTAL REVENUE COLLECTED</b>		<b>102,699,450</b>	<b>99,674,557</b>
<b>APPROPRIATIONS IN AID</b>		96,000,000	99,674,557
<b>TRANSFERS TO EXCHEQUER ACCOUNT</b>		<b>6,484,455</b>	
<b>BALANCE BROUGHT FORWARD</b>		-	
<b>BALANCE CARRIED FORWARD</b>		<b>214,995</b>	-

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 29 September 2014 and signed by:



**JOSEPH TIAMPATI OLE MUSUNI  
PRINCIPAL SECRETARY**

**MINISTRY OF INFORMATION, COMMUNICATIONS AND TECHNOLOGY**  
**REVENUE STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**III. NOTES TO THE REVENUE STATEMENT**

**SIGNIFICANT ACCOUNTING POLICIES**

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

**1. Statement of Compliance and Basis of Preparation**

The revenue statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) under the Cash Basis of Accounting and relevant legal framework of the Government of Kenya. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the Ministry. The accounting policies adopted have been consistently applied to all the years presented.

The revenue statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the Ministry.

**2. Recognition of Revenue**

The Ministry recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the Ministry.

**3. Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the revenue statements. The revenue budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the revenue's actual performance against the comparable budget for the financial year under review has been included in to these revenue statements.

**4. Comparative Figures**

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

**5. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the revenue statements for the year ended June 30, 2014.

**MINISTRY OF INFORMATION, COMMUNICATIONS AND TECHNOLOGY  
REVENUE STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2014**

**IV. NOTES TO THE REVENUE STATEMENT (CONTINUED)**

1. CLASSIFIED REVENUE

	<b>Original Estimates</b>	<b>Revised Estimates</b>	<b>Actual</b>	<b>% Realized</b>
Licenses Under the Communications Act	4,000,000		4,000,000	
Sale of Goods and Fees for Services	-	80,000,000	80,000,000	
Examination and Tuition Fees	-	12,000,000	12,014,995	
<b>Total Revenue</b>	<b>4,000,000</b>	<b>92,000,000</b>	<b>96,014,995</b>	
Appropriations in Aid	4,000,000	92,000,000	96,000,000	
<b>Balance carried forward</b>			<b>14,995</b>	

2. OTHER REVENUE NOT CLASSIFIED ELSEWHERE

	<b>Original Estimates</b>	<b>Revised Estimates</b>	<b>Actual</b>	<b>% Realized</b>
Miscellaneous Revenue			6,68,4455	
<b>Total Revenue</b>			<b>6,684,455</b>	
Balance brought forward			-	
Transfers to the Exchequer account			6,484,455	
<b>Balance carried forward</b>			<b>200,000</b>	